

# ANNUAL STATEMENT

## For the Year Ended December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

NAIC Group Code **3548** **3548** NAIC Company Code **31194** Employer's ID Number **06-0907370**  
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, JULY 18, 1974 COMMENCED BUSINESS, JULY 24, 1974

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

### OFFICERS


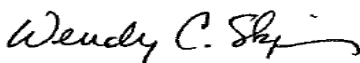
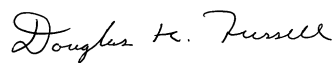
Name	Title	Name	Title
1. # BRIAN WILLIAM MacLEAN	Chairman, President & Chief Executive Officer	MARIA OLIVO	Executive Vice President, Strategic Development & Treasurer
2. JAY STEVEN BENET	Vice Chairman & Chief Financial Officer	DOREEN SPADORCIA	Executive Vice President, Claim
3. CHARLES JOSEPH CLARKE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

### DIRECTORS

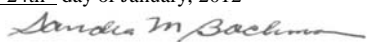
JAY STEVEN BENET	BRIAN WILLIAM MacLEAN	KENNETH FRANKLIN SPENCE, III
WILLIAM HERBERT HEYMAN	DOREEN SPADORCIA	GREGORY CHESHIRE TOCZYDLOWSKI

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.

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

Subscribed and sworn to before me this

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



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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	3,525,992,354	0	3,525,992,354	3,817,487,280
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(24,124,169), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....127,781,791, Sch. DA).....	103,657,622	0	103,657,622	40,788,176
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	367,855,807	118,684,000	249,171,807	38,500
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	7,344,088	0	7,344,088	11,844,000
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,004,849,872	118,684,000	3,886,165,872	3,870,157,956
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	49,234,241	0	49,234,241	53,309,217
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	145,428,350	12,768,327	132,660,023	71,704,415
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....45,904,312 earned but unbilled premiums).....	113,971,617	7,354,978	106,616,639	107,324,287
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,983,463	0	10,983,463	28,960,685
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
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.....	145,258,170	77,426,113	67,832,057	67,793,379
19. Guaranty funds receivable or on deposit.....	52,828	0	52,828	81,901
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	34,025,660
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	28,951,159	26,048,731	2,902,428	4,901,022
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,498,729,699	242,282,150	4,256,447,550	4,238,258,523
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	4,498,729,699	242,282,150	4,256,447,550	4,238,258,523

## DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Suspense, undistributed payments.....	2,593,967	0	2,593,967	4,507,656
2502. Amounts receivable under high deductible policies.....	3,085	(305,763)	308,847	224,320
2503. State surcharges receivable.....	191,746	0	191,746	64,746
2598. Summary of remaining write-ins for Line 25 from overflow page.....	26,162,361	26,354,494	(192,132)	104,299
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	28,951,159	26,048,731	2,902,428	4,901,022

## TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

### LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	937,681,730	920,220,402
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	2,604,752	2,526,742
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	525,055,953	477,495,945
4. Commissions payable, contingent commissions and other similar charges.....	30,858,691	31,967,828
5. Other expenses (excluding taxes, licenses and fees).....	29,866,613	34,523,822
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	60,276,105	53,079,669
7.1 Current federal and foreign income taxes (including \$.....(1,564,197) on realized capital gains (losses)).....	49,086,527	3,320,537
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 \$.....205,296,785 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).....	813,328,906	813,054,297
10. Advance premium.....	493,071	484,513
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	8,117,549	7,479,605
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(71,042,044)	(60,388,527)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	95,031,416	96,187,983
14. Amounts withheld or retained by company for account of others.....	31,860,277	25,591,395
15. Remittances and items not allocated.....	18,641,351	9,428,732
16. Provision for reinsurance (Schedule F, Part 7).....	6,397,371	5,357,627
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.....	53,766,609	0
20. Derivatives.....	0	0
21. Payable for securities.....	1,249,903	0
22. Payable for securities lending.....	7,344,088	11,844,000
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.....	3,753,415	3,859,439
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,604,372,282	2,436,034,011
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,604,372,282	2,436,034,011
29. Aggregate write-ins for special surplus funds.....	76,514,339	78,521,512
30. Common capital stock.....	6,480,000	6,480,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	433,803,760	433,803,760
35. Unassigned funds (surplus).....	1,135,277,169	1,283,419,240
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).....	1,652,075,268	1,802,224,512
38. TOTALS (Page 2, Line 28, Col. 3).....	4,256,447,550	4,238,258,523

#### DETAILS OF WRITE-INS

2501. Retroactive reinsurance reserve assumed.....	3,152,706	3,289,979
2502. Escheat liability.....	591,943	564,477
2503. Federal excise tax-reinsurance contracts.....	8,766	4,984
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,753,415	3,859,439
2901. Special surplus from retroactive reinsurance.....	48,285,000	48,285,000
2902. Special surplus for deferred taxes.....	28,229,339	30,236,512
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).....	76,514,339	78,521,512
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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	1,245,002,980	1,271,764,273
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	238,247,358	309,006,092
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	99,856,077	140,422,650
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	475,007,877	475,565,855
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	813,111,312	924,994,598
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	431,891,668	346,769,675
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	157,544,506	174,015,106
10. Net realized capital gains (losses) less capital gains tax of \$....(1,931,396) (Exhibit of Capital Gains (Losses)).....	11,180,043	10,623,394
11. Net investment gain (loss) (Lines 9 + 10).....	168,724,550	184,638,500
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....500,596 amount charged off \$....2,053,851).....	(1,553,254)	(879,555)
13. Finance and service charges not included in premiums.....	141,187	110,725
14. Aggregate write-ins for miscellaneous income.....	(96,579)	892,111
15. Total other income (Lines 12 through 14).....	(1,508,647)	123,281
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	599,107,571	531,531,456
17. Dividends to policyholders.....	9,348,538	5,285,009
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).....	589,759,033	526,246,447
19. Federal and foreign income taxes incurred.....	173,559,501	141,154,218
20. Net income (Line 18 minus Line 19) (to Line 22).....	416,199,532	385,092,229
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,802,224,512	1,836,848,661
22. Net income (from Line 20).....	416,199,532	385,092,229
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(24,566,914).....	(27,364,942)	842,817
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	33,995,663	(5,455,341)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(184,923,137)	(12,082,521)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(1,039,744)	2,592,876
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	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(385,000,000)	(403,300,000)
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.....	(2,016,617)	(2,314,209)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(150,149,244)	(34,624,149)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,652,075,268	1,802,224,512
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.....	105,489	953,677
1402. Fines and penalties of regulatory authorities.....	(51)	(63)
1403. Retroactive reinsurance gain/loss.....	(202,017)	(61,503)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(96,579)	892,111
3701. Prior period adjustment.....	(9,444)	0
3702. Change in special surplus from deferred taxes.....	(2,007,173)	(2,314,209)
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).....	(2,016,617)	(2,314,209)

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,174,041,206	1,477,627,256
2. Net investment income.....	179,079,153	191,826,860
3. Miscellaneous income.....	(1,508,647)	123,281
4. Total (Lines 1 through 3).....	1,351,611,712	1,669,577,398
5. Benefit and loss related payments.....	202,730,798	304,063,358
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	525,285,916	536,617,880
8. Dividends paid to policyholders.....	8,710,594	6,631,125
9. Federal and foreign income taxes paid (recovered) net of \$.....(1,908,927) tax on capital gains (losses).....	125,862,114	144,740,678
10. Total (Lines 5 through 9).....	862,589,422	992,053,041
11. Net cash from operations (Line 4 minus Line 10).....	489,022,290	677,524,357
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	565,550,481	524,071,161
12.2 Stocks.....	28,221	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	5,749,815	167,510
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	571,328,516	524,238,671
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	283,434,042	675,645,772
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	417,677,100	1,552,700
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	701,111,142	677,198,472
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(129,782,626)	(152,959,801)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	385,000,000	403,300,000
16.6 Other cash provided (applied).....	88,629,782	(172,129,154)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(296,370,218)	(575,429,154)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	62,869,446	(50,864,598)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	40,788,176	91,652,774
19.2 End of year (Line 18 plus Line 19.1).....	103,657,622	40,788,176
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	0	0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	.0	.0	.0	.0
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0
13. Group accident and health.....	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0
16. Workers' compensation.....	.0	(2)	.0	(2)
17.1 Other liability - occurrence.....	.0	.2	.2	.0
17.2 Other liability - claims-made.....	342,481,228	158,530,957	172,672,661	328,339,524
17.3 Excess workers' compensation.....	.0	.0	.0	.0
18.1 Products liability - occurrence.....	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	.0	.0	.0	.0
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0
21. Auto physical damage.....	.0	.0	.0	.0
22. Aircraft (all perils).....	.0	.0	.0	.0
23. Fidelity.....	117,555,511	64,882,739	68,748,359	113,689,892
24. Surety.....	757,342,456	531,335,899	512,461,665	776,216,690
26. Burglary and theft.....	27,898,394	12,400,388	13,541,907	26,756,875
27. Boiler and machinery.....	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0
30. Warranty.....	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0
33. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35. TOTALS.....	1,245,277,589	767,149,984	767,424,594	1,245,002,980

### DETAILS OF WRITE-INS

3401. ....	.0	.0	.0	.0
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).....	.0	.0	.0	.0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA 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.....	.0	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	.0	.0	.0	.0	.0
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0	.0
13. Group accident and health.....	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0	.0
16. Workers' compensation.....	.0	.0	.0	.0	.0
17.1 Other liability - occurrence.....	.0	.0	2	.0	2
17.2 Other liability - claims-made.....	151,813,025	20,859,636	.0	.0	172,672,661
17.3 Excess workers' compensation.....	.0	.0	.0	.0	.0
18.1 Products liability - occurrence.....	.0	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	.0	.0	.0	.0	.0
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0	.0
21. Auto physical damage.....	.0	.0	.0	.0	.0
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	46,661,848	22,086,510	.0	.0	68,748,359
24. Surety.....	113,304,552	445,061,428	(45,904,314)	.0	512,461,665
26. Burglary and theft.....	11,969,897	1,572,010	.0	.0	13,541,907
27. Boiler and machinery.....	.0	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0	.0
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0	.0
33. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	323,749,323	489,579,583	(45,904,312)	.0	767,424,594
36. Accrued retrospective premiums based on experience.....					.0
37. Earned but unbilled premiums.....					45,904,312
38. Balance (sum of Lines 35 through 37).....					813,328,906

### DETAILS OF WRITE-INS

3401. ....	.0	.0	.0	.0	.0
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).....	.0	.0	.0	.0	.0

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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0
5. Commercial multiple peril.....	0	0	0	0	0	0
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0
9. Inland marine.....	0	0	0	0	0	0
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	(20,141)	0	0	(20,141)	0	0
17.1 Other liability - occurrence.....	247,697	0	(2,603)	245,094	0	0
17.2 Other liability - claims-made.....	619,661,467	3,570,377	992,605	274,357,675	7,385,546	342,481,228
17.3 Excess workers' compensation.....	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	125,172,903	466,428	11,696	7,086,599	1,008,917	117,555,511
24. Surety.....	768,163,759	67,023,875	8,181,588	12,544,824	73,481,941	757,342,456
26. Burglary and theft.....	37,524,993	151,538	0	9,803,907	(25,770)	27,898,394
27. Boiler and machinery.....	0	0	0	0	0	0
28. Credit.....	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,550,750,678	71,212,218	9,183,286	304,017,959	81,850,634	1,245,277,589

### DETAILS OF WRITE-INS

3401. ....	0	0	0	0	0	0
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	0	0	0	0	0

(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.....	0	0	0	0	0	0	0	0.0
2. Allied lines.....	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0.0
5. Commercial multiple peril.....	423,146	0	423,146	0	0	0	0	0.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	0	0	0	0	0	0	0.0
9. Inland marine.....	0	0	0	0	0	0	0	0.0
10. Financial guaranty.....	0	0	0	0	129	129	0	0.0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0	0	0.0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0	0	0.0
12. Earthquake.....	0	0	0	0	0	0	0	0.0
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	327,055	0	327,055	0	0	0	(0)	2.7
17.1 Other liability - occurrence.....	0	0	0	0	0	0	0	0.0
17.2 Other liability - claims-made.....	207,605,217	2,264,951	54,507,709	155,362,459	350,656,414	334,564,115	171,454,758	52.2
17.3 Excess workers' compensation.....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence.....	194,667	0	194,667	0	0	0	0	0.0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0	0	0.0
19.3, 19.4 Commercial auto liability.....	21,337	0	21,337	0	0	0	0	0.0
21. Auto physical damage.....	(731)	0	(731)	0	0	0	0	0.0
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	43,022,725	(27,674)	(434,811)	43,429,861	22,128,678	14,000,522	51,558,017	45.3
24. Surety.....	11,264,063	4,849,747	(4,363,140)	20,476,950	553,363,697	553,979,802	19,860,846	2.6
26. Burglary and theft.....	1,772,896	5,357	261,493	1,516,760	11,532,812	17,675,835	(4,626,263)	(17.3)
27. Boiler and machinery.....	0	0	0	0	0	0	0	0.0
28. Credit.....	0	0	0	0	0	0	0	0.0
29. International.....	0	0	0	0	0	0	0	0.0
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX	1,994,385	1,994,385	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	264,630,375	9,086,765	52,931,109	220,786,031	937,681,730	920,220,402	238,247,358	19.1

**DETAILS OF WRITE-INS**

3401. ....	0	0	0	0	0	0	0	0.0
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	0	0	0	0	0	0	0.0

**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.....	0	0	0	0	105,002	0	105,002	0	0
2. Allied lines.....	0	0	0	0	273	0	273	0	0
3. Farmowners multiple peril.....	0	0	0	0	3	0	3	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril.....	356,616	0	356,616	0	3,729,594	0	3,729,594	0	0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0	0	0	0
9. Inland marine.....	0	0	0	0	0	0	0	0	0
10. Financial guaranty.....	0	0	0	0	130	(1)	0	129	19
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0	0	0	0
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation.....	5,991,043	0	5,991,043	0	12,095,144	0	12,095,144	0	1
17.1 Other liability - occurrence.....	489,392	0	489,392	0	8,086,433	0	8,086,433	0	0
17.2 Other liability - claims-made.....	221,249,195	11,202,282	74,012,803	158,438,675	331,921,369	4,234,383	143,938,013	350,656,414	155,844,838
17.3 Excess workers' compensation.....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence.....	705,561	0	705,561	0	1,849,406	0	1,849,406	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	31,459	0	31,459	0	988,751	0	988,751	0	0
21. Auto physical damage.....	0	0	0	0	8,986	0	8,986	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	12,992,777	1	92,420	12,900,358	13,065,994	158,015	3,995,689	22,128,678	16,776,774
24. Surety.....	140,337,021	15,714,301	11,796,478	144,254,844	403,604,856	40,453,883	34,949,886	553,363,697	346,157,112
26. Burglary and theft.....	588,793	0	42,084	546,709	15,992,653	66,289	5,072,838	11,532,812	6,277,209
27. Boiler and machinery.....	0	0	0	0	0	0	0	0	0
28. Credit.....	0	0	0	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	3,670,001	3,670,001	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	382,741,857	30,586,586	97,187,857	316,140,586	791,448,595	44,912,569	214,820,020	937,681,730	525,055,953

**DETAILS OF WRITE-INS**

3401. ....	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0

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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	93,446,861	0	0	93,446,861
1.2 Reinsurance assumed.....	2,817,370	0	0	2,817,370
1.3 Reinsurance ceded.....	27,540,716	0	0	27,540,716
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	68,723,515	0	0	68,723,515
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	252,798,192	0	252,798,192
2.2 Reinsurance assumed, excluding contingent.....	0	16,070,295	0	16,070,295
2.3 Reinsurance ceded, excluding contingent.....	0	38,809,174	0	38,809,174
2.4 Contingent - direct.....	0	4,708,301	0	4,708,301
2.5 Contingent - reinsurance assumed.....	0	266,990	0	266,990
2.6 Contingent - reinsurance ceded.....	0	1,135,999	0	1,135,999
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	233,898,604	0	233,898,604
3. Allowances to manager and agents.....	5	177	0	182
4. Advertising.....	3	1,410,151	0	1,410,154
5. Boards, bureaus and associations.....	2,940	1,310,403	394	1,313,737
6. Surveys and underwriting reports.....	303	524,543	0	524,846
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	20,496,070	126,993,773	471,564	147,961,407
8.2 Payroll taxes.....	1,541,785	8,499,178	26,417	10,067,380
9. Employee relations and welfare.....	3,600,898	20,585,815	94,714	24,281,427
10. Insurance.....	3,012,438	1,132,019	515	4,144,972
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	460,047	7,415,679	17,133	7,892,859
13. Rent and rent items.....	1,120,932	7,858,161	16,997	8,996,090
14. Equipment.....	124,168	2,171,001	9,987	2,305,156
15. Cost or depreciation of EDP equipment and software.....	26,152	17,015,040	5,855	17,047,047
16. Printing and stationery.....	32,725	625,829	3,017	661,571
17. Postage, telephone and telegraph, exchange and express.....	198,681	2,266,123	1,972	2,466,776
18. Legal and auditing.....	843	739,165	3,218,065	3,958,073
19. Totals (Lines 3 to 18).....	30,617,990	198,547,057	3,866,630	233,031,677
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....17,076.....	0	29,404,463	0	29,404,463
20.2 Insurance department licenses and fees.....	0	3,155,479	0	3,155,479
20.3 Gross guaranty association assessments.....	0	(18,207)	0	(18,207)
20.4 All other (excluding federal and foreign income and real estate).....	0	750,636	0	750,636
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	33,292,371	0	33,292,371
21. Real estate expenses.....	0	0	2	2
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	514,572	9,269,845	618,336	10,402,753
25. Total expenses incurred.....	99,856,077	475,007,877	4,484,968	(a) 579,348,922
26. Less unpaid expenses - current year.....	525,055,953	120,987,731	13,678	646,057,362
27. Add unpaid expenses - prior year.....	477,495,945	118,998,773	572,546	597,067,264
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).....	52,296,070	473,018,918	5,043,836	530,358,824

#### DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	541,786	19,691,949	618,336	20,852,071
2402. Cost of computer software developed for internal use.....	(27,214)	(10,422,104)	0	(10,449,318)
2403. ....	0	0	0	0
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).....	514,572	9,269,845	618,336	10,402,753

(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).....2,535,107	.....2,526,392
1.1 Bonds exempt from U.S. tax.....	(a).....104,007,808	.....99,926,224
1.2 Other bonds (unaffiliated).....	(a).....58,870,555	.....58,786,509
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....516,546	.....516,546
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....137,219	.....236,587
9. Aggregate write-ins for investment income.....	.....37,217	.....37,217
10. Total gross investment income.....	.....166,104,451	.....162,029,475
11. Investment expenses.....		(g).....4,484,968
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....4,484,968
17. Net investment income (Line 10 minus Line 16).....		.....157,544,506

**DETAILS OF WRITE-INS**

0901. Securities lending income.....	.....37,284	.....37,284
0902. Miscellaneous income.....	.....(67)	.....(67)
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....37,217	.....37,217
1501. ....		.....0
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).....		.....0

- (a) Includes \$.....2,457,122 accrual of discount less \$.....20,407,286 amortization of premium and less \$.....579,902 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....1,861,296	.....0	.....1,861,296	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....7,727,888	.....(367,859)	.....7,360,029	.....(649,647)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....28,221	.....0	.....28,221	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....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	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....(51,282,209)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(898)	.....(898)	.....0	.....0
10. Total capital gains (losses).....	.....9,617,404	.....(368,757)	.....9,248,647	.....(51,931,856)	.....0

**DETAILS OF WRITE-INS**

0901. Foreign exchange.....	.....0	.....(898)	.....(898)	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(898)	.....(898)	.....0	.....0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	118,684,000	1,490,790	(117,193,210)
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).....	118,684,000	1,490,790	(117,193,210)
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.....	12,768,327	13,721,298	952,971
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	7,354,978	6,058,544	(1,296,434)
15.3 Accrued retrospective premiums.....	0	0	0
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.....	77,426,113	18,897,129	(58,528,984)
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.....	0	0	0
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.....	26,048,731	15,184,080	(10,864,652)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	242,282,150	55,351,840	(186,930,310)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	242,282,150	55,351,840	(186,930,310)

**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.....	26,354,494	15,405,315	(10,949,179)
2502. Amounts receivable under high deductible policies.....	(305,763)	(221,235)	84,527
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	26,048,731	15,184,080	(10,864,652)

## **NOTES TO FINANCIAL STATEMENTS**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Travelers Casualty and Surety Company of America (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The impact of any permitted accounting practices on policyholder surplus of the Company is not material.
- B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.
- C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10R, *Income Taxes- Revised, A Temporary Replacement of SSAP No. 10*.

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

Short-term investments are stated at amortized cost and consist of investments with remaining maturities of one year or less at the time of acquisition, excluding those investments classified as cash equivalents.

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

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.

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

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

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

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

### 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.

### 5. INVESTMENTS

#### A. Mortgage Loans:

Not applicable.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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.

In 2011, the Company had no new securities which changed from the retrospective to prospective valuation method.

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

	Amortized cost basis before other-than- temporary impairment	Other-than- temporary impairment recognized in loss	Fair Value
Present value of cash flows is less than amortized cost	\$12,943,347	\$367,859	\$11,697,584

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.

Cusip	Amortized cost basis before other-than- temporary impairment	Projected Cash Flow	Other-than- temporary impairment recognized in loss	Amortized cost basis after other- than- temporary impairment	Fair Value	Impairment Quarter
02660TBM4	\$ 7,354,067	\$ 7,280,828	\$ 73,239	\$ 7,280,828	\$ 4,854,763	Q3 - 2009
02150JAC6	13,126,996	9,676,641	3,450,355	9,676,641	7,416,673	Q3 - 2009
76110WPG5	248,330	241,876	6,454	241,876	122,523	Q3 - 2009
02660TBM4	7,154,622	6,934,169	220,453	6,934,169	4,955,916	Q4 - 2009
66987XCD5	279,048	267,817	11,231	267,817	208,638	Q4 - 2009
76110WPG5	238,639	237,078	1,561	237,078	124,063	Q4 - 2009
76110WPG5	225,140	185,784	39,356	185,784	121,268	Q1 - 2010
02150JAC6	8,954,878	8,753,338	201,540	8,753,338	7,560,781	Q2 - 2010
02660TBM4	6,226,083	6,199,519	26,564	6,199,519	4,954,228	Q3 - 2010
76110WPG5	171,147	159,168	11,980	159,168	122,155	Q1 - 2011
66987XCD5	222,014	219,104	2,910	219,104	212,322	Q2 - 2011
02660TBM4	5,411,485	5,261,394	150,091	5,261,394	4,330,261	Q3 - 2011
02150JAC6	7,138,701	6,948,132	190,569	6,948,132	7,043,738	Q3 - 2011
66987XCD5	215,179	202,869	12,309	202,869	201,429	Q3 - 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	\$ 88,142	\$ 4,655	\$ 25,069	\$ 1,017	\$ 113,211	\$ 5,672
Structured securities	15,122,242	128,768	3,997,173	1,574,649	19,119,415	1,703,417

#### 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	\$7,344,088	\$7,344,088

#### F. Real Estate:

Not applicable.

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

The Company has investments in certain state sponsored LIHTC properties. The state sponsored LIHTC property investments primarily generate premium tax credits which allow the Company to offset premium taxes in Georgia and are projected to be available through 2022.

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.

**NOTES TO FINANCIAL STATEMENTS****6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

Not applicable.

**7. INVESTMENT INCOME**

A. Surplus excludes due and accrued investment income if amounts are over 90 days past due.

B. At December 31, 2011, the Company had no past due accrued investment income.

**8. DERIVATIVE INSTRUMENTS**

Not applicable.

**9. INCOME TAXES**

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

	<u>December 31, 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 132,296,500	\$ 27,637,934	\$ 159,934,434
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	132,296,500	27,637,934	159,934,434
d) Deferred tax liabilities (DTL)	<u>(3,059,834)</u>	<u>(11,616,429)</u>	<u>(14,676,264)</u>
e) Subtotal (net deferred tax assets)	129,236,655	16,021,505	145,258,170
f) Deferred tax assets nonadmitted	<u>(63,146,677)</u>	<u>(14,279,436)</u>	<u>(77,426,113)</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 66,089,988</u>	<u>\$ 1,742,069</u>	<u>\$ 67,832,057</u>

	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 95,513,412	\$ 3,850,566	\$ 99,363,978
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	95,513,412	3,850,566	99,363,978
d) Deferred tax liabilities	<u>(227,219)</u>	<u>(12,446,251)</u>	<u>(12,673,470)</u>
e) Subtotal (net deferred tax assets)	95,285,193	(8,595,685)	86,690,508
f) Deferred tax assets nonadmitted	<u>(18,897,129)</u>	-	<u>(18,897,129)</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 76,389,064</u>	<u>\$ (8,595,685)</u>	<u>\$ 67,793,379</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 36,783,088	\$ 23,787,368	\$ 60,570,456
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	36,783,088	23,787,368	60,570,456
d) Deferred tax liabilities	<u>(2,832,615)</u>	<u>829,821</u>	<u>(2,002,794)</u>
e) Subtotal (net deferred tax assets)	33,950,473	24,617,189	58,567,662
f) Deferred tax assets nonadmitted	<u>(44,249,548)</u>	<u>(14,279,436)</u>	<u>(58,528,984)</u>
g) Net admitted deferred tax asset (liability)	<u>\$ (10,299,075)</u>	<u>\$ 10,337,753</u>	<u>\$ 38,678</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	\$ 66,089,989	\$ 39,012,496	\$ 27,077,493
Admitted DTA – Capital	<u>1,742,068</u>	<u>590,222</u>	-
Total Admitted DTA	<u>\$ 67,832,057</u>	<u>\$ 39,602,718</u>	<u>\$ 28,229,339</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.	\$ 39,012,496	\$ 590,222	39,602,718
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-
c) Paragraph 10.b.i.	-	-	-
d) Paragraph 10.b.ii.	xxxx	xxxx	196,919,042
e) Paragraph 10.c.	<u>3,059,834</u>	<u>11,616,430</u>	<u>14,676,264</u>
f) Total (a+b+e)	42,072,330	12,206,652	54,278,982
DTL netted against DTA	<u>(3,059,834)</u>	<u>(11,616,430)</u>	<u>(14,676,264)</u>
Total	<u>\$ 39,012,496</u>	<u>\$ 590,222</u>	<u>\$ 39,602,718</u>



## NOTES TO FINANCIAL STATEMENTS

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

g) Paragraph 10.e.i.	\$ 55,971,461	\$ 1,151,846	\$ 57,123,307
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	10,118,528	590,222	10,708,750
i) Paragraph 10.e.ii.a.	10,118,528	590,222	10,708,750
j) Paragraph 10.e.ii.b.	xxxx	xxxx	295,378,563
k) Paragraph 10.e.iii.	<u>3,059,834</u>	<u>11,616,430</u>	<u>14,676,264</u>
l) Total (g+h+k)	69,149,823	13,358,498	82,508,321
DTL netted against DTA	<u>(3,059,834)</u>	<u>(11,616,430)</u>	<u>(14,676,264)</u>
Total	<u>\$ 66,089,989</u>	<u>\$ 1,742,068</u>	<u>\$ 67,832,057</u>

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

December 31, 2010

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ 37,556,867	\$ -	\$ 37,556,867
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-
c) Paragraph 10.b.i.	-	-	-
d) Paragraph 10.b.ii.	xxxx	xxxx	204,182,511
e) Paragraph 10.c.	<u>8,822,904</u>	<u>3,850,566</u>	<u>12,673,470</u>
f) Total (a+b+e)	46,379,771	3,850,566	50,230,337
DTL netted against DTA	<u>(227,219)</u>	<u>(12,446,251)</u>	<u>(12,673,470)</u>
Total	<u>\$ 46,152,552</u>	<u>\$ (8,595,685)</u>	<u>\$ 37,556,867</u>

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

g) Paragraph 10.e.i.	\$ 56,600,033	\$ -	\$ 56,600,033
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	11,193,346	-	11,193,346
i) Paragraph 10.e.ii.a.	11,193,346	-	11,193,346
j) Paragraph 10.e.ii.b.	xxxx	xxxx	306,273,767
k) Paragraph 10.e.iii.	<u>8,822,904</u>	<u>3,850,566</u>	<u>12,673,470</u>
l) Total (g+h+k)	76,616,283	3,850,566	80,466,849
DTL netted against DTA	<u>(227,219)</u>	<u>(12,446,251)</u>	<u>(12,673,470)</u>
Total	<u>\$ 76,389,064</u>	<u>\$ (8,595,685)</u>	<u>\$ 67,793,379</u>

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

Change

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Paragraph 10.a.	\$ 1,455,629	\$ 590,222	\$ 2,045,851
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-
c) Paragraph 10.b.i.	-	-	-
d) Paragraph 10.b.ii.	xxxx	xxxx	(7,263,470)
e) Paragraph 10.c.	<u>(5,763,070)</u>	<u>7,765,864</u>	<u>2,002,794</u>
f) Total (a+b+e)	(4,307,441)	8,356,086	4,048,645
DTL netted against DTA	<u>(2,832,615)</u>	<u>829,821</u>	<u>(2,002,794)</u>
Total	<u>\$ (7,140,056)</u>	<u>\$ 9,185,907</u>	<u>\$ 2,045,851</u>

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

g) Paragraph 10.e.i.	\$ (628,572)	\$ 1,151,846	\$ 523,274
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	(1,074,818)	590,222	(484,596)
i) Paragraph 10.e.ii.a.	(1,074,818)	590,222	(484,596)
j) Paragraph 10.e.ii.b.	xxxx	xxxx	(10,895,204)
k) Paragraph 10.e.iii.	<u>(5,763,070)</u>	<u>7,765,864</u>	<u>2,002,794</u>
l) Total (g+h+k)	(7,466,460)	9,507,932	2,041,472
DTL netted against DTA	<u>(2,832,615)</u>	<u>829,821</u>	<u>(2,002,794)</u>
Total	<u>\$ (10,299,075)</u>	<u>\$ 10,337,753</u>	<u>\$ 38,678</u>

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

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Total adjusted capital	\$ 1,623,845,929	\$ 1,771,988,000	\$ (148,142,071)
Authorized control level risk-based capital	156,223,709	146,951,873	9,271,836

5. Impact of Tax Planning Strategies:

December 31, 2011

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

**NOTES TO FINANCIAL STATEMENTS**

	<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	\$ 39,012,496	\$ 590,222	\$ 39,602,718
b) Admitted assets	xxxx	xxxx	4,256,447,550
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	1,969,190,418
d) Total adjusted capital from DTA	xxxx	xxxx	28,229,339
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	27,077,493	1,151,846	28,229,339
f) Admitted assets	27,077,493	1,151,846	28,229,339
g) Statutory surplus	27,077,493	1,151,846	28,229,339
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	\$ 46,152,552	\$ (8,595,685)	\$ 37,556,867
b) Admitted assets	xxxx	xxxx	4,238,258,523
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	2,041,825,114
d) Total adjusted capital from DTA	xxxx	xxxx	30,236,512
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	30,236,512	-	30,236,512
f) Admitted assets	30,236,512	-	30,236,512
g) Statutory surplus	30,236,512	-	30,236,512
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	\$ (7,140,056)	\$ 9,185,907	\$ 2,045,851
b) Admitted assets	xxxx	xxxx	18,189,027
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	(72,634,696)
d) Total adjusted capital from DTA	xxxx	xxxx	(2,007,173)
Increases due to SSAP No. 10R, paragraph 10.e.:			
e) Admitted DTA	(3,159,019)	1,151,846	(2,007,173)
f) Admitted assets	(3,159,019)	1,151,846	(2,007,173)
g) Statutory surplus	(3,159,019)	1,151,846	(2,007,173)
B. DTL not recognized for the following amounts:			
Not applicable.			
C. The provisions for incurred tax on earnings are as follows:			
1.	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Federal	\$ 173,289,877	\$ 141,154,218	\$ 32,135,659
Foreign	269,624	-	269,624
Subtotal	173,559,501	141,154,218	32,405,283
Federal income taxes on net capital gains	(1,931,396)	(44,416)	(1,886,980)
Federal and foreign income taxes incurred	<u>\$ 171,628,105</u>	<u>\$ 141,109,802</u>	<u>\$ 30,518,303</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:			
Ordinary:			
Discounting of unpaid losses	\$ 26,176,560	\$ 26,653,642	\$ (477,082)
Unearned premium reserve	56,967,535	56,947,713	19,822
Receivables- nonadmitted	7,043,157	6,922,945	120,212
Nonadmitted assets	41,539,400	-	41,539,400
Other	569,848	4,989,112	(4,419,264)
Total DTA - ordinary	132,296,500	95,513,412	36,783,088
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(63,146,677)	(18,897,129)	(44,249,548)
Admitted ordinary DTA	<u>\$ 69,149,823</u>	<u>\$ 76,616,283</u>	<u>\$ (7,466,460)</u>

**NOTES TO FINANCIAL STATEMENTS**

<u>Capital:</u>			
Investments	\$ 27,637,934	\$ 3,850,566	\$ 23,787,368
Total DTA – capital	27,637,934	3,850,566	23,787,368
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(14,279,436)	-	(14,279,436)
Admitted capital DTA	13,358,498	3,850,566	9,507,932
Total admitted DTA	<u>\$ 82,508,321</u>	<u>\$ 80,466,849</u>	<u>\$ 2,041,472</u>

## DTL:

<u>Ordinary:</u>			
Investments	\$ 2,884,620	\$ 67,789	\$ 2,816,831
Receivables- nonadmitted	107,017	77,432	29,585
Guaranty fund assessments	42,345	55,866	(13,521)
Other	25,853	26,132	(279)
Total ordinary DTL	<u>3,059,835</u>	<u>227,219</u>	<u>2,832,616</u>

<u>Capital:</u>			
Investments	\$ 11,616,429	\$ 12,446,251	\$ (829,822)
Total capital DTL	11,616,429	12,446,251	(829,822)
Total DTL	<u>14,676,264</u>	<u>12,673,470</u>	<u>2,002,794</u>
Net admitted DTA/(DTL)	<u>\$ 67,832,057</u>	<u>\$ 67,793,379</u>	<u>\$ 38,678</u>

- Deferred income taxes do not include any benefit from investment tax credits.
- Deferred income taxes include a benefit of \$0 from net operating losses.
- There are no adjustments to a DTA or DTL for enacted changes in tax laws or rates or a change in the tax status of the Company.
- There are no adjustments to gross DTA because of change in circumstances that causes a change in judgment about the realizability of the related DTA.

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

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Total DTA	\$ 159,934,434	\$ 99,363,978	\$ 60,570,456
Total DTL	(14,676,264)	(12,673,470)	(2,002,794)
Net DTA/(DTL)	<u>\$ 145,258,170</u>	<u>\$ 86,690,508</u>	58,567,662
Tax effect of unrealized gains (losses)			(24,566,914)
Deferred tax change in prior period adjustments			(5,085)
Change in net deferred income tax			<u>\$ 33,995,663</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)	\$ 587,827,637
Taxes at statutory rate	\$ 205,739,673
Increase (decrease) attributable to:	
Nontaxable investment income	(29,735,367)
Nonadmitted assets	(44,940,464)
Other	6,568,600
	<u>\$ 137,632,442</u>
Federal and foreign taxes incurred	\$ 171,628,105
Change in net deferred taxes	(33,995,663)
Total statutory income tax	<u>\$ 137,632,442</u>
Effective tax rate	23.4%

- E. 1. The Company has no net operating loss or tax credit carryforwards available for tax purposes.
2. The Company has \$ 170,512,047, \$144,770,076, 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.

**NOTES TO FINANCIAL STATEMENTS****10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES**

- A-C. (1) In December 2011, the Company sold securities of \$70.1 to its affiliate, The Phoenix Insurance Company. See Schedule D – Part 4 for additional detail.
- (2) On September 29, 2011, the Company made a capital contribution of \$5.0 million to its subsidiary, Travelers Brazil Holdings LLC (Travelers Brazil).
- (3) On June 17, 2011, an indirect subsidiary of the Company acquired 43% of the common stock of J. Malucelli Participações em Seguros e Resseguros S.A., a Brazilian company (“JMalucelli”). JMalucelli is currently the market leader in surety in Brazil based on market share. In support of the acquisition noted herein, the Company contributed capital of \$411.9 million to its subsidiary Travelers Brazil.
- (4) In February 2011, the Company sold \$201.1 million in securities to The Travelers Indemnity Company (Indemnity). See Schedule D – Part 4 for additional detail.
- (5) Effective November 30, 2010, the Company acquired Travelers Brazil from its parent company, Travelers Casualty and Surety Company (TCS) at a cost of \$50,000.

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:

- The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by Indemnity. Settlements between the companies are made at least monthly.
  - TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2011 and 2010, the TRVMMLP totaled \$3.3 billion and \$5.4 billion, respectively.
- D. (1) At December 31, 2011 and 2010, the Company had \$53,766,609 payable to and \$34,025,660 receivable from affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.
- (2) The Company participates in intercompany reinsurance agreements as described in Note 23. 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>
Amounts recoverable from reinsurers	\$ 10,627,944	\$ 23,493,829
Reinsurance payable on paid losses and loss adjustment expenses	2,508,739	2,492,533
Ceded reinsurance premiums payable	15,870,298	8,676,077

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
Expense Allocation	The Travelers Indemnity Company	Travelers P&C <sup>1</sup>
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C <sup>1</sup>

<sup>1</sup> “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 TCS, an insurance company domiciled in Connecticut. The Company is a member of TRV, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

- L. The Company directly owns Travelers Brazil, a downstream noninsurance holding company, which directly owns Travelers Brazil Acquisition LLC (Travelers Brazil Acquisition), also a downstream noninsurance holding company. Travelers Brazil Acquisition directly owns 43% of the common stock of JMalucelli.

- The carrying value of the Company's investment in Travelers Brazil was \$365,704,421 at December 31, 2011.
- The financial statements of Travelers Brazil are not audited.
- The Company has limited the carrying value of its investment in Travelers Brazil to the value contained in the audited Brazilian GAAP financial statements with an audited reconciliation to U.S. GAAP for both net income and equity of JMalucelli, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88*.
- Travelers Brazil and Travelers Brazil Acquisition do not have any material assets other than the ownership of JMalucelli. Travelers Brazil and Travelers Brazil Acquisition do not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

**NOTES TO FINANCIAL STATEMENTS**

## 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.

## 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 \$6,881,119 and \$5,377,615 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 \$613,571 and \$724,429 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 \$4,807,742 and \$5,191,352 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 10,000 shares of common capital stock authorized and 5,400 shares issued and outstanding with a par value of \$1,200 per share.

The Company paid ordinary dividends of \$385.0 million and \$403.3 million to its parent company, TCS in 2011 and 2010, respectively.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2012 without prior approval is \$416,199,000.

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

There was no change in the balance of special surplus from retroactive reinsurance 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 decreased by cumulative net unrealized losses of \$27,863,891.

## 14. CONTINGENCIES

## A. Contingent Commitments:

Not applicable.

## B. Assessments:

1. The Company does not have any net accrued liabilities for guaranty fund and other insurance-related assessments due to its cross business reinsurance agreement with certain affiliates. At December 31, 2011, the Company reported \$52,828 in accrued premium tax offsets on a direct basis.

**NOTES TO FINANCIAL STATEMENTS**

2. Assets recognized from paid and accrued premium tax offsets prior year-end	\$	81,901
Decreases current year:		
Premium tax offset charged off		2,365
Premium tax offset applied		20,043
Premium tax offset refund		16,670
Increases current year:		
Premium tax offset accrued		10,005
Assets recognized from paid and accrued premium tax offsets current year-end	\$	52,828

## C. Gain Contingencies:

Not applicable.

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

The Company paid \$200,000 in the reporting period on one claim 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 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.

## 15. LEASES

Not applicable.

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

Not applicable.

## 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

## A. Transfers of Receivables Reported as Sales:

Not applicable.

## B. Transfer and Servicing of Financial Assets:

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

## C. Wash Sales:

Not applicable.

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

Not applicable.

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

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

## 20. FAIR VALUE MEASUREMENTS

## A. (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	\$ -	8,517,313	-	\$ 8,517,313
Total Assets at Fair Value	\$ -	8,517,313	-	\$ 8,517,313

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

**NOTES TO FINANCIAL STATEMENTS**

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

	Balance at 01/01/11	Transfers in level 3	Transfers out level 3	Total gains and (losses) included in net income	Total gains and (losses) included in surplus	Purchases and Issuances	Sales and Settlements	Balance at 12/31/11
Bonds	\$ 6,102	-	-	-	18,307	-	(24,409)	\$ -
Total	\$ 6,102	-	-	-	18,307	-	(24,409)	\$ -

(3) Not applicable.

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

(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	\$ -	\$ -	\$ -	\$ -	\$ -
Part 1B	-	-	-	-	-
Part 1C	-	-	-	-	-
Part 1D	-	-	-	-	-
Part 1E	-	-	-	-	-
Part 1F - Section 1	-	-	-	-	-
Part 1F - Section 2	-	-	-	-	-
Part 1G	-	-	-	-	-
Part 1H - Section 1	-	-	-	-	-
Part 1H - Section 2	667	1,013	(2)	2	12
Part 1M	-	-	-	-	-
Part 1N	-	-	-	-	-
Part 1O	-	-	-	-	-
Part 1P	-	-	-	-	-
Part 1R - Section 1	-	-	-	-	-
Part 1R - Section 2	-	-	-	-	-

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

Accident Year	Fidelity/Surety
2009 & Prior	\$3,153

## D. Uncollectible Premium Balances:

Not applicable.

## E. Business Interruption Insurance Recoveries:

Not applicable.

## F. State Transferable and Non-Transferable Tax Credits:

Not applicable.

## G. Subprime Mortgage Related Risk Exposure:

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

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

## NOTES TO FINANCIAL STATEMENTS

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	\$12,743,947
b. Book adjusted carrying value	12,672,238
c. Fair value	10,985,368
d. Other-than-temporary impairments	4,398,612

### 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 had \$471,832,960 of unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums, that exceeded 3% of its surplus as regards policyholders, recoverable from Indemnity at December 31, 2011.

##### 2. Unaffiliated Company Recoverables:

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

NONE

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

#### B. Reinsurance Recoverable in Dispute:

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.

#### C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 72,452,392	\$ 9,621,555	\$ 155,370,499	\$ 20,632,939	\$ (82,918,107)	\$ (11,011,384)
All Other	<u>6,120,712</u>	<u>812,820</u>	<u>49,926,286</u>	<u>6,630,126</u>	<u>(43,805,574)</u>	<u>(5,817,306)</u>
Total	<u>\$ 78,573,104</u>	<u>\$ 10,434,375</u>	<u>\$ 205,296,785</u>	<u>\$ 27,263,065</u>	<u>\$ (126,723,681)</u>	<u>\$ (16,828,690)</u>

Direct Unearned Premium Reserve \$ 940,052,587

##### 2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$5,333,365 at December 31, 2011:

Direct Business	\$ 6,132,219
Reinsurance Assumed	308,339
Reinsurance Ceded	<u>1,107,193</u>
Net	<u>\$ 5,333,365</u>

#### D. Uncollectible Reinsurance:

The Company has recovered \$4,272 in the current year on certain reinsurance balances due from Municipal General Insurance Ltd., which is reflected in losses incurred.

#### E. Commutation of Ceded Reinsurance:

The Company has not incurred a gain or loss in the current year as a result of a commutation of reinsurance, from the companies listed below:

Gordian Runoff Limited  
Novae Syndicates Limited – Lloyds Syndicates 1007, 1010, 1115, 1212, 1241, 1415, and 575



**NOTES TO FINANCIAL STATEMENTS**

## F. Retroactive Reinsurance:

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$71,584,000	\$ -
(2) Adjustments - Prior Year(s)	(37,406,000)	-
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$34,178,000</u>	<u>\$ -</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$71,584,000	\$ -
(2) Adjustments - Prior Year(s)	10,879,000	-
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$82,463,000</u>	<u>\$ -</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$30,888,022	\$ -
(2) Current Year	137,272	-
(3) Current Total	<u>\$31,025,294</u>	<u>\$ -</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ -	\$ -
(2) Adjustments - Prior Year(s)	48,285,000	-
(3) Adjustments - Current Year	-	-
(4) Current Year Restricted Surplus	<u>\$48,285,000</u>	<u>\$ -</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ -</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Reliance Insurance Company (24457)	\$34,178,000	\$ -

## f. Paid Loss/LAE Recoverable:

Not applicable.

## G. Reinsurance Accounted for as a Deposit:

The Company entered into several ceded reinsurance arrangements which provided coverage for certain surety policies issued by the Company. Given the contract terms and results of the Company's cash flow analyses, it was determined that these contracts did not fulfill the SSAP No. 62 requirements for risk transfer so they have been 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	\$ -	\$ 14,633,943	\$ 202,357	\$ 14,836,300
2006	-	(8,712,725)	11,047	6,134,622
2007	-	(3,720,464)	76,948	2,491,106
2008	79,432	(1,504,985)	(65,889)	999,664
2009	98,129	(713,470)	(75,907)	308,416
2010	105,753	(362,023)	-	52,146
2011	100,794	(102,380)	-	50,560

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

Not applicable.

## 24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

## 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 \$107,707,000, resulting primarily from better than expected loss and defense and cost containment development for accident years 2008 and prior for the contract surety business within the fidelity & surety line. Additionally, the other liability – claims made line for accident years 2008 and prior, and the special property line for accident years 2007 – 2010 also experienced small favorable development. This was partially offset by a small deterioration in adjusting and other expense reserves resulting from the allocation of these reserves by year as disclosed in the Schedule P Interrogatories of the Company. There are no material additional premiums or return premiums as a result of this prior year effect.

## 26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

## 27. STRUCTURED SETTLEMENTS

Not applicable.

## 28. HEALTH CARE RECEIVABLES

Not applicable.

## 29. PARTICIPATING POLICIES

Not applicable.

## ***NOTES TO FINANCIAL STATEMENTS***

### **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**

Not applicable.

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

Not applicable.

### **33. ASBESTOS/ENVIRONMENTAL RESERVES**

The Company has minimal potential exposure to asbestos and environmental claims on a direct basis, primarily arising from the sale of general liability insurance. There is no net exposure for the Company since 100% of this business is ceded to participants in the Travelers Reinsurance Pool.

### **34. SUBSCRIBER SAVINGS ACCOUNTS**

Not applicable.

### **35. MULTIPLE PERIL CROP INSURANCE**

Not applicable.

### **36. FINANCIAL GUARANTY INSURANCE**

Not applicable.

**NOTES TO FINANCIAL STATEMENTS**

Attachment to the 2011 Annual Statement – Notes to Financial Statements, Note 9 – Part F:  
Names of the companies included with TRV in the December 31, 2011, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State regulating? Connecticut
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: 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 control .....0.000 %
- 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.

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## 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 ]

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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## 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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
026014562	Allied Irish Banks	Failure to comply with contract	176,095
111323922	American Bank of Commerce	Failure to comply with contract	500,000
103102892	Arkansas Valley Bancshares	Failure to comply with contract	35,000
073900522	ATBancorp	Failure to comply with contract	2,000,000
026005908	Banca Monte Del Paschi Di Siena (NY)	Failure to comply with contract	2,000,000
066014069	Banco De Sabadell	Failure to comply with contract	20,000,000
026003557	Banco do Brasil	Failure to comply with contract	2,088,600
084201278	BancorpSouth Bank	Failure to comply with contract	60,000
063108680	Bank of Tampa (The)	Failure to comply with contract	280,000
112206297	Bank of the Southwest(Roswell)	Failure to comply with contract	92,500
021406667	Bridgehampton National Bank (The)	Failure to comply with contract	20,000
125104603	Cashmere Valley Bank	Failure to comply with contract	50,000
121301578	Central Pacific Bank	Failure to comply with contract	25,000
081015218	Citizens National Bank of Greater St. Louis	Failure to comply with contract	200,000
307088754	Cobank, ACB	Failure to comply with contract	650,000
123206794	Columbia Commercial Bancorp	Failure to comply with contract	285,162
125108272	Columbia State Bank	Failure to comply with contract	60,000
083002177	Commonwealth Bank & Trust Company	Failure to comply with contract	4,725
107002008	Community 1st Bank Las Vegas	Failure to comply with contract	100,000
211574833	Domestic Bank, Federal Savings Bank	Failure to comply with contract	50,000
055003298	EagleBank	Failure to comply with contract	75,000
091907235	Eastwood Bank	Failure to comply with contract	50,000
221172270	Fairfield County Bk Corp	Failure to comply with contract	75,000
043307524	Farmers and Merchants Bank of Western P	Failure to comply with contract	25,000
061102400	Fidelity Bank	Failure to comply with contract	100,000
084307033	First Bank	Failure to comply with contract	147,000
071922609	First Bank Highland Park	Failure to comply with contract	42,000
051500601	First Century Bank, NA	Failure to comply with contract	300,000
053906041	First Citizens Bank and Trust Company, Inc	Failure to comply with contract	1,000,000
051403041	First National Bank	Failure to comply with contract	100,000
042102270	First National Bank & Trust	Failure to comply with contract	50,000
043318092	First National Bank of Pennsylvania	Failure to comply with contract	1,000,000
082900872	First NB&TC	Failure to comply with contract	10,000
084304243	First State Bank	Failure to comply with contract	5,000
091305044	First State Bank of North Dakota	Failure to comply with contract	10,000
081918425	First State Community Bank	Failure to comply with contract	4,000
053100300	First-Citizens Bank & Trust Company	Failure to comply with contract	62,130
023607381	Firsttrust Savings Bank	Failure to comply with contract	500,000
124085011	General Motors Acceptance Corp.	Failure to comply with contract	1,500,000
121301772	Hawaii National Bancshares	Failure to comply with contract	981,749
	ICI Finance Plc-	Failure to comply with contract	1,890,000
104000016	Lauritzen Corporation	Failure to comply with contract	2,169,661
053174048	Little Bank, SSB (The)	Failure to comply with contract	50,000
062106256	Merchants Bank	Failure to comply with contract	12,500
073901880	MidwestOne Bank	Failure to comply with contract	500,000
102104846	Mountain Valley Bank	Failure to comply with contract	86,700
074006674	National Bank of Indianapolis (The)	Failure to comply with contract	50,000
021307711	National Union Bank of Kinderhook	Failure to comply with contract	10,000
242272227	NCB, FSB	Failure to comply with contract	500,000
051408897	New Peoples Bank (Princeton)	Failure to comply with contract	89,000
243374218	Northwest Savings Bank	Failure to comply with contract	62,560
031305981	Phoenix Bancorp, Inc.	Failure to comply with contract	14,693
064008637	Pinnacle Financial Partners, Inc.	Failure to comply with contract	1,404,316
062005690	Regions Financial Corp.	Failure to comply with contract	10,848,782
043306855	S & T Bank	Failure to comply with contract	1,610,500
	Southwest Georgia Farm Credit	Failure to comply with contract	100,000
031309123	Susquehanna Bank	Failure to comply with contract	1,000,000
062104290	Sweet Water State Bank	Failure to comply with contract	25,000
061100606	Synovus Financial Corp.	Failure to comply with contract	1,350,000
111017979	Texas Capital Bank, N.A.	Failure to comply with contract	100,000
123205054	Umpqua Bank	Failure to comply with contract	125,000
065301883	United Mississippi Bank	Failure to comply with contract	10,000
021201383	Valley National Bancorp	Failure to comply with contract	393,748
056005253	Virginia Commerce Bancorp	Failure to comply with contract	60,500
043400036	WesBanco, Inc	Failure to comply with contract	125,000

### 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 [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### 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 [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
- 20.12 To stockholders not officers \$.....0
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....0

**PART 1 - COMMON INTERROGATORIES - FINANCIAL**

- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
  - 20.21 To directors or other officers \$.....0
  - 20.22 To stockholders not officers \$.....0
  - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
  - 21.21 Rented from others \$.....0
  - 21.22 Borrowed from others \$.....0
  - 21.23 Leased from others \$.....0
  - 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]
- 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 [X]
- 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 [X] No [ ]
- 24.2 If no, give full and complete information relating thereto.

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- 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.

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- 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 [X] No [ ] N/A [ ]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....7,344,088
- 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 [X] No [ ] N/A [ ]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] 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 [X] 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 [X] 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 \$.....0
  - 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 \$.....7,783,111
  - 25.29 Other \$.....0
- 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 [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [ ] No [ ] N/A [X]

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

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

1 Name of Custodian(s)	2 Custodian's Address
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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
| N/A          |                  |                              |

- 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]

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

29.2 If yes, complete the following schedule:

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

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	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	2	3
Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	3,653,774,144	3,962,488,464
30.2 Preferred stocks.....	0	0
30.3 Totals.....	3,653,774,144	3,962,488,464

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

Fair values of bonds 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? \$.....524,212

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	2
Name	Amount Paid
THE SURETY & FIDELITY ASSOCIATION OF AMERICA	332,452

34.1 Amount of payments for legal expenses, if any? \$.....390,526

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	2
Name	Amount Paid
NORONHA ADVOGADOS	139,397

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....4,572

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	2
Name	Amount Paid
THE SURETY & FIDELITY ASSOCIATION OF AMERICA	3,315



**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
  - 1.31 Reason for excluding: \_\_\_\_\_
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
  - Most current three years:
    - 1.61 Total premium earned \$.....0
    - 1.62 Total incurred claims \$.....0
    - 1.63 Number of covered lives .....
  - All years prior to most current three years:
    - 1.64 Total premium earned \$.....0
    - 1.65 Total incurred claims \$.....0
    - 1.66 Number of covered lives .....
- 1.7 Group policies:
  - Most current three years:
    - 1.71 Total premium earned \$.....0
    - 1.72 Total incurred claims \$.....0
    - 1.73 Number of covered lives .....
  - All years prior to most current three years:
    - 1.74 Total premium earned \$.....0
    - 1.75 Total incurred claims \$.....0
    - 1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....1,245,002,980	\$.....1,271,764,273
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....2,278,671,341	\$.....2,213,297,386
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No [ ]
- 3.2 If yes, state the amount of calendar year premiums written on:
  - 3.21 Participating policies \$.....30,656,433
  - 3.22 Non-participating policies \$.....1,214,621,156

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?
  - The Company has no workers compensation loss exposures.

- 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 has no property loss exposures.

- 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 has no property loss exposures.

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

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:
  - The Company has no property loss exposures.

- 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. ....7

- 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 [ ]

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes  No
- 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 to the ceding entity? Yes  No
- 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
- 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
- 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   
 (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   
 (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
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  No  N/A
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes  No
- 11.2 If yes, give full information:  
 \_\_\_\_\_
- 
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:  
 12.11 Unpaid losses \$.....0  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 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: \$.....0
- 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  N/A
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From .....0.0 %  
 12.42 To .....0.0 %
- 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  No
- 12.6 If yes, state the amount thereof at December 31 of current year:  
 12.61 Letters of credit \$.....0  
 12.62 Collateral and other funds \$.....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....180,222,000
- 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
- 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. .....2

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes  No   
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
Per the Company's Reinsurance Allocation 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   
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes  No   
 14.5 If the answer to 14.4 is no, please explain:  
 \_\_\_\_\_  
 \_\_\_\_\_

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes  No   
 15.2 If yes, give full information:  
 \_\_\_\_\_  
 \_\_\_\_\_

16.1 Does the reporting entity write any warranty business? Yes  No   
 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   
 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   
 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   
 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
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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).....	624,449,402	496,445,706	464,977,635	344,879,300	360,665,143
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	37,676,531	34,101,820	32,549,726	31,588,351	28,831,058
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	969,020,249	991,586,204	1,032,603,189	1,099,191,859	1,110,049,616
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
6. Total (Line 35).....	1,631,146,182	1,522,133,731	1,530,130,550	1,475,659,510	1,499,545,817
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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).....	342,481,228	319,189,640	322,166,110	327,372,584	341,792,172
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	27,898,394	25,512,449	24,674,504	20,111,852	28,714,553
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	874,897,967	900,160,511	915,898,302	991,055,418	981,154,875
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
12. Total (Line 35).....	1,245,277,589	1,244,862,600	1,262,738,917	1,338,539,854	1,351,661,599
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	431,891,668	346,769,675	388,903,430	577,937,232	439,464,259
14. Net investment gain (loss) (Line 11).....	168,724,550	184,638,500	167,960,551	155,512,538	146,271,122
15. Total other income (Line 15).....	(1,508,647)	123,281	27,534,820	33,933,377	15,045,607
16. Dividends to policyholders (Line 17).....	9,348,538	5,285,009	7,275,422	8,748,501	8,747,149
17. Federal and foreign income taxes incurred (Line 19).....	173,559,501	141,154,218	173,818,946	239,004,228	186,931,430
18. Net income (Line 20).....	416,199,532	385,092,229	403,304,433	519,630,418	405,102,408
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	4,256,447,550	4,238,258,523	4,334,263,549	4,255,478,755	3,555,971,086
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	132,660,023	71,704,415	317,348,494	197,049,089	82,718,207
20.2 Deferred and not yet due (Line 15.2).....	106,616,639	107,324,287	109,422,760	106,546,672	115,939,395
20.3 Accrued retrospective premiums (Line 15.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,604,372,282	2,436,034,011	2,497,414,887	2,381,770,551	2,265,324,801
22. Losses (Page 3, Line 1).....	937,681,730	920,220,402	898,279,087	829,833,969	907,184,263
23. Loss adjustment expenses (Page 3, Line 3).....	525,055,953	477,495,945	391,664,338	277,210,510	153,320,025
24. Unearned premiums (Page 3, Line 9).....	813,328,906	813,054,297	839,517,654	846,899,105	830,096,152
25. Capital paid up (Page 3, Lines 30 & 31).....	6,480,000	6,480,000	6,480,000	11,000,000	6,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	1,652,075,268	1,802,224,512	1,836,848,661	1,873,708,202	1,290,646,286
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	489,022,290	677,524,357	634,232,713	614,967,587	483,162,059
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	1,652,075,268	1,802,224,512	1,836,848,661	1,873,708,202	1,290,646,286
29. Authorized control level risk-based capital.....	156,249,958	146,996,342	144,964,277	111,624,264	104,290,077
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	90.7	98.6	97.6	95.5	97.3
31. Stocks (Lines 2.1 & 2.2).....	0.0	0.0	0.0	0.2	0.4
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	2.7	1.1	2.4	4.3	2.3
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8).....	6.4	0.0	0.0	0.0	0.0
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.2	0.3	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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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).....	0	0	0	0	0
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.....	365,704,421	38,500	0	0	0
48. Total of above lines 42 to 47.....	365,704,421	38,500	0	0	0
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).....	22.1	0.0	0.0	0.0	0.0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2011	2010	2009	2008	2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24).....	(27,364,942)	842,817	19,027,068	(17,100,528)	(1,195,434)
51. Dividends to stockholders (Line 35).....	(385,000,000)	(403,300,000)	(511,700,000)	(50,000,000)	(240,000,000)
52. Change in surplus as regards policyholders for the year (Line 38).....	(150,149,244)	(34,624,149)	(36,859,542)	583,061,917	162,745,535
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1&amp;2)</b>					
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).....	210,413,227	197,503,680	142,021,196	142,999,996	142,361,375
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,777,521	1,436,030	1,813,397	1,962,677	1,134,997
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	423,146	380,149	422,599	1,286,365	798,666
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	59,108,861	146,053,090	100,153,579	70,743,660	103,494,802
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,994,385	3,803,405	274,325	1,533,931	0
58. Total (Line 35).....	273,717,140	349,176,354	244,685,095	218,526,629	247,789,841
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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).....	155,362,459	151,877,648	121,808,507	103,963,798	114,036,144
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,516,760	1,273,879	911,262	1,892,073	1,125,831
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	63,906,812	133,913,249	38,686,333	66,274,937	99,927,346
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	551,448	153,393	0
64. Total (Line 35).....	220,786,031	287,064,777	161,957,549	172,284,201	215,089,320
<b>Operating Percentages</b> (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).....	19.1	24.3	18.1	6.5	19.9
67. Loss expenses incurred (Line 3).....	8.0	11.0	12.4	12.5	5.6
68. Other underwriting expenses incurred (Line 4).....	38.2	37.4	39.0	37.4	39.5
69. Net underwriting gain (loss) (Line 8).....	34.7	27.3	30.6	43.7	35.0
<b>Other Percentages</b>					
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).....	38.3	38.2	37.1	39.4	35.6
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	27.2	35.3	30.5	18.9	25.5
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).....	75.4	69.1	68.7	94.2	104.7
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(112,087)	(57,305)	(115,827)	(223,401)	(109,200)
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).....	(6.2)	(3.1)	(6.2)	(1.6)	(9.7)
<b>Two Year Loss Development (000 omitted)</b>					
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).....	(176,599)	(200,005)	(413,431)	(367,923)	(141,185)
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).....	(9.6)	(10.7)	(32.0)	(2.6)	(16.5)

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.....	.....11,551.....	.....6,480.....	.....1,214.....	.....687.....	.....885.....	.....203.....	.....1,034.....	.....6,280.....	.....XXX.....
2. 2002.....	.....765,200.....	.....120,193.....	.....645,006.....	.....262,006.....	.....72,086.....	.....23,370.....	.....1,131.....	.....18,040.....	.....394.....	.....41,952.....	.....229,806.....	.....XXX.....
3. 2003.....	.....934,251.....	.....156,404.....	.....777,847.....	.....247,909.....	.....97,673.....	.....27,632.....	.....5,650.....	.....18,376.....	.....550.....	.....26,274.....	.....190,043.....	.....XXX.....
4. 2004.....	.....1,017,831.....	.....153,387.....	.....864,444.....	.....273,920.....	.....27,448.....	.....42,798.....	.....5,079.....	.....23,068.....	.....481.....	.....41,461.....	.....306,779.....	.....XXX.....
5. 2005.....	.....1,144,820.....	.....208,195.....	.....936,625.....	.....178,684.....	.....15,493.....	.....13,416.....	.....1,070.....	.....23,407.....	.....688.....	.....15,142.....	.....198,255.....	.....XXX.....
6. 2006.....	.....1,311,246.....	.....176,899.....	.....1,134,347.....	.....225,812.....	.....28,597.....	.....10,950.....	.....380.....	.....25,662.....	.....1,281.....	.....12,915.....	.....232,166.....	.....XXX.....
7. 2007.....	.....1,424,370.....	.....152,966.....	.....1,271,405.....	.....229,544.....	.....21,715.....	.....16,432.....	.....931.....	.....27,719.....	.....3,026.....	.....26,190.....	.....248,023.....	.....XXX.....
8. 2008.....	.....1,453,276.....	.....123,271.....	.....1,330,005.....	.....183,810.....	.....1,376.....	.....12,748.....	.....3.....	.....31,452.....	.....7,930.....	.....16,427.....	.....218,700.....	.....XXX.....
9. 2009.....	.....1,477,479.....	.....204,754.....	.....1,272,726.....	.....306,371.....	.....32,768.....	.....24,476.....	.....4,340.....	.....40,791.....	.....14,776.....	.....12,579.....	.....319,754.....	.....XXX.....
10. 2010.....	.....1,529,145.....	.....257,380.....	.....1,271,764.....	.....161,655.....	.....26,104.....	.....9,025.....	.....4,149.....	.....37,303.....	.....13,972.....	.....3,142.....	.....163,758.....	.....XXX.....
11. 2011.....	.....1,570,859.....	.....325,856.....	.....1,245,003.....	.....72,995.....	.....7,726.....	.....4,119.....	.....1,382.....	.....18,305.....	.....6,450.....	.....689.....	.....79,861.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....2,154,257.....	.....337,467.....	.....186,179.....	.....24,802.....	.....265,009.....	.....49,751.....	.....197,804.....	.....2,193,425.....	.....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.....	.....29,027.....	.....11,994.....	.....27,661.....	.....16,999.....	.....3,387.....	.....1,401.....	.....6,291.....	.....4,755.....	.....4,159.....	.....1,671.....	.....1,116.....	.....33,703.....	.....XXX.....
2. 2002.....	.....7,266.....	.....4,866.....	.....8,476.....	.....5,675.....	.....553.....	.....148.....	.....1,859.....	.....1,515.....	.....575.....	.....39.....	.....458.....	.....6,486.....	.....XXX.....
3. 2003.....	.....2,272.....	.....1,000.....	.....2,947.....	.....648.....	.....710.....	.....92.....	.....410.....	.....289.....	.....686.....	.....40.....	.....594.....	.....4,956.....	.....XXX.....
4. 2004.....	.....3,207.....	.....1,816.....	.....19,298.....	.....1,382.....	.....2,810.....	.....438.....	.....1,395.....	.....595.....	.....1,350.....	.....82.....	.....1,725.....	.....23,748.....	.....XXX.....
5. 2005.....	.....14,631.....	.....5,994.....	.....15,730.....	.....495.....	.....920.....	.....181.....	.....8,655.....	.....784.....	.....1,434.....	.....46.....	.....2,047.....	.....33,869.....	.....XXX.....
6. 2006.....	.....22,207.....	.....12,328.....	.....40,399.....	.....3,995.....	.....2,271.....	.....1,400.....	.....17,889.....	.....708.....	.....1,150.....	.....48.....	.....2,616.....	.....65,438.....	.....XXX.....
7. 2007.....	.....30,486.....	.....5,024.....	.....102,715.....	.....8,714.....	.....1,577.....	.....760.....	.....21,622.....	.....3,355.....	.....3,631.....	.....25.....	.....4,907.....	.....142,154.....	.....XXX.....
8. 2008.....	.....37,554.....	.....2,685.....	.....114,914.....	.....7,770.....	.....2,721.....	.....53.....	.....75,434.....	.....3,732.....	.....5,031.....	.....77.....	.....5,954.....	.....221,337.....	.....XXX.....
9. 2009.....	.....63,077.....	.....9,861.....	.....108,228.....	.....27,123.....	.....4,778.....	.....906.....	.....90,197.....	.....10,185.....	.....9,920.....	.....148.....	.....6,045.....	.....227,978.....	.....XXX.....
10. 2010.....	.....86,776.....	.....23,459.....	.....184,352.....	.....45,534.....	.....4,765.....	.....2,121.....	.....149,678.....	.....30,259.....	.....13,212.....	.....291.....	.....8,040.....	.....337,118.....	.....XXX.....
11. 2011.....	.....116,826.....	.....18,161.....	.....211,642.....	.....96,486.....	.....9,947.....	.....3,811.....	.....176,865.....	.....45,769.....	.....15,288.....	.....391.....	.....10,410.....	.....365,949.....	.....XXX.....
12. Totals.....	.....413,328.....	.....97,188.....	.....836,361.....	.....214,820.....	.....34,441.....	.....11,311.....	.....550,295.....	.....101,946.....	.....56,436.....	.....2,858.....	.....43,912.....	.....1,462,738.....	.....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.....	.....27,694.....	.....6,009.....
2. 2002.	.....322,146.....	.....85,853.....	.....236,292.....	.....42.1.....	.....71.4.....	.....36.6.....	.....0.....	.....0.....	.....0.00.....	.....5,201.....	.....1,285.....
3. 2003.	.....300,941.....	.....105,941.....	.....195,000.....	.....32.2.....	.....67.7.....	.....25.1.....	.....0.....	.....0.....	.....0.00.....	.....3,571.....	.....1,385.....
4. 2004.	.....367,846.....	.....37,319.....	.....330,527.....	.....36.1.....	.....24.3.....	.....38.2.....	.....0.....	.....0.....	.....0.00.....	.....19,307.....	.....4,441.....
5. 2005.	.....256,877.....	.....24,752.....	.....232,124.....	.....22.4.....	.....11.9.....	.....24.8.....	.....0.....	.....0.....	.....0.00.....	.....23,872.....	.....9,997.....
6. 2006.	.....346,340.....	.....48,736.....	.....297,605.....	.....26.4.....	.....27.5.....	.....26.2.....	.....0.....	.....0.....	.....0.00.....	.....46,284.....	.....19,154.....
7. 2007.	.....433,728.....	.....43,551.....	.....390,177.....	.....30.5.....	.....28.5.....	.....30.7.....	.....0.....	.....0.....	.....0.00.....	.....119,464.....	.....22,690.....
8. 2008.	.....463,664.....	.....23,627.....	.....440,037.....	.....31.9.....	.....19.2.....	.....33.1.....	.....0.....	.....0.....	.....0.00.....	.....142,013.....	.....79,324.....
9. 2009.	.....647,839.....	.....100,107.....	.....547,732.....	.....43.8.....	.....48.9.....	.....43.0.....	.....0.....	.....0.....	.....0.00.....	.....134,320.....	.....93,657.....
10. 2010.	.....646,765.....	.....145,889.....	.....500,876.....	.....42.3.....	.....56.7.....	.....39.4.....	.....0.....	.....0.....	.....0.00.....	.....202,134.....	.....134,984.....
11. 2011.	.....625,986.....	.....180,176.....	.....445,810.....	.....39.8.....	.....55.3.....	.....35.8.....	.....0.....	.....0.....	.....0.00.....	.....213,821.....	.....152,128.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....937,682.....	.....525,056.....

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.....	315,370	323,795	401,207	319,816	313,527	283,174	246,002	228,793	225,803	217,782	(8,021)	(11,011)
2. 2002.....	229,640	225,187	268,725	289,497	270,620	266,842	246,379	223,500	223,575	218,110	(5,466)	(5,390)
3. 2003.....	XXX	272,716	262,702	232,578	244,699	233,004	199,936	183,511	180,573	176,528	(4,045)	(6,982)
4. 2004.....	XXX	XXX	354,642	355,500	395,705	405,975	354,106	315,226	309,712	306,672	(3,040)	(8,555)
5. 2005.....	XXX	XXX	XXX	392,309	343,329	307,576	240,981	218,643	216,112	208,017	(8,095)	(10,626)
6. 2006.....	XXX	XXX	XXX	XXX	425,029	398,288	329,862	295,262	281,547	272,121	(9,426)	(23,141)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	411,358	451,606	427,851	397,096	361,877	(35,219)	(65,974)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	444,099	504,359	478,548	411,562	(66,986)	(92,797)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	464,069	490,942	511,945	21,003	47,876
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	457,416	464,623	7,207	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	419,058	XXX	XXX
12. Totals.....											(112,087)	(176,599)

### 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	118,621	169,109	159,597	174,761	184,694	179,693	176,883	180,969	186,567	XXX	XXX
2. 2002.....	71,461	120,334	165,510	206,695	215,476	215,777	214,701	214,119	211,727	212,160	XXX	XXX
3. 2003.....	XXX	49,070	138,139	154,045	167,557	181,996	175,338	169,564	171,040	172,217	XXX	XXX
4. 2004.....	XXX	XXX	72,530	182,553	240,854	272,314	281,014	281,182	284,132	284,191	XXX	XXX
5. 2005.....	XXX	XXX	XXX	30,756	109,555	146,839	165,335	169,739	174,274	175,536	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	41,665	138,579	177,402	191,302	201,785	207,785	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	52,657	146,244	194,770	224,890	223,330	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	38,306	136,483	185,319	195,178	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	74,026	238,937	293,740	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	44,153	140,427	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	68,005	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.....	123,227	115,465	92,823	57,614	59,061	51,051	25,830	10,298	21,187	12,197
2. 2002.....	115,009	69,121	77,127	42,816	36,777	23,480	17,414	4,173	7,148	3,146
3. 2003.....	XXX	180,149	84,044	40,170	54,922	44,860	17,610	14,882	5,796	2,421
4. 2004.....	XXX	XXX	221,060	106,566	100,429	91,867	58,645	26,119	20,964	18,716
5. 2005.....	XXX	XXX	XXX	314,200	190,421	130,724	59,126	37,058	31,269	23,105
6. 2006.....	XXX	XXX	XXX	XXX	319,628	210,075	124,381	80,859	65,746	53,586
7. 2007.....	XXX	XXX	XXX	XXX	XXX	271,269	216,501	168,083	134,738	112,268
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	327,447	293,147	244,431	178,846
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	272,324	154,422	161,117
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	350,097	258,236
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	246,252

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA 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.....	18,077,421	17,027,036	0	4,371,345	5,091,432	18,155,275	24,978	0	
2. Alaska.....AK.....L.....	5,904,197	5,562,348	0	1,499,677	4,104,986	6,674,323	1,064	0	
3. Arizona.....AZ.....L.....	21,466,085	23,270,097	0	952,785	(376,228)	18,754,544	24,998	0	
4. Arkansas.....AR.....L.....	15,341,424	14,451,434	0	1,402,680	1,367,707	12,604,454	16,996	0	
5. California.....CA.....L.....	172,504,816	149,681,524	0	34,258,284	9,696,854	129,577,618	266,137	0	
6. Colorado.....CO.....L.....	42,203,873	37,348,794	0	7,157,182	3,252,322	20,928,726	69,856	0	
7. Connecticut.....CT.....L.....	31,177,488	29,468,704	0	6,463,771	7,178,897	23,927,176	76,400	0	
8. Delaware.....DE.....L.....	5,551,053	5,169,351	0	344,906	165,703	3,057,500	5,240	0	
9. District of Columbia.....DC.....L.....	28,454,868	24,279,765	0	505,205	2,352,703	19,066,888	21,289	0	
10. Florida.....FL.....L.....	74,842,162	80,779,919	0	20,335,957	7,689,518	72,709,553	104,523	0	
11. Georgia.....GA.....L.....	43,151,510	43,689,753	0	7,222,319	7,790,752	35,752,754	73,193	0	
12. Hawaii.....HI.....L.....	13,397,266	11,894,768	0	532,202	(221,458)	7,972,272	1,232	0	
13. Idaho.....ID.....L.....	5,811,963	5,005,181	0	1,834,544	981,230	3,583,671	12,860	0	
14. Illinois.....IL.....L.....	70,769,975	66,627,791	0	15,469,333	15,727,104	51,403,737	74,228	0	
15. Indiana.....IN.....L.....	23,801,590	23,219,491	0	3,820,849	10,040,257	18,709,225	17,450	0	
16. Iowa.....IA.....L.....	13,151,710	12,880,348	0	1,981,214	2,414,038	7,028,785	9,019	0	
17. Kansas.....KS.....L.....	19,846,375	11,709,814	0	875,968	2,454,533	8,610,246	18,014	0	
18. Kentucky.....KY.....L.....	18,436,095	19,138,547	0	1,388,425	1,456,312	12,849,317	17,233	0	
19. Louisiana.....LA.....L.....	30,201,294	34,099,340	0	5,988,732	6,782,076	26,325,562	26,497	0	
20. Maine.....ME.....L.....	7,192,302	7,169,931	0	1,290,771	2,054,741	4,146,533	12,454	0	
21. Maryland.....MD.....L.....	37,498,333	37,077,999	0	4,004,405	3,122,857	25,901,718	39,736	0	
22. Massachusetts.....MA.....L.....	50,194,247	46,136,705	0	9,006,252	3,028,509	33,619,789	135,049	0	
23. Michigan.....MI.....L.....	25,060,146	24,824,181	0	6,867,531	8,320,737	17,678,574	30,635	0	
24. Minnesota.....MN.....L.....	29,173,457	25,717,377	0	2,968,495	7,073,284	18,710,718	23,454	0	
25. Mississippi.....MS.....L.....	18,071,873	18,081,454	0	4,076,343	5,408,422	14,183,399	20,134	0	
26. Missouri.....MO.....L.....	27,637,402	29,843,566	0	(3,157,591)	8,292,294	32,487,285	36,953	0	
27. Montana.....MT.....L.....	11,679,572	12,155,740	0	1,166,065	1,961,407	7,193,723	25,305	0	
28. Nebraska.....NE.....L.....	8,591,066	7,790,163	0	406,447	368,836	5,228,584	7,269	0	
29. Nevada.....NV.....L.....	11,253,923	12,393,960	0	4,183,291	9,118,554	16,116,680	16,228	0	
30. New Hampshire.....NH.....L.....	7,704,479	7,853,305	0	742,965	832,238	3,786,409	15,306	0	
31. New Jersey.....NJ.....L.....	40,990,493	40,361,150	0	9,550,289	11,418,162	27,241,328	73,543	0	
32. New Mexico.....NM.....L.....	6,053,286	6,514,896	0	914,832	2,526,869	6,135,141	7,110	0	
33. New York.....NY.....L.....	97,471,882	104,722,718	0	23,961,682	31,738,308	87,301,536	172,457	0	
34. North Carolina.....NC.....L.....	46,296,587	45,007,577	0	4,906,266	5,583,215	30,709,631	67,758	0	
35. North Dakota.....ND.....L.....	5,188,579	5,125,350	0	513,370	742,079	1,961,484	2,686	0	
36. Ohio.....OH.....L.....	45,459,985	43,269,457	0	12,033,061	12,743,734	27,648,455	39,694	0	
37. Oklahoma.....OK.....L.....	13,029,766	12,821,434	0	2,067,954	3,205,697	8,244,917	720	0	
38. Oregon.....OR.....L.....	18,212,923	19,589,864	0	3,552,096	6,612,902	15,231,345	33,549	0	
39. Pennsylvania.....PA.....L.....	66,658,559	64,862,685	0	10,278,304	11,885,026	41,059,670	75,558	0	
40. Rhode Island.....RI.....L.....	5,879,858	5,626,884	0	4,457,032	4,503,929	3,510,416	15,345	0	
41. South Carolina.....SC.....L.....	19,348,948	19,136,836	0	2,834,957	2,277,307	15,827,747	29,071	0	
42. South Dakota.....SD.....L.....	4,009,557	4,457,880	0	98,154	304,616	2,914,465	2,925	0	
43. Tennessee.....TN.....L.....	27,407,851	26,972,915	0	3,852,171	8,582,430	23,015,630	34,148	0	
44. Texas.....TX.....L.....	96,833,416	89,830,405	8,710,594	19,662,363	20,537,841	78,182,750	137,761	0	
45. Utah.....UT.....L.....	16,897,683	18,123,617	0	930,087	845,515	9,619,785	33,515	0	
46. Vermont.....VT.....L.....	1,974,706	1,646,413	0	(250)	(47,007)	628,388	3,458	0	
47. Virginia.....VA.....L.....	49,507,984	47,599,079	0	726,642	11,611,298	43,597,113	78,804	0	
48. Washington.....WA.....L.....	58,198,316	48,112,725	0	7,943,421	10,852,380	44,024,084	138,379	0	
49. West Virginia.....WV.....L.....	12,238,201	11,965,726	0	2,000,341	1,412,537	8,920,552	6,756	0	
50. Wisconsin.....WI.....L.....	20,513,560	18,634,647	0	4,751,684	3,845,903	13,575,479	7,926	0	
51. Wyoming.....WY.....L.....	6,032,128	6,267,998	0	1,287,744	1,173,873	4,554,835	6,043	0	
52. American Samoa.....AS.....N.....	0	0	0	0	0	0	0	0	
53. Guam.....GU.....L.....	214,689	272,754	0	0	0	0	0	0	
54. Puerto Rico.....PR.....L.....	466,280	817,454	0	120,000	120,000	85,837	2	0	
55. US Virgin Islands.....VI.....L.....	76,519	(960)	0	0	0	0	0	0	
56. Northern Mariana Islands.....MP.....N.....	0	0	0	0	0	0	0	0	
57. Canada.....CN.....N.....	0	0	0	0	0	0	0	0	
58. Aggregate Other Alien.....OT.....XXX.....	3,640,958	4,260,825	0	227,822	(8,920,586)	3,454,827	0	0	
59. Totals.....(a).....54.....	1,550,750,678	1,490,348,715	8,710,594	264,630,375	281,086,645	1,174,190,452	2,190,935	0	

### DETAILS OF WRITE-INS

5801. Other Alien Combined.....XXX.....	3,640,958	4,260,825	0	227,822	(8,920,586)	3,454,827	0	0
5802.....XXX.....	0	0	0	0	0	0	0	0
5803.....XXX.....	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page.....XXX.....	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above).....XXX.....	3,640,958	4,260,825	0	227,822	(8,920,586)	3,454,827	0	0

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

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

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

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

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



**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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