



ANNUAL STATEMENT
For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF
THE TRAVELERS
INDEMNITY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 25658 Employer's ID Number 06-0566050
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MARCH 25, 1903 COMMENCED BUSINESS, MAY 12, 1906

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: One Tower Square, Hartford, CT 06183 (860) 277-0111
Internet Website Address: www.travelers.com
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(E-Mail Address) (Fax Number)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists officers including Brian William MacLean, Jay Steven Benet, Charles Joseph Clarke, William Herbert Heyman, Alan David Schnitzer, Andy Francis Besette, John Patrick Clifford, Jr., William Eugene Cunningham, Jr., William Patrick Hannon, Maria Olivo, Doreen Spadorcia, Kenneth Franklin Spence, III, Gregory Cheshire Toczydowski, Douglas Keith Bell, Douglas Kenneth Russell, Scott William Rynda, Wendy Constance Skjerven, and Smitesh Davé.

DIRECTORS

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

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

Signatures of Brian W. MacLean (President), Wendy C. Skjerven (Secretary), and Douglas K. Russell (Controller).

Subscribed and sworn to before me this

24th day of January, 2012
Notary Public
My Commission Expires September 30, 2012



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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	12,867,340,653	0	12,867,340,653	12,486,008,475
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	59,115,935	0	59,115,935	88,832,315
2.2 Common stocks.....	3,367,669,645	34,904,977	3,332,764,668	3,299,461,588
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	31,960,707	0	31,960,707	33,667,449
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	197,891,542	0	197,891,542	187,302,608
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(579,853,198), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....67,483,745, Sch. DA).....	(512,369,453)	0	(512,369,453)	134,904,941
6. Contract loans (including \$.....0 premium notes).....	1,307,873	1,307,873	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	731,237,846	121,316,477	609,921,369	588,614,375
9. Receivables for securities.....	1,119,650	0	1,119,650	0
10. Securities lending reinvested collateral assets (Schedule DL).....	47,186,079	0	47,186,079	69,039,000
11. Aggregate write-ins for invested assets.....	(7,828,675)	0	(7,828,675)	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,784,631,801	157,529,327	16,627,102,474	16,887,830,751
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	160,151,382	0	160,151,382	159,410,298
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	373,520,160	38,701,489	334,818,671	667,727,677
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....9,723,389 earned but unbilled premiums).....	893,635,165	6,428,768	887,206,397	854,436,010
15.3 Accrued retrospective premiums.....	44,109,796	748,849	43,360,947	45,517,349
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,705,194,806	0	1,705,194,806	1,718,655,141
16.2 Funds held by or deposited with reinsured companies.....	3,853,771	0	3,853,771	4,447,301
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	842,140,578	346,400,963	495,739,615	401,345,391
19. Guaranty funds receivable or on deposit.....	4,163,092	0	4,163,092	5,648,129
20. Electronic data processing equipment and software.....	39,430,207	0	39,430,207	35,622,832
21. Furniture and equipment, including health care delivery assets (\$.....0).....	278,736,993	278,736,993	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.....	277,429,189	0	277,429,189	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	1,129,525,874	759,323,051	370,202,823	328,832,154
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	22,536,522,816	1,587,869,441	20,948,653,374	21,109,473,033
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	22,536,522,816	1,587,869,441	20,948,653,374	21,109,473,033

DETAILS OF WRITE-INS

1101. Deferred gain/loss.....	(7,828,675)	0	(7,828,675)	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	(7,828,675)	0	(7,828,675)	0
2501. COLI supplemental benefits trust.....	130,470,614	0	130,470,614	126,179,688
2502. Suspense, undistributed payments.....	69,793,170	0	69,793,170	36,754,954
2503. Equities and deposits in pools and associations.....	68,833,124	0	68,833,124	70,009,259
2598. Summary of remaining write-ins for Line 25 from overflow page.....	860,428,967	759,323,051	101,105,915	95,888,254
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,129,525,874	759,323,051	370,202,823	328,832,154

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	6,941,647,410	6,758,380,729
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,185,923,481	1,136,574,064
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,558,083,496	1,566,509,255
4. Commissions payable, contingent commissions and other similar charges.....	126,458,140	119,753,709
5. Other expenses (excluding taxes, licenses and fees).....	106,677,202	105,173,423
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	83,311,074	86,517,868
7.1 Current federal and foreign income taxes (including \$.....8,841,073 on realized capital gains (losses)).....	39,303,364	13,235,777
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 \$.....7,214,994,966 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).....	1,985,991,936	1,925,992,064
10. Advance premium.....	68,317,105	67,195,644
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	10,768,744	8,705,757
12. Ceded reinsurance premiums payable (net of ceding commissions).....	87,967,346	93,241,953
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	183,234,061	204,060,327
14. Amounts withheld or retained by company for account of others.....	1,063,989,902	1,000,100,348
15. Remittances and items not allocated.....	224,037,217	290,758,189
16. Provision for reinsurance (Schedule F, Part 7).....	201,381,765	188,070,396
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	321,543,539
20. Derivatives.....	0	0
21. Payable for securities.....	7,402,643	45,544,345
22. Payable for securities lending.....	47,186,079	69,039,000
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.....	51,706,210	39,628,864
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	13,973,387,175	14,040,025,251
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	13,973,387,175	14,040,025,251
29. Aggregate write-ins for special surplus funds.....	150,091,175	140,787,689
30. Common capital stock.....	10,790,700	10,790,700
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.....	4,234,154,921	4,234,154,921
35. Unassigned funds (surplus).....	2,580,229,403	2,683,714,472
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).....	6,975,266,199	7,069,447,782
38. TOTALS (Page 2, Line 28, Col. 3).....	20,948,653,374	21,109,473,033

DETAILS OF WRITE-INS

2501. Escheat liability.....	75,075,659	66,299,349
2502. Other liabilities tri-party/tax credit bonds.....	1,978,689	3,517,669
2503. Retroactive reinsurance reserve assumed.....	529,763	532,448
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(25,877,900)	(30,720,603)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	51,706,210	39,628,864
2901. Special surplus for deferred taxes.....	125,633,051	112,331,994
2902. Special surplus from retroactive reinsurance.....	24,458,124	28,455,695
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	150,091,175	140,787,689
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

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,421,998,658	4,240,781,388
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,867,550,021	2,138,259,094
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	529,939,046	493,301,934
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,403,048,009	1,363,001,101
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	4,800,537,076	3,994,562,129
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(378,538,419)	246,219,259
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	797,610,599	1,364,376,593
10. Net realized capital gains (losses) less capital gains tax of \$.....3,663,453 (Exhibit of Capital Gains (Losses)).....	2,075,974	(81,215,110)
11. Net investment gain (loss) (Lines 9 + 10).....	799,686,574	1,283,161,482
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....42,927,213 amount charged off \$.....56,571,802).....	(13,644,590)	(12,919,384)
13. Finance and service charges not included in premiums.....	21,231,153	21,477,453
14. Aggregate write-ins for miscellaneous income.....	24,959,798	26,951,673
15. Total other income (Lines 12 through 14).....	32,546,361	35,509,742
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	453,694,516	1,564,890,483
17. Dividends to policyholders.....	8,116,326	5,585,258
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).....	445,578,190	1,559,305,225
19. Federal and foreign income taxes incurred.....	41,416,922	182,818,975
20. Net income (Line 18 minus Line 19) (to Line 22).....	404,161,268	1,376,486,250
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	7,069,447,782	8,372,638,876
22. Net income (from Line 20).....	404,161,268	1,376,486,250
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,164,331.....	24,444,755	(166,490,976)
25. Change in net unrealized foreign exchange capital gain (loss).....	2,990,799	(825,223)
26. Change in net deferred income tax.....	65,062,196	1,699,276
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(80,640,507)	(79,684,937)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(13,311,369)	(14,905,655)
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	(65,657,328)
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.....	(505,000,000)	(2,340,000,000)
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.....	8,111,275	(13,812,501)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(94,181,582)	(1,303,191,094)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	6,975,266,199	7,069,447,782
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. Profit and loss, miscellaneous.....	21,643,052	20,923,382
1402. Change in COLI cash values.....	4,798,799	7,330,563
1403. Other assets tri-party/tax credit bond income.....	147,820	45,368
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,629,874)	(1,347,641)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	24,959,798	26,951,673
3701. Change in special surplus from deferred taxes.....	13,301,057	(13,812,501)
3702. Prior period adjustment.....	(5,189,782)	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).....	8,111,275	(13,812,501)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,780,829,990	4,275,745,827
2. Net investment income.....	848,432,621	1,422,292,529
3. Miscellaneous income.....	32,546,361	35,509,742
4. Total (Lines 1 through 3).....	5,661,808,972	5,733,548,098
5. Benefit and loss related payments.....	2,620,880,058	2,328,914,823
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,934,060,445	1,925,175,770
8. Dividends paid to policyholders.....	6,053,339	5,490,834
9. Federal and foreign income taxes paid (recovered) net of \$.....7,935,514 tax on capital gains (losses).....	19,012,788	151,708,565
10. Total (Lines 5 through 9).....	4,580,006,630	4,411,289,992
11. Net cash from operations (Line 4 minus Line 10).....	1,081,802,342	1,322,258,106
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,870,489,418	2,575,810,239
12.2 Stocks.....	38,589,973	288,079,212
12.3 Mortgage loans.....	1,706,743	1,596,954
12.4 Real estate.....	0	0
12.5 Other invested assets.....	54,337,502	148,816,771
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	99,623	(65,913)
12.7 Miscellaneous proceeds.....	21,852,921	29,187,822
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,987,076,181	3,043,425,085
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,293,965,421	1,661,947,500
13.2 Stocks.....	37,536,799	121,782,547
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	17,089,976	7,046,842
13.5 Other invested assets.....	103,029,539	195,549,630
13.6 Miscellaneous applications.....	39,261,353	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,490,883,087	1,986,326,519
14. Net increase (decrease) in contract loans and premium notes.....	(544,961)	(10,806)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(503,261,946)	1,057,109,372
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	(65,657,328)
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.....	505,000,000	2,340,000,000
16.6 Other cash provided (applied).....	(720,814,790)	33,153,198
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,225,814,790)	(2,372,504,131)
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).....	(647,274,394)	6,863,347
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	134,904,941	128,041,593
19.2 End of year (Line 18 plus Line 19.1).....	(512,369,453)	134,904,941
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Stock distributions from limited partnerships.....	4,400,026	1,313,604
20.0002 Adjustment to prior year dissolution.....	3,136,772	0
20.0003 Stock company converted to limited liability company.....	646,320	0
20.0004 Return of capital.....	0	65,657,328
20.0005 Exchange of stock.....	0	508,998

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	103,394,308	48,739,634	48,190,826	103,943,117
2.	Allied lines.....	116,145,893	54,837,786	53,054,499	117,929,180
3.	Farmowners multiple peril.....	37,846,716	16,870,345	18,225,465	36,491,596
4.	Homeowners multiple peril.....	750,263,841	379,273,701	397,014,176	732,523,366
5.	Commercial multiple peril.....	688,696,726	320,202,663	315,970,017	692,929,372
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	62,140,544	26,583,528	25,734,439	62,989,633
9.	Inland marine.....	141,988,282	67,797,112	67,156,680	142,628,715
10.	Financial guaranty.....	0	0	0	0
11.1	Medical professional liability - occurrence.....	(3,059)	(993)	(1,046)	(3,006)
11.2	Medical professional liability - claims-made.....	(573)	231	217	(559)
12.	Earthquake.....	24,296,557	11,198,583	11,140,998	24,354,142
13.	Group accident and health.....	44,376	47,401	35,287	56,490
14.	Credit accident and health (group and individual).....	0	0	0	0
15.	Other accident and health.....	1,162,166	470,056	500,971	1,131,252
16.	Workers' compensation.....	695,815,059	249,384,236	262,971,570	682,227,724
17.1	Other liability - occurrence.....	370,014,714	169,417,360	161,400,509	378,031,565
17.2	Other liability - claims-made.....	129,858,086	76,473,755	74,537,859	131,793,982
17.3	Excess workers' compensation.....	4,831,298	1,920,822	1,593,409	5,158,710
18.1	Products liability - occurrence.....	27,400,031	11,511,965	11,498,325	27,413,672
18.2	Products liability - claims-made.....	5,112,192	2,096,510	2,481,880	4,726,821
19.1, 19.2	Private passenger auto liability.....	485,168,749	152,614,405	165,064,327	472,718,826
19.3, 19.4	Commercial auto liability.....	355,716,628	157,074,675	160,159,853	352,631,450
21.	Auto physical damage.....	386,166,606	134,709,348	140,733,412	380,142,541
22.	Aircraft (all perils).....	1,634	0	0	1,634
23.	Fidelity.....	14,838,789	8,716,488	9,311,406	14,243,871
24.	Surety.....	5,590,706	(893,414)	(1,080,660)	5,777,952
26.	Burglary and theft.....	1,909,601	945,686	962,518	1,892,768
27.	Boiler and machinery.....	39,999,218	17,867,776	18,032,148	39,834,845
28.	Credit.....	2,579	13,756	3,443	12,891
29.	International.....	1,017,234	91,148	45,789	1,062,593
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	6,843,592	50,465	3,140,406	3,753,651
32.	Reinsurance - nonproportional assumed liability.....	4,172,455	2,833,437	2,557,105	4,448,786
33.	Reinsurance - nonproportional assumed financial lines.....	413,880	290,757	362,303	342,333
34.	Aggregate write-ins for other lines of business.....	1,326,053	17,364	534,674	808,743
35.	TOTALS.....	4,462,174,880	1,911,156,583	1,951,332,806	4,421,998,657

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	1,326,053	17,364	534,674	808,743
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).....	1,326,053	17,364	534,674	808,743

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.....	47,392,462	1,233,914	(435,550)	.0	48,190,826
2. Allied lines.....	50,909,015	2,149,374	(3,890)	.0	53,054,499
3. Farmowners multiple peril.....	18,685,653	(460,188)	.0	.0	18,225,465
4. Homeowners multiple peril.....	397,351,188	(337,012)	.0	.0	397,014,176
5. Commercial multiple peril.....	316,658,134	(455,190)	(232,927)	.0	315,970,017
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	24,274,660	2,509,159	(1,049,380)	.0	25,734,439
9. Inland marine.....	54,912,810	13,053,264	(809,394)	.0	67,156,680
10. Financial guaranty.....	569	(569)	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(1,046)	.0	.0	.0	(1,046)
11.2 Medical professional liability - claims-made.....	217	.0	.0	.0	217
12. Earthquake.....	10,576,311	564,767	(79)	.0	11,140,998
13. Group accident and health.....	35,287	.0	.0	.0	35,287
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15. Other accident and health.....	511,654	2,317	(13,000)	.0	500,971
16. Workers' compensation.....	292,259,455	87,457	(5,474,227)	(23,901,115)	262,971,570
17.1 Other liability - occurrence.....	161,766,544	(251,371)	29,888	(144,551)	161,400,509
17.2 Other liability - claims-made.....	63,748,787	10,767,857	21,215	.0	74,537,859
17.3 Excess workers' compensation.....	1,503,159	97,703	(7,453)	.0	1,593,409
18.1 Products liability - occurrence.....	11,501,413	53,917	(60,185)	3,179	11,498,325
18.2 Products liability - claims-made.....	2,475,894	5,986	.0	.0	2,481,880
19.1, 19.2 Private passenger auto liability.....	165,064,327	.0	.0	.0	165,064,327
19.3, 19.4 Commercial auto liability.....	160,768,809	284,064	(0)	(893,020)	160,159,853
21. Auto physical damage.....	140,670,533	63,111	(0)	(233)	140,733,412
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	5,791,587	3,519,909	(90)	.0	9,311,406
24. Surety.....	410,632	197,012	(1,688,305)	.0	(1,080,660)
26. Burglary and theft.....	602,774	359,758	(13)	.0	962,518
27. Boiler and machinery.....	16,481,172	1,550,976	(0)	.0	18,032,148
28. Credit.....	3,443	.0	.0	.0	3,443
29. International.....	45,789	.0	.0	.0	45,789
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	2,405,083	735,322	.0	.0	3,140,406
32. Reinsurance - nonproportional assumed liability.....	2,289,366	267,739	.0	.0	2,557,105
33. Reinsurance - nonproportional assumed financial lines.....	362,303	.0	.0	.0	362,303
34. Aggregate write-ins for other lines of business.....	534,674	.0	.0	.0	534,674
35. TOTALS.....	1,949,992,659	35,999,277	(9,723,389)	(24,935,740)	1,951,332,806
36. Accrued retrospective premiums based on experience.....					24,935,740
37. Earned but unbilled premiums.....					9,723,389
38. Balance (sum of Lines 35 through 37).....					1,985,991,935

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	534,674	.0	.0	.0	534,674
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).....	534,674	.0	.0	.0	534,674

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

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.....	132,845,415	473,578,442	4,855,955	340,692,561	167,192,943	103,394,308
2. Allied lines.....	161,356,566	619,833,560	4,470,318	382,548,405	286,966,145	116,145,893
3. Farmowners multiple peril.....	31,424,370	133,203,936	0	124,655,287	2,126,303	37,846,716
4. Homeowners multiple peril.....	47,118,791	3,252,194,959	0	2,471,135,218	77,914,691	750,263,841
5. Commercial multiple peril.....	245,879,685	2,923,702,061	4,959,383	2,268,992,927	216,851,475	688,696,726
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	425,376	284,541,497	66,129	205,101,351	17,791,107	62,140,544
9. Inland marine.....	13,407,515	654,306,967	574,896	467,668,019	58,633,076	141,988,282
10. Financial guaranty.....	(315)	905	2,372	0	2,962	0
11.1 Medical professional liability - occurrence.....	0	(151)	0	(1,948)	4,856	(3,059)
11.2 Medical professional liability - claims-made.....	3,087	472	0	(1,887)	6,020	(573)
12. Earthquake.....	43,718,249	88,310,046	1,022,852	80,025,299	28,729,291	24,296,557
13. Group accident and health.....	0	44,376	0	0	0	44,376
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	1,162,070	0	0	(96)	1,162,166
16. Workers' compensation.....	335,353,702	2,901,596,530	36,512,931	2,291,957,227	285,690,877	695,815,059
17.1 Other liability - occurrence.....	273,024,558	1,450,252,865	3,103,868	1,219,297,225	137,069,352	370,014,714
17.2 Other liability - claims-made.....	14,682,474	608,651,435	1,250,933	427,712,056	67,014,700	129,858,086
17.3 Excess workers' compensation.....	71,362	23,974,192	0	15,912,793	3,301,462	4,831,298
18.1 Products liability - occurrence.....	6,847,462	111,256,355	0	90,243,081	460,705	27,400,031
18.2 Products liability - claims-made.....	222,174	24,076,261	0	16,837,965	2,348,278	5,112,192
19.1, 19.2 Private passenger auto liability.....	24,115,188	2,063,988,949	8,069,120	1,597,994,625	13,009,883	485,168,749
19.3, 19.4 Commercial auto liability.....	149,500,276	1,415,079,209	15,257,002	1,171,760,489	52,359,370	355,716,628
21. Auto physical damage.....	53,569,229	1,612,617,692	2,550,327	1,271,912,431	10,658,211	386,166,606
22. Aircraft (all perils).....	0	7,037	0	5,382	20	1,634
23. Fidelity.....	57,499	67,623,159	18,628	48,874,449	3,986,049	14,838,789
24. Surety.....	2,574,479	9,727,747	0	17,153,826	(10,442,307)	5,590,706
26. Burglary and theft.....	19,690	9,451,467	7,379	7,483,749	85,186	1,909,601
27. Boiler and machinery.....	15,116,678	94,910,625	65,811,317	131,744,955	4,094,447	39,999,218
28. Credit.....	323	11,073	0	8,494	323	2,579
29. International.....	0	4,367,687	0	3,350,453	0	1,017,234
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	(331,296)	31,194,153	22,540,659	1,478,606	6,843,592
32. Reinsurance - nonproportional assumed liability.....	XXX	17,762,735	2,880,009	13,742,766	2,727,523	4,172,455
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,777,070	0	1,363,191	0	413,880
34. Aggregate write-ins for other lines of business.....	0	5,693,658	0	4,367,605	0	1,326,053
35. TOTALS.....	1,551,333,832	18,853,373,590	182,607,573	14,695,078,657	1,430,061,458	4,462,174,880

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	5,693,658	0	4,367,605	0	1,326,053
3402.	0	0	0	0	0	0
3403.	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	5,693,658	0	4,367,605	0	1,326,053

(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.....	89,501,978	246,453,924	268,377,929	67,577,973	47,346,282	58,537,497	56,386,757	54.2
2. Allied lines.....	177,816,969	402,287,552	492,967,806	87,136,715	87,116,208	48,778,142	125,474,781	106.4
3. Farmowners multiple peril.....	28,466,993	69,771,986	75,590,197	22,648,782	11,682,709	10,501,449	23,830,042	65.3
4. Homeowners multiple peril.....	31,375,944	2,578,105,444	2,002,461,059	607,020,328	216,626,975	190,334,346	633,312,958	86.5
5. Commercial multiple peril.....	150,936,719	1,717,205,406	1,458,410,978	409,731,147	593,814,230	546,822,085	456,723,291	65.9
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	377,117	137,896,657	106,883,126	31,390,648	40,012,076	41,505,715	29,897,008	47.5
9. Inland marine.....	18,050,080	309,732,817	250,768,946	77,013,952	62,571,016	57,730,879	81,854,089	57.4
10. Financial guaranty.....	(25,520)	0	125	(25,645)	37	37	(25,645)	0.0
11.1 Medical professional liability - occurrence.....	0	11,862,395	9,114,963	2,747,432	7,803,400	9,956,185	594,648	(19,783.3)
11.2 Medical professional liability - claims-made.....	539,172	20,997,146	16,598,511	4,937,806	21,411,785	25,432,927	916,664	(164,091.4)
12. Earthquake.....	757,840	393,590	922,615	228,816	5,367,200	(328,802)	5,924,817	24.3
13. Group accident and health.....	0	597,479	131,091	466,388	1,727,585	2,427,298	(233,325)	(413.0)
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	590	772,757	(189)	773,536	9,022,803	10,304,053	(507,714)	(44.9)
16. Workers' compensation.....	278,914,677	1,547,611,146	1,509,732,422	316,793,401	2,761,677,862	2,615,175,752	463,295,511	67.9
17.1 Other liability - occurrence.....	81,449,916	692,397,461	624,786,626	149,060,752	1,089,291,117	1,172,464,071	65,887,799	17.4
17.2 Other liability - claims-made.....	25,512,912	486,364,274	425,318,675	86,558,511	368,989,391	380,161,114	75,386,788	57.2
17.3 Excess workers' compensation.....	11,474	27,962,200	23,433,746	4,539,929	118,170,535	121,097,484	1,612,980	31.3
18.1 Products liability - occurrence.....	6,346,403	131,481,351	109,267,826	28,559,928	339,326,631	341,875,902	26,010,657	94.9
18.2 Products liability - claims-made.....	0	1,635,897	1,254,897	381,000	5,720,905	6,110,965	(9,060)	(0.2)
19.1, 19.2 Private passenger auto liability.....	31,575,537	1,227,922,899	970,831,694	288,666,743	360,322,231	339,307,977	309,680,997	65.5
19.3, 19.4 Commercial auto liability.....	58,431,587	880,905,699	738,404,389	200,932,898	442,061,597	403,519,152	239,475,343	67.9
21. Auto physical damage.....	32,736,138	1,067,997,742	844,865,210	255,868,671	23,552,537	20,237,586	259,183,623	68.2
22. Aircraft (all perils).....	25,611	1,088,546	897,526	216,630	3,268,064	3,814,676	(329,981)	(20,192.9)
23. Fidelity.....	4,265,457	69,103,197	59,498,416	13,870,238	26,353,941	25,124,462	15,099,717	106.0
24. Surety.....	689,376	5,528,444	4,979,764	1,238,056	43,691,381	63,766,220	(18,836,783)	(326.0)
26. Burglary and theft.....	0	474,847	368,235	106,612	2,604,057	2,617,191	93,479	4.9
27. Boiler and machinery.....	5,125,611	41,964,171	36,402,653	10,687,129	8,168,467	8,364,111	10,491,485	26.3
28. Credit.....	0	(633,110)	(485,659)	(147,452)	2,090,511	1,943,060	(0)	(0.0)
29. International.....	0	2,409,192	1,848,091	561,101	4,086,990	2,003,983	2,644,108	248.8
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	12,781,565	10,660,988	2,120,576	11,955,172	10,652,841	3,422,907	91.2
32. Reinsurance - nonproportional assumed liability.....	XXX	107,565,506	95,224,312	12,341,194	221,475,507	232,771,584	1,045,117	23.5
33. Reinsurance - nonproportional assumed financial lines.....	XXX	92,378	70,863	21,515	3,787,335	5,298,484	(1,489,634)	(435.1)
34. Aggregate write-ins for other lines of business.....	0	1,107,897	849,868	258,029	550,872	72,303	736,598	91.1
35. TOTALS.....	1,022,882,581	11,801,838,456	10,140,437,697	2,684,283,339	6,941,647,410	6,758,380,729	2,867,550,021	64.8

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	1,107,897	849,868	258,029	550,872	72,303	736,598	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).....	0	1,107,897	849,868	258,029	550,872	72,303	736,598	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.....	54,326,743	135,300,241	156,686,293	32,940,692	6,163,352	91,124,537	82,882,299	47,346,282	6,777,677
2. Allied lines.....	241,988,551	225,825,685	408,796,933	59,017,304	49,130,341	127,916,615	148,948,053	87,116,208	11,990,233
3. Farmowners multiple peril.....	5,559,600	21,256,483	20,651,293	6,164,790	4,240,770	19,592,545	18,315,396	11,682,709	2,229,357
4. Homeowners multiple peril.....	6,994,302	409,934,879	320,491,078	96,438,103	7,763,670	516,963,009	404,537,806	216,626,975	25,297,311
5. Commercial multiple peril.....	137,915,156	1,461,496,185	1,264,930,737	334,480,605	160,337,245	1,047,774,538	948,778,157	593,814,230	240,404,781
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	204,416	123,877,117	99,207,295	24,874,239	6,749,141	74,454,988	66,066,293	40,012,076	9,395,072
9. Inland marine.....	11,737,612	161,832,210	139,312,779	34,257,043	22,425,895	146,250,687	140,362,608	62,571,016	5,542,618
10. Financial guaranty.....	0	0	0	0	0	37	(1)	37	266
11.1 Medical professional liability - occurrence.....	3	27,522,424	21,175,035	6,347,392	3,616,177	4,664,411	6,824,580	7,803,400	964,181
11.2 Medical professional liability - claims-made.....	1,952,711	57,989,323	47,415,386	12,526,649	20,413,318	20,930,045	32,458,227	21,411,785	3,458,145
12. Earthquake.....	4,687,160	467,650	4,214,812	939,999	10,359,518	12,341,220	18,273,537	5,367,200	1,144,549
13. Group accident and health.....	0	779,503	49	779,454	0	1,458,016	509,886	(a).....1,727,585	81,670
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	305,425	2,818,191	197,233	2,926,383	1,656,498	5,230,880	790,958	(a).....9,022,803	2,712,516
16. Workers' compensation.....	1,486,165,262	6,604,023,743	6,660,630,899	1,429,558,106	968,055,108	5,987,039,289	5,622,974,641	2,761,677,862	365,505,057
17.1 Other liability - occurrence.....	149,100,537	979,658,267	915,482,270	213,276,534	977,128,910	3,474,946,196	3,576,060,523	1,089,291,117	365,744,418
17.2 Other liability - claims-made.....	61,976,073	604,902,503	539,994,293	126,884,282	72,023,897	1,221,951,973	1,051,870,761	368,989,391	144,107,816
17.3 Excess workers' compensation.....	354,000	332,994,767	287,843,561	45,505,205	(65,124)	374,375,699	301,645,245	118,170,535	6,543,210
18.1 Products liability - occurrence.....	27,014,882	222,369,344	198,341,943	51,042,283	141,962,194	1,206,634,991	1,060,312,837	339,326,631	177,331,089
18.2 Products liability - claims-made.....	1	4,740,432	3,962,855	777,579	1,961,080	26,966,831	23,984,585	5,720,905	4,471,520
19.1, 19.2 Private passenger auto liability.....	117,856,141	1,453,977,911	1,315,221,516	256,612,536	16,027,039	450,371,664	362,689,008	360,322,231	69,021,106
19.3, 19.4 Commercial auto liability.....	78,378,125	1,171,325,666	1,002,606,238	247,097,553	78,490,746	850,049,203	733,575,904	442,061,597	69,554,696
21. Auto physical damage.....	2,238,563	67,750,253	54,033,663	15,955,153	4,345,311	43,456,813	40,204,740	23,552,537	12,606,889
22. Aircraft (all perils).....	294,503	32,154,832	31,130,295	1,319,040	7,279,657	23,408,102	28,738,734	3,268,064	1,336,582
23. Fidelity.....	15,962	14,902,905	4,270,235	16,698,217	110,360,669	104,975,180	26,353,941	9,632,401	9,632,401
24. Surety.....	2,755,597	173,573,053	154,742,483	21,586,167	15,857,296	58,639,729	52,391,811	43,691,381	7,712,912
26. Burglary and theft.....	(0)	107,752	87,927	19,825	746,627	12,266,326	10,428,720	2,604,057	1,179,448
27. Boiler and machinery.....	2,009,292	21,943,527	19,192,612	4,760,207	377,273	16,058,191	13,027,203	8,168,467	1,717,527
28. Credit.....	0	5,104,917	3,915,982	1,188,935	487	3,871,087	2,969,997	2,090,511	(76,281)
29. International.....	0	9,040,771	6,935,175	2,105,595	52,278	8,455,213	6,526,096	4,086,990	28,869
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	68,722,913	58,787,187	9,935,726	XXX	28,190,492	26,171,045	11,955,172	507,923
32. Reinsurance - nonproportional assumed liability.....	XXX	604,407,441	483,038,208	121,369,233	XXX	456,106,399	356,000,126	221,475,507	10,750,636
33. Reinsurance - nonproportional assumed financial lines.....	XXX	3,398,472	2,672,462	726,010	XXX	14,180,537	11,119,212	3,787,335	308,288
34. Aggregate write-ins for other lines of business.....	0	1,001,875	768,538	233,337	0	1,363,400	1,045,864	550,872	101,012
35. TOTALS.....	2,393,830,618	15,009,455,509	14,237,369,934	3,165,916,192	2,593,796,920	16,437,394,330	15,255,460,032	6,941,647,410	1,558,083,496

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	1,001,875	768,538	233,337	0	1,363,400	1,045,864	550,872	101,012
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	1,001,875	768,538	233,337	0	1,363,400	1,045,864	550,872	101,012

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

Note: During 2011, the Company detected and corrected an error related to the reporting for auto unlimited no-fault claims which are ceded to a mandatory reinsurance pool in the state of New Jersey for private passenger auto liability

The Company had previously been reporting the unpaid losses for these claims on a net basis, rather than within the applicable components of direct and ceded. Additionally, as the lead company of the TRV Pool,

the Company assumes from the pool participants direct business that was impacted by the correction of the private passenger and commercial auto no-fault claims and is subject to mandatory reinsurance pools in the states of Michigan and New Jersey.

In accordance with SSAP No. 3, Accounting Changes and Corrections of Errors, this correction is included in the current schedules impacted. The resulting gross-up is included within direct, reinsurance assumed and ceded unpaid losses, with no impact to net losses.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	121,816,785	0	0	121,816,785
1.2 Reinsurance assumed.....	1,015,643,041	0	0	1,015,643,041
1.3 Reinsurance ceded.....	872,294,701	0	0	872,294,701
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	265,165,126	0	0	265,165,126
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	198,923,501	0	198,923,501
2.2 Reinsurance assumed, excluding contingent.....	0	2,799,507,916	0	2,799,507,916
2.3 Reinsurance ceded, excluding contingent.....	0	2,339,542,257	0	2,339,542,257
2.4 Contingent - direct.....	0	3,764,735	0	3,764,735
2.5 Contingent - reinsurance assumed.....	0	63,433,966	0	63,433,966
2.6 Contingent - reinsurance ceded.....	0	52,373,050	0	52,373,050
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	673,714,810	0	673,714,810
3. Allowances to manager and agents.....	885	790,909	0	791,794
4. Advertising.....	35,465	36,007,345	0	36,042,810
5. Boards, bureaus and associations.....	1,220,873	17,750,464	1,838	18,973,175
6. Surveys and underwriting reports.....	143	17,098,987	585	17,099,715
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	160,547,737	300,268,222	8,477,010	469,292,969
8.2 Payroll taxes.....	12,071,183	19,966,535	654,575	32,692,293
9. Employee relations and welfare.....	30,608,474	47,739,555	954,658	79,302,687
10. Insurance.....	15,637,131	3,942,535	47,910	19,627,576
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	10,788,484	15,281,241	248,744	26,318,469
13. Rent and rent items.....	10,138,441	20,116,720	639,334	30,894,495
14. Equipment.....	1,988,108	6,648,952	1,123,638	9,760,698
15. Cost or depreciation of EDP equipment and software.....	5,277,065	56,997,437	450,028	62,724,530
16. Printing and stationery.....	1,004,961	2,919,734	67,774	3,992,469
17. Postage, telephone and telegraph, exchange and express.....	3,338,080	18,946,006	232,656	22,516,742
18. Legal and auditing.....	7,523,047	1,804,352	273,993	9,601,392
19. Totals (Lines 3 to 18).....	260,180,077	566,278,994	13,172,743	839,631,814
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....1,036,394.....	0	130,520,008	0	130,520,008
20.2 Insurance department licenses and fees.....	0	9,336,624	0	9,336,624
20.3 Gross guaranty association assessments.....	0	(419,795)	0	(419,795)
20.4 All other (excluding federal and foreign income and real estate).....	0	3,149,434	0	3,149,434
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	142,586,272	0	142,586,272
21. Real estate expenses.....	0	0	17,939,474	17,939,474
22. Real estate taxes.....	0	0	6,433,944	6,433,944
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	4,593,843	20,467,933	1,761,637	26,823,413
25. Total expenses incurred.....	529,939,046	1,403,048,009	39,307,798	(a) 1,972,294,853
26. Less unpaid expenses - current year.....	1,558,083,496	314,241,301	2,205,115	1,874,529,912
27. Add unpaid expenses - prior year.....	1,566,509,255	308,373,968	3,071,032	1,877,954,255
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).....	538,364,805	1,397,180,676	40,173,715	1,975,719,196

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	12,155,430	55,224,979	1,761,637	69,142,045
2402. Service reimbursements.....	(1,390,201)	(10,775,801)	0	(12,166,001)
2403. Cost of computer software developed for internal use.....	(6,171,386)	(23,981,245)	0	(30,152,631)
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).....	4,593,843	20,467,933	1,761,637	26,823,413

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....10,537,716	.....11,465,427
1.1 Bonds exempt from U.S. tax.....	(a).....307,796,158	.....301,590,895
1.2 Other bonds (unaffiliated).....	(a).....246,161,299	.....252,181,256
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....6,138,447	.....6,138,447
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....1,311,326	.....1,311,326
2.21 Common stocks of affiliates.....	.....164,200,000	.....164,200,000
3. Mortgage loans.....	(c).....2,052,594	.....2,052,588
4. Real estate.....	(d).....47,295,676	.....47,295,676
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,200,841	.....1,200,841
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....54,871,399	.....54,871,368
9. Aggregate write-ins for investment income.....	.....1,988,142	.....1,988,142
10. Total gross investment income.....	.....843,553,598	.....844,295,967
11. Investment expenses.....		(g).....39,307,798
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....83,944
14. Depreciation on real estate and other invested assets.....		(i).....6,501,042
15. Aggregate write-ins for deductions from investment income.....		.....792,584
16. Total deductions (Lines 11 through 15).....		.....46,685,367
17. Net investment income (Line 10 minus Line 16).....		.....797,610,600

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....1,616,274	.....1,616,274
0902. Securities lending income.....	.....253,141	.....253,141
0903. Miscellaneous income.....	.....38,451	.....38,451
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....80,276	.....80,276
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....1,988,142	.....1,988,142
1501. Management fees.....		.....792,584
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).....		.....792,584

- (a) Includes \$.....18,161,037 accrual of discount less \$.....74,974,504 amortization of premium and less \$.....12,551,956 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 \$.....47,295,676 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....21,252 accrual of discount less \$.....(12) amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....6,501,042 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(1,049)	.....0	.....(1,049)	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....4,792,066	.....(340,697)	.....4,451,369	.....945,095	.....0
1.2 Other bonds (unaffiliated).....	.....18,670,363	.....(4,932,082)	.....13,738,281	.....(4,464,056)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....(456,218)	.....0	.....(456,218)	.....3,786,315	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....562,849	.....(223,931)	.....338,918	.....615,435	.....884
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....2,224,962	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....99,623	.....99,623	.....0	.....(91,750)
7. Derivative instruments.....	.....(9,885,688)	.....0	.....(9,885,688)	.....(1,460,926)	.....0
8. Other invested assets.....	.....(216,483)	.....(2,138,345)	.....(2,354,828)	.....23,808,733	.....35,585
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(190,982)	.....(190,982)	.....153,528	.....3,046,080
10. Total capital gains (losses).....	.....13,465,841	.....(7,726,414)	.....5,739,427	.....25,609,086	.....2,990,799

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(190,982)	.....(190,982)	.....0	.....(90,692)
0902. Deferred gain.....	.....0	.....0	.....0	.....153,528	.....0
0903. TC&S Europe merger adjustment.....	.....0	.....0	.....0	.....0	.....3,136,772
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	.....(190,982)	.....(190,982)	.....153,528	.....3,046,080

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.....	34,904,977	33,034,555	(1,870,422)
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.....	1,307,873	1,852,834	544,961
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	121,316,477	73,004,600	(48,311,877)
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).....	157,529,327	107,891,989	(49,637,338)
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.....	38,701,489	40,366,010	1,664,520
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,428,768	5,672,524	(756,243)
15.3 Accrued retrospective premiums.....	748,849	530,159	(218,690)
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.....	346,400,963	374,102,824	27,701,861
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.....	278,736,993	294,059,815	15,322,822
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.....	759,323,051	697,906,670	(61,416,381)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,587,869,441	1,520,529,991	(67,339,450)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	1,587,869,441	1,520,529,991	(67,339,450)

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. Other assets nonadmitted.....	734,280,771	665,805,045	(68,475,726)
2502. Miscellaneous ledger balances.....	22,604,157	28,863,770	6,259,613
2503. Amounts receivable under high deductible policies.....	2,438,124	3,237,855	799,731
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	759,323,051	697,906,670	(61,416,381)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Travelers Indemnity 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*. Goodwill is recognized in accordance with SSAP No. 68, *Business Combinations and Goodwill*, and amortized to unrealized capital losses over a period not to exceed 10 years.

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) are generally 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 also exercises 100% control over The Travelers Lloyds Insurance Company, an unincorporated association, reported on Schedule BA based on the underlying statutory equity of its financial statements.

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.

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

The Company had no material changes in accounting principles or material corrections of errors during 2011.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

NOTES TO FINANCIAL STATEMENTS**5. INVESTMENTS****A. Mortgage Loans:**

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 39%.

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
16162WNF2
126694RJ9
12668TAB0
94983FAA8
05948XBV2
12669EHN9

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

	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Other-than- temporary impairment recognized in loss</u>	<u>Fair Value</u>
Present value of cash flows is less than amortized cost	\$193,275,482	\$4,930,994	\$177,241,857

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

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

<u>Cusip</u>	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Projected Cash Flow</u>	<u>Other-than- temporary impairment recognized in loss</u>	<u>Amortized cost basis after other- than- temporary impairment</u>	<u>Fair Value</u>	<u>Impairment Quarter</u>
126378BB3	\$ 20,168,922	\$ 19,901,291	\$ 267,631	\$ 19,901,291	\$ 17,091,482	Q3 - 2009
12668BQA4	9,712,365	8,870,313	842,053	8,870,313	6,958,274	Q3 - 2009
36297XAF0	32,734,744	32,340,185	394,559	32,340,185	24,899,252	Q3 - 2009
46628YAA8	28,812,110	28,418,750	393,360	28,418,750	21,519,384	Q3 - 2009
94980SAD7	39,281,200	39,121,875	159,325	39,121,875	28,041,480	Q3 - 2009
07384MF80	4,372,629	3,802,968	569,662	3,802,968	2,703,179	Q3 - 2009
16162WQJ1	19,794,524	19,486,598	307,926	19,486,598	17,087,654	Q3 - 2009
46630PAZ8	14,494,404	14,478,527	15,878	14,478,527	12,333,514	Q3 - 2009
12628KAA0	3,505,047	2,785,736	719,311	2,785,736	2,354,865	Q3 - 2009
06050HD39	110,057	109,369	688	109,369	97,350	Q3 - 2009
02149DAD1	17,696,650	16,238,808	1,457,842	16,238,808	14,488,506	Q3 - 2009
32029AAE7	11,375,551	6,434,464	4,941,087	6,434,464	4,837,980	Q3 - 2009
61750MAF2	12,300,734	5,374,901	6,925,833	5,374,901	4,693,446	Q3 - 2009
021460AG5	14,991,065	13,440,818	1,550,247	13,440,818	10,594,980	Q3 - 2009
46629DAK1	9,001,307	7,817,977	1,183,330	7,817,977	6,188,618	Q3 - 2009
36186MAC5	14,724,978	13,873,155	851,823	13,873,155	5,442,157	Q3 - 2009
46629CAK3	10,933,293	10,750,257	183,036	10,750,257	10,080,069	Q3 - 2009
69121PDE0	9,068,342	8,074,264	994,078	8,074,264	6,837,037	Q4 - 2009
126694W95	15,834,010	15,785,099	48,911	15,785,099	13,767,962	Q4 - 2009
126378BB3	19,089,612	18,416,763	672,849	18,416,763	16,421,216	Q4 - 2009
021460AG5	13,422,750	12,089,063	1,333,688	12,089,063	10,504,329	Q4 - 2009

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94984AAS9	29,266,193	28,684,375	581,818	28,684,375	22,201,797	Q4 - 2009
36297XAF0	32,349,484	32,065,148	284,336	32,065,148	24,358,624	Q4 - 2009
94980SAD7	39,143,700	39,012,500	131,200	39,012,500	27,536,664	Q4 - 2009
07384MF80	3,777,027	3,389,696	387,332	3,389,696	2,735,242	Q4 - 2009
75406VAC7	11,682,933	11,167,969	514,964	11,167,969	9,303,867	Q4 - 2009
46629DAK1	7,342,304	6,726,325	615,979	6,726,325	5,903,450	Q4 - 2009
46629CAK3	10,408,807	9,774,372	634,435	9,774,372	8,997,632	Q4 - 2009
02149DAD1	16,620,857	16,034,307	586,550	16,034,307	13,505,731	Q4 - 2009
749581AR5	16,824,004	15,917,825	906,179	15,917,825	14,136,672	Q4 - 2009
74957VAJ8	6,624,817	6,340,308	284,509	6,340,308	5,682,803	Q4 - 2009
46630PAZ8	13,707,877	13,334,303	373,574	13,334,303	11,637,871	Q4 - 2009
12628KAA0	2,055,563	1,821,998	233,565	1,821,998	1,631,817	Q4 - 2009
12544AAS4	13,051,896	12,884,625	167,271	12,884,625	11,833,352	Q4 - 2009
12669G5U1	8,945,838	8,765,625	180,213	8,765,625	7,643,448	Q4 - 2009
06050HD39	106,171	103,235	2,935	103,235	92,361	Q4 - 2009
126694PG7	9,279,723	9,227,626	52,097	9,227,626	8,146,311	Q4 - 2009
05949CKS4	10,100,425	9,884,308	216,117	9,884,308	8,905,185	Q4 - 2009
126694W95	14,569,200	14,305,918	263,282	14,305,918	13,047,792	Q1 - 2010
126378BB3	17,428,728	17,116,730	311,998	17,116,730	15,829,601	Q1 - 2010
36297XAF0	32,076,150	32,047,089	29,061	32,047,089	25,011,492	Q1 - 2010
75406VAC7	11,379,750	11,322,885	56,865	11,322,885	10,621,935	Q1 - 2010
466247YK3	12,555,384	12,534,049	21,336	12,534,049	11,789,157	Q1 - 2010
46628YAA8	28,500,910	28,421,000	79,910	28,421,000	23,010,270	Q2 - 2010
16162WQJ1	14,765,648	14,736,272	29,376	14,736,272	14,512,186	Q2 - 2010
75406VAC7	11,538,870	11,380,500	158,370	11,380,500	10,327,290	Q2 - 2010
007036QM1	12,519,526	12,440,657	78,868	12,440,657	10,323,272	Q2 - 2010
126694W95	11,928,548	11,808,297	120,250	11,808,297	11,369,575	Q3 - 2010
12669GV40	7,483,517	7,430,440	53,077	7,430,440	7,205,629	Q3 - 2010
466247YK3	11,631,097	11,567,151	63,946	11,567,151	11,797,069	Q3 - 2010
36242D6C2	16,362,191	16,353,067	9,123	16,353,067	16,994,282	Q3 - 2010
32029AAE7	6,678,036	6,546,540	131,496	6,546,540	6,433,934	Q3 - 2010
75406VAC7	11,591,624	11,296,500	295,124	11,296,500	10,909,680	Q3 - 2010
12544AAS4	12,954,243	12,924,288	29,955	12,924,288	12,793,264	Q3 - 2010
36186MAC5	11,095,274	10,512,351	582,923	10,512,351	7,237,488	Q3 - 2010
32029AAE7	6,636,854	6,458,660	178,194	6,458,660	6,418,880	Q4 - 2010
225458FE3	3,565,049	3,562,982	2,067	3,562,982	3,366,573	Q4 - 2010
126671RX6	128,686	128,390	295	128,390	104,978	Q4 - 2010
161546FW1	2,593,581	2,592,268	1,314	2,592,268	2,628,973	Q4 - 2010
021460AG5	11,658,357	11,408,886	249,471	11,408,886	11,026,683	Q1 - 2011
12544AAS4	12,967,785	12,842,232	125,553	12,842,232	13,207,787	Q1 - 2011
12668BQA4	8,814,946	8,582,425	232,520	8,582,425	8,144,090	Q1 - 2011
12668TAB0	8,920,068	8,867,812	52,256	8,867,812	8,769,977	Q1 - 2011
16162WNF2	6,433,944	6,433,888	56	6,433,888	6,450,789	Q1 - 2011
16162WQJ1	9,120,254	9,088,541	31,713	9,088,541	9,036,240	Q1 - 2011
32029AAE7	6,540,299	5,910,190	630,109	5,910,190	6,172,387	Q1 - 2011
007036QM1	10,404,891	10,309,727	95,164	10,309,727	8,922,521	Q2 - 2011
021460AG5	11,141,065	10,910,089	230,975	10,910,089	10,458,595	Q2 - 2011
05948XBV2	494,488	481,067	13,421	481,067	477,616	Q2 - 2011
12668TAB0	8,193,112	7,973,837	219,274	7,973,837	8,007,427	Q2 - 2011
12669EHN9	651,915	648,019	3,896	648,019	615,955	Q2 - 2011
94983FAA8	3,976,724	3,975,160	1,564	3,975,160	4,076,592	Q2 - 2011
05948XBV2	477,130	476,845	285	476,845	453,425	Q3 - 2011
161546FW1	1,719,098	1,718,516	582	1,718,516	1,726,963	Q3 - 2011
46628YAA8	27,889,806	27,713,281	176,524	27,713,281	27,224,480	Q3 - 2011
94980SAD7	38,315,737	37,994,883	320,854	37,994,883	38,343,373	Q3 - 2011
94983FAA8	3,611,298	3,599,577	11,721	3,599,577	3,626,875	Q3 - 2011
007036QM1	9,216,913	8,845,234	371,679	8,845,234	8,116,370	Q4 - 2011
12544AAS4	12,907,492	12,158,640	748,852	12,158,640	11,960,770	Q4 - 2011
126378BB3	12,187,527	11,775,637	411,889	11,775,637	10,868,409	Q4 - 2011
126671RX6	96,542	96,326	217	96,326	78,887	Q4 - 2011
12668TAB0	6,388,515	6,319,095	69,420	6,319,095	6,266,179	Q4 - 2011
126694W95	6,467,441	6,353,249	114,193	6,353,249	5,998,670	Q4 - 2011
161546FW1	1,567,662	1,567,273	389	1,567,273	1,574,628	Q4 - 2011
16162WQJ1	6,708,399	6,660,992	47,407	6,660,992	6,089,381	Q4 - 2011
46628YAA8	26,964,836	26,597,322	367,513	26,597,322	26,042,013	Q4 - 2011
94984AAS9	26,615,662	26,212,164	403,498	26,212,164	25,981,063	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	\$ 48,926	\$ 1,978	\$ 482,929	\$ 11,705	\$ 531,855	\$ 13,683
Structured securities	192,504,555	10,967,946	133,398,690	10,375,156	325,903,245	21,343,102

NOTES TO FINANCIAL STATEMENTS**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	\$47,186,079	\$47,186,079

F. Real Estate:

Not applicable.

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

The Company has investments in certain federal sponsored LIHTC properties. The federal sponsored LIHTC property investments primarily generate federal tax credits which allow the Company to offset federal taxes and are projected to be available through 2022. There are currently unfunded commitments of \$5.1 million for these federally sponsored LIHTC.

Management of the Company is not aware of any of the LIHTC investments and related properties being the subject of any state regulatory reviews.

Current LIHTC investments do not exceed 10% of the Company's total net admitted assets.

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 \$2,185,841 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.

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	\$ 928,143,643	\$ 70,105,523	\$ 998,249,166
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	928,143,643	70,105,523	998,249,166
d) Deferred tax liabilities (DTL)	(120,967,388)	(35,141,200)	(156,108,588)
e) Subtotal (net deferred tax assets)	807,176,255	34,964,323	842,140,578
f) Deferred tax assets nonadmitted	(318,224,731)	(28,176,232)	(346,400,963)
g) Net admitted deferred tax asset (liability)	<u>\$ 488,951,524</u>	<u>\$ 6,788,091</u>	<u>\$ 495,739,615</u>

	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 844,267,322	\$ 85,143,185	\$ 929,410,507
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	844,267,322	85,143,185	929,410,507
d) Deferred tax liabilities	(122,890,897)	(31,071,395)	(153,962,292)
e) Subtotal (net deferred tax assets)	721,376,425	54,071,790	775,448,215
f) Deferred tax assets nonadmitted	(320,601,520)	(53,501,304)	(374,102,824)
g) Net admitted deferred tax asset (liability)	<u>\$ 400,774,905</u>	<u>\$ 570,486</u>	<u>\$ 401,345,391</u>

NOTES TO FINANCIAL STATEMENTS

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 83,876,321	\$ (15,037,662)	\$ 68,838,659
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>83,876,321</u>	<u>(15,037,662)</u>	<u>68,838,659</u>
d) Deferred tax liabilities	<u>1,923,509</u>	<u>(4,069,805)</u>	<u>(2,146,296)</u>
e) Subtotal (net deferred tax assets)	85,799,830	(19,107,467)	66,692,363
f) Deferred tax assets nonadmitted	<u>2,376,789</u>	<u>25,325,072</u>	<u>27,701,861</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 88,176,619</u>	<u>\$ 6,217,605</u>	<u>\$ 94,394,224</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	\$ 488,951,524	\$ 367,812,470	\$ 121,139,054
Admitted DTA – Capital	<u>6,788,091</u>	<u>2,294,094</u>	<u>4,493,997</u>
Total Admitted DTA	<u>\$ 495,739,615</u>	<u>\$ 370,106,564</u>	<u>\$ 125,633,051</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.	\$ 168,345,994	\$ 2,294,094	\$ 170,640,088
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	199,466,476	-	199,466,476
c) Paragraph 10.b.i.	199,466,476	-	199,466,476
d) Paragraph 10.b.ii.	xxxx	xxxx	673,655,170
e) Paragraph 10.c.	<u>120,967,388</u>	<u>35,141,200</u>	<u>156,108,588</u>
f) Total (a+b+e)	488,779,858	37,435,294	526,215,152
DTL netted against DTA	<u>(120,967,388)</u>	<u>(35,141,200)</u>	<u>(156,108,588)</u>
Total	<u>\$ 367,812,470</u>	<u>\$ 2,294,094</u>	<u>\$ 370,106,564</u>

Admission Calculation Components SSAP No. 10R, paragraph 10.e.:			
g) Paragraph 10.e.i.	\$ 215,023,183	\$ 6,788,091	\$ 221,811,274
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	273,928,341	-	273,928,341
i) Paragraph 10.e.ii.a.	273,928,341	-	273,928,341
j) Paragraph 10.e.ii.b.	xxxx	xxxx	1,010,482,755
k) Paragraph 10.e.iii.	<u>120,967,388</u>	<u>35,141,200</u>	<u>156,108,588</u>
l) Total (g+h+k)	609,918,912	41,929,291	651,848,203
DTL netted against DTA	<u>(120,967,388)</u>	<u>(35,141,200)</u>	<u>(156,108,588)</u>
Total	<u>\$ 488,951,524</u>	<u>\$ 6,788,091</u>	<u>\$ 495,739,615</u>

Admission Calculation Components SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ 288,823,235	\$ -	\$ 288,823,235
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	190,162	190,162
c) Paragraph 10.b.i.	-	190,162	190,162
d) Paragraph 10.b.ii.	xxxx	xxxx	670,849,694
e) Paragraph 10.c.	<u>122,890,897</u>	<u>31,071,395</u>	<u>153,962,292</u>
f) Total (a+b+e)	411,714,132	31,261,557	442,975,689
DTL netted against DTA	<u>(122,890,897)</u>	<u>(31,071,395)</u>	<u>(153,962,292)</u>
Total	<u>\$ 288,823,235</u>	<u>\$ 190,162</u>	<u>\$ 289,013,397</u>

Admission Calculation Components SSAP No. 10R, paragraph 10.e.:			
g) Paragraph 10.e.i.	\$ 370,566,625	\$ -	\$ 370,566,625
h) Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	30,208,280	570,486	30,778,766
i) Paragraph 10.e.ii.a.	30,208,280	570,486	30,778,766
j) Paragraph 10.e.ii.b.	xxxx	xxxx	1,006,274,541
k) Paragraph 10.e.iii.	<u>122,890,897</u>	<u>31,071,395</u>	<u>153,962,292</u>
l) Total (g+h+k)	523,665,802	31,641,881	555,307,683
DTL netted against DTA	<u>(122,890,897)</u>	<u>(31,071,395)</u>	<u>(153,962,292)</u>
Total	<u>\$ 400,774,905</u>	<u>\$ 570,486</u>	<u>\$ 401,345,391</u>

Admission Calculation Components SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ (120,477,241)	\$ 2,294,094	\$ (118,183,147)
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	199,466,476	(190,162)	199,276,314
c) Paragraph 10.b.i.	199,466,476	(190,162)	199,276,314
d) Paragraph 10.b.ii.	xxxx	xxxx	2,805,476
e) Paragraph 10.c.	<u>(1,923,509)</u>	<u>4,069,805</u>	<u>2,146,296</u>
f) Total (a+b+e)	77,065,726	6,173,737	83,239,463
DTL netted against DTA	<u>1,923,509</u>	<u>(4,069,805)</u>	<u>(2,146,296)</u>
Total	<u>\$ 78,989,235</u>	<u>\$ 2,103,932</u>	<u>\$ 81,093,167</u>

NOTES TO FINANCIAL STATEMENTSAdmission Calculation Components
SSAP No. 10R, paragraph 10.e.:

g) Paragraph 10.e.i.	\$ (155,543,442)	\$ 6,788,091	\$ (148,755,351)
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	243,720,061	(570,486)	243,149,575
i) Paragraph 10.e.ii.a.	243,720,061	(570,486)	243,149,575
j) Paragraph 10.e.ii.b.	xxxx	xxxx	4,208,214
k) Paragraph 10.e.iii.	(1,923,509)	4,069,805	2,146,296
l) Total (g+h+k)	86,253,110	10,287,410	96,540,520
DTL netted against DTA	1,923,509	(4,069,805)	(2,146,296)
Total	\$ 88,176,619	\$ 6,217,605	\$ 94,394,224

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	\$ 6,797,029,099	\$ 6,907,516,432	\$ (110,487,333)
Authorized control level risk-based capital	1,235,129,552	1,260,063,594	(24,934,042)

5. Impact of Tax Planning Strategies:

	<u>December 31, 2011</u>		
	<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%
	<u>December 31, 2010</u>		
	<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%
	<u>Change</u>		
	<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%

6. 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) Admitted DTA	\$ 367,812,470	\$ 2,294,094	\$ 370,106,564
b) Admitted assets	xxxx	xxxx	20,948,653,374
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	6,736,551,703
d) Total adjusted capital from DTA	xxxx	xxxx	125,633,051
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	121,139,054	4,493,997	125,633,051
f) Admitted assets	121,139,054	4,493,997	125,633,051
g) Statutory surplus	121,139,054	4,493,997	125,633,051

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

	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 288,823,235	\$ 190,162	\$ 289,013,397
b) Admitted assets	xxxx	xxxx	21,109,473,033
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	6,708,496,941
d) Total adjusted capital from DTA	xxxx	xxxx	112,331,994
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	111,951,670	380,324	112,331,994
f) Admitted assets	111,951,670	380,324	112,331,994
g) Statutory surplus	111,951,670	380,324	112,331,994

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

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 78,989,235	\$ 2,103,932	\$ 81,093,167
b) Admitted assets	xxxx	xxxx	(160,819,659)
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	28,054,762
d) Total adjusted capital from DTA	xxxx	xxxx	13,301,057
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	9,187,384	4,113,673	13,301,057
f) Admitted assets	9,187,384	4,113,673	13,301,057
g) Statutory surplus	9,187,384	4,113,673	13,301,057

B. DTL not recognized for the following amounts:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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	\$ 41,367,909	\$ 182,592,017	\$(141,224,108)
Foreign	<u>49,013</u>	<u>226,958</u>	<u>(177,945)</u>
Subtotal	41,416,922	182,818,975	(141,402,053)
Federal income taxes on net capital gains	<u>3,663,453</u>	<u>3,705,376</u>	<u>(41,923)</u>
Federal and foreign income taxes incurred	<u>\$ 45,080,375</u>	<u>\$ 186,524,351</u>	<u>\$(141,443,976)</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	\$ 217,983,347	\$ 230,358,678	\$ (12,375,331)
Unearned premium reserve	143,801,634	139,523,143	4,278,491
Investments	27,577,725	21,996,086	5,581,639
Fixed assets	129,522,133	134,296,679	(4,774,546)
Compensation and benefits accrual	217,561,629	138,705,584	78,856,045
Non-admitted assets	149,364,368	137,837,981	11,526,387
Other	<u>42,332,807</u>	<u>41,549,171</u>	<u>783,636</u>
Total DTA - ordinary	928,143,643	844,267,322	83,876,321
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>(318,224,731)</u>	<u>(320,601,520)</u>	<u>2,376,789</u>
Admitted ordinary DTA	<u>\$ 609,918,912</u>	<u>\$ 523,665,802</u>	<u>\$ 86,253,110</u>
<u>Capital:</u>			
Investments	\$ 70,105,523	\$ 85,143,185	\$ (15,037,662)
Total DTA – capital	70,105,523	85,143,185	(15,037,662)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>(28,176,232)</u>	<u>(53,501,304)</u>	<u>25,325,072</u>
Admitted capital DTA	41,929,291	31,641,881	10,287,410
Total admitted DTA	<u>\$ 651,848,203</u>	<u>\$ 555,307,683</u>	<u>\$ 96,540,520</u>
DTL:			
<u>Ordinary:</u>			
Investments	\$ 76,620,215	\$ 85,765,270	\$ (9,145,055)
Compensation and benefits accrual	28,719,911	20,685,297	8,034,614
Other	<u>15,627,262</u>	<u>16,440,330</u>	<u>(813,068)</u>
Total ordinary DTL	<u>120,967,388</u>	<u>122,890,897</u>	<u>(1,923,509)</u>
<u>Capital:</u>			
Investments	\$ 35,141,200	\$ 31,071,395	\$ 4,069,805
Total capital DTL	35,141,200	31,071,395	4,069,805
Total DTL	<u>156,108,588</u>	<u>153,962,292</u>	<u>2,146,296</u>
Net admitted DTA/(DTL)	<u>\$ 495,739,615</u>	<u>\$ 401,345,391</u>	<u>\$ 94,394,224</u>

3. Deferred income taxes do not include any benefit from investment tax credits.

4. Deferred income taxes include a benefit of \$0 from net operating losses.

5. 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.

6. 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	\$ 998,249,166	\$ 929,410,507	\$ 68,838,659
Total DTL	<u>(156,108,588)</u>	<u>(153,962,292)</u>	<u>(2,146,296)</u>
Net DTA/(DTL)	<u>\$ 842,140,578</u>	<u>\$ 775,448,215</u>	<u>66,692,363</u>
Tax effect of unrealized gains (losses)			1,164,331
Deferred tax change in prior period adjustments			<u>(2,794,498)</u>
Change in net deferred income tax			<u>\$ 65,062,196</u>

D. 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)	\$ 449,241,643
Taxes at statutory rate	\$ 157,234,575
Increase (decrease) attributable to:	
Non-taxable investment income	(155,054,360)
Nonadmitted assets	(32,609,813)
Other	<u>10,447,777</u>
	<u>\$ (19,981,821)</u>
Federal and foreign taxes incurred	\$ 45,080,375
Change in net deferred taxes	<u>(65,062,196)</u>
Total statutory income tax	<u>\$ (19,981,821)</u>
Effective tax rate	-4.4%

NOTES TO FINANCIAL STATEMENTS

- E. 1. The Company has no net operating loss carryforward. The Company has an alternative minimum tax credit of \$6,322,802 that originated in 2011 and can be carried forward indefinitely. The Company had a new hire retention credit of \$271,000 that originated in 2011, which expires in 2031.
2. The Company has \$68,937,751, \$179,880,620, and \$0 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
3. The reporting entity has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- F. 1. 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.
2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

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

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

- A-C. (1) On December 15, 2011, the Company made a capital contribution of \$30.0 million to its wholly-owned subsidiary, The Travelers Home and Marine Insurance Company.
- (2) On February 1, 2011, the Company purchased \$201.1 million of securities from its affiliate, Travelers Casualty and Surety Company of America (America). See Schedule D – Part 3 for additional detail.
- (3) On December 1, 2010, the Company purchased \$79.7 million and \$50.5 million of securities from its affiliates, Travelers Casualty and Surety Company of America and St. Paul Fire and Marine Insurance Company (Fire and Marine), respectively.
- (4) 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), Fire and Marine, TRV, Travelers Property Casualty Corp. (TPC), Travelers Insurance Group Holdings Inc. (TIGHI), the Company, 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, the Company which in turn distributed these same shares to TIGHI. TIGHI then distributed 100% of the common shares of TNJ to its sole shareholder, TPC which in turn distributed these same shares to TRV. Each of these transactions qualifies as a tax-free spin-off distribution under Section 355 of the Internal Revenue Code.

In accordance with the "Plan of Merger", TNJ then merged with and into FGIU at which time all issued and outstanding shares of TNJ were converted into and exchanged for 84,349 shares of FGIU. TRV then contributed all common stock shares received in the exchange to Fire and Marine which in turn contributed these shares to 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.

- (5) On March 17, 2010, the Company purchased \$168.7 million of securities from its affiliate, America.
- (6) Effective January 1, 2010, in accordance with the "Agreement and Plan of Merger" dated December 9, 2009, TINDY RE Investments Inc. merged with and into its sole shareholder, the Company, with the Company being the surviving entity. This merger had no impact on the Company's surplus. All required regulatory approvals were obtained prior to the merger.
- (7) On January 1, 2010 the Company purchased TPC UK Investments LLC, from its affiliate TPC Investments Inc. at a cost of \$63 million.

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 the Company. 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 the Company. 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 \$277,429,189 receivable from and \$321,543,539 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.

NOTES TO FINANCIAL STATEMENTS

- (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	\$ 108,420,119	\$ 446,535,153
Amounts recoverable from reinsurers	999,781,703	1,056,778,990
Reinsurance payable on paid losses and loss adjustment expenses	1,182,995,430	1,132,305,808

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

- E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets to liabilities.
- 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
Service Expense Reimbursement	The Travelers Companies, Inc.	The Travelers Indemnity Company
Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Corporate Services	The Travelers Indemnity Company	First Floridian Auto and Home Insurance Company
Corporate Services	The Travelers Indemnity Company	The Premier Insurance Company of Massachusetts
Corporate Services	The Travelers Indemnity Company	First Trenton Indemnity Company
Service Agreement	The Travelers Indemnity Company	Travelers Management Limited
Investment Management Services Agreement	The Travelers Indemnity Company	Travelers Syndicate Management Limited
Investment Management Agreement	The Travelers Indemnity Company	St. Paul Protective Insurance Company
Investment Management Agreement	The Travelers Indemnity Company	Discover Property & Casualty Insurance Company
Investment Management Agreement	The Travelers Indemnity Company	Discover Specialty Insurance Company

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 TIGHI, which in turn is indirectly owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. The Company directly owns Jupiter Holdings, Inc. (Jupiter), a downstream noninsurance holding company. Jupiter directly owns American Equity Insurance Company (American Equity), an Arizona domiciled insurer, and Northland Insurance Company (Northland), a Connecticut domiciled insurer. American Equity directly owns American Equity Specialty Insurance Company (American Equity Specialty), a Connecticut domiciled insurer. Northland directly owns Northfield Insurance Company (Northfield), an Iowa domiciled insurer, and Northland Casualty Company (Northland Casualty), a Connecticut domiciled insurer.
- (1) The carrying value of the Company's investment in Jupiter was \$640,104,395 at December 31, 2011.
 - (2) The Company has not obtained an audit of Jupiter's financial statements.
 - (3) The Company has limited the carrying value of its investment in Jupiter to the value contained in the statutory audited financial statements of American Equity and Northland, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88*.
 - (4) Jupiter does not have any material assets other than the ownership of its insurance subsidiaries. Jupiter does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

11. DEBT

Not applicable.

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.

NOTES TO FINANCIAL STATEMENTS**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 \$26,461,240 and \$18,553,387 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 \$2,366,398 and \$2,707,883 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 \$18,538,742 and \$19,436,938 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 150,000 shares of common capital stock authorized and 107,907 shares issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$505.0 million in 2011 to its parent company, TIGHI. In 2010, the Company paid ordinary dividends of \$450.0 million and extraordinary dividends of \$1.890 billion for a total of \$2.340 billion to TIGHI.

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 \$684,963,000. 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 \$1,255,000,036.

14. CONTINGENCIES**A. Contingent Commitments:**

At December 31, 2011, the Company had commitments to fund investments of \$432.7 million.

B. Assessments:

1. The Company has accrued liabilities of \$68.2 million for guaranty fund and other insurance-related assessments and related recoverables of \$4.8 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	\$ 5,648,129
Decreases current year:	
Premium tax offset charged off	247,493
Premium tax offset applied	1,373,024
Premium tax offset refund	147,072
Increases current year:	
Premium tax offset accrued	282,552
Assets recognized from paid and accrued premium tax offsets current year-end	\$ 4,163,092

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 \$4,502,347 in the reporting period on eleven 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:

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

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
Sale of Businesses	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	Guarantees had 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 these guarantees
a. Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees				
			\$	-
b. Current liability recognized in financial statements:				
Noncontingent liabilities				-
Contingent liabilities				-
c. Ultimate financial statement impact if action under the guarantee is required:				
Investment in SCA				-
Joint venture				-
Dividends to stockholders				-
Expense				-
Other				-
Total			\$	-

- 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.

NOTES TO FINANCIAL STATEMENTS

3. 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.
4. For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

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

1. At December 31, 2011, the Company is a party to various lease agreements for office space, data processing equipment, automobiles and office equipment. The office space and data processing equipment leases are for various periods of time. The other leases generally do not exceed five years. Total rental expense under operating leases for the Company for 2011 and 2010 was \$154,220,918 and \$159,712,423, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

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

2. Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$440,320,790 at December 31, 2011. Future minimum rental payments for each of the five succeeding years are as follows:

<u>Year</u>	<u>Operating Leases</u>
2012	\$125,885,825
2013	98,761,191
2014	76,289,410
2015	65,463,057
2016	46,664,868

At December 31, 2011, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled \$903,484.

3. Sale-Leaseback Transactions:

On June 28, 2007, the Company completed a sale-leaseback transaction which resulted in a realized gain of \$639,574. The remaining rental payments for 2012 are \$229,015 as the lease will expire on June 30, 2012.

B. Lessor's Business Activities:

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

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

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were \$432.7 million at December 31, 2011.

In prior years, the Company underwrote insurance guaranteeing the structured settlements of certain life insurers. Also in past years, the Company underwrote financial guarantee insurance representing the Company's participation in the Municipal Bond Insurance Association's (MBIA) guarantee of municipal bond obligations. See Note 36 for additional discussion.

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.

NOTES TO FINANCIAL STATEMENTS

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	\$ -	119,762,192	43,258,983	\$ 163,021,175
Special Revenue	-	497,956	-	497,956
Total Bonds	-	120,260,148	43,258,983	163,519,131
Preferred Stock				
Non-redeemable Preferred Stock	43,660,348	-	-	43,660,348
Common Stock	32,254,966	135,135	-	32,391,812
Total Assets at Fair Value	\$ 75,915,314	120,395,283	43,258,983	\$239,571,291

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

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

	Balance at 01/01/11	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	\$ 22,148,499	40,789,618	(14,626,022)	(76,951)	(512,679)	14,617,541	(19,076,023)	\$ 43,258,983
Other Invested assets	4,442,455	-	(4,442,455)	-	-	-	-	-
Total	\$ 26,590,954	40,789,618	(19,068,477)	(76,951)	(512,679)	14,617,541	(19,076,023)	\$ 43,258,983

(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.

The Company transfers securities out of level 3 when it is able to obtain market observable data. The Company recognizes these transfers at the end of the period.

(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 fair value is based on observable market information rather than market quotes. Accordingly, the estimates of fair value for such common stock are included in the amount disclosed in level 2 of the hierarchy.

(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				
	2001	2000	1999	1998	1997 & Prior
Part 1A	\$ 109	\$ 116	\$ 33	\$ 74	\$ 745
Part 1B	356	133	87	88	59,809
Part 1C	4,117	2,201	1,720	574	10,550
Part 1D	106,972	112,492	83,080	86,325	851,242
Part 1E	10,076	9,291	10,640	9,525	66,806
Part 1F - Section 1	1,104	774	421	107	899
Part 1F - Section 2	4,021	5,581	3,807	754	4,937
Part 1G	1,042	1,536	511	752	3,499
Part 1H - Section 1	31,679	21,898	28,318	15,236	480,796
Part 1H - Section 2	16,441	6,445	4,063	2,110	25,202
Part 1M	175	499	112	-	36
Part 1N	4,515	1,003	1,106	431	1,058
Part 1O	26,710	16,288	10,938	7,761	139,167
Part 1P	390	206	579	29	203
Part 1R - Section 1	7,876	11,453	13,573	3,929	336,097
Part 1R - Section 2	124	16	158	49	2,330

NOTES TO FINANCIAL STATEMENTS

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (240)	\$ (372)	\$ (32)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(2,023)	(1,353)	(354)	(13,084)	-	(315)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(4,192)	-	-	-	-	-	-
Special Liability	(5)	-	-	-	-	-	-	-	-
Other Liability – Occ	(771)	-	-	-	-	-	-	-	-
Other Liability – CM	-	(1,404)	-	-	-	-	-	-	-
Special Property	(14)	-	-	-	-	-	-	-	-
Other	(2)	-	-	-	-	-	-	-	-
Reinsurance A	(141)	-	-	-	-	-	-	-	-
Reinsurance B	(1,354)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable and Non-Transferable Tax Credits:

The Company holds \$6,000,000 in Tennessee state transferable tax credits. These state tax credits are carried at \$4,590,275. The utilization of these credits begins in the second quarter of 2012 and is anticipated to end in the first quarter of 2020. The Company estimated the utilization of these tax credits by projecting future premium and the corresponding premium tax liability.

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	\$ 183,851,207
b. Book adjusted carrying value	186,059,053
c. Fair value	179,733,911
d. Other-than-temporary impairments	21,996,441

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

NOTES TO FINANCIAL STATEMENTS

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>

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:

	<u>Group Code</u>	<u>F.E.I.N.</u>	<u>Amount</u>
National Workers' Compensation Reinsurance Pool	0000	AA-9992118	\$ 1,812,022,394
Munich Reinsurance America Inc.	0361	13-4924125	627,746,412
Swiss Reinsurance America Corporation	0181	13-1675535	516,889,470
Michigan Catastrophe Claim Association	0000	AA-9991159	382,316,984
Transatlantic Reinsurance Company	4691	13-5616275	333,142,439
National Flood Insurance Program	0000	AA-9992201	213,176,223

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

B. Reinsurance Recoverable in Dispute:

The Company did not have any individual reinsurers with reinsurance recoverable on paid and unpaid (including IBNR) losses in dispute that exceeded 5% of the Company's policyholder surplus or disputed items, that when aggregated, exceed 10% of the Company's policyholder surplus.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 8,448,778,485	\$ 1,121,983,480	\$ 6,541,670,200	\$ 868,722,728	\$ 1,907,108,285	\$ 253,260,752
All Other	<u>70,456,911</u>	<u>9,356,559</u>	<u>673,324,766</u>	<u>89,416,389</u>	<u>(602,867,855)</u>	<u>(80,059,830)</u>
Total	<u>\$ 8,519,235,396</u>	<u>\$ 1,131,340,039</u>	<u>\$ 7,214,994,966</u>	<u>\$ 958,139,117</u>	<u>\$ 1,304,240,430</u>	<u>\$ 173,200,922</u>

Direct Unearned Premium Reserve \$ 681,751,506

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$18,899,659 at December 31, 2011. This balance represents the Company's 23.29% pro rata share of the net amount of the TRV Pool (see Note 26):

Direct Business	\$ 4,278,241
Reinsurance Assumed	77,740,108
Reinsurance Ceded	<u>63,118,690</u>
Net	<u>\$ 18,899,659</u>

D. Uncollectible Reinsurance:

The Company has written off as uncollectible/(recovered) in the current year, certain reinsurance balances due (from the companies listed below) in the amount of (\$738,224), which is reflected in losses incurred.

Company – Uncollectible	Company – (Recovered)
Highlands Insurance Company (UK) Ltd.	Home Insurance Company
All others under \$100,000	United Standard Insurance Company Ltd.
	All others under (\$100,000)

E. Commutation of Ceded Reinsurance:

The Company has reported in the current year, a net gain of \$2,696,814, reflected in losses incurred resulting from commutations of reinsurance, (from the companies listed below):

Company
American United Life Insurance Company
Caledonian Reinsurance SPC
California Auto Dealers Insurance Company
Catlin Syndicates
City Insurance Company (UK) Ltd.
Colisee Re
Continental Casualty Company
Excalibur Reinsurance Corporation
Exchange Indemnity Company
Farm Bureau Property & Casualty Company
First Allmerica Financial Life Insurance Company
First Employers Insurance Company
Fuji International Insurance Company Ltd.
Global Reinsurance Corporation of America
Gordian RunOff Limited
Hanover Ruckversicherung
John Hancock Life Insurance Company
Metropolitan Reinsurance Company (UK) Ltd.
Moorgate Insurance Company Ltd.
Nippon Insurance Company of Europe Ltd.
Novae Syndicates Limited – Lloyds Syndicates 1007, 1010, 1115, 1212, 1241,1415, and 575
Overseas Union Insurance Limited
Paragon Insurance Company Limited
Partner Reinsurance Company of the US
ReliaStar Life Re
Swiss Reinsurance America Corporation
Tokio Marine & Nichido Fire Insurance Company Ltd.
Transatlantic Reinsurance Company
XL Reinsurance America Inc.
Y-Mutual Insurance Ltd.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,189,260	\$113,033,968
(2) Adjustments - Prior Year(s)	(698,700)	45,163,425
(3) Adjustments - Current Year	-	(979,797)
(4) Current Total	<u>\$ 1,490,560</u>	<u>\$157,217,596</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,434,990	\$100,161,042
(2) Adjustments - Prior Year(s)	-	12,495,316
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 2,434,990</u>	<u>\$112,656,358</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 958,112	\$127,128,569
(2) Current Year	2,685	4,276,670
(3) Current Total	<u>\$ 960,797</u>	<u>\$131,405,239</u>

NOTES TO FINANCIAL STATEMENTS

d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 245,730	\$ 12,872,926
(2) Adjustments - Prior Year(s)	698,700	32,668,109
(3) Adjustments - Current Year	-	(979,797)
(4) Current Year Restricted Surplus	<u>\$ 944,430</u>	<u>\$ 23,513,694</u>
(5) Cumulative Total Transferred to Unassigned Funds	\$ -	\$ 21,047,544

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,490,560	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	3,074,280
General Reinsurance Corporation (22039)	-	69,870,000
nSpire Re Limited (AA-1784124)	-	18,570,035
Platinum Underwriters Reinsurance Inc. (10357)	-	21,668,684
Various	-	44,034,597
Total	<u>\$ 1,490,560</u>	<u>\$157,217,596</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)	\$ 26,132	\$ -	\$ -
General Reinsurance Corporation (22039)	39,421	35,945	-
nSpire Re Limited (AA-1784124)	-	-	5,397,493
Various	90,985	(89,760)	12
Total	<u>\$ 156,538</u>	<u>\$ (53,815)</u>	<u>\$ 5,397,505</u>

G. Reinsurance Accounted for as a Deposit:

The Company entered into two ceded reinsurance arrangements which provided coverage for certain workers' compensation and general 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	\$ -	\$ 2,354,935	\$ (69,644)	\$ 2,285,291
2006	-	-	(299,151)	1,986,140
2007	-	-	(440,396)	1,545,744
2008	-	-	(156,274)	1,389,470
2009	-	(903,013)	(40,249)	446,208
2010	-	-	(18,495)	427,713
2011	-	(427,713)	-	-

The Company has a ceded reinsurance arrangement which provides coverage for certain inland marine policies issued by the Company. Given the contract terms and results of the Company's cash flow analysis, it was determined that this contract did not fulfill the SSAP No. 62 requirements for risk transfer so it has been accounted for as a deposit.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ -	\$ 3,501,139	\$ -	\$ 3,501,139
2006	-	536,335	(1,759,882)	2,277,592
2007	44,529,896	(44,553,773)	-	2,253,715
2008	55,911,485	(55,996,302)	-	2,168,898
2009	(2,995,831)	2,850,091	(1,996,391)	26,767
2010	2,822,052	(1,273,388)	(1,556,030)	19,401
2011	-	56,862	(67,496)	8,767

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).

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	\$ 44,109,796
2. Unsecured amount	7,488,491
3. Less: Nonadmitted amount (10%)	<u>748,849</u>
4. Admitted amount (1) - (3)	<u>\$ 43,360,947</u>

NOTES TO FINANCIAL STATEMENTS**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 \$108,659,000, 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 the Company. 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 the Company. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by the Company 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 the Company and are not allocated to the other pool participants.

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

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

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

As of December 31, 2011 the Company had \$74,793,608 payable to affiliates as a result of its intercompany reinsurance transactions which settled in January 2012.

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

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims. 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 \$745,962,637 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 \$1,634,379,508 and the amount billed and outstanding on paid claims was \$15,585,361. 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.

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

NOTES TO FINANCIAL STATEMENTS

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

Company	Workers' Compensation		Other Liability		Other Liability-
	Case	IBNR	Case	IBNR	Structured Payments
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 23.29%.

- 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's affiliate, Fire and Marine sold Unionamerica. In conjunction with the sale Fire and Marine commuted its assumed intercompany reinsurance agreements with Unionamerica subsidiaries. As a result of these commutations and their impact on the TRV Pool, the Company's 2008 asbestos assumed calendar year paid losses increased by \$46,114,200 and the Company's 2008 asbestos assumed incurred losses decreased by \$7,918,600.

1. <u>Direct Basis - Asbestos:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 966,373,000	\$ 877,999,000	\$ 722,623,000	\$ 678,147,000	\$ 637,531,000
b. Incurred losses and LAE:	(3,899,000)	14,608,000	37,264,000	48,210,000	32,605,000
c. Calendar year payments for losses and LAE:	<u>84,475,000</u>	<u>169,984,000</u>	<u>81,740,000</u>	<u>88,826,000</u>	<u>74,987,000</u>
d. Ending reserves:	<u>\$ 877,999,000</u>	<u>\$ 722,623,000</u>	<u>\$ 678,147,000</u>	<u>\$ 637,531,000</u>	<u>\$ 595,149,000</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:	\$ 117,975,000	\$ 111,050,000	\$ 45,249,000	\$ 42,494,000	\$ 46,979,000
b. Incurred losses and LAE:	3,905,000	(6,107,000)	5,822,000	12,808,000	12,809,000
c. Calendar year payments for losses and LAE:	<u>10,830,000</u>	<u>59,694,000</u>	<u>8,577,000</u>	<u>8,323,000</u>	<u>7,866,000</u>
d. Ending reserves:	<u>\$ 111,050,000</u>	<u>\$ 45,249,000</u>	<u>\$ 42,494,000</u>	<u>\$ 46,979,000</u>	<u>\$ 51,922,000</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:	\$ 942,919,000	\$ 869,039,000	\$ 678,138,000	\$ 641,746,000	\$ 592,910,000
b. Incurred losses and LAE:	6,000	8,500,000	43,086,000	32,607,000	40,758,000
c. Calendar year payments for losses and LAE:	<u>73,886,000</u>	<u>199,401,000</u>	<u>79,478,000</u>	<u>81,443,000</u>	<u>66,054,000</u>
d. Ending reserves:	<u>\$ 869,039,000</u>	<u>\$ 678,138,000</u>	<u>\$ 641,746,000</u>	<u>\$ 592,910,000</u>	<u>\$ 567,614,000</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:	\$ 514,366,000
2. Assumed Reinsurance Basis:	\$ 24,802,000
3. Net of Ceded Reinsurance Basis:	\$ 481,220,000

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

1. Direct Basis:	\$ 165,657,000
2. Assumed Reinsurance Basis:	\$ 660,000
3. Net of Ceded Reinsurance Basis:	\$ 156,949,000

- 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.

NOTES TO FINANCIAL STATEMENTS

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 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 \$6,521,200 and the Company's 2008 environmental assumed incurred losses decreased by \$1,164,500.

<u>1. Direct Basis - Environmental:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 62,589,000	\$ 83,895,000	\$ 78,189,000	\$ 77,504,000	\$ 70,186,000
b. Incurred losses and LAE:	43,013,000	19,757,000	19,564,000	9,270,000	15,371,000
c. Calendar year payments for losses and LAE:	<u>21,707,000</u>	<u>25,463,000</u>	<u>20,249,000</u>	<u>16,588,000</u>	<u>18,156,000</u>
d. Ending reserves:	<u>\$ 83,895,000</u>	<u>\$ 78,189,000</u>	<u>\$ 77,504,000</u>	<u>\$ 70,186,000</u>	<u>\$ 67,401,000</u>
<u>2. Assumed Reinsurance Basis- Environmental:</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves:	\$ 30,722,000	\$ 25,489,000	\$ 14,867,000	\$ 13,124,000	\$ 12,265,000
b. Incurred losses and LAE:	58,000	(1,052,000)	233,000	1,211,000	3,260,000
c. Calendar year payments for losses and LAE:	<u>5,291,000</u>	<u>9,570,000</u>	<u>1,976,000</u>	<u>2,070,000</u>	<u>2,192,000</u>
d. Ending reserves:	<u>\$ 25,489,000</u>	<u>\$ 14,867,000</u>	<u>\$ 13,124,000</u>	<u>\$ 12,265,000</u>	<u>\$ 13,333,000</u>
<u>3. 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:	\$ 97,446,000	\$ 114,100,000	\$ 96,362,000	\$ 91,558,000	\$ 81,637,000
b. Incurred losses and LAE:	43,070,000	18,705,000	16,303,000	8,152,000	17,700,000
c. Calendar year payments for losses and LAE:	<u>26,416,000</u>	<u>36,443,000</u>	<u>21,107,000</u>	<u>18,073,000</u>	<u>19,837,000</u>
d. Ending reserves:	<u>\$ 114,100,000</u>	<u>\$ 96,362,000</u>	<u>\$ 91,558,000</u>	<u>\$ 81,637,000</u>	<u>\$ 79,500,000</u>

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

1. Direct Basis:	\$ 66,344,000
2. Assumed Reinsurance Basis:	\$ 7,787,000
3. Net of Ceded Reinsurance Basis	\$ 73,694,000

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

1. Direct Basis:	\$ 19,344,000
2. Assumed Reinsurance Basis:	\$ 163,000
3. Net of Ceded Reinsurance Basis	\$ 18,979,000

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

NOTES TO FINANCIAL STATEMENTS

and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

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

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

In prior years, the Company underwrote insurance guaranteeing the structured settlements of certain life insurers. The Company no longer writes such guarantees. At December 31, 2011 and 2010, the Company's aggregate net amount of guarantees of principal and interest for such structured settlements was approximately \$17.2 million and \$18.6 million, respectively.

Also in past years, the Company underwrote financial guarantee insurance representing the Company's participation in the Municipal Bond Insurance Association's (MBIA) guarantee of municipal bond obligations. The Company has no net exposure for the guarantee of principal and interest for such securities as the Company's participation in MBIA has been reinsured. The gross amounts of such financial guarantees was \$19.6 million and \$21.5 million at December 31, 2011 and 2010, respectively.

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: 12/31/2009
- 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). 03/14/2011
- 3.4 By what department or departments? Connecticut
- 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

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company

12.12 Number of parcels involved	.....0
12.13 Total book/adjusted carrying value	\$.....0

- 12.2 If yes, provide explanation.

GENERAL INTERROGATORIES

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

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

14.2 Has the code of ethics for senior managers been amended? Yes [X] 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 [X]

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

GENERAL INTERROGATORIES

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 [X] 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
121101037	1867 Western Financial Corporation	Failure to comply with contract	403,000
221371709	Adirondack Bank	Failure to comply with contract	825,000
101217857	Adrian Bank	Failure to comply with contract	87,000
	Agstar Financial Services	Failure to comply with contract	4,675,000
107001232	American National Bank	Failure to comply with contract	37,000
122244744	American Perspective Bank	Failure to comply with contract	105,000
122244498	Americas United Bank	Failure to comply with contract	800,000
061201754	Ameris Bank	Failure to comply with contract	15,949
064202860	Andrew Johnson Bank	Failure to comply with contract	18,598
082900872	Arvest Bank Group, Inc.	Failure to comply with contract	1,159,704
091903831	Bank of Elk River	Failure to comply with contract	26,521
124103676	Bank of Idaho	Failure to comply with contract	49,288
122243813	Bank of Santa Clarita	Failure to comply with contract	200,000
063108680	Bank of Tampa (The)	Failure to comply with contract	103,500
053207371	Bank of Travelers Rest	Failure to comply with contract	27,000
074909661	Bippus State Bank	Failure to comply with contract	52,623
091216133	Border State Bank	Failure to comply with contract	27,729
096010415	Bremer Financial Corporation	Failure to comply with contract	1,934,737
071102568	Busey Bank	Failure to comply with contract	20,913
063100688	Capital City Bank	Failure to comply with contract	21,292
053112424	Carolina Trust Bank	Failure to comply with contract	28,912
081906013	Carrollton Bank	Failure to comply with contract	13,700
125104603	Cashmere Valley Bank	Failure to comply with contract	54,720
071902878	Centier Bank	Failure to comply with contract	57,000
111907199	Central National Bank	Failure to comply with contract	50,000
072408436	ChoiceOne Bank	Failure to comply with contract	17,000
091904856	Citizens Alliance Bank	Failure to comply with contract	17,595
064102601	Citizens Bank	Failure to comply with contract	44,000
053207339	Citizens Bank (Olanta)	Failure to comply with contract	26,283
042102335	Citizens Bank of Northern Kentucky, Inc.	Failure to comply with contract	15,470
124103773	Citizens Community Bank	Failure to comply with contract	2,150,000
075902188	Citizens Financial Corporation	Failure to comply with contract	39,510
065300211	Citizens National Bank of Meridian (The)	Failure to comply with contract	600,000
071102830	Citizens National Bank of Paris (The)	Failure to comply with contract	14,657
073920706	Citizens State Bank	Failure to comply with contract	15,988
091807254	Citizens State Bank	Failure to comply with contract	36,160
051502599	Clear Mountain Bank	Failure to comply with contract	325,000
063114289	CNLBank	Failure to comply with contract	30,000
221271935	Columbia Bank	Failure to comply with contract	418,843
122203471	Community Bank	Failure to comply with contract	108,000
	Community Credit Union	Failure to comply with contract	16,000
074906800	Community Financial Corp.	Failure to comply with contract	9,119
075906702	Community First Bank (Rosholt)	Failure to comply with contract	22,500
011601029	Community National Bank	Failure to comply with contract	24,761
113024504	Community National Bank	Failure to comply with contract	152,500
103000800	Coppermark Bank	Failure to comply with contract	450,000
084101514	Cross County Bank	Failure to comply with contract	38,800
124103582	D. L. Evans Bank	Failure to comply with contract	52,052
044103086	Delaware County Bank and Trust Company	Failure to comply with contract	150,000
243074385	Dollar Bank, A Federal Savings Bank	Failure to comply with contract	965,000
073900535	Dubuque Bank and Trust Company	Failure to comply with contract	19,000
055003298	EagleBank	Failure to comply with contract	96,935
104000469	Enterprise Bank, National Association	Failure to comply with contract	107,000
	Farm Credit of Maine ACA	Failure to comply with contract	200,000
307088754	Farm Credit Services	Failure to comply with contract	11,125,000
031304306	Farmers & Merchants Trust Co	Failure to comply with contract	81,565
082901635	Farmers B&TC	Failure to comply with contract	74,217
084101051	Farmers Bank & Trust Company	Failure to comply with contract	42,534
124102509	Farmers National Bank of Buhl (The)	Failure to comply with contract	22,261
053103585	Fidelity Bank (The)	Failure to comply with contract	11,709
274970791	First Bank Richmond	Failure to comply with contract	21,152
053104568	First BK	Failure to comply with contract	64,533
104113990	First Central Bank McCook	Failure to comply with contract	40,000
053100300	First Citizens BancShares, Inc. (NC)	Failure to comply with contract	440,862
071911652	First Community Bancorp, Inc.	Failure to comply with contract	44,840
074911578	First Farmers Bank & Trust	Failure to comply with contract	21,120
042200910	First Financial Bank, National Association	Failure to comply with contract	24,951
074900657	First Merchants Bank, National Association	Failure to comply with contract	21,838
071102076	First Mid-Illinois Bank & Trust, National Ass	Failure to comply with contract	40,000
081501175	First Midwest Bank of Dexter	Failure to comply with contract	520,000
073915847	First National Bank	Failure to comply with contract	18,033
081501492	First National Bank	Failure to comply with contract	22,610
091204116	First National Bank	Failure to comply with contract	10,371
075900973	First National Bank and Trust Company	Failure to comply with contract	17,072
071109435	First National Bank in Tremont (The)	Failure to comply with contract	35,000
091907125	First National Bank of Deerwood	Failure to comply with contract	24,733
071113984	First National Bank of Lacon	Failure to comply with contract	15,245
121101189	First National Bank of Northern California	Failure to comply with contract	510,000
043318092	First National Bank of Pennsylvania	Failure to comply with contract	96,000
101105626	First National Bank of Southern KS	Failure to comply with contract	39,500
091101730	First NB&TC of Iron Mountain	Failure to comply with contract	13,787
281271438	First Robinson Financial Corporation	Failure to comply with contract	315,500
092901337	First Security Bank	Failure to comply with contract	59,947
253171621	First South Bank	Failure to comply with contract	28,600
104901610	First State Bank	Failure to comply with contract	20,000
121143037	Five Star Bank	Failure to comply with contract	40,000

GENERAL INTERROGATORIES

072413638	Founders Bank & Trust	Failure to comply with contract	24,005
211274573	Gorham Savings Bank	Failure to comply with contract	41,000
073904117	Hardin County Savings Bank	Failure to comply with contract	35,043
275978886	Heartland Credit Union	Failure to comply with contract	24,839
071118264	Hometown Financial Group, Inc.	Failure to comply with contract	27,830
283977633	Hoosier Hills Credit Union	Failure to comply with contract	11,692
026013783	HSH Nordbank AG	Failure to comply with contract	200,000
265270413	IberiaBank Corporation	Failure to comply with contract	263,000
283971930	Indiana Bank and Trust Company	Failure to comply with contract	69,971
271173724	Iroquois Federal Savings and Loan Associa	Failure to comply with contract	90,000
072403004	Isabella Bank	Failure to comply with contract	65,775
075911852	Johnson Financial Group, Inc.	Failure to comply with contract	115,763
074912784	Kentland Bank	Failure to comply with contract	22,173
091910196	Lake Elmo Bank	Failure to comply with contract	117,321
104000016	Lauritzen Corporation	Failure to comply with contract	4,486,781
064108443	Legends Bank	Failure to comply with contract	580,000
073914220	Libertyville Savings Bank	Failure to comply with contract	30,000
074908112	Linden State Bank	Failure to comply with contract	98,745
072413845	Macatawa Bank	Failure to comply with contract	131,115
074903308	Mainsource Financial Group, Inc.	Failure to comply with contract	86,667
063115505	Mainstreet Community Bank of Florida	Failure to comply with contract	30,834
043312373	Marion Center Bank	Failure to comply with contract	32,271
075903750	Markesan State Bank	Failure to comply with contract	66,937
071001737	MB Financial Bank, NA	Failure to comply with contract	75,000
075905936	McFarland State Bank	Failure to comply with contract	19,513
121102036	Mechanics Bank, The	Failure to comply with contract	41,000
062106256	Merchants Bank	Failure to comply with contract	52,193
313.01846	Metro Bank	Failure to comply with contract	25,262
081000676	Midwest Bankcentre	Failure to comply with contract	200,000
091018302	Minnesota Bank & Trust	Failure to comply with contract	90,000
091202202	Minnwest Bank South	Failure to comply with contract	147,416
081517761	Montgomery Bank, N.A.	Failure to comply with contract	49,356
083903742	Morgantown Bank & Trust Company Incorp	Failure to comply with contract	20,196
053112521	Mountain First Bank and Trust Company	Failure to comply with contract	51,071
092001677	Mountain West Bank, National Association	Failure to comply with contract	17,831
074006674	National Bank of Indianapolis (The)	Failure to comply with contract	240,237
107006541	New Mexico Bank & Trust	Failure to comply with contract	50,000
075917937	Nicolet National Bank	Failure to comply with contract	45,000
071925444	North Shore Community Bank & Trust Cor	Failure to comply with contract	250,000
091101141	Northern Michigan Corporation	Failure to comply with contract	104,467
031312835	Northumberland Bancorp	Failure to comply with contract	36,201
091212221	Northwestern Bancshares, Inc.	Failure to comply with contract	55,775
104001808	Omaha State Bank	Failure to comply with contract	3,082,522
042212568	Osgood State Bank	Failure to comply with contract	36,678
044101305	Park National Bank (The)	Failure to comply with contract	177,000
065200803	Patterson State Bank	Failure to comply with contract	45,000
065500752	Peoples Financial Corp	Failure to comply with contract	200,000
011600567	Peoples Trust Co of St. Albans	Failure to comply with contract	37,226
061202371	Peoplessouth Bank	Failure to comply with contract	50,000
064008637	Pinnacle National Bank	Failure to comply with contract	611,800
111322994	PlainsCapital Bank	Failure to comply with contract	625,000
073902313	Primebank	Failure to comply with contract	57,643
221272303	Provident Bank	Failure to comply with contract	200,000
062005690	Regions Financial Corp.	Failure to comply with contract	58,660,804
091905237	Republic Bank, Incorporated	Failure to comply with contract	31,225
043306855	S & T Bank	Failure to comply with contract	72,380
211272465	Savings Bank of Maine	Failure to comply with contract	26,000
101000925	Security Bank of Kansas City	Failure to comply with contract	451,718
042207308	Security NB & TC	Failure to comply with contract	18,509
053112563	Select Bancorp, Inc.	Failure to comply with contract	43,925
062006505	ServisFirst Bank	Failure to comply with contract	1,183,000
072407987	Signature Bank	Failure to comply with contract	50,000
053208011	Southern First Bancshares	Failure to comply with contract	83,873
011400149	St. Marys Bank Credit Union	Failure to comply with contract	50,103
074901672	Star Financial Group, Inc.	Failure to comply with contract	101,034
071910721	State Bank of Herscher	Failure to comply with contract	32,465
071909871	State Bank of the Lakes	Failure to comply with contract	16,829
307077480	Sterling Federal Credit Union	Failure to comply with contract	55,000
103107622	Stockmans Bank	Failure to comply with contract	11,375
121138958	Summit Bank	Failure to comply with contract	1,125,000
052202225	Summit Financial Group, Inc.	Failure to comply with contract	94,775
031309123	Susquehanna Bancshares, Inc.	Failure to comply with contract	970,949
104909793	Sutton Bank	Failure to comply with contract	21,355
061100606	Synovus Financial Corp.	Failure to comply with contract	72,080
111017979	Texas Capital Bancshares, INC.	Failure to comply with contract	900,000
081500862	The Landrum Company	Failure to comply with contract	50,045
111010170	TIB The Independent Bankers Bank	Failure to comply with contract	1,000,000
083902060	Town & Country B&TC	Failure to comply with contract	68,449
071123262	Town & Country Bank	Failure to comply with contract	16,613
074913699	Town Financial Corporation	Failure to comply with contract	57,160
124384657	Transportation Alliance Bank	Failure to comply with contract	893,404
061112843	United Community Banks, Inc.	Failure to comply with contract	110,601
065301883	United Mississippi Bank	Failure to comply with contract	60,000
096001013	University National Bank	Failure to comply with contract	25,600
056005253	Virginia Commerce Bancorp	Failure to comply with contract	216,000
091912330	White Rock Bank	Failure to comply with contract	87,388
031100102	Wilmington Savings Fund Society FSB	Failure to comply with contract	1,190,000
026007443	Woori Bank Financial Holdings	Failure to comply with contract	990,000

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 [X] No []

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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).
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. \$.....47,186,079
- 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 \$.....19,844,381
- 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 \$.....1,007,023,002
- 25.29 Other \$.....12,666,160

- 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 |

- 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 |

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

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

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

28.05 Identify all investment advisors, 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		

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/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.....	12,934,824,398	13,842,718,686	907,894,288
30.2 Preferred stocks.....	59,115,935	62,475,291	3,359,356
30.3 Totals.....	12,993,940,333	13,905,193,977	911,253,644

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.

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? \$.....11,639,121

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	4,713,029

34.1 Amount of payments for legal expenses, if any? \$.....19,924,817

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? \$.....656,111

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	174,675

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.....	\$.....4,421,998,658	\$.....4,240,781,388
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....14,093,831	\$.....16,014,473
2.5 Reserve Denominator.....	\$.....11,671,646,323	\$.....11,387,456,112
2.6 Reserve Ratio (2.4/2.5).....	.....0.1	.....0.1

- 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 \$.....65,012,706
- 3.22 Non-participating policies \$.....4,397,162,174

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 unreinsured 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 [X] No []
- 8.2 If yes, give full information:
See Note No. 23E - Commutation of Ceded Reinsurance for additional 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 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 Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] 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 [] No [X]
- 11.2 If yes, give full information:
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.1 Unpaid losses \$.....36,988,563
 12.1 Unpaid underwriting expenses (including loss adjustment expenses) \$.....7,314,015
- 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: \$.....36,814,089
- 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:
 12.4 From0.0 %
 12.4 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:
 12.6 Letters of credit \$.....1,600,064,350
 12.6 Collateral and other funds \$.....371,079,966

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....8,093,275
- 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)...	...9,466,890,255	...9,041,848,750	...9,109,293,438	...9,418,447,364	...9,465,408,123
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...3,876,496,565	...3,901,883,394	...3,918,618,640	...4,012,565,978	...4,042,595,904
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...7,099,361,843	...6,832,622,202	...6,568,272,785	...6,414,627,640	...6,445,677,549
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...91,283,661	...84,566,979	...88,405,459	...97,648,110	...120,494,089
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	...53,282,671	...24,157,316	...27,308,991	...37,219,471	...57,942,908
6. Total (Line 35).....	20,587,314,996	19,885,078,641	19,711,899,313	19,980,508,564	20,132,118,573
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)...	...2,073,913,125	...1,978,689,927	...1,960,655,820	...1,992,382,458	...1,909,297,504
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...773,901,247	...783,793,752	...788,046,283	...813,241,491	...847,182,788
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...1,578,948,679	...1,516,906,269	...1,445,563,286	...1,414,342,459	...1,445,122,174
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...23,981,903	...25,387,849	...23,886,383	...22,004,595	...14,022,461
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	...11,429,926	...4,536,857	...5,699,150	...(15,084,182)	...14,164,697
12. Total (Line 35).....	4,462,174,881	4,309,314,654	4,223,850,921	4,226,886,821	4,229,789,624
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	...(378,538,419)	...246,219,259	...416,516,989	...310,089,289	...446,379,291
14. Net investment gain (loss) (Line 11).....	...799,686,574	...1,283,161,482	...983,637,928	...1,220,546,720	...1,325,506,593
15. Total other income (Line 15).....	...32,546,361	...35,509,742	...38,569,760	...(89,624,504)	...1,884,978
16. Dividends to policyholders (Line 17).....	...8,116,326	...5,585,258	...4,071,303	...5,112,029	...5,418,654
17. Federal and foreign income taxes incurred (Line 19).....	...41,416,922	...182,818,975	...234,195,662	...185,890,379	...283,835,911
18. Net income (Line 20).....	404,161,268	1,376,486,250	1,200,457,712	1,250,009,097	1,484,516,298
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	20,948,653,374	21,109,473,033	22,208,649,149	20,788,130,051	21,284,346,648
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	...334,818,671	...667,727,677	...616,546,926	...203,184,920	...239,234,399
20.2 Deferred and not yet due (Line 15.2).....	...887,206,397	...854,436,010	...834,645,078	...906,579,151	...923,571,554
20.3 Accrued retrospective premiums (Line 15.3).....	...43,360,947	...45,517,349	...112,602,614	...74,948,426	...52,898,698
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	13,973,387,175	14,040,025,251	13,836,010,273	12,825,885,953	12,813,703,001
22. Losses (Page 3, Line 1).....	...6,941,647,410	...6,758,380,729	...6,890,771,196	...7,054,244,435	...7,257,418,346
23. Loss adjustment expenses (Page 3, Line 3).....	...1,558,083,496	...1,566,509,255	...1,617,891,069	...1,614,428,187	...1,582,247,145
24. Unearned premiums (Page 3, Line 9).....	...1,985,991,936	...1,925,992,064	...1,866,204,658	...1,888,702,988	...1,875,314,505
25. Capital paid up (Page 3, Lines 30 & 31).....	...10,790,700	...10,790,700	...10,790,700	...10,790,700	...10,770,000
26. Surplus as regards policyholders (Page 3, Line 37).....	...6,975,266,199	...7,069,447,782	...8,372,638,876	...7,962,244,098	...8,470,643,647
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	...1,081,802,342	...1,322,258,106	...1,323,474,689	...1,501,570,339	...1,997,104,542
Risk-Based Capital Analysis					
28. Total adjusted capital.....	...6,975,266,199	...7,069,447,782	...8,372,638,876	...7,962,244,098	...8,470,643,647
29. Authorized control level risk-based capital.....	...1,235,776,140	...1,260,657,916	...1,342,112,348	...1,375,784,367	...1,465,262,004
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).....	...77.4	...73.9	...73.9	...73.7	...71.9
31. Stocks (Lines 2.1 & 2.2).....	...20.4	...20.1	...20.8	...20.4	...21.4
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	...0.2	...0.2	...0.2	...0.2	...0.2
33. Real estate (Lines 4.1, 4.2 & 4.3).....	...1.2	...1.1	...1.0	...1.0	...1.0
34. Cash, cash equivalents and short-term investments (Line 5).....	...(3.1)	...0.8	...0.7	...0.6	...0.6
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).....	...3.7	...3.5	...3.4	...3.5	...4.8
38. Receivable for securities (Line 9).....	...0.0	...0.0	...0.0	...0.6	...0.0
39. Securities lending reinvested collateral assets (Line 10).....	...0.3	...0.4	...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).....	...3,335,277,833	...3,300,562,419	...3,690,540,886	...3,528,142,550	...3,690,200,196
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.....	...185,653,883	...120,931,472	...169,331,683	...174,996,917	...217,692,110
48. Total of above lines 42 to 47.....	3,520,931,716	3,421,493,891	3,859,872,569	3,703,139,467	3,907,892,306
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).....	50.5	48.4	46.1	46.5	46.1

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).....	24,444,755	...(166,490,976)	184,414,239	...(436,573,975)	108,826,018
51. Dividends to stockholders (Line 35).....	...(505,000,000)	...(2,340,000,000)	...(1,250,000,000)	...(1,185,000,000)	...(965,000,000)
52. Change in surplus as regards policyholders for the year (Line 38).....	...(94,181,582)	...(1,303,191,094)	410,394,778	...(508,399,549)	508,188,017
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)...	5,511,922,148	5,477,449,790	5,325,734,682	5,712,645,252	5,612,760,185
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,346,203,478	2,022,993,284	2,072,334,749	2,026,801,525	2,184,030,011
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,762,340,203	3,311,941,632	3,013,924,684	2,985,406,329	2,418,303,309
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	83,815,759	71,250,267	77,821,113	80,311,898	224,230,877
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	120,439,449	166,227,207	200,254,076	706,285,710	422,035,384
58. Total (Line 35).....	12,824,721,036	11,049,862,179	10,690,069,305	11,511,450,714	10,861,359,765
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)...	1,083,178,399	1,073,696,267	986,223,815	1,039,762,259	1,170,713,285
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	487,932,738	410,019,612	408,919,763	401,417,312	375,868,631
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,081,694,664	745,053,838	674,414,094	663,201,699	467,925,197
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,994,253	15,767,294	18,655,834	16,805,688	34,468,679
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	14,483,285	26,112,550	21,891,803	109,960,902	57,788,042
64. Total (Line 35).....	2,684,283,339	2,270,649,561	2,110,105,310	2,231,147,860	2,106,763,833
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).....	64.8	50.4	46.0	48.2	46.9
67. Loss expenses incurred (Line 3).....	12.0	11.6	12.2	13.1	12.1
68. Other underwriting expenses incurred (Line 4).....	31.7	32.1	31.9	31.3	30.3
69. Net underwriting gain (loss) (Line 8).....	(8.6)	5.8	9.8	7.4	10.7
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.7	30.8	31.0	33.3	29.8
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	76.8	62.1	58.2	61.3	59.0
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).....	64.0	61.0	50.4	53.1	49.9
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).....	(74,881)	(217,139)	(252,144)	(322,867)	(137,116)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100).....	(1.1)	(2.6)	(3.2)	(3.8)	(1.7)
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).....	(384,393)	(453,649)	(593,661)	(401,872)	(173,266)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(4.6)	(5.7)	(7.0)	(5.0)	(2.9)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX	XXX	XXX	210,837	99,653	74,564	3,791	25,495	437	7,204	207,015	XXX	
2. 2002.....	4,501,254	926,528	3,574,726	2,340,495	528,081	281,492	40,535	143,367	13,921	83,550	2,182,817	XXX	
3. 2003.....	4,808,432	937,234	3,871,198	2,189,485	367,927	241,826	32,507	145,055	13,659	88,097	2,162,273	XXX	
4. 2004.....	4,905,565	906,670	3,998,895	2,019,960	354,969	201,586	26,457	159,596	14,672	89,471	1,985,043	XXX	
5. 2005.....	4,670,931	706,883	3,964,048	2,292,915	619,122	184,039	27,498	162,888	10,693	79,035	1,982,529	XXX	
6. 2006.....	4,585,945	595,224	3,990,722	1,694,620	212,705	155,417	15,982	181,241	5,679	82,890	1,796,912	XXX	
7. 2007.....	5,020,438	858,815	4,161,623	1,745,584	167,694	155,498	12,337	195,017	4,368	96,158	1,911,699	XXX	
8. 2008.....	4,674,433	473,077	4,201,356	2,093,745	214,381	147,973	11,219	226,399	3,377	97,163	2,239,140	XXX	
9. 2009.....	4,606,917	376,929	4,229,988	1,724,010	99,187	110,078	6,231	217,778	2,448	81,537	1,944,000	XXX	
10. 2010.....	4,581,613	340,831	4,240,782	1,656,344	87,202	82,815	4,334	217,518	1,968	83,484	1,863,173	XXX	
11. 2011.....	4,755,800	333,802	4,421,999	1,505,145	71,147	41,481	2,799	194,432	1,402	59,309	1,665,709	XXX	
12. Totals.....	XXX	XXX	XXX	19,473,139	2,822,068	1,676,769	183,690	1,868,784	72,625	847,899	19,940,309	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.....	1,627,196	509,341	1,320,714	230,475	154,901	29,645	262,439	22,434	155,533	622	4,016	2,728,267	XXX
2. 2002.....	112,880	37,774	107,090	21,436	9,058	1,612	27,098	4,943	8,165	102	730	198,425	XXX
3. 2003.....	101,953	19,174	130,222	39,697	10,710	2,231	26,932	4,539	23,158	204	5,943	227,130	XXX
4. 2004.....	98,866	28,103	114,462	34,116	9,830	954	26,216	5,179	8,898	100	3,244	189,819	XXX
5. 2005.....	96,421	31,694	161,625	46,275	9,941	1,630	27,585	4,377	8,824	145	4,871	220,276	XXX
6. 2006.....	132,407	30,529	194,167	42,823	13,734	995	29,982	3,481	11,995	40	6,200	304,418	XXX
7. 2007.....	144,893	22,205	238,063	46,192	19,117	1,279	44,418	2,927	12,212	(36)	11,362	386,137	XXX
8. 2008.....	252,812	27,487	284,377	48,430	29,043	1,645	70,620	6,196	24,055	(48)	23,077	577,199	XXX
9. 2009.....	305,618	47,629	380,793	47,208	37,289	1,849	79,102	5,960	28,462	(38)	28,636	728,656	XXX
10. 2010.....	450,463	36,139	540,090	44,440	45,227	2,149	113,878	5,502	40,782	(48)	44,515	1,102,259	XXX
11. 2011.....	732,819	100,338	967,357	62,140	49,227	2,597	153,086	5,795	105,475	(50)	91,138	1,837,145	XXX
12. Totals.....	4,056,329	890,413	4,438,962	663,230	388,079	46,585	861,356	71,333	427,559	992	223,733	8,499,731	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	2,208,095	520,172
2. 2002.	3,029,645	648,403	2,381,243	67.3	70.0	66.6	0	0	23.29	160,761	37,665
3. 2003.	2,869,342	479,939	2,389,402	59.7	51.2	61.7	0	0	23.29	173,304	53,826
4. 2004.	2,639,413	464,550	2,174,862	53.8	51.2	54.4	0	0	23.29	151,109	38,710
5. 2005.	2,944,238	741,433	2,202,805	63.0	104.9	55.6	0	0	23.29	180,078	40,198
6. 2006.	2,413,563	312,233	2,101,330	52.6	52.5	52.7	0	0	23.29	253,223	51,195
7. 2007.	2,554,801	256,965	2,297,836	50.9	29.9	55.2	0	0	23.29	314,559	71,578
8. 2008.	3,129,025	312,686	2,816,339	66.9	66.1	67.0	0	0	23.29	461,272	115,927
9. 2009.	2,883,130	210,474	2,672,656	62.6	55.8	63.2	0	0	23.29	591,574	137,082
10. 2010.	3,147,118	181,686	2,965,432	68.7	53.3	69.9	0	0	23.29	909,975	192,284
11. 2011.	3,749,022	246,168	3,502,853	78.8	73.7	79.2	0	0	23.29	1,537,697	299,447
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	6,941,647	1,558,084

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.....	6,085,198	6,538,240	7,132,448	7,451,109	7,642,386	7,719,873	7,818,335	7,805,866	7,801,458	7,830,604	29,146	24,738
2. 2002.....	2,396,785	2,224,106	2,283,283	2,307,930	2,324,774	2,310,675	2,305,987	2,293,978	2,252,391	2,252,775	383	(41,204)
3. 2003.....	XXX	2,386,324	2,259,800	2,312,258	2,304,267	2,317,204	2,322,023	2,277,903	2,255,224	2,245,642	(9,582)	(32,261)
4. 2004.....	XXX	XXX	2,609,673	2,368,029	2,266,243	2,204,129	2,127,493	2,093,119	2,054,736	2,030,925	(23,811)	(62,194)
5. 2005.....	XXX	XXX	XXX	2,651,501	2,434,224	2,352,664	2,190,355	2,124,153	2,074,330	2,051,822	(22,508)	(72,331)
6. 2006.....	XXX	XXX	XXX	XXX	2,217,641	2,143,903	2,026,073	1,982,340	1,950,269	1,925,328	(24,941)	(57,012)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	2,283,377	2,222,743	2,160,805	2,160,143	2,105,015	(55,128)	(55,790)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	2,625,289	2,647,987	2,636,098	2,578,753	(57,344)	(69,233)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,457,782	2,442,145	2,438,676	(3,469)	(19,106)
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,627,438	2,719,810	92,372	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,217,397	XXX	XXX
12. Totals.....											(74,881)	(384,393)

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	1,563,010	2,377,533	3,106,708	3,635,211	4,040,293	4,481,311	4,714,641	4,942,815	5,124,772	XXX	XXX
2. 2002.....	673,778	1,142,683	1,426,888	1,649,998	1,812,200	1,913,088	1,978,738	2,014,965	2,038,302	2,053,371	XXX	XXX
3. 2003.....	XXX	691,809	1,185,937	1,505,328	1,694,655	1,840,608	1,922,434	1,970,236	2,003,562	2,030,877	XXX	XXX
4. 2004.....	XXX	XXX	690,438	1,178,359	1,415,620	1,593,484	1,698,151	1,768,024	1,813,341	1,840,120	XXX	XXX
5. 2005.....	XXX	XXX	XXX	738,776	1,280,930	1,491,962	1,639,969	1,734,536	1,800,082	1,830,334	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	707,842	1,096,603	1,304,642	1,455,018	1,568,991	1,621,349	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	770,251	1,202,412	1,442,455	1,611,482	1,721,050	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	1,009,050	1,539,575	1,825,942	2,016,118	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	945,186	1,462,618	1,728,670	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,064,413	1,647,624	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,472,679	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.....	2,901,410	2,452,041	2,351,782	2,200,568	2,109,586	1,983,781	1,800,971	1,672,968	1,530,947	1,395,666
2. 2002.....	1,182,581	570,673	395,710	289,252	237,166	204,637	188,056	167,965	119,703	114,526
3. 2003.....	XXX	1,191,008	591,797	405,320	284,955	237,073	223,790	168,370	134,162	119,462
4. 2004.....	XXX	XXX	1,399,486	760,668	496,374	349,680	246,681	185,810	136,965	107,713
5. 2005.....	XXX	XXX	XXX	1,220,904	759,641	577,334	347,018	249,195	173,357	146,290
6. 2006.....	XXX	XXX	XXX	XXX	1,041,717	689,491	449,259	322,478	239,594	186,784
7. 2007.....	XXX	XXX	XXX	XXX	XXX	1,005,601	632,146	433,688	336,157	241,888
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	1,055,938	651,506	466,070	307,365
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	997,057	578,384	415,307
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	969,747	613,198
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,065,125

THE TRAVELERS INDEMNITY COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL.....L.....	..L.....	21,293,698	21,492,634	1,245	30,125,326	46,481,035	73,619,324	29,422	0
2. Alaska.....AK.....L.....	..L.....	1,150,913	1,119,981	0	207,790	125,246	3,760,644	207	0
3. Arizona.....AZ.....L.....	..L.....	40,680,830	37,754,266	52,014	34,808,578	21,674,608	92,864,581	47,477	0
4. Arkansas.....AR.....L.....	..L.....	18,441,799	20,074,662	5,473	16,480,675	18,342,787	82,269,199	20,431	0
5. California.....CA.....Q.....	..Q.....	1,221,016	(167,377)	0	16,907,903	5,111,400	82,886,091	1,884	0
6. Colorado.....CO.....L.....	..L.....	36,586,947	38,019,682	8,632	20,153,574	12,745,188	83,285,034	60,559	0
7. Connecticut.....CT.....L.....	..L.....	34,727,393	33,862,373	3,588	34,355,024	40,870,001	149,745,146	96,547	0
8. Delaware.....DE.....L.....	..L.....	6,656,949	6,374,247	0	3,730,476	1,365,354	33,394,352	18,213	0
9. District of Columbia.....DC.....L.....	..L.....	15,411,066	15,552,819	28,402	5,841,736	11,271,270	48,016,731	11,530	0
10. Florida.....FL.....L.....	..L.....	45,651,812	43,942,742	2,523	28,662,272	(25,497,197)	235,261,053	63,996	0
11. Georgia.....GA.....L.....	..L.....	48,880,561	49,947,561	147,249	22,625,118	23,780,981	74,199,968	153,027	0
12. Hawaii.....HI.....L.....	..L.....	5,250,241	7,138,105	28	1,299,792	2,231,221	24,004,935	624	0
13. Idaho.....ID.....L.....	..L.....	8,372,859	7,320,072	74	4,907,753	8,480,603	15,333,188	18,526	0
14. Illinois.....IL.....L.....	..L.....	63,088,742	72,308,456	11,892	51,417,447	26,722,921	233,163,830	68,689	0
15. Indiana.....IN.....L.....	..L.....	29,564,782	32,442,821	0	17,672,122	16,007,041	45,079,294	21,676	0
16. Iowa.....IA.....L.....	..L.....	12,025,346	14,510,826	0	20,744,162	17,418,547	56,856,030	8,247	0
17. Kansas.....KS.....L.....	..L.....	30,517,406	29,083,156	8,241	20,701,227	27,349,743	87,192,544	28,247	0
18. Kentucky.....KY.....L.....	..L.....	16,637,772	18,206,750	0	9,487,622	5,662,930	84,498,301	15,860	0
19. Louisiana.....LA.....L.....	..L.....	31,908,825	32,149,436	440	12,143,491	27,255,256	78,203,577	29,161	0
20. Maine.....ME.....L.....	..L.....	4,588,035	4,883,399	0	1,091,971	356,836	22,504,934	8,064	0
21. Maryland.....MD.....L.....	..L.....	45,196,726	43,576,964	92,140	21,753,494	21,865,292	81,372,937	145,766	0
22. Massachusetts.....MA.....L.....	..L.....	105,419,018	104,840,178	49,292	59,689,095	77,027,218	252,028,557	450,587	0
23. Michigan.....MI.....L.....	..L.....	38,058,658	38,008,808	0	25,328,809	45,822,392	132,201,657	46,526	0
24. Minnesota.....MN.....L.....	..L.....	23,276,586	23,080,498	0	15,080,337	6,675,667	77,380,192	20,029	0
25. Mississippi.....MS.....L.....	..L.....	28,979,465	28,424,498	386	18,938,353	18,258,109	65,301,976	32,286	0
26. Missouri.....MO.....L.....	..L.....	33,117,119	34,041,487	1,178	18,544,587	36,477,141	106,330,532	44,467	0
27. Montana.....MT.....L.....	..L.....	12,256,775	11,385,042	0	11,324,578	3,403,936	11,374,110	26,576	0
28. Nebraska.....NE.....L.....	..L.....	28,825,102	28,555,188	86,471	49,094,832	102,000,215	112,286,148	24,390	0
29. Nevada.....NV.....L.....	..L.....	19,946,075	20,618,508	0	3,351,387	1,313,577	28,844,234	28,761	0
30. New Hampshire.....NH.....L.....	..L.....	10,898,018	11,130,069	252	6,768,038	6,758,816	38,186,076	21,650	0
31. New Jersey.....NJ.....L.....	..L.....	76,565,169	75,144,387	1,296,624	56,214,006	53,450,610	374,888,030	137,368	0
32. New Mexico.....NM.....L.....	..L.....	12,470,912	11,366,455	41	4,346,608	5,255,819	16,777,187	14,648	0
33. New York.....NY.....L.....	..L.....	142,337,380	140,555,882	37,078	83,168,437	58,412,570	544,394,990	409,589	0
34. North Carolina.....NC.....L.....	..L.....	43,564,700	49,378,814	102,813	29,801,175	24,883,172	124,730,367	242,310	0
35. North Dakota.....ND.....L.....	..L.....	2,947,522	2,903,634	0	1,347,153	1,935,303	3,549,493	1,526	0
36. Ohio.....OH.....L.....	..L.....	35,459,454	35,300,358	0	28,908,244	31,507,781	92,912,770	31,877	0
37. Oklahoma.....OK.....L.....	..L.....	36,708,808	34,790,261	2,191	36,933,278	51,149,118	58,188,101	2,029	0
38. Oregon.....OR.....L.....	..L.....	19,234,129	19,327,007	3,394	5,360,489	6,083,893	26,993,650	35,430	0
39. Pennsylvania.....PA.....L.....	..L.....	94,802,055	97,652,741	60,952	67,295,569	101,387,984	340,588,933	572,803	0
40. Rhode Island.....RI.....L.....	..L.....	4,388,617	4,700,217	0	2,288,168	(2,820,077)	18,793,547	12,225	0
41. South Carolina.....SC.....L.....	..L.....	15,503,759	15,825,273	3,443	5,908,004	6,385,155	38,911,760	23,294	0
42. South Dakota.....SD.....L.....	..L.....	4,890,264	4,572,075	0	1,487,594	3,620,739	15,335,494	3,567	0
43. Tennessee.....TN.....L.....	..L.....	46,997,551	46,894,715	52,943	36,785,149	31,799,006	155,917,136	60,914	0
44. Texas.....TX.....L.....	..L.....	58,918,959	65,351,567	172,370	26,267,789	33,518,142	350,753,689	127,896	0
45. Utah.....UT.....L.....	..L.....	10,885,901	13,976,597	0	2,798,492	4,673,028	15,043,559	21,788	0
46. Vermont.....VT.....L.....	..L.....	4,766,467	4,732,754	0	3,608,468	2,842,355	25,757,576	8,457	0
47. Virginia.....VA.....L.....	..L.....	42,644,446	43,256,559	2,874	21,230,323	22,299,832	121,779,417	78,557	0
48. Washington.....WA.....L.....	..L.....	28,597,185	27,836,820	0	13,005,410	13,382,806	37,897,373	67,996	0
49. West Virginia.....WV.....L.....	..L.....	17,404,917	15,778,125	2,758	3,096,577	4,873,042	55,346,398	10,812	0
50. Wisconsin.....WI.....L.....	..L.....	23,881,491	24,779,331	851	7,947,335	7,461,727	51,619,064	11,363	0
51. Wyoming.....WY.....L.....	..L.....	4,418,135	4,437,006	0	1,303,793	1,975,347	4,275,361	4,426	0
52. American Samoa.....AS.....N.....	..N.....	0	0	0	0	0	0	0	0
53. Guam.....GU.....L.....	..L.....	115,758	109,781	0	1,640	(8,975)	0	0	0
54. Puerto Rico.....PR.....L.....	..L.....	638,915	732,830	0	115,378	85,408	8,851	3	0
55. US Virgin Islands.....VI.....L.....	..L.....	6,339	6,274	0	0	0	38,599	0	0
56. Northern Mariana Islands.....MP.....N.....	..N.....	0	0	0	0	0	0	0	0
57. Canada.....CN.....N.....	..N.....	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT.....XXX.....	..XXX.....	4,554,464	4,452,717	0	425,935	216,677	1,681,021	4,571	0
59. Totals.....(a).....53.....	..(a).....53.....	1,551,333,832	1,573,540,029	2,237,854	1,022,882,581	1,071,728,597	4,987,627,537	3,426,875	0

DETAILS OF WRITE-INS

5801. Other Alien Combined.....XXX.....	..XXX.....	1,483,879	1,776,607	0	(4,231)	(364,221)	1,367,042	4,571	0
5802. Mexico.....XXX.....	..XXX.....	549,104	541,710	0	0	0	0	0	0
5803. Germany.....XXX.....	..XXX.....	396,329	463,909	0	0	35,752	56,424	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	..XXX.....	2,125,152	1,670,490	0	430,166	545,146	257,555	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	..XXX.....	4,554,464	4,452,717	0	425,935	216,677	1,681,021	4,571	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Location of property: 1 Fire, 2 Allied lines, 3 Farmowners, 4 Homeowners, 5 CMP, 12 Earthquake, 25 Glass, 26 Burglary and theft, 27 Boiler and machinery, 28 credit;

Location of risk: 11 Medical malpractice, 14 Group A&H, 17 Other liability, 18 Products Liability; Location of garage: 19 Auto liability, 21 Auto physical damage, 8 Ocean marine -

Where policy is negotiated and placed; 9 Inland marine - Where located; 10 Financial guaranty - Location of principal; 15 Other A&H - Insured's residence; 16 Workers' compensation - Location of employee's workplace; 23 Fidelity - Location of insured's principal office; 22 Aircraft - Location of airport from which insured's aircraft operates;

24 Surety - Depository, supply contract and miscellaneous: Location of principal; Judicial: Location of court; Licensee: Location of obligee; Construction: Location of work

During 2011, the Company detected and corrected an error related to the reporting of auto unlimited no-fault claims for private passenger auto which are ceded to a mandatory reinsurance pool in the state of New Jersey. The Company previously reported the unpaid losses for these claims on a net basis, rather than within the applicable components of direct and ceded. As a result of this correction, there was an increase in year-end Direct Losses Incurred and Direct Losses Unpaid. This correction had no net financial impact to the Company, as these losses are 100% ceded to the mandatory reinsurance pool.

**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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