

ANNUAL STATEMENT

For the Year Ended December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

NAIC Group Code **3548** **3548** NAIC Company Code **24767** Employer's ID Number **41-0406690**
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, APRIL 20, 1925 COMMENCED BUSINESS, APRIL 22, 1925

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**
Statutory Statement Contact: **Michael J. Doody (860) 277-3966**
Annual.Statement.Contact@travelers.com (860) 277-7002
(E-Mail Address) (Fax Number)

OFFICERS


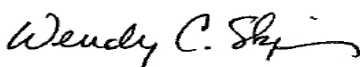
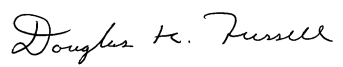
Name	Title	Name	Title
1. # BRIAN WILLIAM MacLEAN	Chairman, President & Chief Executive Officer	MARIA OLIVO	Executive Vice President, Strategic Development & Treasurer
2. JAY STEVEN BENET	Vice Chairman & Chief Financial Officer	DOREEN SPADORCIA	Executive Vice President, Claim
3. CHARLES JOSEPH CLARKE	Vice Chairman	KENNETH FRANKLIN SPENCE, III	Executive Vice President & General Counsel
4. WILLIAM HERBERT HEYMAN	Vice Chairman & Chief Investment Officer	GREGORY CHESHIRE TOCZYDLOWSKI	Executive Vice President, Personal Insurance
5. ALAN DAVID SCHNITZER	Vice Chairman & Chief Legal Officer	# DOUGLAS KEITH BELL	Senior Vice President, Accounting Policy
6. ANDY FRANCIS BESSETTE	Executive Vice President & Chief Administrative Officer	DOUGLAS KENNETH RUSSELL	Senior Vice President & Corporate Controller
7. JOHN PATRICK CLIFFORD, JR.	Executive Vice President, Human Resources	SCOTT WILLIAM RYNDA	Senior Vice President, Corporate Tax
8. WILLIAM EUGENE CUNNINGHAM, JR.	Executive Vice President, Business Insurance	WENDY CONSTANCE SKJERVEN	Associate Group General Counsel, Corporate & Corporate Secretary
9. WILLIAM PATRICK HANNON	Executive Vice President, Enterprise Risk Management & Business Conduct Officer	SMITESH DAVÉ	Vice President & Chief Corporate Actuary
10. # MADELYN JOSEPH LANKTON	Executive Vice President & Chief Information Officer		

DIRECTORS

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

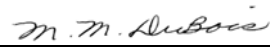
STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

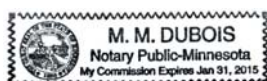
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any 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.

		
_____ Brian W. MacLean	_____ Wendy C. Skjerven	_____ Douglas K. Russell
_____ President	_____ Secretary	_____ Controller

Subscribed and sworn to before me this

24th day of January, 2012

 Notary Public
My Commission Expires January 31, 2015



a. Is this an original filing? Yes 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).....	10,805,141,236	0	10,805,141,236	10,839,088,635
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	6,384,220	0	6,384,220	6,580,400
2.2 Common stocks.....	3,573,945,905	12,573,530	3,561,372,374	3,513,889,812
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	43,900,000	0	43,900,000	45,226,315
3.2 Other than first liens.....	1,350,000	0	1,350,000	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	83,602,210	0	83,602,210	87,085,622
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	618,607,408	0	618,607,408	603,027,931
4.3 Properties held for sale (less \$.....0 encumbrances).....	6,115,676	0	6,115,676	0
5. Cash (\$.....28,345,945, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....152,727,182, Sch. DA).....	181,073,128	0	181,073,128	227,199,915
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	870,340,500	18,162,205	852,178,296	811,211,461
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	14,670,484	0	14,670,484	33,831,000
11. Aggregate write-ins for invested assets.....	(1,069,707)	0	(1,069,707)	(1,069,707)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,204,061,060	30,735,735	16,173,325,325	16,166,071,384
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	133,724,307	0	133,724,307	138,171,219
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	528,679,136	45,053,122	483,626,014	527,912,645
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....11,092,296 earned but unbilled premiums).....	948,959,341	7,311,483	941,647,858	907,292,930
15.3 Accrued retrospective premiums.....	46,950,702	797,079	46,153,623	48,448,909
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	78,385,210	0	78,385,210	83,224,465
16.2 Funds held by or deposited with reinsured companies.....	15,189,068	0	15,189,068	21,384,765
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.....	43,015,158	0	43,015,158	0
18.2 Net deferred tax asset.....	566,385,740	161,849,992	404,535,748	364,510,499
19. Guaranty funds receivable or on deposit.....	1,794,387	0	1,794,387	2,731,046
20. Electronic data processing equipment and software.....	340,676	0	340,676	346,959
21. Furniture and equipment, including health care delivery assets (\$.....0).....	16,241,227	16,241,227	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.....	0	0	0	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	99,599,090	6,594,790	93,004,300	96,824,406
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	18,683,325,104	268,583,429	18,414,741,674	18,356,919,227
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	18,683,325,104	268,583,429	18,414,741,674	18,356,919,227

DETAILS OF WRITE-INS

1101. Deferred gain/loss.....	(1,069,707)	0	(1,069,707)	(1,069,707)
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).....	(1,069,707)	0	(1,069,707)	(1,069,707)
2501. Equities and deposits in pools and associations.....	36,291,148	0	36,291,148	41,883,285
2502. Real estate operating fund.....	16,104,542	1,702,974	14,401,568	11,550,409
2503. Suspense, undistributed payments.....	13,980,190	0	13,980,190	12,397,488
2598. Summary of remaining write-ins for Line 25 from overflow page.....	33,223,212	4,891,816	28,331,395	30,993,224
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	99,599,090	6,594,790	93,004,300	96,824,406

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,714,594,475	7,537,768,939
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	289,002,328	300,862,924
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,779,413,979	1,779,650,483
4. Commissions payable, contingent commissions and other similar charges.....	140,550,156	132,868,393
5. Other expenses (excluding taxes, licenses and fees).....	123,035,873	121,210,594
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	92,404,767	96,456,108
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	22,179,007
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 \$....462,149,450 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	2,190,352,385	2,128,243,431
10. Advance premium.....	168,750	169,475
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	11,462,308	9,266,454
12. Ceded reinsurance premiums payable (net of ceding commissions).....	105,196,080	112,076,234
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	3,648,159	5,726,352
14. Amounts withheld or retained by company for account of others.....	56,866,654	47,113,704
15. Remittances and items not allocated.....	10,520,991	5,287,231
16. Provision for reinsurance (Schedule F, Part 7).....	33,952,412	50,226,659
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	5,847,677	(2,378,027)
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	43,145,576	156,947,425
20. Derivatives.....	0	11,625,000
21. Payable for securities.....	52,906,228	562,500
22. Payable for securities lending.....	14,670,484	33,831,000
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.....	33,398,638	(13,642,942)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	12,701,137,921	12,536,050,944
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	12,701,137,921	12,536,050,944
29. Aggregate write-ins for special surplus funds.....	156,357,030	143,154,166
30. Common capital stock.....	20,000,000	20,000,000
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.....	3,238,382,533	3,238,382,533
35. Unassigned funds (surplus).....	2,298,864,191	2,419,331,584
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).....	5,713,603,754	5,820,868,283
38. TOTALS (Page 2, Line 28, Col. 3).....	18,414,741,674	18,356,919,227

DETAILS OF WRITE-INS

2501. Other liabilities.....	43,235,851	515,192
2502. Investment real estate liability.....	17,424,621	17,060,565
2503. Interest deposit liability.....	600,321	624,053
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(27,862,156)	(31,842,752)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	33,398,638	(13,642,942)
2901. Special surplus for deferred taxes.....	129,562,945	112,105,046
2902. Special surplus from retroactive reinsurance.....	25,794,085	30,049,120
2903. Guaranty surplus fund.....	1,000,000	1,000,000
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).....	156,357,030	143,154,166
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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,882,136,325	4,702,263,702
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,113,466,942	2,356,855,795
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	599,549,147	553,960,780
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,563,566,009	1,517,450,526
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,276,582,097	4,428,267,100
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(394,445,772)	273,996,601
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	790,071,702	894,973,896
10. Net realized capital gains (losses) less capital gains tax of \$.....18,337,441 (Exhibit of Capital Gains (Losses)).....	2,826,208	(82,043,540)
11. Net investment gain (loss) (Lines 9 + 10).....	792,897,910	812,930,356
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(12,132,383) amount charged off \$.....2,390,991).....	(14,523,374)	(13,751,462)
13. Finance and service charges not included in premiums.....	22,598,552	22,860,716
14. Aggregate write-ins for miscellaneous income.....	(2,046,682)	(240,467)
15. Total other income (Lines 12 through 14).....	6,028,497	8,868,787
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	404,480,634	1,095,795,744
17. Dividends to policyholders.....	8,639,061	5,944,977
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).....	395,841,574	1,089,850,767
19. Federal and foreign income taxes incurred.....	(5,622,487)	177,360,281
20. Net income (Line 18 minus Line 19) (to Line 22).....	401,464,061	912,490,486
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,820,868,283	6,591,354,104
22. Net income (from Line 20).....	401,464,061	912,490,486
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,336,820.....	15,054,022	22,056,399
25. Change in net unrealized foreign exchange capital gain (loss).....	(22,521,830)	12,186,622
26. Change in net deferred income tax.....	2,656,238	(44,833,053)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(2,405,420)	91,853,233
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	16,274,247	22,998,643
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	0
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.....	0	66,657,328
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.....	(500,000,000)	(1,846,000,000)
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.....	(17,785,846)	(7,895,479)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(107,264,529)	(770,485,821)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	5,713,603,754	5,820,868,283
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. Change in COLI cash values.....	714,529	1,091,502
1402. Fines and penalties of regulatory authorities.....	(212,211)	(27,904)
1403. Retroactive reinsurance gain/loss.....	(1,234,719)	(530,472)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,314,280)	(773,593)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(2,046,682)	(240,467)
3701. Change in special surplus from deferred taxes.....	17,457,899	(7,895,479)
3702. Prior period adjustment.....	(35,243,745)	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).....	(17,785,846)	(7,895,479)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,950,110,087	4,645,629,501
2. Net investment income.....	850,370,988	1,002,183,381
3. Miscellaneous income.....	6,028,497	8,868,787
4. Total (Lines 1 through 3).....	5,806,509,572	5,656,681,669
5. Benefit and loss related payments.....	2,937,467,050	2,439,684,975
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,156,431,215	2,144,829,998
8. Dividends paid to policyholders.....	6,443,206	5,844,472
9. Federal and foreign income taxes paid (recovered) net of \$.....32,554,640 tax on capital gains (losses).....	77,909,119	139,429,976
10. Total (Lines 5 through 9).....	5,178,250,591	4,729,789,421
11. Net cash from operations (Line 4 minus Line 10).....	628,258,981	926,892,248
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,404,414,956	2,116,194,485
12.2 Stocks.....	44,324,835	109,752,350
12.3 Mortgage loans.....	1,000,000	2,975,000
12.4 Real estate.....	0	9,050,344
12.5 Other invested assets.....	144,807,169	66,928,182
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(2,142)	1,105
12.7 Miscellaneous proceeds.....	19,160,516	1,216,143
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,613,705,334	2,306,117,609
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,410,662,561	1,076,335,831
13.2 Stocks.....	71,112,748	226,457,821
13.3 Mortgage loans.....	2,655,477	782,104
13.4 Real estate.....	51,038,581	14,111,426
13.5 Other invested assets.....	177,690,212	223,371,931
13.6 Miscellaneous applications.....	(52,343,728)	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,660,815,852	1,541,059,113
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).....	(47,110,518)	765,058,496
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.....	0	66,657,328
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.....	500,000,000	1,846,000,000
16.6 Other cash provided (applied).....	(127,275,251)	(22,308,726)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(627,275,251)	(1,801,651,398)
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).....	(46,126,788)	(109,700,654)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	227,199,915	336,900,569
19.2 End of year (Line 18 plus Line 19.1).....	181,073,128	227,199,915
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Limited liability subsidiary dissolved.....	23,585,471	181,073,128
20.0002 Exchange of stock.....	1,798,168	0
20.0003 Bond converted to stock.....	6	0
20.0004 Capital contribution.....	0	66,657,328
20.0005 Stock converted to limited liability company.....	0	25,226,129

ST. PAUL FIRE AND MARINE INSURANCE 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.....	141,054,676	63,006,291	61,498,837	142,562,130
2. Allied lines.....	127,010,660	59,950,797	57,916,659	129,044,799
3. Farmowners multiple peril.....	40,284,247	17,956,885	19,399,282	38,841,850
4. Homeowners multiple peril.....	798,584,827	403,700,946	422,584,003	779,701,770
5. Commercial multiple peril.....	733,426,943	340,560,231	336,166,282	737,820,892
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	83,055,000	35,946,059	34,613,891	84,387,169
9. Inland marine.....	158,371,001	75,756,366	74,797,545	159,329,822
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(3,256)	(1,057)	(1,113)	(3,200)
11.2 Medical professional liability - claims-made.....	(610)	246	231	(595)
12. Earthquake.....	28,866,614	13,512,945	13,276,464	29,103,094
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.....	740,629,230	265,445,908	279,908,342	726,166,796
17.1 Other liability - occurrence.....	408,502,544	187,980,176	178,630,346	417,852,375
17.2 Other liability - claims-made.....	146,179,131	85,430,059	82,792,377	148,816,812
17.3 Excess workers' compensation.....	5,142,460	2,044,533	1,696,034	5,490,960
18.1 Products liability - occurrence.....	66,604,003	30,770,152	31,166,255	66,207,901
18.2 Products liability - claims-made.....	6,073,488	2,553,071	2,933,515	5,693,043
19.1, 19.2 Private passenger auto liability.....	516,416,200	162,443,586	175,695,349	503,164,437
19.3, 19.4 Commercial auto liability.....	414,139,538	181,676,792	186,681,274	409,135,056
21. Auto physical damage.....	423,001,394	149,273,229	155,573,823	416,700,799
22. Aircraft (all perils).....	1,739	0	0	1,739
23. Fidelity.....	16,699,493	9,624,587	10,281,750	16,042,330
24. Surety.....	7,699,182	(950,955)	(1,150,263)	7,898,490
26. Burglary and theft.....	2,184,139	1,093,658	1,088,044	2,189,753
27. Boiler and machinery.....	44,782,750	20,202,488	20,097,815	44,887,423
28. Credit.....	2,745	14,642	3,665	13,721
29. International.....	1,082,750	97,018	48,738	1,131,030
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	7,284,356	53,715	3,342,664	3,995,406
32. Reinsurance - nonproportional assumed liability.....	4,441,183	3,015,925	2,721,796	4,735,312
33. Reinsurance - nonproportional assumed financial lines.....	440,536	309,483	385,637	364,381
34. Aggregate write-ins for other lines of business.....	1,411,458	18,482	569,110	860,830
35. TOTALS.....	4,923,368,421	2,111,486,259	2,152,718,354	4,882,136,325

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	1,411,458	18,482	569,110	860,830
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).....	1,411,458	18,482	569,110	860,830

ST. PAUL FIRE AND MARINE INSURANCE 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.....	59,528,082	2,676,772	(706,017)	0	61,498,837
2. Allied lines.....	55,496,739	2,424,060	(4,140)	0	57,916,659
3. Farmowners multiple peril.....	19,889,108	(489,826)	0	0	19,399,282
4. Homeowners multiple peril.....	422,942,720	(358,717)	0	0	422,584,003
5. Commercial multiple peril.....	337,221,950	(477,392)	(578,276)	0	336,166,282
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	33,068,442	2,717,471	(1,172,022)	0	34,613,891
9. Inland marine.....	60,402,509	15,305,218	(910,181)	0	74,797,545
10. Financial guaranty.....	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	(1,113)	0	0	0	(1,113)
11.2 Medical professional liability - claims-made.....	231	0	0	0	231
12. Earthquake.....	12,636,473	640,076	(85)	0	13,276,464
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.....	311,082,521	93,090	(5,826,794)	(25,440,474)	279,908,342
17.1 Other liability - occurrence.....	178,699,235	53,159	31,813	(153,861)	178,630,346
17.2 Other liability - claims-made.....	71,061,026	11,708,770	22,582	0	82,792,377
17.3 Excess workers' compensation.....	1,599,971	103,995	(7,933)	0	1,696,034
18.1 Products liability - occurrence.....	25,036,361	6,190,571	(64,061)	3,384	31,166,255
18.2 Products liability - claims-made.....	2,894,056	39,460	(0)	0	2,933,515
19.1, 19.2 Private passenger auto liability.....	175,695,349	0	0	0	175,695,349
19.3, 19.4 Commercial auto liability.....	183,494,124	4,217,715	(80,030)	(950,535)	186,681,274
21. Auto physical damage.....	154,783,318	790,753	(0)	(248)	155,573,823
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	6,512,409	3,769,438	(96)	0	10,281,750
24. Surety.....	437,079	209,701	(1,797,043)	0	(1,150,263)
26. Burglary and theft.....	704,461	383,597	(14)	0	1,088,044
27. Boiler and machinery.....	18,378,161	1,719,655	(1)	0	20,097,815
28. Credit.....	3,665	0	0	0	3,665
29. International.....	48,738	0	0	0	48,738
30. Warranty.....	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	2,559,983	782,681	0	0	3,342,664
32. Reinsurance - nonproportional assumed liability.....	2,436,814	284,983	0	0	2,721,796
33. Reinsurance - nonproportional assumed financial lines.....	385,637	0	0	0	385,637
34. Aggregate write-ins for other lines of business.....	569,110	0	0	0	569,110
35. TOTALS.....	2,137,567,157	52,785,229	(11,092,296)	(26,541,735)	2,152,718,354
36. Accrued retrospective premiums based on experience.....					26,541,735
37. Earned but unbilled premiums.....					11,092,296
38. Balance (sum of Lines 35 through 37).....					2,190,352,385

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	569,110	0	0	0	569,110
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).....	569,110	0	0	0	569,110

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

ST. PAUL FIRE AND MARINE INSURANCE 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.....	66,286,790	108,731,978	148,814	17,049,467	17,063,439	141,054,676
2. Allied lines.....	19,762,358	123,626,519	323,105	16,524,196	177,126	127,010,660
3. Farmowners multiple peril.....	0	40,284,247	0	0	0	40,284,247
4. Homeowners multiple peril.....	0	798,584,827	0	0	0	798,584,827
5. Commercial multiple peril.....	10,216,664	733,052,468	3,808	9,843,373	2,624	733,426,943
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	229,204,913	66,142,727	311,109	211,797,799	805,950	83,055,000
9. Inland marine.....	39,397,447	151,133,087	(2,932)	30,097,738	2,058,862	158,371,001
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	(151)	(3,256)	0	(151)	0	(3,256)
11.2 Medical professional liability - claims-made.....	0	(610)	472	472	0	(610)
12. Earthquake.....	3,263,804	25,861,386	0	10,698	247,878	28,866,614
13. Group accident and health.....	0	0	44,376	44,376	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	48,191	0	473	48,664	0	0
16. Workers' compensation.....	2,186,953	740,629,230	2,058,661	4,245,613	0	740,629,230
17.1 Other liability - occurrence.....	500,507,660	393,854,028	31,883	485,763,986	127,040	408,502,544
17.2 Other liability - claims-made.....	63,074,129	138,221,638	(45,600)	54,874,506	196,530	146,179,131
17.3 Excess workers' compensation.....	0	5,142,460	0	0	0	5,142,460
18.1 Products liability - occurrence.....	68,469,107	29,173,948	(73,702)	24,914,216	6,051,134	66,604,003
18.2 Products liability - claims-made.....	3,223,880	5,441,444	0	2,588,406	3,430	6,073,488
19.1, 19.2 Private passenger auto liability.....	0	516,416,200	0	0	0	516,416,200
19.3, 19.4 Commercial auto liability.....	98,173,819	378,625,624	47,037	61,286,222	1,420,721	414,139,538
21. Auto physical damage.....	30,610,954	411,037,791	32,354	18,635,467	44,239	423,001,394
22. Aircraft (all perils).....	(573)	1,739	0	(573)	0	1,739
23. Fidelity.....	25,433,511	15,794,487	(284)	24,525,114	3,107	16,699,493
24. Surety.....	2,874,709	7,990,935	505,597	3,672,059	0	7,699,182
26. Burglary and theft.....	1,491,264	2,032,591	0	1,339,465	250	2,184,139
27. Boiler and machinery.....	3,072,474	42,575,384	3,646	838,204	30,549	44,782,750
28. Credit.....	0	2,745	11,591	11,591	0	2,745
29. International.....	0	1,187,593	169,813	274,656	0	1,082,750
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	7,284,356	(331,186)	(331,186)	0	7,284,356
32. Reinsurance - nonproportional assumed liability.....	XXX	4,442,423	17,754,131	17,755,371	0	4,441,183
33. Reinsurance - nonproportional assumed financial lines.....	XXX	440,536	1,777,070	1,777,070	0	440,536
34. Aggregate write-ins for other lines of business.....	5,693,658	1,411,458	0	5,693,658	0	1,411,458
35. TOTALS.....	1,172,991,560	4,749,119,982	22,770,236	993,280,477	28,232,880	4,923,368,421

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	5,693,658	1,411,458	0	5,693,658	0	1,411,458
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).....	5,693,658	1,411,458	0	5,693,658	0	1,411,458

(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.....	70,576,852	74,011,504	37,331,089	107,257,268	110,232,567	91,093,564	126,396,271	88.7
2.	Allied lines.....	9,391,948	92,797,941	9,441,105	92,748,784	92,876,522	61,721,323	123,903,982	96.0
3.	Farmowners multiple peril.....	0	24,107,484	0	24,107,484	12,435,137	11,177,797	25,364,825	65.3
4.	Homeowners multiple peril.....	25,763	646,148,669	58,763	646,115,669	230,578,911	202,592,894	674,101,687	86.5
5.	Commercial multiple peril.....	2,041,072	436,353,603	2,158,547	436,236,128	632,882,948	582,753,390	486,365,686	65.9
6.	Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8.	Ocean marine.....	105,145,214	34,226,823	99,710,824	39,661,213	46,994,160	50,548,573	36,106,800	42.8
9.	Inland marine.....	26,104,314	81,994,879	20,646,752	87,452,441	68,906,695	66,669,073	89,690,063	56.3
10.	Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1	Medical professional liability - occurrence.....	11,153,495	2,924,381	11,153,495	2,924,381	8,332,835	10,724,270	532,947	(16,657.0)
11.2	Medical professional liability - claims-made.....	20,835,301	5,373,673	20,877,146	5,331,828	23,248,157	27,604,283	975,702	(164,099.3)
12.	Earthquake.....	259,232	243,553	259,232	243,553	5,547,350	7,837,046	(2,046,144)	(7.0)
13.	Group accident and health.....	0	466,609	466,609	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.....	19,120	362,226	381,345	0	0	0	0	0.0
16.	Workers' compensation.....	51,355,846	346,501,071	60,660,347	337,196,570	2,939,791,765	2,783,969,144	493,019,191	67.9
17.1	Other liability - occurrence.....	189,408,600	174,427,041	203,951,223	159,884,418	1,197,549,992	1,287,688,543	69,745,867	16.7
17.2	Other liability - claims-made.....	114,368,476	119,540,352	140,604,508	93,304,320	407,889,425	420,466,787	80,726,958	54.2
17.3	Excess workers' compensation.....	104,062	5,026,481	298,219	4,832,324	125,781,346	128,896,807	1,716,863	31.3
18.1	Products liability - occurrence.....	66,135,231	30,911,386	53,258,994	43,787,624	457,523,458	490,206,360	11,104,721	16.8
18.2	Products liability - claims-made.....	1,093,520	405,539	1,173,031	326,027	21,433,373	20,753,270	1,006,131	17.7
19.1, 19.2	Private passenger auto liability.....	0	307,258,419	0	307,258,419	383,528,901	361,161,218	329,626,102	65.5
19.3, 19.4	Commercial auto liability.....	89,535,648	217,111,763	81,035,705	225,611,705	547,757,344	509,515,279	263,853,770	64.5
21.	Auto physical damage.....	18,649,913	272,566,919	13,384,500	277,832,332	39,312,549	35,919,312	281,225,570	67.5
22.	Aircraft (all perils).....	277,078	309,778	356,273	230,583	4,516,640	5,218,456	(471,233)	(27,091.5)
23.	Fidelity.....	10,359,455	14,772,037	10,235,548	14,895,944	28,447,532	27,374,787	15,968,690	99.5
24.	Surety.....	7,916,989	1,480,752	8,079,454	1,318,287	51,927,771	73,886,682	(20,640,624)	(261.3)
26.	Burglary and theft.....	5,506	113,675	3,665	115,516	2,997,938	2,825,982	287,472	13.1
27.	Boiler and machinery.....	1,375,131	11,375,427	1,336,057	11,414,501	10,335,323	12,999,942	8,749,883	19.5
28.	Credit.....	0	(789,021)	(632,073)	(156,948)	2,225,151	2,068,203	(0)	(0.0)
29.	International.....	856,770	1,223,661	1,483,192	597,239	4,350,214	2,133,050	2,814,403	248.8
30.	Warranty.....	0	0	0	0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX	7,223,596	4,960,844	2,262,752	12,799,703	8,111,094	6,951,361	174.0
32.	Reinsurance - nonproportional assumed liability.....	XXX	63,813,379	50,259,886	13,553,493	239,764,613	246,126,572	7,191,534	151.9
33.	Reinsurance - nonproportional assumed financial lines.....	XXX	115,279	92,378	22,901	4,039,803	5,648,278	(1,585,575)	(435.1)
34.	Aggregate write-ins for other lines of business.....	1,107,897	274,648	1,107,897	274,648	586,352	76,960	784,039	91.1
35.	TOTALS.....	798,102,433	2,972,673,528	834,134,555	2,936,641,406	7,714,594,475	7,537,768,939	3,113,466,942	63.8

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	1,107,897	274,648	1,107,897	274,648	586,352	76,960	784,039	91.1
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).....	1,107,897	274,648	1,107,897	274,648	586,352	76,960	784,039	91.1

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.....	90,138,148	42,180,134	36,690,242	95,628,040	10,632,180	29,898,144	25,925,797	110,232,567	14,577,215
2. Allied lines.....	3,181,752	62,873,049	3,236,451	62,818,350	5,435,973	35,660,543	11,038,345	92,876,522	13,250,992
3. Farmowners multiple peril.....	0	6,561,835	0	6,561,835	0	5,893,806	20,503	12,435,137	2,372,939
4. Homeowners multiple peril.....	70,572	102,651,080	72,421	102,649,231	14	128,800,044	870,377	230,578,911	26,926,595
5. Commercial multiple peril.....	4,458,022	357,130,025	5,516,303	356,071,743	20,394,583	281,762,330	25,345,709	632,882,948	256,044,042
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	108,850,497	31,239,563	109,223,864	30,866,196	61,301,881	19,440,641	64,614,558	46,994,160	10,998,956
9. Inland marine.....	18,669,739	37,465,154	16,020,521	40,114,372	13,782,117	35,350,689	20,340,483	68,906,695	9,855,476
10. Financial guaranty.....	0	0	0	0	0	(0)	37	0	0
11.1 Medical professional liability - occurrence.....	24,201,553	6,756,198	24,201,553	6,756,198	1,773,971	1,549,783	1,747,116	8,332,835	1,052,981
11.2 Medical professional liability - claims-made.....	40,928,348	27,994,399	55,589,316	13,333,431	5,240,292	20,587,976	15,913,542	23,248,157	4,033,488
12. Earthquake.....	0	1,000,539	0	1,000,539	41,061	4,712,357	206,608	5,547,350	1,688,357
13. Group accident and health.....	0	779,503	779,503	0	0	1,356,750	1,356,750	(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.....	101,016	2,052,551	2,153,567	0	559,234	4,336,339	4,895,573	(a).....0	0
16. Workers' compensation.....	561,441,211	1,598,905,456	638,717,407	1,521,629,260	322,483,447	1,511,851,250	416,172,193	2,939,791,765	389,175,227
17.1 Other liability - occurrence.....	265,277,597	277,076,030	306,218,241	236,135,387	1,173,666,204	1,027,539,198	1,239,790,796	1,197,549,992	417,972,649
17.2 Other liability - claims-made.....	120,105,045	138,168,529	120,620,986	137,652,588	241,496,138	279,906,032	251,165,333	407,889,425	164,854,060
17.3 Excess workers' compensation.....	11,000	50,810,476	2,385,493	48,435,983	34,169,169	77,381,444	34,205,250	125,781,346	6,964,629
18.1 Products liability - occurrence.....	170,853,354	58,047,692	88,490,263	140,410,783	271,038,457	314,902,881	268,828,664	457,523,458	234,793,704
18.2 Products liability - claims-made.....	18,613,743	827,659	4,911,106	14,530,295	11,342,854	5,371,013	9,810,789	21,433,373	9,276,056
19.1, 19.2 Private passenger auto liability.....	47,103	273,139,742	47,103	273,139,742	12,881	110,389,159	12,881	383,528,901	73,466,429
19.3, 19.4 Commercial auto liability.....	161,041,067	266,820,086	108,375,012	319,486,141	103,829,030	219,488,046	95,045,873	547,757,344	87,670,050
21. Auto physical damage.....	4,832,882	17,374,839	2,618,096	19,589,625	24,840,639	8,511,338	13,629,053	39,312,549	17,798,047
22. Aircraft (all perils).....	26,042,312	3,863,751	28,479,602	1,426,461	10,623,740	11,674,174	19,207,735	4,516,640	1,800,471
23. Fidelity.....	1,987,752	4,918,057	2,021,291	4,884,518	41,162,652	25,007,882	42,607,519	28,447,532	10,613,728
24. Surety.....	47,008,614	38,221,663	62,252,807	22,977,471	42,758,634	30,787,696	44,596,030	51,927,771	8,209,907
26. Burglary and theft.....	6,963	26,312	5,209	28,065	5,791,385	2,788,248	5,609,761	2,997,938	1,284,917
27. Boiler and machinery.....	386,886	5,072,975	347,012	5,112,848	2,824,946	4,916,203	2,518,675	10,335,323	2,299,291
28. Credit.....	0	6,026,699	4,761,190	1,265,509	0	4,819,445	3,859,803	2,225,151	(81,194)
29. International.....	0	5,361,699	3,120,492	2,241,207	1,903	7,771,767	5,664,663	4,350,214	30,729
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	32,315,414	21,737,116	10,578,298	XXX	11,247,586	9,026,181	12,799,703	546,962
32. Reinsurance - nonproportional assumed liability.....	XXX	352,430,969	219,175,153	133,255,816	XXX	418,616,005	312,107,208	239,764,613	11,501,614
33. Reinsurance - nonproportional assumed financial lines.....	XXX	3,750,965	2,978,196	772,769	XXX	17,432,854	14,165,820	4,039,803	328,144
34. Aggregate write-ins for other lines of business.....	1,001,875	248,365	1,001,875	248,365	1,363,400	337,987	1,363,400	586,352	107,518
35. TOTALS.....	1,669,257,051	3,812,091,406	1,871,747,391	3,609,601,066	2,406,566,824	4,660,089,610	2,961,663,026	7,714,594,475	1,779,413,979

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	1,001,875	248,365	1,001,875	248,365	1,363,400	337,987	1,363,400	586,352	107,518
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).....	1,001,875	248,365	1,001,875	248,365	1,363,400	337,987	1,363,400	586,352	107,518

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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	52,845,964	0	0	52,845,964
1.2 Reinsurance assumed.....	293,678,563	0	0	293,678,563
1.3 Reinsurance ceded.....	38,818,509	0	0	38,818,509
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	307,706,018	0	0	307,706,018
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	172,980,418	0	172,980,418
2.2 Reinsurance assumed, excluding contingent.....	0	703,466,104	0	703,466,104
2.3 Reinsurance ceded, excluding contingent.....	0	150,286,826	0	150,286,826
2.4 Contingent - direct.....	0	6,517,622	0	6,517,622
2.5 Contingent - reinsurance assumed.....	0	15,904,699	0	15,904,699
2.6 Contingent - reinsurance ceded.....	0	1,813,107	0	1,813,107
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	746,768,911	0	746,768,911
3. Allowances to manager and agents.....	937	916,843	0	917,780
4. Advertising.....	37,742	38,363,152	2,120	38,403,014
5. Boards, bureaus and associations.....	1,309,315	19,531,993	13,718	20,855,026
6. Surveys and underwriting reports.....	151	18,405,865	0	18,406,016
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	174,711,669	339,802,904	5,996,699	520,511,272
8.2 Payroll taxes.....	12,847,630	21,236,993	177,253	34,261,876
9. Employee relations and welfare.....	33,346,430	53,996,497	673,604	88,016,531
10. Insurance.....	21,395,363	4,260,914	5,447	25,661,724
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	11,688,968	17,535,959	139,079	29,364,006
13. Rent and rent items.....	11,382,637	24,595,850	234,996	36,213,483
14. Equipment.....	2,117,729	7,810,534	594,987	10,523,250
15. Cost or depreciation of EDP equipment and software.....	5,623,184	60,926,810	59,068	66,609,062
16. Printing and stationery.....	1,093,335	3,566,948	32,973	4,693,256
17. Postage, telephone and telegraph, exchange and express.....	3,552,901	20,625,706	38,589	24,217,196
18. Legal and auditing.....	8,014,680	2,681,429	390,967	11,087,076
19. Totals (Lines 3 to 18).....	287,122,671	634,258,397	8,359,500	929,740,568
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....1,103,143.....	0	145,747,130	0	145,747,130
20.2 Insurance department licenses and fees.....	0	9,937,952	0	9,937,952
20.3 Gross guaranty association assessments.....	0	(446,832)	0	(446,832)
20.4 All other (excluding federal and foreign income and real estate).....	0	3,352,274	0	3,352,274
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	158,590,525	0	158,590,525
21. Real estate expenses.....	0	0	61,159,441	61,159,441
22. Real estate taxes.....	0	0	2,752,240	2,752,240
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	4,720,458	23,948,176	1,114,758	29,783,392
25. Total expenses incurred.....	599,549,147	1,563,566,009	73,385,939	(a).....2,236,501,095
26. Less unpaid expenses - current year.....	1,779,413,979	353,363,428	2,627,368	2,135,404,775
27. Add unpaid expenses - prior year.....	1,779,650,483	347,379,643	3,155,452	2,130,185,577
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).....	599,785,651	1,557,582,224	73,914,023	2,231,281,898

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	12,769,050	60,936,426	1,114,758	74,820,234
2402. Service reimbursements.....	(1,479,737)	(11,469,819)	0	(12,949,557)
2403. Cost of computer software developed for internal use.....	(6,568,855)	(25,518,431)	0	(32,087,286)
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).....	4,720,458	23,948,176	1,114,758	29,783,392

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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....45,670,665	.....45,870,228
1.1 Bonds exempt from U.S. tax.....	(a).....234,863,493	.....235,756,323
1.2 Other bonds (unaffiliated).....	(a).....193,540,758	.....188,921,387
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....393,612	.....393,612
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....12,133,982	.....12,128,869
2.21 Common stocks of affiliates.....	.....163,013,719	.....163,013,719
3. Mortgage loans.....	(c).....2,383,876	.....2,384,888
4. Real estate.....	(d).....128,079,396	.....128,079,396
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,195,193	.....1,081,357
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....119,579,143	.....118,775,009
9. Aggregate write-ins for investment income.....	.....200,676	.....200,676
10. Total gross investment income.....	.....901,054,511	.....896,605,464
11. Investment expenses.....		(g).....73,385,939
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....68,273
14. Depreciation on real estate and other invested assets.....		(i).....32,826,840
15. Aggregate write-ins for deductions from investment income.....		.....252,710
16. Total deductions (Lines 11 through 15).....		.....106,533,762
17. Net investment income (Line 10 minus Line 16).....		.....790,071,702

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....188,283	.....188,283
0902. SPVC loans.....	.....130,524	.....130,524
0903. Securities lending income.....	.....99,239	.....99,239
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....(217,371)	.....(217,371)
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....200,676	.....200,676
1501. Management fees.....		.....252,710
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....252,710

- (a) Includes \$.....6,558,159 accrual of discount less \$.....63,021,878 amortization of premium and less \$.....4,706,818 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 \$.....14,993,676 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....387,427 accrual of discount less \$.....28,460 amortization of premium and less \$.....2,340 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 \$.....32,826,840 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.....	.....38,346	.....0	.....38,346	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....2,225,901	.....(277,542)	.....1,948,359	.....296,085	.....0
1.2 Other bonds (unaffiliated).....	.....14,938,510	.....7,811,242	.....22,749,753	.....4,055,974	.....(12,819,792)
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....(196,180)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....30,793,735	.....(2,572,556)	.....28,221,179	.....9,993,647	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(17,443,194)	.....0
3. Mortgage loans.....	.....0	.....(1,631,792)	.....(1,631,792)	.....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.....	.....(2,142)	.....1,573,279	.....1,571,137	.....0	.....(419,844)
7. Derivative instruments.....	.....(25,300,796)	.....0	.....(25,300,796)	.....(14,015,602)	.....0
8. Other invested assets.....	.....3,539,067	.....(12,335,694)	.....(8,796,627)	.....26,744,578	.....(1,016,660)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....2,364,090	.....2,364,090	.....6,955,534	.....(8,265,534)
10. Total capital gains (losses).....	.....26,232,622	.....(5,068,972)	.....21,163,649	.....16,390,842	.....(22,521,830)

DETAILS OF WRITE-INS

0901. Real gain LTBD impair recovery.....	.....0	.....520	.....520	.....0	.....0
0902. Foreign exchange.....	.....0	.....2,363,569	.....2,363,569	.....0	.....(8,265,534)
0903. RE correction of error write-in.....	.....0	.....0	.....0	.....6,955,534	.....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	.....2,364,090	.....2,364,090	.....6,955,534	.....(8,265,534)

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.....	12,573,530	12,496,547	(76,983)
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 (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	18,162,205	9,318,173	(8,844,032)
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	30,735,735	21,814,720	(8,921,015)
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.....	45,053,122	46,609,544	1,556,422
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	7,311,483	6,506,533	(804,949)
15.3 Accrued retrospective premiums.....	797,079	564,304	(232,775)
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.....	161,849,992	181,628,793	19,778,801
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.....	16,241,227	17,104,348	863,120
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.....	6,594,790	9,407,665	2,812,874
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	268,583,429	283,635,908	15,052,479
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	268,583,429	283,635,908	15,052,479

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. Freddie Mac collateral held.....	0	3,805,945	3,805,945
2502. Amounts receivable under high deductible policies.....	2,595,152	3,446,390	851,239
2503. Other assets nonadmitted.....	2,296,665	2,155,329	(141,335)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,702,974	0	(1,702,974)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	6,594,790	9,407,665	2,812,874

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. St. Paul Fire and Marine Insurance 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. The impact of any permitted accounting practices on policyholder surplus of the Company is not material.
- 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 and consist of investments with remaining maturities of one year or less at the time of acquisition, excluding those investments classified as cash equivalents.

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.

Redeemable preferred stocks (NAIC Class 1 and 2) are generally stated at amortized cost, whereas NAIC Class 3-6 are stated at the lower of cost, amortized cost, or NAIC fair value. Perpetual preferred stocks (NAIC Class 1 and 2) generally are stated at NAIC fair value, while NAIC Class 3-6 are stated at the lower of cost or 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.

Real estate is stated at depreciated cost, 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 nationally recognized 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).

For accounting policy in regards to derivative instruments, see Note 8.

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

Canadian dollar denominated assets, liabilities, revenues and expenses of the Company's Canadian operations are included in the financial statements at the Canadian currency amounts. The net assets of the Canadian operations are translated at the year-end exchange rate and the adjustment into U.S. dollars is reflected as a separate asset or liability in the Company's balance sheet. The change in this liability is charged or credited directly to unassigned surplus.

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.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Effective for the year ending December 31, 2011, the Company adopted the amended guidance in SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets-Revised*, regarding the accounting and reporting for guarantees and indemnifications. The new guidance requires a liability to be recognized at fair value at the inception of a guarantee. In accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*, the Company recorded a liability of \$43 million, a tax benefit of \$15 million (reported as a change in nonadmitted assets), and a net decrease of \$28 million in unassigned funds (surplus) upon adoption of the new guidance. There was no impact to net income.

NOTES TO FINANCIAL STATEMENTS

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

1. The maximum percentage of any one loan-to-value of security at the time the loan was made, exclusive of any purchase money or insured or guaranteed mortgages was 72%.
2. The Company has a recorded investment of \$43,900,000 on a mortgage loan in Oakbrook, IL for which a \$1,631,792 impairment was recorded as a realized loss. The Company continues to monitor this loan for further impairment.

In 2011, the Company recognized \$2,384,888 in interest income on this loan. The Company continues to accrue income on this loan as it is deemed collectible.

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.

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

The Company determines an other-than-temporary impairment by utilizing discounted cash flow modeling to determine the present value of the security and comparing the present value with the amortized cost of the security. If the amortized cost is greater than the present value of the expected cash flows, the difference is considered a credit loss and recognized in net realized investment gains (losses). The Company estimates the present value of the security by projecting future cash flows of the assets underlying the securitization, allocating the flows to the various tranches based on the structure of the securitization, and determining the present value of the cash flows using the effective yield of the security at the date of acquisition (or the most recent implied rate used to accrete the security if the implied rate has changed as a result of a previous impairment or changes in expected cash flows). The Company incorporates levels of delinquencies, defaults and severities as well as credit attributes of the remaining assets in the securitization, along with other economic data, to arrive at its best estimate of the parameters applied to the assets underlying the securitization.

As a result of recording other-than-temporary impairments during 2011, the Company changed from the retrospective to prospective method for valuing the securities listed below.

Cusip
94983FAA8
94980WAB2
12498NAB9

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

	Amortized cost basis before other-than- temporary impairment	Other-than- temporary impairment recognized in loss	Fair Value
Present value of cash flows is less than amortized cost	\$84,859,876	\$3,082,697	\$79,701,412

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:

Cusip	Amortized cost basis before other-than- temporary impairment	Projected Cash Flow	Other-than- temporary impairment recognized in loss	Amortized cost basis after other- than- temporary impairment	Fair Value	Impairment Quarter
12545EAD8	\$ 20,934,501	\$ 16,645,220	\$ 4,289,281	\$ 16,645,220	\$ 11,778,176	Q3 - 2009
36298BAG5	34,074,003	33,524,092	549,911	33,524,092	24,547,714	Q3 - 2009
073882AY8	20,596,812	19,810,751	786,061	19,810,751	14,163,064	Q3 - 2009
52521RAE1	22,955,452	20,929,508	2,025,944	20,929,508	13,990,141	Q3 - 2009
362290AP3	41,907,628	41,761,117	146,511	41,761,117	34,834,253	Q3 - 2009
12545EAD8	15,939,226	15,459,935	479,292	15,459,935	11,119,490	Q4 - 2009
94983LAY3	17,234,892	16,758,673	476,220	16,758,673	12,941,325	Q4 - 2009
362290AP3	37,369,663	36,456,919	912,744	36,456,919	35,560,514	Q4 - 2009

NOTES TO FINANCIAL STATEMENTS

36298BAG5	33,523,661	32,899,486	624,175	32,899,486	24,229,191	Q4 - 2009
073882AY8	19,182,360	18,721,842	460,519	18,721,842	12,884,905	Q4 - 2009
94984EAD4	9,923,857	9,840,625	83,232	9,840,625	9,124,865	Q4 - 2009
94983LAY3	16,784,797	16,676,380	108,417	16,676,380	13,333,015	Q1 - 2010
393505Z47	4,802,268	4,630,644	171,624	4,630,644	4,593,892	Q1 - 2010
337925ET4	67,640	-	67,640	-	-	Q1 - 2010
94983LAY3	16,704,047	16,670,684	33,363	16,670,684	14,009,924	Q2 - 2010
073882AY8	17,494,539	17,337,138	157,402	17,337,138	13,241,364	Q2 - 2010
073882AY8	15,647,474	15,171,266	476,208	15,171,266	12,225,784	Q4 - 2010
225458FE3	6,759,455	6,755,403	4,051	6,755,403	6,386,245	Q4 - 2010
073882AY8	14,647,298	14,605,121	42,177	14,605,121	11,687,120	Q1 - 2011
94983FAA8	3,971,607	3,969,797	1,810	3,969,797	4,076,592	Q2 - 2011
94983LAY3	16,497,745	16,331,572	166,173	16,331,572	16,558,795	Q2 - 2011
073882AY8	14,121,018	13,830,135	290,884	13,830,135	10,947,631	Q2 - 2011
94980WAB2	6,688,058	6,687,142	916	6,687,142	6,933,076	Q2 - 2011
94983FAA8	3,606,552	3,592,965	13,587	3,592,965	3,626,873	Q3 - 2011
94983LAY3	16,228,102	15,028,858	1,199,244	15,028,858	16,283,664	Q3 - 2011
073882AY8	13,255,475	12,471,856	783,619	12,471,856	10,138,659	Q3 - 2011
12498NAB9	1,837,868	1,797,662	40,206	1,797,662	1,999,325	Q3 - 2011
36298BAG5	31,816,909	31,330,233	486,676	31,330,233	31,522,943	Q4 - 2011
94984EAD4	9,400,391	9,342,986	57,405	9,342,986	9,196,873	Q4 - 2011

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:

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
Loan-backed securities	\$ 229,650	\$ 4,844	\$ 9,275	\$ 180	\$ 238,925	\$ 5,024
Structured securities	56,510,923	825,702	57,703,160	3,225,109	114,214,083	4,050,811

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.

Securities Lending as of December 31, 2011:

Aggregate Cash Collateral Reinvestment

<u>Maturity</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$14,670,484	\$14,670,484

F. Real Estate

As of December 31, 2011, the Company was under letter of intent to sell property located at 6060 South Willow Drive, Englewood, Colorado. As of February 16, 2011 this property is no longer under letter of intent to sell and management has not decided whether or not to continue to pursue a sale at this time.

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, partnerships, and limited liability companies 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 using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$12,330,518 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to surplus as the change in net unrealized capital gains or (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, 2011, the Company had no past due accrued investment income.

8. DERIVATIVE INSTRUMENTS

The Company uses U.S. Treasury note futures transactions to modify the effective duration of specific assets within the investment portfolio and enters into 90-day futures contracts on 2-year, 5-year, 10-year and 30-year U.S. Treasury notes which require a daily mark-to-market and settlement with the counter-party/broker. See Schedule DB - Part B for additional information. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract. The Company does not hold or issue derivative instruments for trading purposes.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

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

	<u>December 31, 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 668,292,739	\$ 73,662,886	\$ 741,955,625
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	668,292,739	73,662,886	741,955,625
d) Deferred tax liabilities (DTL)	(126,085,889)	(49,483,996)	(175,569,885)
e) Subtotal (net deferred tax assets)	542,206,850	24,178,890	566,385,740
f) Deferred tax assets nonadmitted	(145,944,741)	(15,905,251)	(161,849,992)
g) Net admitted deferred tax asset (liability)	<u>\$ 396,262,109</u>	<u>\$ 8,273,639</u>	<u>\$ 404,535,748</u>

	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 627,864,668	\$ 99,370,702	\$ 727,235,370
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	627,864,668	99,370,702	727,235,370
d) Deferred tax liabilities	(114,237,785)	(66,858,293)	(181,096,078)
e) Subtotal (net deferred tax assets)	513,626,883	32,512,409	546,139,292
f) Deferred tax assets nonadmitted	(151,464,118)	(30,164,675)	(181,628,793)
g) Net admitted deferred tax asset (liability)	<u>\$ 362,162,765</u>	<u>\$ 2,347,734</u>	<u>\$ 364,510,499</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 40,428,071	\$ (25,707,816)	\$ 14,720,255
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	40,428,071	(25,707,816)	14,720,255
d) Deferred tax liabilities	(11,848,104)	17,374,297	5,526,193
e) Subtotal (net deferred tax assets)	28,579,967	(8,333,519)	20,246,448
f) Deferred tax assets nonadmitted	5,519,377	14,259,424	19,778,801
g) Net admitted deferred tax asset (liability)	<u>\$ 34,099,344</u>	<u>\$ 5,925,905</u>	<u>\$ 40,025,249</u>

2. The Company has elected to admit deferred tax assets (DTA) pursuant to SSAP No. 10R for 2011 and 2010.

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	\$ 396,262,109	\$ 272,181,009	\$ 124,081,100
Admitted DTA – Capital	8,273,639	2,791,794	5,481,845
Total Admitted DTA	<u>\$ 404,535,748</u>	<u>\$ 274,972,803</u>	<u>\$ 129,562,945</u>

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.:	<u>December 31, 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ 180,882,378	\$ 2,791,794	\$ 183,674,172
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	91,298,631	-	91,298,631
c) Paragraph 10.b.i.	91,298,631	-	91,298,631
d) Paragraph 10.b.ii.	xxxx	xxxx	550,119,647
e) Paragraph 10.c.	126,085,889	49,483,996	175,569,885
f) Total (a+b+e)	398,266,898	52,275,790	450,542,688
DTL netted against DTA	(126,085,889)	(49,483,996)	(175,569,885)
Total	<u>\$ 272,181,009</u>	<u>\$ 2,791,794</u>	<u>\$ 274,972,803</u>

Admission Calculation Components
SSAP No. 10R, paragraph 10.e.:

g) Paragraph 10.e.i.	\$ 180,882,378	\$ 8,273,638	\$ 189,156,016
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	215,379,731	1	215,379,732
i) Paragraph 10.e.ii.a.	215,379,731	1	215,379,732
j) Paragraph 10.e.ii.b.	xxxx	xxxx	825,179,471
k) Paragraph 10.e.iii.	126,085,889	49,483,996	175,569,885
l) Total (g+h+k)	522,347,998	57,757,635	580,105,633
DTL netted against DTA	(126,085,889)	(49,483,996)	(175,569,885)
Total	<u>\$ 396,262,109</u>	<u>\$ 8,273,639</u>	<u>\$ 404,535,748</u>

NOTES TO FINANCIAL STATEMENTS

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

December 31, 2010

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ 251,622,875	\$ -	\$ 251,622,875
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	782,578	782,578
c) Paragraph 10.b.i.	-	782,578	782,578
d) Paragraph 10.b.ii.	xxxx	xxxx	613,643,491
e) Paragraph 10.c.	<u>114,237,785</u>	<u>66,858,293</u>	<u>181,096,078</u>
f) Total (a+b+e)	365,860,660	67,640,871	433,501,531
DTL netted against DTA	<u>(114,237,785)</u>	<u>(66,858,293)</u>	<u>(181,096,078)</u>
Total	<u>\$ 251,622,875</u>	<u>\$ 782,578</u>	<u>\$ 252,405,453</u>

Admission Calculation Components
SSAP No. 10R, paragraph 10.e.:

g) Paragraph 10.e.i.	\$ 322,480,740	\$ -	\$ 322,480,740
h) Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	39,682,025	2,347,734	42,029,759
i) Paragraph 10.e.ii.a.	39,682,025	2,347,734	42,029,759
j) Paragraph 10.e.ii.b.	xxxx	xxxx	920,465,236
k) Paragraph 10.e.iii.	<u>114,237,785</u>	<u>66,858,293</u>	<u>181,096,078</u>
l) Total (g+h+k)	476,400,550	69,206,027	545,606,577
DTL netted against DTA	<u>(114,237,785)</u>	<u>(66,858,293)</u>	<u>(181,096,078)</u>
Total	<u>\$ 362,162,765</u>	<u>\$ 2,347,734</u>	<u>\$ 364,510,499</u>

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

Change

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ (70,740,497)	\$ 2,791,794	\$ (67,948,703)
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	91,298,631	(782,578)	90,516,053
c) Paragraph 10.b.i.	91,298,631	(782,578)	90,516,053
d) Paragraph 10.b.ii.	xxxx	xxxx	(63,523,844)
e) Paragraph 10.c.	<u>11,848,104</u>	<u>(17,374,297)</u>	<u>(5,526,193)</u>
f) Total (a+b+e)	32,406,238	(15,365,081)	17,041,157
DTL netted against DTA	<u>(11,848,104)</u>	<u>17,374,297</u>	<u>5,526,193</u>
Total	<u>\$ 20,558,134</u>	<u>\$ 2,009,216</u>	<u>\$ 22,567,350</u>

Admission Calculation Components
SSAP No. 10R, paragraph 10.e.:

g) Paragraph 10.e.i.	\$ (141,598,362)	\$ 8,273,638	\$ (133,324,724)
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	175,697,706	(2,347,733)	173,349,973
i) Paragraph 10.e.ii.a.	175,697,706	(2,347,733)	173,349,973
j) Paragraph 10.e.ii.b.	xxxx	xxxx	(95,285,765)
k) Paragraph 10.e.iii.	<u>11,848,104</u>	<u>(17,374,297)</u>	<u>(5,526,193)</u>
l) Total (g+h+k)	45,947,448	(11,448,392)	34,499,056
DTL netted against DTA	<u>(11,848,104)</u>	<u>17,374,297</u>	<u>5,526,193</u>
Total	<u>\$ 34,099,344</u>	<u>\$ 5,925,905</u>	<u>\$ 40,025,249</u>

Risk-based capital used in SSAP No. 10R. paragraph 10.d.:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Total adjusted capital	\$ 5,554,640,187	\$ 5,681,992,577	\$ (127,352,390)
Authorized control level risk-based capital	1,011,679,280	1,020,746,590	(9,067,310)

5. Impact of Tax Planning Strategies:

December 31, 2011

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

December 31, 2010

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

Change

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

NOTES TO FINANCIAL STATEMENTS

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

December 31, 2011

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 272,181,009	\$ 2,791,794	\$ 274,972,803
b) Admitted assets	xxxx	xxxx	18,414,741,674
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	5,501,196,470
d) Total adjusted capital from DTA	xxxx	xxxx	129,562,945

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

e) Admitted DTA	124,081,100	5,481,845	129,562,945
f) Admitted assets	124,081,100	5,481,845	129,562,945
g) Statutory surplus	124,081,100	5,481,845	129,562,945

December 31, 2010

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

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 251,622,875	\$ 782,578	\$ 252,405,453
b) Admitted assets	xxxx	xxxx	18,356,919,227
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	6,136,434,908
d) Total adjusted capital from DTA	xxxx	xxxx	112,105,046

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

e) Admitted DTA	110,539,890	1,565,156	112,105,046
f) Admitted assets	110,539,890	1,565,156	112,105,046
g) Statutory surplus	110,539,890	1,565,156	112,105,046

Change

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

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 20,558,134	\$ 2,009,216	\$ 22,567,350
b) Admitted assets	xxxx	xxxx	57,822,447
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	(635,238,438)
d) Total adjusted capital from DTA	xxxx	xxxx	17,457,899

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

e) Admitted DTA	13,541,210	3,916,689	17,457,899
f) Admitted assets	13,541,210	3,916,689	17,457,899
g) Statutory surplus	13,541,210	3,916,689	17,457,899

B. DTL not recognized for the following amounts:

As of December 31, 2011, the Company had undistributed earnings in certain foreign subsidiaries of \$3,460,618. The Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future.

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

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
1. Federal	\$ (4,259,356)	\$ 160,769,295	\$(165,028,651)
Foreign	(1,363,132)	16,590,985	(17,954,117)
Subtotal	(5,622,488)	177,360,280	(182,982,768)
Federal income taxes on net capital gains	18,337,441	3,386,984	14,950,457
Federal and foreign income taxes incurred	<u>\$ 12,714,953</u>	<u>\$ 180,747,264</u>	<u>\$ (168,032,311)</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, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
DTA:			
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 245,853,056	\$ 266,191,131	\$ (20,338,075)
Unearned premium reserve	153,336,479	148,988,905	4,347,574
Investments	104,921,694	80,237,437	24,684,257
Net operating loss carry-forward	20,557,576	20,557,576	-
Other	143,623,934	111,889,619	31,734,315
Total DTA - ordinary	668,292,739	627,864,668	40,428,071
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(145,944,741)	(151,464,118)	5,519,377
Admitted ordinary DTA	<u>\$ 522,347,998</u>	<u>\$ 476,400,550</u>	<u>\$ 45,947,448</u>
<u>Capital:</u>			
Investments	\$ 73,662,886	\$ 99,370,702	\$ (25,707,816)
Total DTA - capital	73,662,886	99,370,702	(25,707,816)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(15,905,251)	(30,164,675)	14,259,424
Admitted capital DTA	57,757,635	69,206,027	(11,448,392)
Total admitted DTA	<u>\$ 580,105,633</u>	<u>\$ 545,606,577</u>	<u>\$ 34,499,056</u>

NOTES TO FINANCIAL STATEMENTS

DTL:

Ordinary:

Investments	\$ 109,739,286	\$ 100,009,839	\$ 9,729,447
Other	<u>16,346,603</u>	<u>14,227,946</u>	<u>2,118,657</u>
Total ordinary DTL	<u>126,085,889</u>	<u>114,237,785</u>	<u>11,848,104</u>

Capital:

Investments	\$ 49,483,996	\$ 66,858,293	\$ (17,374,297)
Total capital DTL	<u>49,483,996</u>	<u>66,858,293</u>	<u>(17,374,297)</u>

Total DTL	<u>175,569,885</u>	<u>181,096,078</u>	<u>(5,526,193)</u>
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Net admitted DTA/(DTL)	<u>\$ 404,535,748</u>	<u>\$ 364,510,499</u>	<u>\$ 40,025,249</u>
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- Deferred income taxes do not include any benefit from investment tax credits.
- Deferred income taxes include a benefit of \$20,557,576 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, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Total DTA	\$ 741,955,625	\$ 727,235,370	\$ 14,720,255
Total DTL	<u>(175,569,885)</u>	<u>(181,096,078)</u>	<u>5,526,193</u>
Net DTA/(DTL)	<u>\$ 566,385,740</u>	<u>\$ 546,139,292</u>	<u>20,246,448</u>
Tax effect of unrealized gains (losses)			1,336,820
Deferred tax change in prior period adjustments			<u>(18,927,030)</u>
Change in net deferred income tax			<u>\$ 2,656,238</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, 2011</u>
Pretax net income (loss)	\$ 414,179,015
Taxes at statutory rate	\$ 144,962,655
Increase (decrease) attributable to:	
Nontaxable investment income	(127,689,630)
Other	<u>(7,214,310)</u>
	<u>\$ 10,058,715</u>
Federal and foreign taxes incurred	\$ 12,714,953
Change in net deferred taxes	<u>(2,656,238)</u>
Total statutory income tax	<u>\$ 10,058,715</u>
Effective tax rate	2.4%

- The Company has net operating loss carryforwards of \$58,735,928 that expire in year 2018. The Company has an alternative minimum tax credit of \$10,553,040 that originated in 2011 and can be carried forward indefinitely.
 - The Company has \$0, \$199,029,970, and \$0 of federal income tax from the current and prior tax years, respectively, available for recoupment in the event of future losses.
 - The reporting entity 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

- In December 2010, the Company sold \$61.0 million and \$50.5 million of securities to its subsidiary and affiliate, St. Paul Mercury Insurance Company (Mercury) and The Travelers Indemnity Company (Indemnity), respectively.
- On December 20, 2010, the Company made a capital contribution of \$62 million to its subsidiary, Mercury.
- 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), United States Fidelity and Guaranty Company (USF&G), the Company, TRV, Travelers Property Casualty Corp. (TPC), Travelers Insurance Group Holdings Inc. (TIGHI), 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

NOTES TO FINANCIAL STATEMENTS

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 the Company which in turn contributed these shares to its subsidiary, USF&G. Following this merger, USF&G 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.

- (4) On February 1, 2010, the Company purchased \$277.3 million of securities from its parent, TRV.

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, 2011 and 2010, the TRVMMLP totaled \$3.3 billion and \$5.4 billion, respectively.
- D. (1) At December 31, 2011 and 2010, the Company had \$43,145,576 and \$156,947,425 payable to 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) 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, 2011</u>	<u>December 31, 2010</u>
Uncollected premiums and agents' balances in course of collection	\$ 220,028,864	\$ 265,999,028
Amounts recoverable from reinsurers	72,819,423	82,425,404
Reinsurance payable on paid losses and loss adjustment expenses	288,704,162	300,700,044

These balances were settled net through the intercompany settlement process during January 2012 and January 2011, respectively.

- E. Guarantees or undertakings, including the company and any affiliates:

The Company is party to various guarantees with affiliates. See note 14F for additional detail.

- 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&C" 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 TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

- H. Not applicable.

- I. The Company owns 100% of USF&G, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in USF&G at USF&G's statutory equity. The statement value of USF&G assets and liabilities as of December 31, 2011 were \$4,646.8 million and \$2,158.1 million, respectively. USF&G's net income was \$103.2 million for the year ended December 31, 2011.

- J. Not applicable.

- K. Not applicable.

- L. The Company directly owns Northbrook Holdings, Inc. (Northbrook), a downstream noninsurance holding company. Northbrook directly owns Discover Property & Casualty Insurance Company (DPCIC) and St. Paul Protective Insurance Company (SPPIC), both Illinois domiciled insurers.

- (1) The carrying value of the Company's investment in Northbrook was \$283,403,615 at December 31, 2011.
- (2) The Company has not obtained an audit of Northbrook's financial statements.
- (3) The Company has limited the carrying value of its investment in Northbrook to the value contained in the statutory audited financial statements of DPCIC and SPPIC, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88*.
- (4) Northbrook does not have any material assets other than the ownership of its insurance subsidiaries. Northbrook does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

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 \$28,486,534 and \$21,433,904 for 2011 and 2010, 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 \$2,517,679 and \$2,881,091 for 2011 and 2010, 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 \$19,723,888 and \$20,680,235 for 2011 and 2010, 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 200,000 shares of common capital stock authorized, issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$500.0 million and extraordinary dividends of \$1.846 billion to TRV in 2011 and 2010, respectively.

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 by the end of 2012 without prior approval is \$558,404,000. However, TRV may decide to accelerate the timing within 2012 and/or increase the amount of dividends from its subsidiaries in 2012 which could result in certain of the Company's dividends being subject to approval by the Connecticut Insurance Department.

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 2011. See Note 23F for additional detail. In addition, special surplus was generated from the Company's adoption of SSAP No. 10R in 2009. These additional admitted DTA's have fluctuated in subsequent years 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 \$1,758,957,712.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2011, the Company had commitments to fund investments of \$463.8 million.

B. Assessments:

1. The Company has accrued liabilities of \$72.6 million for guaranty fund and other insurance-related assessments and related recoverables of \$2.5 million at December 31, 2011. 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

2. Assets recognized from paid and accrued premium tax offsets prior year-end	\$ 2,731,046
Decreases current year:	
Premium tax offset charged off	74,688
Premium tax offset applied	773,476
Premium tax offset refund	103,766
Increases current year:	
Premium tax offset accrued	15,271
Assets recognized from paid and accrued premium tax offsets current year-end	\$ 1,794,387

C. Gain Contingencies:

On August 20, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company (USF&G) v. American Re-Insurance Company, et al.*, the trial court granted summary judgment for USF&G, awarding it \$251 million plus pre-judgment interest in the amount of \$169 million. The judgment, including the award of interest, was appealed to the New York Supreme Court, Appellate Division, First Department. On January 24, 2012, the Appellate Division affirmed the judgment, which, as of that date, totaled \$467 million, including post-judgment interest. Post-judgment interest continues to accrue (without compounding) at the rate of 9% until the judgment is paid. On January 30, 2012, the reinsurers filed a motion with the Appellate Division seeking permission to appeal its decision to the New York Court of Appeals. Whether the Appellate Division grants permission to appeal is within its discretion.

As USF&G is a participant in the Travelers Reinsurance Pool (TRV Pool), any recoverable is subject to 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 the amounts owed to the Company under the terms of the reinsurance agreements. The Company's respective Pool participation share of the interest awarded by the Court is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, 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 \$1,386,050 in the reporting period on four 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. Product Warranties:

Not applicable.

F. All Other Contingencies:

1a. 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. 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.

b. In 1999, the Company guaranteed the monetary obligations of a subsidiary for policies of insurance or annuity contracts issued up to a maximum of \$480 million until the guarantee terminated. In 2001, the guarantee terminated prospectively upon the sale of the subsidiary to an unaffiliated entity. The unaffiliated entity agreed to indemnify the Company for any amounts it may have to pay under this guarantee.

c. Effective October 21, 2011, an affiliate of the Company, a real estate joint venture in which the Company is invested, assumed a mortgage for property held by the real estate joint venture. The Company entered into a payment guarantee for the mortgage and provided several indemnifications to the lender including indemnifications for environmental liabilities should the lender be held responsible. The maximum principal for the mortgage, which is secured by the property, was \$45 million and the other indemnifications including the environmental guarantee are not limited. The Company is joint and severally liable for these indemnities and guarantees with the third party joint venture investor. Concurrent with assuming the mortgage, the Company entered into a contribution agreement with the joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required.

d. Effective May 27, 2010, an affiliate of the Company, a real estate joint venture in which the Company is invested, assumed a mortgage for property held by the real estate joint venture. The Company entered into a payment guarantee for the mortgage and provided several indemnifications to the lender including indemnifications for environmental liabilities should the lender be held responsible. The maximum principal for the mortgage, which is secured by the property, was \$81 million and the other indemnifications including the environmental guarantee are not limited. The Company is joint and severally liable for these indemnities and guarantees with the third party joint venture investor. Concurrent with assuming the mortgage, the Company entered into a contribution agreement with the joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required.

e. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50.0 million. On July 1, 2010, St. Paul (Bermuda) Ltd., St. Paul Re (Bermuda) Ltd. and Travelers (Bermuda) Limited were amalgamated into one Bermuda company under the name Travelers (Bermuda) Limited. The guarantee was amended on June 30, 2010 to limit the Company's guarantee to only those obligations of St. Paul (Bermuda) Ltd. that existed prior to the amalgamation. The Company also waived certain rights in the amended guarantee until all creditors of St. Paul Re (Bermuda) Ltd and Travelers (Bermuda) Limited at the time of the amalgamation have been paid in full.

f. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.

g. Effective September 30, 1997, the Company entered into an unconditional guaranty that St. Paul Medical Liability Insurance Company, a wholly-owned subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.

NOTES TO FINANCIAL STATEMENTS

- h. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard Surety Company (Seaboard), a New York domiciled insurance company, of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice. On January 2, 2009, Seaboard was merged into America. The terms of the guarantee remain in effect.
- i. Effective December 10, 1993, the Company has guaranteed the performance by Travelers Insurance Company Limited (Travelers Limited), an affiliate incorporated in England, of all Travelers Limited's obligations arising out of its insurance or reinsurance contracts. Effective March 1, 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice. Effective December 31, 2007, pursuant to the order of English Court, made on December 31, 2007, under Part VII of the Financial Services & Markets Act, obligations relating to certain business as of December 31, 2007, were transferred to Unionamerica Insurance Company Limited (Unionamerica), an affiliate of Travelers Limited. This resulted in those obligations no longer being covered by the guarantees. The guarantees will remain in force, however, for the obligations arising out of insurance or reinsurance contracts not transferred to Unionamerica and for business subsequently written by Travelers Limited. In December 2008, Unionamerica was sold to an unaffiliated entity.
- j. The Company guaranteed the timely payment of Discover Reinsurance Company's (Discover Re) obligations with respect to all insurance policies and reinsurance policies issued by Discover Re. On October 1, 2007, Discover Re was merged into Indemnity. The merger resulted in the automatic termination of the guarantee with respect to any future claims. However, the Company continues to guarantee to Indemnity all obligations of Discover Re incurred before the termination date.
- k. In a guarantee agreement dated February 9, 2009, the Company has guaranteed certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary. The guarantee is not limited in amount and expires once all obligations have been met.
- l. The Company is the owner of all the beneficial interests represented by common securities of three business trusts. The trusts exist for the sole purpose of issuing capital securities and common securities and investing the proceeds thereof in deferrable interest junior subordinated debentures. These debentures are held by TRV. The Company fully, irrevocably and unconditionally guaranteed all of the trusts obligations under the capital securities and guarantees the repayment of the subordinated debentures by its parent to the respective trusts.

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amt recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
a. Sale of Business	The fair value of guarantee liabilities as described are minimal and immaterial to the financial statements taken as a whole	Expense - Statement of Income - Line 14. Aggregate write-ins for miscellaneous income	\$341,266,000	The Company has assessed the performance risk as remote under these guarantees
b. Former subsidiary	Fair value initial recognition was \$19,120,000	Expense - Statement of Income - Line 14. Aggregate write-ins for miscellaneous income	\$480,000,000	The Company has assessed the performance risk as remote under this guarantee. The AM Best current claims-paying rating of the former subsidiary is "B++"
c. Real estate joint venture	The fair value of guarantees described are minimal and immaterial to the financial statements taken as a whole	Assets - Line 8 - Other Invested Assets or Line 3 - Mortgage Loans on Real Estate. Either a capital contribution or loan to joint venture	\$45,000,000	The Company has assessed the performance risk as remote under these guarantees
d. Real estate joint venture	The fair value of guarantees described are minimal and immaterial to the financial statements taken as a whole	Assets - Line 8 - Other Invested Assets or Line 3 - Mortgage Loans on Real Estate. Either a capital contribution or loan to joint venture	\$81,000,000	The Company has assessed the performance risk as remote under these guarantees
e. Travelers (Bermuda)	The fair value of guarantee liabilities as described are minimal and immaterial to the financial statements taken as a whole	Surplus - Line 35. Dividend to stockholders	\$50,000,000	The Company has assessed the performance risk as remote under this guarantee
f. USF&G's obligations	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount.	Assets - Line 2.2 Common Stock	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee

NOTES TO FINANCIAL STATEMENTS

g. St. Paul Medical Liability Insurance Company – minimum surplus	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary	Assets - Line 2.2 Common Stock	\$5,000,000	The Company has assessed the performance risk as remote under this guarantee
h. Seaboard Surety Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount.	Surplus - Line 35. Dividend to stockholders		The Company has assessed the performance risk as remote under this guarantee
i. Travelers Insurance Company Limited	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount.	Surplus - Line 35. Dividend to stockholders		The Company has assessed the performance risk as remote under this guarantee
j. Discover Reinsurance Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount.	Surplus - Line 35. Dividend to stockholders		The Company has assessed the performance risk as remote under this guarantee
k. Certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount.	Assets - Line 2.2 Common Stock		The Company has assessed the performance risk as remote under this guarantee
l. Trust obligations of three wholly-owned subsidiaries	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary	Assets - Line 2.2 Common Stock	See below – subject to the same maximum	The Company has assessed the performance risk as remote under these guarantees
Subordinated debentures by its parent to the respective trusts	Fair value initial recognition for debenture guarantees was \$24,000,000	Surplus - Line 35. Dividend to stockholders	\$254,000,000	The Company has assessed the performance risk as remote under these guarantees. TRV is current in all debenture obligations. The debentures were upgraded by AM Best on June 8, 2010 from a "bbb" to a "bbb+" and remains unchanged

Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees \$ 1,256,266,000

Current liability recognized in financial statements:
Noncontingent liabilities 43,120,000
Contingent liabilities -

Ultimate financial statement impact if action under the guarantee is required:
Investment in SCA 5,000,000
Joint venture -
Dividends to stockholders 304,000,000
Expense 821,266,000
Other 126,000,000
Total \$ 1,256,266,000

- 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 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, 2011, 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.

NOTES TO FINANCIAL STATEMENTS

15. LEASES

A. Lessee Leasing Arrangements:

1. At December 31, 2011, the Company is a party to a lease agreement for office space. This lease will expire on August 31, 2012. Total rental expense for the Company for 2011 and 2010 was \$965,906 and \$5,778,337, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.
2. At December 31, 2011, aggregate future minimum rental payments, under the aforementioned lease agreement for 2012, totaled \$145,751.
3. Sale-Leaseback Transactions:

Not applicable.

B. Lessor's Business Activities:

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$374,968,521 and \$353,490,203 as of December 31, 2011 and 2010, respectively. On December 31, 2011, the Company has minimum annual lease payments receivable under non-cancelable leasing arrangements as follows:

<u>Year</u>	<u>Operating Leases</u>
2012	\$ 76,648,023
2013	68,043,441
2014	57,940,095
2015	48,491,963
2016	32,046,380
2017 and later years	44,903,894

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

In the normal course of business, the Company has unfunded commitments to partnerships, limited liability companies, and venture capital entities. The off-balance-sheet risks of these financial instruments were \$463.8 million at December 31, 2011.

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.

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, 2011:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and Miscellaneous	\$ -	60,665,970	5,528,226	\$ 66,194,196
Preferred Stock				
Non-redeemable Preferred Stock	4,384,220	-	-	4,384,220
Common Stock	295,038,122	-	1,184,655	296,222,777
Total Assets at Fair Value	<u>\$299,422,342</u>	<u>60,665,970</u>	<u>6,712,881</u>	<u>\$366,801,193</u>

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

NOTES TO FINANCIAL STATEMENTS

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

	Balance at 01/01/11	Transfers in level 3	Transfers out level 3	Total gains and (losses) included in net income	Total gains and (losses) included in surplus	Purchases and Issuances	Sales and Settlements	Balance at 12/31/11
Bonds	\$ 753,671	4,925,000	-	28,276	146,158	-	(324,879)	\$ 5,528,226
Common Stock	1,221,417	-	-	-	(36,762)	-	-	1,184,655
Total	\$ 1,975,088	4,925,000	-	28,276	109,396	-	(324,879)	\$ 6,712,881

(3) The Company holds NAIC designation 3 – 6 securities at the lower of cost or market as defined in SSAP No. 26. Market fluctuations cause securities to change from being held at cost to fair value or vice versa. These changes result in a transfer in or out of level 3.

(4) Bonds and preferred stocks were carried at fair value under the lower of cost or market requirement. These securities 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.

(5) Not applicable.

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.

2011 Schedule P:

The 2001 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					1997 & Prior
	2001	2000	1999	1998	1997	
Part 1A	\$ 117	\$ 123	\$ 35	\$ 79	\$ 793	
Part 1B	378	142	91	74	63,662	
Part 1C	6,163	2,649	1,898	889	11,945	
Part 1D	113,861	119,737	88,431	91,884	906,139	
Part 1E	10,758	9,900	11,326	10,140	71,115	
Part 1F - Section 1	1,175	824	448	114	957	
Part 1F - Section 2	4,790	5,986	4,052	802	5,255	
Part 1G	1,329	3,212	740	1,238	4,983	
Part 1H - Section 1	34,897	24,471	31,031	17,218	516,743	
Part 1H - Section 2	19,186	7,360	4,668	2,293	26,576	
Part 1M	187	531	120	-	38	
Part 1N	4,865	1,068	1,179	459	1,129	
Part 1O	28,421	17,337	11,642	8,480	152,728	
Part 1P	415	228	617	31	217	
Part 1R - Section 1	17,113	16,809	14,657	8,372	361,431	
Part 1R - Section 2	2,296	3,950	6,324	47	2,477	

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):

	2002	2001	2000	1999	1998	1997	1996	1995	1994
Commercial Auto	\$ (255)	\$ (396)	\$ (34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(2,153)	(1,441)	(377)	(13,926)	-	(336)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(4,462)	-	-	-	-	-	-
Special Liability	(5)	-	-	-	-	-	-	-	-
Other Liability – Occ	(820)	-	-	-	-	-	-	-	-
Other Liability – CM	(553)	(1,494)	-	-	-	-	-	-	-
Special Property	(15)	-	-	-	-	-	-	-	-
Other	(2)	-	-	-	-	-	-	-	-
Reinsurance A	(150)	-	-	-	-	-	-	-	-
Reinsurance B	(1,442)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable and Non-Transferable Tax Credits:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**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	\$ 32,762,654
b. Book adjusted carrying value	32,559,804
c. Fair value	33,755,340
d. Other-than-temporary impairments	107,846

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 16, 2012.

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, 2011, 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	\$ 11,460,434,654
Travelers Casualty and Surety Company	06-6033504	9,403,091,790
The Phoenix Insurance Company	06-0303275	2,306,594,365
The Standard Fire Insurance Company	06-6033509	2,283,664,395
United States Fidelity and Guaranty Company	52-0515280	2,034,994,203
Travelers Casualty Insurance Company of America	06-0876835	1,259,330,947
Farmington Casualty Company	06-1067463	682,672,306
The Travelers Indemnity Company of Connecticut	06-0336212	632,864,181
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	631,933,151
The Charter Oak Fire Insurance Company	06-0291290	586,739,943
Northland Insurance Company	41-6009967	563,388,182
St. Paul Surplus Lines Insurance Company	41-1230819	406,393,593
The Travelers Indemnity Company of America	58-6020487	355,211,136
St. Paul Protective Insurance Company	36-2542404	267,754,889
Northfield Insurance Company	41-0983992	239,857,827
Travelers Commercial Casualty Company	95-3634110	216,816,169
Travelers Commercial Insurance Company	06-1286268	216,794,563
Travelers Casualty Company of Connecticut	06-1286266	216,794,563
St. Paul Mercury Insurance Company	41-0881659	196,685,217
Travelers Property Casualty Company of America	36-2719165	169,901,248
Travelers Property Casualty Insurance Company	06-1286274	138,379,511
Athena Assurance Company	41-1435765	133,766,852
St. Paul Medical Liability Insurance Company	41-1435766	133,766,852
TravCo Insurance Company	35-1838077	124,541,550
Travelers Personal Security Insurance Company	06-1286264	124,541,550
Travelers Personal Insurance Company	36-3703200	124,541,550
The Travelers Home and Marine Insurance Company	35-1838079	124,541,550
Travelers Excess and Surplus Lines Company	06-1203698	124,541,550
Discover Property & Casualty Insurance Company	36-2999370	64,607,081
Discover Specialty Insurance Company	52-1925132	64,577,089
Northland Casualty Company	94-6051964	64,577,089
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,128,912
American Equity Specialty Insurance Company	86-0868106	46,126,489
St. Paul Guardian Insurance Company	41-0963301	46,126,489
Total		<u>\$ 35,492,681,436</u>

NOTES TO FINANCIAL STATEMENTS

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

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
Travelers Property Casualty Company of America	36-2719165	\$ 9,686,582,155
St. Paul Fire and Marine Insurance Company	41-0406690	6,270,487,494
Travelers Casualty and Surety Company	06-6033504	3,844,518,859
The Travelers Indemnity Company of America	58-6020487	2,791,066,614
United States Fidelity and Guaranty Company	52-0515280	2,678,617,375
The Charter Oak Fire Insurance Company	06-0291290	2,450,205,162
The Travelers Indemnity Company of Connecticut	06-0336212	2,329,358,649
The Travelers Home and Marine Insurance Company	35-1838079	2,322,531,232
The Standard Fire Insurance Company	06-6033509	2,042,347,456
St. Paul Mercury Insurance Company	41-0881659	1,987,606,482
The Phoenix Insurance Company	06-0303275	1,847,124,807
Travelers Casualty Insurance Company of America	06-0876835	1,346,803,185
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	729,436,145
Farmington Casualty Company	06-1067463	696,548,247
Discover Property & Casualty Insurance Company	36-2999370	687,967,521
Northland Insurance Company	41-6009967	605,241,842
St. Paul Surplus Lines Insurance Company	41-1230819	555,863,845
Travelers Commercial Insurance Company	06-1286268	389,110,294
TravCo Insurance Company	35-1838077	299,828,075
Travelers Property Casualty Insurance Company	06-1286274	280,787,975
St. Paul Guardian Insurance Company	41-0963301	226,050,864
Northfield Insurance Company	41-0983992	204,890,003
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	174,454,640
Travelers Personal Security Insurance Company	06-1286264	166,039,446
St. Paul Protective Insurance Company	36-2542404	155,535,431
Travelers Commercial Casualty Company	95-3634110	120,879,708
Travelers Excess and Surplus Lines Company	06-1203698	116,984,311
Travelers Personal Insurance Company	36-3703200	62,410,068
Travelers Casualty Company of Connecticut	06-1286266	55,140,797
Northland Casualty Company	94-6051964	21,189,091
Athena Assurance Company	41-1435765	18,133,284
Discover Specialty Insurance Company	52-1925132	13,454,805
St. Paul Medical Liability Insurance Company	41-1435766	8,631,788
American Equity Specialty Insurance Company	86-0868106	3,111,784
Total		<u>\$ 45,188,939,434</u>

2. Unaffiliated Company Recoverables:

The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2011, that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

NONE

Additional detail on reinsurance recoverable balances by reinsurer is shown in Schedule F - Part 3.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
Affiliates	\$ 2,113,335,122	\$ 280,647,327	\$ 445,404,687	\$ 59,148,988	\$ 1,667,930,435	\$ 221,498,339
All Other	13,614,197	1,807,942	16,744,763	2,223,676	(3,130,566)	(415,734)
Total	<u>\$ 2,126,949,319</u>	<u>\$ 282,455,269</u>	<u>\$ 462,149,450</u>	<u>\$ 61,372,664</u>	<u>\$ 1,664,799,869</u>	<u>\$ 221,082,605</u>

Direct Unearned Premium Reserve \$ 525,552,516

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$26,143,106 at December 31, 2011. This balance represents the Company's 24.79% pro rata share of the net amount of the TRV Pool (see Note 26):

Direct Business	\$ 8,122,436
Reinsurance Assumed	21,833,018
Reinsurance Ceded	<u>3,812,348</u>
Net	<u>\$ 26,143,106</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	\$ 2,330,260	\$ 124,778,936
(2) Adjustments - Prior Year(s)	(743,700)	48,278,924
(3) Adjustments - Current Year	-	(1,068,044)
(4) Current Total	<u>\$ 1,586,560</u>	<u>\$ 171,989,816</u>

NOTES TO FINANCIAL STATEMENTS

b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$111,076,926
(2) Adjustments - Prior Year(s)	-	13,300,079
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 2,591,816</u>	<u>\$ 124,377,005</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,019,819	\$139,244,369
(2) Current Year	2,858	4,699,912
(3) Current Total	<u>\$ 1,022,677</u>	<u>\$143,944,281</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ 13,702,010
(2) Adjustments - Prior Year(s)	743,700	34,978,845
(3) Adjustments - Current Year	-	(1,068,044)
(4) Current Year Restricted Surplus	<u>\$ 1,005,256</u>	<u>\$ 25,028,101</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 22,584,710</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)	\$ 1,586,560	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	3,272,280
General Reinsurance Corporation (22039)	-	74,370,000
nSpire Re Limited (AA-1784124)	-	19,766,044
Platinum Underwriters Reinsurance Inc. (10357)	-	27,710,833
Various	-	46,870,659
Total	<u>\$ 1,586,560</u>	<u>\$171,989,816</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)	\$ 45,198	\$ -	\$ -
General Reinsurance Corporation (22039)	41,960	38,260	-
nSpire Re Limited (AA-178412)	-	-	5,745,120
Various	96,845	(95,541)	13
Total	<u>\$ 184,003</u>	<u>\$ (57,281)</u>	<u>\$ 5,745,133</u>

G. Reinsurance Accounted for as a Deposit:

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on January 1, 2001. This is a whole account stoploss covering all business allocated to the reinsured's marine hull and marine excess of loss account.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
1999	\$ (254,300)	\$ (1,290,000)	-	\$ (1,544,300)
2000	-	-	-	(1,544,300)
2001	-	-	-	(1,544,300)
2002	-	(128,000)	-	(1,672,300)
2003	-	-	-	(1,672,300)
2004	-	-	-	(1,672,300)
2005	-	-	\$ 326,376	(1,345,924)
2006	-	-	494,769	(851,155)
2007	-	-	65,102	(786,053)
2008	-	-	-	(786,053)
2009	-	-	-	(786,053)
2010	-	-	162,000	(624,053)
2011	-	23,732	-	(600,321)

The Company entered into several ceded reinsurance arrangements which provided coverage for certain workers' compensation, employers liability and automobile liability policies issued by the Company. Given the contract terms and results of the Company's cash flow analyses, it was subsequently determined that the agreements did not fulfill the risk transfer requirements of SSAP No. 62 so they are now being accounted for as deposits.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ 873,720	\$26,680,680	\$ (494,109)	\$ 27,060,291
2006	148,015	1,845,526	(6,006,897)	23,046,935
2007	-	(1,424,040)	(6,327,360)	15,295,535
2008	40,650	(50,387)	(6,038,558)	9,247,240
2009	97,540	(91,588)	(1,086,533)	8,166,659
2010	21,678	(59,297)	(743,145)	7,385,895
2011	20,944	(5,101,917)	(438,701)	1,866,221

H. 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).

NOTES TO FINANCIAL STATEMENTS

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

C. See Schedule P - Part 7A.

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 46,950,702
2. Unsecured amount	7,970,788
3. Less: Nonadmitted amount (10%)	<u>797,079</u>
4. Admitted amount (1) - (3)	<u>\$ 46,153,623</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2011 to December 31, 2011, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$167,648,000, resulting from better than expected loss and defense and cost containment (DCC) development in the other liability – occurrence, homeowners, fidelity & surety, workers' compensation and other liability – claims made lines, and from lower estimates for adjusting and other expenses, partially offset by loss and DCC deterioration in the commercial auto liability, commercial multi-peril, private passenger automobile liability and products liability – occurrence lines.

The improvement in the other liability – occurrence line was concentrated in the excess coverages for accident years 2005 - 2009 and reflected more favorable legal and judicial environments than the Company expected. Also contributing to the improvement was a reclassification of IBNR to products liability – occurrence. This improvement was partially offset by unfavorable development in asbestos and environmental reserves for prior accident years. The improvement in the homeowners line was driven by better than expected loss development primarily related to catastrophe losses incurred in 2010. The improvement in the fidelity & surety line resulted primarily from better than expected development for accident years 2008 and prior for the contract surety business. The improvement in the workers' compensation line resulted from better than expected development for accident years 2002 – 2009, partially offset by worse than expected frequency-driven deterioration for accident year 2010. The improvement in the other liability – claims made line was concentrated in accident years 2008 and prior and reflected more favorable legal and judicial environments than the Company expected; this improvement was partially offset by unfavorable development for accident years 2009 and 2010. The adjusting and other expense improvement was driven by improvement in the underlying loss and DCC reserves and by the allocation of adjusting and other expense reserves by year as disclosed in the Schedule P Interrogatories of the Company.

The deterioration in the commercial auto liability line was driven by worse than expected severity for the 2008 – 2010 accident years, and by unfavorable development on one catastrophic PIP claim for accident year 1995. The deterioration in the commercial multi-peril line was driven primarily by worse than expected development related to hail claims incurred in 2010. The deterioration in the private passenger automobile liability line was driven by worse than expected development for the bodily injury and uninsured motorist coverages for the 2007 – 2010 accident years. The deterioration in the products liability – occurrence line was primarily caused by a reclassification of IBNR from the other liability – occurrence line.

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

NOTES TO FINANCIAL STATEMENTS

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, 2011 the Company had \$4,144,125 receivable from affiliates as a result of its intercompany reinsurance transactions which settled in January 2012.

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. In the event that the life insurance company fails to make the required annuity payments, the Company would be required to make such payments if and to the extent not paid by state guaranty associations.

The following life insurance companies held reserves at December 31, 2011, for structured settlement annuities purchased by members of the TRV Pool (see Note 26), of which \$794,006,602 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>
Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$959,624,027
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	404,251,264
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	249,917,243
Symetra Life Insurance Company, Bellevue, WA	Yes	238,495,490
Genworth Life Insurance Company, Richmond, VA	Yes	199,073,378
All other companies		1,151,569,627

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

As of December 31, 2011, 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, 2011, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,739,642,250 and the amount billed and outstanding on paid claims was \$16,589,141. 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 2006 – 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 2006 – 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 related to annuity obligations from structured settlements are discounted using a discount rate of 5% and reflect the 1983 Individual Annuity Mortality table adjusted for impairment and future mortality improvement.

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, 2011 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	\$ 444,759,640	\$ 11,624,530	\$ 17,563,854
The Travelers Indemnity Company	417,848,002	10,921,147	16,501,099
Travelers Casualty and Surety Company	365,280,606	9,547,211	14,425,177
The Phoenix Insurance Company	89,705,453	2,344,600	3,542,529
The Standard Fire Insurance Company	86,834,879	2,269,573	3,429,168
United States Fidelity and Guaranty Company	79,120,210	2,067,937	3,124,510
Travelers Casualty Insurance Company of America	48,979,178	1,280,152	1,934,221
Farmington Casualty Company	26,552,814	694,002	1,048,589
The Automobile Insurance Company of Hartford, Connecticut	24,579,294	642,420	970,653
The Travelers Indemnity Company of Connecticut	24,579,294	642,420	970,653
The Charter Oak Fire Insurance Company	22,785,185	595,528	899,802
Northland Insurance Company	21,888,131	572,082	864,377
St. Paul Surplus Lines Insurance Company	15,788,160	412,650	623,485
The Travelers Indemnity Company of America	13,814,640	361,068	545,549
St. Paul Protective Insurance Company	10,405,883	271,974	410,933
Northfield Insurance Company	9,329,367	243,838	368,423
Travelers Casualty Company of Connecticut	8,432,313	220,392	332,998
Travelers Commercial Casualty Company	8,432,313	220,392	332,998
Travelers Commercial Insurance Company	8,432,313	220,392	332,998
St. Paul Mercury Insurance Company	7,176,436	187,568	283,402
Travelers Property Casualty Company of America	6,458,793	168,811	255,062
Travelers Property Casualty Insurance Company	5,382,327	140,676	212,552
St. Paul Medical Liability Insurance Company	5,202,916	135,987	205,467
Athena Assurance Company	5,202,916	135,987	205,467
TravCo Insurance Company	4,844,094	126,608	191,297
Travelers Excess and Surplus Lines Company	4,844,094	126,608	191,297
The Travelers Home and Marine Insurance Company	4,844,094	126,608	191,297
Travelers Personal Insurance Company	4,844,094	126,608	191,297
Travelers Personal Security Insurance Company	4,844,094	126,608	191,297
Discover Property & Casualty Insurance Company	2,511,753	65,649	99,191
Discover Specialty Insurance Company	2,511,753	65,649	99,191
Northland Casualty Company	2,511,753	65,649	99,191
American Equity Specialty Insurance Company	1,794,109	46,892	70,851
St. Paul Guardian Insurance Company	1,794,109	46,892	70,851
Fidelity and Guaranty Insurance Underwriters, Inc.	1,794,109	46,892	70,851
Total	<u>\$ 1,794,109,069</u>	<u>\$ 46,892,000</u>	<u>\$ 70,850,577</u>

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2011 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	\$ 90,829,572	\$ 122,082,395	\$ 3,954,250	\$ 2,976,291	\$ 32,016,146
The Travelers Indemnity Company	85,333,628	114,695,401	3,714,988	2,796,197	30,078,901
Travelers Casualty and Surety Company	74,598,226	100,266,139	3,247,624	2,444,422	26,294,823
The Phoenix Insurance Company	18,319,800	24,623,315	797,550	600,300	6,457,471
The Standard Fire Insurance Company	17,733,566	23,835,369	772,028	581,090	6,250,832
United States Fidelity and Guaranty Company	16,158,064	21,717,764	703,439	529,465	5,695,490
Travelers Casualty Insurance Company of America	10,002,611	13,444,330	435,462	327,764	3,525,779
Farmington Casualty Company	5,422,661	7,288,501	236,075	177,689	1,911,411
The Automobile Insurance Company of Hartford, CT	5,019,625	6,746,788	218,529	164,482	1,769,347
The Travelers Indemnity Company of Connecticut	5,019,625	6,746,788	218,529	164,482	1,769,347
The Charter Oak Fire Insurance Company	4,653,229	6,254,322	202,578	152,476	1,640,198
Northland Insurance Company	4,470,031	6,008,089	194,602	146,473	1,575,623
St. Paul Surplus Lines Insurance Company	3,224,285	4,333,703	140,369	105,653	1,136,515
The Travelers Indemnity Company of America	2,821,249	3,791,991	122,823	92,446	994,451
St. Paul Protective Insurance Company	2,125,097	2,856,305	92,516	69,635	749,067
Northfield Insurance Company	1,905,259	2,560,825	82,945	62,431	671,577
Travelers Casualty Company of Connecticut	1,722,061	2,314,592	74,970	56,428	607,002
Travelers Commercial Casualty Company	1,722,061	2,314,592	74,970	56,428	607,002
Travelers Commercial Insurance Company	1,722,061	2,314,592	74,970	56,428	607,002
St. Paul Mercury Insurance Company	1,465,584	1,969,865	63,804	48,024	516,598
Travelers Property Casualty Company of America	1,319,026	1,772,879	57,424	43,222	464,938
Travelers Property Casualty Insurance Company	1,099,188	1,477,399	47,853	36,018	387,448
St. Paul Medical Liability Insurance Company	1,062,548	1,428,152	46,258	34,817	374,533
Athena Assurance Company	1,062,548	1,428,152	46,258	34,817	374,533
TravCo Insurance Company	989,269	1,329,659	43,068	32,416	348,703
Travelers Excess and Surplus Lines Company	989,269	1,329,659	43,068	32,416	348,703
The Travelers Home and Marine Insurance Company	989,269	1,329,659	43,068	32,416	348,703
Travelers Personal Insurance Company	989,269	1,329,659	43,068	32,416	348,703
Travelers Personal Security Insurance Company	989,269	1,329,659	43,068	32,416	348,703
Discover Property & Casualty Insurance Company	512,954	689,453	22,331	16,808	180,809
Discover Specialty Insurance Company	512,954	689,453	22,331	16,808	180,809
Northland Casualty Company	512,954	689,453	22,331	16,808	180,809
American Equity Specialty Insurance Company	366,396	492,466	15,951	12,006	129,149
St. Paul Guardian Insurance Company	366,396	492,466	15,951	12,006	129,149
Fidelity and Guaranty Insurance Underwriters, Inc.	366,396	492,466	15,951	12,006	129,149
Total	<u>\$366,396,000</u>	<u>\$492,466,300</u>	<u>\$15,951,000</u>	<u>\$12,006,000</u>	<u>\$129,149,423</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. ASBESTOS/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 24.79%.

- 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 continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not subjected to aggregate limits on coverage. In these instances, policyholders also may assert that each individual bodily injury claim should be treated as a separate occurrence under the policy. It is difficult to predict whether these policyholders will be successful on both issues. To the extent both issues are resolved in a policyholder's favor and other Company defenses are not successful, the Company's coverage obligations under the policies at issue would be materially increased and bounded only by the applicable per-occurrence limits and the number of asbestos bodily injury claims against the policyholders. Accordingly, although the Company has seen a moderation in the overall risk associated with these lawsuits, it remains difficult to predict the ultimate cost of these claims.

The Company's quarterly asbestos reserve reviews include 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 sold Unionamerica. In conjunction with the sale the Company 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 \$49,084,200 and the Company's 2008 asbestos assumed incurred losses decreased by \$8,428,600.

1. <u>Direct Basis - Asbestos:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 1,028,613,000	\$ 934,547,000	\$ 769,163,000	\$ 721,823,000	\$ 678,591,000
b. Incurred losses and LAE:	(4,150,000)	15,548,000	39,664,000	51,315,000	34,706,000
c. Calendar year payments for losses and LAE:	<u>89,916,000</u>	<u>180,932,000</u>	<u>87,004,000</u>	<u>94,547,000</u>	<u>79,817,000</u>
d. Ending reserves:	<u>\$ 934,547,000</u>	<u>\$ 769,163,000</u>	<u>\$ 721,823,000</u>	<u>\$ 678,591,000</u>	<u>\$ 633,480,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 125,573,000	\$ 118,202,000	\$ 48,163,000	\$ 45,231,000	\$ 50,005,000
b. Incurred losses and LAE:	4,156,000	(6,500,000)	6,198,000	13,633,000	13,635,000
c. Calendar year payments for losses and LAE:	<u>11,527,000</u>	<u>63,539,000</u>	<u>9,130,000</u>	<u>8,859,000</u>	<u>8,373,000</u>
d. Ending reserves:	<u>\$ 118,202,000</u>	<u>\$ 48,163,000</u>	<u>\$ 45,231,000</u>	<u>\$ 50,005,000</u>	<u>\$ 55,267,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$1,003,648,000	\$ 925,010,000	\$ 721,813,000	\$ 683,078,000	\$ 631,096,000
b. Incurred losses and LAE:	7,000	9,046,000	45,862,000	34,706,000	43,383,000
c. Calendar year payments for losses and LAE:	<u>78,645,000</u>	<u>212,243,000</u>	<u>84,597,000</u>	<u>86,688,000</u>	<u>70,308,000</u>
d. Ending reserves:	<u>\$ 925,010,000</u>	<u>\$ 721,813,000</u>	<u>\$ 683,078,000</u>	<u>\$ 631,096,000</u>	<u>\$ 604,171,000</u>

Where appropriate, these agreements also include indemnities and hold harmless provisions to protect the Company.

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

1. Direct Basis:	\$ 547,494,000
2. Assumed Reinsurance Basis:	\$ 26,400,000
3. Net of Ceded Reinsurance Basis:	\$ 512,213,000

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

1. Direct Basis:	\$ 176,326,000
2. Assumed Reinsurance Basis:	\$ 703,000
3. Net of Ceded Reinsurance Basis:	\$ 167,057,000

- 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. Where appropriate, these agreements also include indemnities and hold harmless provisions to protect the Company. The Company's general purpose in executing these agreements is to reduce the

NOTES TO FINANCIAL STATEMENTS

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 number of sites; the total number of potentially responsible parties at each site; the nature of the alleged 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 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. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. 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 \$6,941,200 and the Company's 2008 environmental assumed incurred losses decreased by \$1,239,500.

1. <u>Direct Basis - Environmental:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 66,620,000	\$ 89,299,000	\$ 83,225,000	\$ 82,496,000	\$ 74,706,000
b. Incurred losses and LAE:	45,784,000	21,029,000	20,824,000	9,866,000	16,361,000
c. Calendar year payments for losses and LAE:	<u>23,105,000</u>	<u>27,103,000</u>	<u>21,553,000</u>	<u>17,656,000</u>	<u>19,325,000</u>
d. Ending reserves:	<u>\$ 89,299,000</u>	<u>\$ 83,225,000</u>	<u>\$ 82,496,000</u>	<u>\$ 74,706,000</u>	<u>\$ 71,742,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 32,701,000	\$ 27,130,000	\$ 15,825,000	\$ 13,969,000	\$ 13,055,000
b. Incurred losses and LAE:	61,000	(1,119,000)	247,000	1,290,000	3,470,000
c. Calendar year payments for losses and LAE:	<u>5,632,000</u>	<u>10,186,000</u>	<u>2,103,000</u>	<u>2,204,000</u>	<u>2,333,000</u>
d. Ending reserves:	<u>\$ 27,130,000</u>	<u>\$ 15,825,000</u>	<u>\$ 13,969,000</u>	<u>\$ 13,055,000</u>	<u>\$ 14,192,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 103,722,000	\$ 121,448,000	\$ 102,568,000	\$ 97,455,000	\$ 86,895,000
b. Incurred losses and LAE:	45,844,000	19,910,000	17,354,000	8,677,000	18,840,000
c. Calendar year payments for losses and LAE:	<u>28,118,000</u>	<u>38,790,000</u>	<u>22,467,000</u>	<u>19,237,000</u>	<u>21,115,000</u>
d. Ending reserves:	<u>\$ 121,448,000</u>	<u>\$ 102,568,000</u>	<u>\$ 97,455,000</u>	<u>\$ 86,895,000</u>	<u>\$ 84,620,000</u>

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

1. Direct Basis:	\$ 70,617,000
2. Assumed Reinsurance Basis:	\$ 8,289,000
3. Net of Ceded Reinsurance Basis	\$ 78,440,000

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

1. Direct Basis:	\$ 20,590,000
2. Assumed Reinsurance Basis:	\$ 174,000
3. Net of Ceded Reinsurance Basis	\$ 20,201,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2011 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 environment could be affected by changes in applicable legislation and 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. 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.

NOTES TO FINANCIAL STATEMENTS

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 2011 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2011, 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>
AE DEVELOPMENT GROUP, INC.	06-0952727	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
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS MGA, INC.	75-2676034
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS TEXAS MGA, INC.	27-4469564
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
TCI GLOBAL SERVICES, INC.	52-1965525	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
		YONKERS FINANCING CORPORATION	20-3033027

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

- 1.3 State regulating? 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 [X]

- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/24/2011

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

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

- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]

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

1 Name of Entity	2 NAIC 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 [X]
- 6.2 If yes, give full information: _____

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign 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 [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main St., Hartford, CT 06103

- 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 related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption: _____

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the answer to 10.5 is no or n/a, please explain. _____

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Smitesh Davé, FCAS & MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183

GENERAL INTERROGATORIES

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 See 12.2 below.
-
- 12.12 Number of parcels involved3
 12.13 Total book/adjusted carrying value \$.....28,844,709
- 12.2 If yes, provide explanation.
 350 Market Street: Holds a 254 room hotel in St. Paul, MN.
 English Turn Realty Management, Inc and English Turn Fidelity, Inc.: A residential golf course development in New Orleans, LA.
 Promenade Partners: Holds a strip mall center in Oakbrook, IL.
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 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
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 The Code of Business Conduct and Ethics was updated in 2011, but the changes were applicable to all employees.
-
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
-
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes No
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1
American Bankers Association (ABA) Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger the Letter of Credit | 4
Amount |
|--|--------------------------------------|--|-------------|
| | | | |

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes No
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No
 18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$.....0
 20.12 To stockholders not officers \$.....0
 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$.....0
 20.22 To stockholders not officers \$.....0
 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes No
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$.....0
 21.22 Borrowed from others \$.....0
 21.23 Leased from others \$.....0
 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes No
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$.....0
 22.22 Amount paid as expenses \$.....0
 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.1 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 24.3)? Yes No
 24.2 If no, give full and complete information relating thereto.
-
- 24.3 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).

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....14,670,484
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....0
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes No
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....77,532,536
- 25.26 Placed under option agreements \$.....0
- 25.27 Letter stock or securities restricted as to sale \$.....0
- 25.28 On deposit with state or other regulatory body \$.....1,599,468,000
- 25.29 Other \$.....2,095,641

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
- If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	270 Park Avenue, New York, NY 10017-2070
The Bank of New York Mellon	One Wall Street, New York, NY 10286

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
UBS	1 North Wacker 31st Floor, Chicago, IL 60606	Future Account Agreements

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No
- 28.04 If yes, give full and complete information relating thereto:

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

28.05 Identify all investment advisors, 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	CBRE Clarion Securities	201 King of Prussia Road Suite 600 Radnor, PA 19087

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

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from 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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	10,957,868,418	11,764,120,088	806,251,670
30.2 Preferred stocks.....	6,384,220	6,400,220	16,000
30.3 Totals.....	10,964,252,638	11,770,520,308	806,267,670

30.4 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.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.
-
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
-

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....12,566,721
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC.	5,016,573

- 34.1 Amount of payments for legal expenses, if any? \$.....21,499,736
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....698,368
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
US CHAMBER OF COMMERCE - INSTITUTE FOR LEGAL REFORM	185,925

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 lives0
 - 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 lives0
- 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 lives0
 - 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 lives0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....4,882,136,325	\$.....4,702,263,702
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....11,973,363,167	\$.....11,746,525,776
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 \$.....69,199,871
 - 3.22 Non-participating policies \$.....4,854,168,550

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.16
- 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 [] No [X]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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 [] No [X]
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 [X] No []
- 11.2 If yes, give full information:
The company guarantees the policies of several of its subsidiaries. See Note 10.
-
- 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 \$.....39,370,824
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....7,785,077
- 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: \$.....39,185,112
- 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 \$.....1,703,117,013
- 12.62 Collateral and other funds \$.....395,092,570

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....8,614,525
- 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 financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information:

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....
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]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

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

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

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

- 18.1 Do you act as a custodian for health savings 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 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,945,154,855	2,850,460,455	3,100,874,728	3,393,570,157	3,426,121,788
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	983,737,310	1,036,082,655	1,128,638,848	1,230,254,741	1,277,955,449
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,923,453,432	1,855,443,516	1,796,149,388	1,773,936,700	1,734,521,094
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	61,168,852	65,734,670	74,111,269	72,124,146	71,740,881
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	31,367,330	23,693,977	28,948,423	15,959,536	64,887,412
6. Total (Line 35).....	5,944,881,778	5,831,415,273	6,128,722,656	6,485,845,279	6,575,226,623
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,303,682,729	2,208,722,769	2,197,326,722	2,231,670,058	2,184,977,847
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	880,488,485	898,868,277	908,800,025	943,013,361	968,350,386
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,700,135,506	1,635,363,639	1,559,786,443	1,526,712,139	1,487,385,424
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	26,895,627	28,637,594	28,125,968	26,200,266	15,472,519
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	12,166,075	4,830,084	6,065,736	(16,055,766)	14,660,249
12. Total (Line 35).....	4,923,368,421	4,776,422,362	4,700,104,894	4,711,540,058	4,670,846,424
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(394,445,772)	273,996,601	468,494,455	346,894,248	510,805,664
14. Net investment gain (loss) (Line 11).....	792,897,910	812,930,356	524,901,574	735,357,781	874,271,535
15. Total other income (Line 15).....	6,028,497	8,868,787	7,156,681	26,350,873	8,712,202
16. Dividends to policyholders (Line 17).....	8,639,061	5,944,977	4,333,516	5,441,271	5,767,644
17. Federal and foreign income taxes incurred (Line 19).....	(5,622,487)	177,360,281	274,225,479	253,778,169	240,176,771
18. Net income (Line 20).....	401,464,061	912,490,486	721,993,715	849,383,463	1,147,844,986
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	18,414,741,674	18,356,919,227	19,223,082,666	19,162,959,762	19,842,695,554
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	483,626,014	527,912,645	381,020,254	246,280,270	290,131,464
20.2 Deferred and not yet due (Line 15.2).....	941,647,858	907,292,930	886,072,050	962,964,354	984,110,194
20.3 Accrued retrospective premiums (Line 15.3).....	46,153,623	48,448,909	119,854,822	79,775,504	56,305,656
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	12,701,137,921	12,536,050,944	12,631,728,562	12,796,453,285	12,961,588,288
22. Losses (Page 3, Line 1).....	7,714,594,475	7,537,768,939	7,668,426,823	7,861,178,116	8,055,245,217
23. Loss adjustment expenses (Page 3, Line 3).....	1,779,413,979	1,779,650,483	1,833,237,996	1,826,620,788	1,806,063,470
24. Unearned premiums (Page 3, Line 9).....	2,190,352,385	2,128,243,431	2,063,838,983	2,098,724,313	2,099,873,010
25. Capital paid up (Page 3, Lines 30 & 31).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,713,603,754	5,820,868,283	6,591,354,104	6,366,506,477	6,881,107,266
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	628,258,981	926,892,248	725,935,114	719,407,190	975,699,174
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,713,603,754	5,820,868,293	6,591,354,104	6,366,506,477	6,881,107,266
29. Authorized control level risk-based capital.....	1,011,750,646	1,020,809,134	1,053,917,794	1,047,018,163	1,200,098,848
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).....	66.8	67.0	69.7	68.5	71.1
31. Stocks (Lines 2.1 & 2.2).....	22.1	21.8	20.0	18.4	18.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.3	0.3	0.3	0.3	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.4	4.3	4.2	4.4	4.2
34. Cash, cash equivalents and short-term investments (Line 5).....	1.1	1.4	2.0	4.9	2.3
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8).....	5.3	5.0	3.8	3.5	3.4
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.1	0.2	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).....	3,277,723,135	3,295,166,329	3,260,621,668	2,985,665,423	3,228,535,982
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.....	59,774,333	89,426,881	75,462,406	75,773,042	93,701,053
48. Total of above lines 42 to 47.....	3,337,497,468	3,384,593,210	3,336,084,074	3,061,438,465	3,322,237,035
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).....	58.4	58.1	50.6	48.1	48.3

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2011	2010	2009	2008	2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....	15,054,022	22,056,399	598,485,082	68,850,703	321,066,190
51. Dividends to stockholders (Line 35).....	(500,000,000)	(1,846,000,000)	(1,349,250,563)	(1,100,000,000)	(1,428,000,000)
52. Change in surplus as regards policyholders for the year (Line 38).....	(107,264,529)	(770,485,821)	224,847,627	(514,600,789)	(138,771,588)
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).....	1,753,470,284	1,861,102,490	1,833,680,286	1,927,134,247	1,995,697,705
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	646,716,236	581,353,071	639,059,627	652,961,163	588,888,740
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,261,386,044	925,461,534	820,695,541	811,327,076	713,791,478
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	38,051,143	33,373,617	35,916,014	68,010,556	188,182,204
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	71,152,254	131,790,401	150,692,255	693,724,519	366,825,178
58. Total (Line 35).....	3,770,775,961	3,533,081,112	3,480,043,722	4,153,157,561	3,853,385,305
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).....	1,180,457,617	1,173,398,855	1,090,758,651	1,138,341,007	1,086,589,554
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	565,649,894	475,640,411	490,467,416	489,024,173	431,698,913
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,157,765,580	797,034,551	724,129,753	719,097,476	600,237,544
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,929,170	15,923,103	18,905,138	16,435,765	49,754,445
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	15,839,145	25,516,759	22,870,871	114,858,141	110,617,591
64. Total (Line 35).....	2,936,641,406	2,487,513,679	2,347,131,829	2,477,756,561	2,278,898,047
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).....	63.8	50.1	45.7	48.6	46.4
67. Loss expenses incurred (Line 3).....	12.3	11.8	12.4	12.8	12.2
68. Other underwriting expenses incurred (Line 4).....	32.0	32.3	32.1	31.2	30.4
69. Net underwriting gain (loss) (Line 8).....	(8.1)	5.8	9.9	7.4	10.9
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).....	31.6	31.6	32.0	30.6	30.3
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	76.1	61.9	58.0	61.4	58.6
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).....	86.2	82.1	71.3	74.0	67.9
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).....	(134,238)	(249,252)	(298,014)	(360,687)	(165,041)
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).....	(2.3)	(3.8)	(4.7)	(5.2)	(2.4)
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).....	(479,176)	(535,079)	(677,620)	(471,225)	(181,613)
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).....	(7.3)	(8.4)	(9.8)	(6.7)	(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							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	232,973	107,169	81,517	4,340	36,564	452	7,843	239,093	XXX
2. 2002.....	5,009,255	1,045,627	3,963,628	2,588,311	618,176	321,485	44,647	152,390	15,651	100,747	2,383,712	XXX
3. 2003.....	5,467,166	1,154,011	4,313,155	2,404,711	390,587	274,411	34,810	154,170	14,720	102,945	2,393,175	XXX
4. 2004.....	5,413,460	926,738	4,486,722	2,187,193	370,392	224,714	28,198	168,068	15,532	103,738	2,165,854	XXX
5. 2005.....	5,216,226	745,705	4,470,520	2,492,598	658,805	206,289	29,268	172,494	11,315	94,417	2,171,993	XXX
6. 2006.....	5,130,940	630,341	4,500,599	1,875,161	230,608	177,821	16,930	192,756	5,887	96,472	1,992,314	XXX
7. 2007.....	5,217,754	544,633	4,673,121	1,951,157	183,651	179,750	13,133	207,577	4,647	111,079	2,137,052	XXX
8. 2008.....	5,241,060	542,410	4,698,651	2,321,306	243,194	167,571	11,942	240,966	3,592	109,043	2,471,116	XXX
9. 2009.....	5,150,634	433,153	4,717,481	1,918,502	131,196	122,028	6,615	231,763	2,577	91,316	2,131,905	XXX
10. 2010.....	5,097,004	394,741	4,702,263	1,810,961	96,727	90,374	4,613	231,511	2,094	91,992	2,029,411	XXX
11. 2011.....	5,266,257	384,120	4,882,136	1,630,361	78,010	45,497	2,980	207,078	1,487	64,247	1,800,460	XXX
12. Totals.....	XXX	XXX	XXX	21,413,232	3,108,514	1,891,458	197,476	1,995,337	77,953	973,838	21,916,085	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.....	1,761,749	546,577	1,421,527	260,887	167,275	31,559	284,617	25,499	188,639	651	4,317	2,958,631	XXX
2. 2002.....	122,595	40,336	118,913	25,695	10,536	1,730	30,964	6,586	7,945	108	804	216,499	XXX
3. 2003.....	113,774	20,399	143,628	43,334	12,986	2,387	29,639	5,430	23,905	218	6,764	252,164	XXX
4. 2004.....	110,713	29,935	126,351	36,900	11,353	1,009	29,338	5,589	8,723	104	3,550	212,941	XXX
5. 2005.....	122,452	38,318	176,062	49,988	12,054	1,767	32,302	5,218	8,647	155	5,476	256,072	XXX
6. 2006.....	153,687	32,473	210,253	45,864	17,093	1,060	35,629	4,303	12,023	42	7,077	344,942	XXX
7. 2007.....	170,191	23,650	262,859	53,479	24,926	1,361	54,934	4,642	12,998	(39)	13,437	442,815	XXX
8. 2008.....	298,158	30,392	311,330	53,195	36,023	1,751	83,999	8,882	24,872	(51)	26,527	660,215	XXX
9. 2009.....	373,483	66,987	415,267	52,078	44,367	1,968	99,433	9,345	29,573	(40)	32,391	831,786	XXX
10. 2010.....	520,606	40,506	593,787	52,893	52,292	2,287	136,267	8,772	42,699	(51)	49,696	1,241,244	XXX
11. 2011.....	847,010	115,245	1,069,654	70,326	58,738	2,764	178,613	8,641	119,606	(54)	102,058	2,076,698	XXX
12. Totals.....	4,594,419	984,818	4,849,632	744,638	447,643	49,643	995,735	92,908	479,630	1,043	252,098	9,494,008	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	2,375,811	582,820
2. 2002.	3,353,141	752,929	2,600,212	66.9	72.0	65.6	0	0	24.79	175,478	41,022
3. 2003.	3,157,224	511,885	2,645,339	57.7	44.4	61.3	0	0	24.79	193,669	58,496
4. 2004.	2,866,453	487,658	2,378,795	53.0	52.6	53.0	0	0	24.79	170,230	42,711
5. 2005.	3,222,898	794,833	2,428,065	61.8	106.6	54.3	0	0	24.79	210,209	45,863
6. 2006.	2,674,423	337,167	2,337,256	52.1	53.5	51.9	0	0	24.79	285,602	59,340
7. 2007.	2,864,392	284,524	2,579,867	54.9	52.2	55.2	0	0	24.79	355,921	86,894
8. 2008.	3,484,226	352,895	3,131,331	66.5	65.1	66.6	0	0	24.79	525,902	134,313
9. 2009.	3,234,416	270,726	2,963,691	62.8	62.5	62.8	0	0	24.79	669,686	162,100
10. 2010.	3,478,497	207,841	3,270,656	68.2	52.7	69.6	0	0	24.79	1,020,995	220,250
11. 2011.	4,156,556	279,399	3,877,157	78.9	72.7	79.4	0	0	24.79	1,731,092	345,605
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,714,594	1,779,414

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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior.....	6,628,351	7,064,062	7,694,403	8,029,161	8,261,158	8,356,318	8,461,072	8,449,565	8,442,280	8,474,874	32,594	25,309
2. 2002.....	2,624,040	2,414,120	2,494,419	2,534,505	2,549,017	2,537,250	2,526,970	2,514,936	2,469,102	2,465,258	(3,843)	(49,677)
3. 2003.....	XXX	2,658,036	2,513,800	2,585,576	2,576,959	2,584,095	2,585,924	2,531,781	2,507,631	2,493,473	(14,158)	(38,308)
4. 2004.....	XXX	XXX	2,897,272	2,626,946	2,509,944	2,432,486	2,343,482	2,299,151	2,262,904	2,228,053	(34,852)	(71,099)
5. 2005.....	XXX	XXX	XXX	2,943,210	2,713,161	2,614,080	2,432,628	2,351,219	2,291,737	2,268,922	(22,816)	(82,298)
6. 2006.....	XXX	XXX	XXX	XXX	2,486,349	2,403,395	2,278,058	2,220,220	2,179,801	2,150,664	(29,137)	(69,556)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	2,566,659	2,509,773	2,449,789	2,442,863	2,374,627	(68,236)	(75,162)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	2,942,721	2,965,951	2,949,232	2,879,189	(70,044)	(86,762)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,746,997	2,734,808	2,715,375	(19,433)	(31,623)
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,914,254	3,009,940	95,685	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,565,850	XXX	XXX
12. Totals.....											(134,238)	(479,176)

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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	.000	1,668,708	2,546,794	3,334,953	3,918,939	4,369,548	4,850,757	5,110,584	5,360,240	5,563,222	XXX	XXX
2. 2002.....	714,705	1,222,203	1,527,918	1,771,645	1,957,033	2,078,887	2,152,042	2,202,740	2,229,723	2,246,973	XXX	XXX
3. 2003.....	XXX	759,038	1,309,188	1,659,380	1,867,690	2,032,115	2,127,309	2,181,637	2,222,699	2,253,724	XXX	XXX
4. 2004.....	XXX	XXX	747,937	1,285,539	1,544,087	1,738,347	1,853,843	1,930,863	1,983,720	2,013,317	XXX	XXX
5. 2005.....	XXX	XXX	XXX	805,848	1,408,702	1,639,804	1,798,424	1,902,184	1,974,841	2,010,814	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	775,026	1,220,924	1,454,499	1,621,202	1,746,055	1,805,445	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	845,516	1,348,909	1,624,500	1,813,192	1,934,123	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	1,109,683	1,706,300	2,020,395	2,233,742	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,036,050	1,609,463	1,902,719	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,156,108	1,799,995	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,594,868	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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior.....	3,153,838	2,638,862	2,534,632	2,358,391	2,262,337	2,142,095	1,938,994	1,795,966	1,640,238	1,489,392
2. 2002.....	1,306,193	616,866	440,715	335,356	266,220	230,149	206,441	186,164	134,128	124,744
3. 2003.....	XXX	1,316,500	659,882	468,538	331,312	272,440	252,311	187,235	150,066	131,469
4. 2004.....	XXX	XXX	1,567,579	859,511	565,078	395,870	277,160	206,713	159,126	119,939
5. 2005.....	XXX	XXX	XXX	1,351,100	855,260	645,545	392,556	280,376	189,750	161,388
6. 2006.....	XXX	XXX	XXX	XXX	1,166,255	768,867	507,854	360,933	265,208	205,228
7. 2007.....	XXX	XXX	XXX	XXX	XXX	1,109,030	691,774	486,189	371,779	268,747
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	1,178,583	724,185	517,487	340,698
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,106,435	652,755	462,409
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,071,190	678,152
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,182,730

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

Table with 10 columns: States, Etc., Active Status, Direct Premiums Written, Direct Premiums Earned, Dividends Paid or Credited to Policyholders on Direct Business, Direct Losses Paid (Deducting Salvage), Direct Losses Incurred, Direct Losses Unpaid, Finance and Service Charges not Included in Premiums, Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)

DETAILS OF WRITE-INS

Table with 10 columns: Description, Active Status, Direct Premiums Written, Direct Premiums Earned, Dividends Paid or Credited to Policyholders on Direct Business, Direct Losses Paid (Deducting Salvage), Direct Losses Incurred, Direct Losses Unpaid, Finance and Service Charges not Included in Premiums, Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)

(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.
FIRE; ALLIED LINES; FARMOWNERS MULTI PERIL; HOMEOWNERS MULTI PERIL; COMMERCIAL MULTI PERIL; EARTHQUAKE;
BURGLARY & THEFT; BOILER & MACHINERY-LOCATION OF PROPERTY INSURED; OCEAN MARINE-LOCATION WHERE CONTRACT OF
INSURANCE IS NEGOTIATED, EXCEPT BUILDERS RISKS WHICH ARE ALLOCATED ON LOCATIONS OF RISK; INLAND MARINE-ADDRESS OF INSURED OR
STATE OF PRINCIPAL EXPOSURE, BRIDGES & TUNNELS-LOCATION OF PROPERTY; FINANCIAL GUARANTY; GROUP ACCIDENT & HEALTH;
OTHER ACCIDENT & HEALTH; CREDIT-LOCATION OF INSURED; MEDICAL MALPRACTICE; WORKERS COMPENSATION; OTHER LIABILITY;
PRODUCTS LIABILITY-LOCATION OF RISK; AUTO LIABILITY; AUTO PHYSICAL DAMAGE-LOCATION OF PRINCIPAL GARAGE OF INSURED;
AIRCRAFT (ALL PERILS)-LOCATION OF AIRPORT FROM WHICH INSURED AIRCRAFT PRINCIPALLY OPERATE; FIDELITY-FORGERY-LOCATION OF
INSURED, PUBLIC & FEDERAL OFFICIAL-LOCATION OF OFFICIAL, ALL OTHER FIDELITY-LOCATION OF EMPLOYER; 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	... .. English Turn Fidelity Realty, Inc.	Maryland	52-1466734
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. English Turn Limited Partnership (99%)	Maryland	59-2635727
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... .. Fidelity English Turn Club General Partnership (99%)	Maryland	59-2709441
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... .. English Turn Limited Partnership (1%)	Maryland	59-2635727
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. English Turn Realty Management, Inc.	Maryland	52-1715225
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Fidelity English Turn Club General Partnership (1%)	Maryland	59-2709441
... .. Athena Assurance Company (41769) *	Connecticut	41-1435765	... Camperdown Corporation	Delaware	41-1762781
... .. St. Paul Medical Liability Insurance Company (41750) *	Connecticut	41-1435766	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... Aprilgrange Limited	United Kingdom	
... .. Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... F&G U.K. Underwriters Limited	United Kingdom	
... .. St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... SPAL Pension Trustees Limited	United Kingdom	
... .. Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... Peacockgrange Limited	United Kingdom	
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... Travelers Syndicate Management Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... St. Paul Surety Europe Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... Travelers London Limited	United Kingdom	
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... .. Solicitors Professional Indemnity Limited (49%)	United Kingdom	
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... St. Paul London Properties, Inc.	Minnesota	41-1880024
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... Travelers Management Limited	United Kingdom	
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... .. Travelers Professional Risks Limited	United Kingdom	
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. Constitution Plaza, Inc.	Connecticut	06-0566030
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. MMI Capital Trust I	Delaware	52-2073764	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. USF&G Capital I	Delaware	52-1953822	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. USF&G Capital III	Delaware	52-2044075	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. UA Combined Investment Company Limited (67%)	United Kingdom		... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. Jago Dedicated Limited (88.9%)	United Kingdom		... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. Jago Capital Limited	United Kingdom		... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Jago Dedicated Limited (11.1%)	United Kingdom		... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. St. Paul Risk Management International Limited	United Kingdom		... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. MFCM Limited	United Kingdom		... .. TPC Investments Inc.	Connecticut	06-1534005
... .. Travelers Special Services Limited	United Kingdom		... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. AE Development Group, Inc.	Connecticut	06-0952727
... .. Castle Pines Fidelity Realty, Inc.	Maryland	52-1735211	... .. Ponderosa Homes (23.5%)	Connecticut	06-0961413
... .. Castle Pines Fidelity Associates Limited Partnership (1%)	Maryland	52-1735213	... .. Ponderosa Homes (76.5%)	Connecticut	06-0961413
... .. Fidelity Castle Pines Limited Partnership (50%)	Maryland	52-1631820	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. Castle Pines Fidelity Associates Limited Partnership (99%)	Maryland	52-1735213	... .. Travelers Guarantee Company of Canada*	Canada	

Notes:

* Denotes affiliated insurer

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

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

94.1

... .. Coronation Insurance Company, Ltd. *	Canada		... .. Phoenix UK Investments LLC	Delaware	06-0303275
... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370	... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... .. Travelers Brazil Holding, LLC	Delaware	06-0907370	... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... .. Travelers Brazil Acquisition LLC	Delaware	06-0907370	... .. TINDY Foreign, Inc	Delaware	20-4403403
... .. J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (43.4%)	Brazil		... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... .. J. Malucelli Resseguradora S.A. *	Brazil		... .. Travelers Distribution Alliance, Inc.	Delaware	62-1657094
... .. J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... .. J. Malucelli Seguradora S.A. *	Brazil		... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... .. J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		... .. Travelers Marine, LLC	Delaware	06-0566050
... .. J. Malucelli Seguros S.A. *	Brazil				
... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835			
... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266			
... .. Travelers Casualty UK Investments, LLC	Delaware	06-6033504			
... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268			
... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698			
... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040			
... .. Travelers MGA, Inc.	Texas	75-2676034			
... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050			
... .. Arch Street North LLC	Delaware	06-0566050			
... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290			
... .. Countersignature Agency, Inc.	Florida	06-1345091			
... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141			
... .. First Trenton Indemnity Company (29930) *	Connecticut	22-3129711			
... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361			
... .. Select Insurance Company (22233) *	Texas	75-6013697			
... .. Gulf Underwriting Limited *	United Kingdom				
... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom				
... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830			
... .. Crystal Brook, LLC	Delaware	06-0566050			
... .. Durham Holding, LLC	Delaware	06-0566050			
... .. Sutton Holdco, LLC	Delaware	06-0566050			
... .. Cadet Limited, LLC	Delaware	06-0566050			
... .. Arrowhead Company, LLC	Delaware	06-0566050			
... .. Eastern Asset, LLC	Delaware	06-0566050			
... .. Jupiter Holdings, Inc.	Minnesota	41-1769846			
... .. American Equity Insurance Company (43117) *	Arizona	86-0703220			
... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106			
... .. Northland Insurance Company (24015) *	Connecticut	41-6009967			
... .. Northfield Insurance Company (27987) *	Iowa	41-0983992			
... .. Northland Casualty Company (24031) *	Connecticut	94-6051964			
... .. Northland Risk Management Services, Inc.	Minnesota	41-1720288			
... .. Travelers Indemnity UK Investments LLC	Connecticut	06-0566050			
... .. TPC U.K. Investments LLC	Delaware	06-0566050			
... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275			
... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487			
... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212			
... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165			
... .. Constitution State Services, LLC	Delaware	06-1501229			

Notes:

* Denotes affiliated insurer

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

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