

ANNUAL STATEMENT
For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF
THE STANDARD
FIRE INSURANCE COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 19070 Employer's ID Number 06-6033509
(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 6, 1905 COMMENCED BUSINESS, MARCH 26, 1910

Statutory Home Office: One Tower Square, Hartford, CT, US 06183
Main Administrative Office: One Tower Square, Hartford, CT, US 06183 (860) 277-0111
Mail Address: One Tower Square, Hartford, CT, US 06183
Primary Location of Books and Records: One Tower Square, Hartford, CT, US 06183 (860) 277-0111
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists 10 officers including Brian William MacLean, Jay Steven Benet, Charles Joseph Clarke, William Herbert Heyman, Alan David Schnitzer, Doreen Spadorcia, Andy Francis Besette, Robert Carl Brody, John Patrick Clifford, Jr., William Eugene Cunningham, Jr., William Patrick Hannon, Madelyn Joseph Lankton, Maria Olivo, Kenneth Franklin Spence, III, Gregory Cheshire Toczydowski, Douglas Keith Bell, Douglas Kenneth Russell, Scott William Rynda, Wendy Constance Skjerven, and Smitesh Davé.

DIRECTORS

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

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

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

Subscribed and sworn to before me this

22nd day of January, 2013
Notary Public
My Commission Expires September 30, 2017



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,275,400,491	0	2,275,400,491	2,212,995,264
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	579,975	0	579,975	621,184
2.2 Common stocks.....	485,979,982	0	485,979,982	467,508,085
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).....	3,966,008	0	3,966,008	4,251,017
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 (\$.....100,000, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....8,272,698, Schedule DA).....	8,372,698	0	8,372,698	16,597,736
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).....	209,862,844	15,330,709	194,532,135	196,075,424
9. Receivables for securities.....	0	0	0	5,000,000
10. Securities lending reinvested collateral assets (Schedule DL).....	5,011,480	0	5,011,480	4,836,708
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,989,173,478	15,330,709	2,973,842,768	2,907,885,418
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	27,869,602	0	27,869,602	28,461,896
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	58,027,147	7,621,074	50,406,074	46,137,220
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....5,455,052 earned but unbilled premiums).....	194,820,215	1,789,668	193,030,546	183,955,000
15.3 Accrued retrospective premiums.....	5,613,033	84,573	5,528,460	9,011,034
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	73,486,700	0	73,486,700	81,193,966
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	13,335,342
18.2 Net deferred tax asset.....	102,280,598	41,629,137	60,651,461	68,496,615
19. Guaranty funds receivable or on deposit.....	572,396	0	572,396	550,208
20. Electronic data processing equipment and software.....	21,180,259	0	21,180,259	12,390,851
21. Furniture and equipment, including health care delivery assets (\$.....0).....	218,734	218,734	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.....	20,022,721	0	20,022,721	7,315,881
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	14,391,304	817,164	13,574,139	15,275,701
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,507,656,185	67,491,059	3,440,165,126	3,374,009,131
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	3,507,656,185	67,491,059	3,440,165,126	3,374,009,131

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. Other assets tri-party/tax credit bonds.....	4,249,249	0	4,249,249	4,590,275
2502. Equities and deposits in pools and associations.....	3,920,900	0	3,920,900	6,019,388
2503. Amounts receivable under high deductible policies.....	3,552,811	431,944	3,120,868	2,371,833
2598. Summary of remaining write-ins for Line 25 from overflow page.....	2,668,343	385,220	2,283,122	2,294,204
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	14,391,304	817,164	13,574,139	15,275,701

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,448,840,779	1,440,340,979
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	62,143,589	56,366,603
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	314,961,683	323,211,632
4. Commissions payable, contingent commissions and other similar charges.....	27,493,030	26,235,282
5. Other expenses (excluding taxes, licenses and fees).....	27,027,026	23,060,946
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	16,499,288	17,593,233
7.1 Current federal and foreign income taxes (including \$.....(63,203,158) on realized capital gains (losses)).....	7,742,473	0
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 \$.....773,293,482 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).....	420,982,192	412,603,803
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	2,514,886	2,237,901
12. Ceded reinsurance premiums payable (net of ceding commissions).....	37,687,253	53,036,244
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	7,894,064	6,837,239
15. Remittances and items not allocated.....	(806,473)	(19,861)
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Derivatives.....	0	0
21. Payable for securities.....	4,528,094	1,047,660
22. Payable for securities lending.....	5,011,480	4,836,708
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.....	(110,576)	(3,245,480)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,382,408,789	2,364,142,888
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,382,408,789	2,364,142,888
29. Aggregate write-ins for special surplus funds.....	5,428,904	24,759,280
30. Common capital stock.....	5,000,000	5,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	623,472,070	623,472,070
35. Unassigned funds (surplus).....	423,855,363	356,634,893
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).....	1,057,756,337	1,009,866,243
38. TOTALS (Page 2, Line 28, Col. 3).....	3,440,165,126	3,374,009,131

DETAILS OF WRITE-INS

2501. Other liabilities.....	5,394,935	0
2502. Retroactive reinsurance reserve assumed.....	109,576	110,092
2503. Other liabilities tri-party/tax credit bonds.....	0	1,978,689
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(5,615,086)	(5,334,262)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	(110,576)	(3,245,480)
2901. Special surplus from retroactive reinsurance.....	5,428,904	5,082,753
2902. Special surplus for deferred taxes.....	0	19,676,527
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).....	5,428,904	24,759,280
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	938,790,917	918,550,852
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	536,734,019	596,077,838
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	104,960,047	110,081,147
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	296,162,836	291,496,192
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	937,856,902	997,655,177
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	934,015	(79,104,325)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	140,669,272	164,374,091
10. Net realized capital gains (losses) less capital gains tax of \$....(4,173,232) (Exhibit of Capital Gains (Losses)).....	2,483,260	4,609,433
11. Net investment gain (loss) (Lines 9 + 10).....	143,152,532	168,983,524
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....(2,195,243) amount charged off \$....122,048).....	(2,317,291)	(2,835,544)
13. Finance and service charges not included in premiums.....	4,263,427	4,412,142
14. Aggregate write-ins for miscellaneous income.....	6,824,207	(2,096,325)
15. Total other income (Lines 12 through 14).....	8,770,343	(519,727)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	152,856,889	89,359,471
17. Dividends to policyholders.....	1,947,733	1,686,690
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).....	150,909,156	87,672,781
19. Federal and foreign income taxes incurred.....	20,210,770	(6,959,019)
20. Net income (Line 18 minus Line 19) (to Line 22).....	130,698,386	94,631,800
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,009,866,243	1,192,814,721
22. Net income (from Line 20).....	130,698,386	94,631,800
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....410,872.....	34,777,344	(44,030,754)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(5,755,059)	2,355,410
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(11,532,382)	(3,384,905)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	(1,298,194)	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.....	(99,000,000)	(235,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	2,479,970
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	47,890,094	(182,948,478)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,057,756,337	1,009,866,243
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.....	5,729,136	(1,966,731)
1402. Retroactive reinsurance gain/loss.....	778,425	(236,158)
1403. Other assets tri-party/tax credit bond income.....	333,975	147,820
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(17,328)	(41,256)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	6,824,207	(2,096,325)
3701. Change in special surplus from deferred taxes.....	0	2,479,970
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	2,479,970

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	921,997,520	912,908,298
2. Net investment income.....	153,046,092	179,644,095
3. Miscellaneous income.....	8,770,343	(519,727)
4. Total (Lines 1 through 3).....	1,083,813,954	1,092,032,666
5. Benefit and loss related payments.....	514,749,966	564,053,774
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	405,336,297	402,066,941
8. Dividends paid to policyholders.....	1,670,748	1,257,972
9. Federal and foreign income taxes paid (recovered) net of \$.....(6,478,367) tax on capital gains (losses).....	(5,040,277)	(2,552,395)
10. Total (Lines 5 through 9).....	916,716,735	964,826,291
11. Net cash from operations (Line 4 minus Line 10).....	167,097,218	127,206,375
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	353,257,580	393,393,699
12.2 Stocks.....	835,680	14,662,042
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	45,082,870	17,783,202
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	8,480,434	1,516,292
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	407,656,564	427,355,235
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	425,189,577	223,401,493
13.2 Stocks.....	51,863	561,416
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	14,742
13.5 Other invested assets.....	41,314,436	120,758,405
13.6 Miscellaneous applications.....	174,772	8,952,340
13.7 Total investments acquired (Lines 13.1 to 13.6).....	466,730,648	353,688,397
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).....	(59,074,084)	73,666,838
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	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.....	99,000,000	235,000,000
16.6 Other cash provided (applied).....	(17,248,173)	18,497,693
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(116,248,173)	(216,502,307)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(8,225,039)	(15,629,094)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	16,597,736	32,226,830
19.2 End of year (Line 18 plus Line 19.1).....	8,372,698	16,597,736
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Stock distribution from limited partnership.....	51,863	16,810
20.0002 Dissolution of subsidiary.....	0	14,645,428
20.0003 Bonds converted to stock.....	0	544,607

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.....	22,981,868	10,014,753	10,560,419	22,436,202
2.	Allied lines.....	24,345,295	11,025,495	11,136,600	24,234,190
3.	Farmowners multiple peril.....	8,009,362	3,787,516	3,823,029	7,973,850
4.	Homeowners multiple peril.....	156,080,162	82,505,308	82,656,351	155,929,118
5.	Commercial multiple peril.....	144,565,045	65,663,155	65,312,830	144,915,370
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	12,659,023	5,347,990	5,230,626	12,776,387
9.	Inland marine.....	29,003,012	13,956,133	14,102,987	28,856,158
10.	Financial guaranty.....	0	0	0	0
11.1	Medical professional liability - occurrence.....	(8)	(217)	(134)	(91)
11.2	Medical professional liability - claims-made.....	(519)	45	0	(474)
12.	Earthquake.....	5,257,301	2,315,261	2,337,040	5,235,522
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.....	166,303,364	54,649,309	63,352,796	157,599,876
17.1	Other liability - occurrence.....	78,846,381	33,541,368	33,712,567	78,675,182
17.2	Other liability - claims-made.....	26,797,175	15,490,049	15,289,992	26,997,232
17.3	Excess workers' compensation.....	962,853	331,134	265,890	1,028,097
18.1	Products liability - occurrence.....	6,516,805	2,389,519	2,514,254	6,392,070
18.2	Products liability - claims-made.....	958,709	515,771	483,757	990,722
19.1, 19.2	Private passenger auto liability.....	97,167,627	34,302,763	33,786,446	97,683,944
19.3, 19.4	Commercial auto liability.....	72,451,771	33,283,542	32,376,594	73,358,719
21.	Auto physical damage.....	78,569,557	29,246,445	29,357,625	78,458,378
22.	Aircraft (all perils).....	4,745	0	0	4,745
23.	Fidelity.....	2,817,912	1,935,045	1,831,201	2,921,756
24.	Surety.....	570,880	(224,577)	(247,573)	593,876
26.	Burglary and theft.....	374,805	200,025	190,168	384,663
27.	Boiler and machinery.....	8,535,550	3,747,342	3,855,402	8,427,490
28.	Credit.....	1,498	716	658	1,556
29.	International.....	227,172	9,516	54,237	182,451
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	1,406,597	652,622	722,689	1,336,530
32.	Reinsurance - nonproportional assumed liability.....	1,056,246	531,404	460,735	1,126,915
33.	Reinsurance - nonproportional assumed financial lines.....	95,481	75,292	60,482	110,291
34.	Aggregate write-ins for other lines of business.....	151,300	111,113	102,221	160,193
35.	TOTALS.....	946,716,970	405,403,835	413,329,888	938,790,917

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	151,300	111,113	102,221	160,193
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).....	151,300	111,113	102,221	160,193

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	10,520,540	130,392	(90,514)	.0	10,560,419
2.	Allied lines.....	10,929,356	208,052	(808)	.0	11,136,600
3.	Farmowners multiple peril.....	3,917,180	(94,152)	.0	.0	3,823,029
4.	Homeowners multiple peril.....	82,680,403	(24,052)	.0	.0	82,656,351
5.	Commercial multiple peril.....	66,034,650	(105,059)	(616,761)	.0	65,312,830
6.	Mortgage guaranty.....	.0	.0	.0	.0	.0
8.	Ocean marine.....	5,377,362	71,340	(218,076)	.0	5,230,626
9.	Inland marine.....	11,716,166	2,555,024	(168,204)	.0	14,102,987
10.	Financial guaranty.....	.0	.0	.0	.0	.0
11.1	Medical professional liability - occurrence.....	(134)	.0	.0	.0	(134)
11.2	Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12.	Earthquake.....	2,279,218	57,839	(17)	.0	2,337,040
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.....	68,636,104	42,402	(3,284,163)	(2,041,546)	63,352,796
17.1	Other liability - occurrence.....	34,249,778	5,189	(608,494)	66,094	33,712,567
17.2	Other liability - claims-made.....	13,078,147	2,201,110	10,735	.0	15,289,992
17.3	Excess workers' compensation.....	269,181	.0	(3,291)	.0	265,890
18.1	Products liability - occurrence.....	2,626,691	4,688	(127,824)	10,700	2,514,254
18.2	Products liability - claims-made.....	553,462	(72,947)	3,243	.0	483,757
19.1, 19.2	Private passenger auto liability.....	33,786,446	.0	.0	.0	33,786,446
19.3, 19.4	Commercial auto liability.....	32,602,517	16,615	.0	(242,538)	32,376,594
21.	Auto physical damage.....	29,342,737	4,850	.0	10,038	29,357,625
22.	Aircraft (all perils).....	.0	.0	.0	.0	.0
23.	Fidelity.....	1,092,836	738,384	(19)	.0	1,831,201
24.	Surety.....	67,914	35,367	(350,855)	.0	(247,573)
26.	Burglary and theft.....	130,046	60,124	(3)	.0	190,168
27.	Boiler and machinery.....	3,534,173	321,229	(0)	.0	3,855,402
28.	Credit.....	658	.0	.0	.0	658
29.	International.....	54,237	.0	.0	.0	54,237
30.	Warranty.....	.0	.0	.0	.0	.0
31.	Reinsurance - nonproportional assumed property.....	554,314	168,374	.0	.0	722,689
32.	Reinsurance - nonproportional assumed liability.....	418,361	42,374	.0	.0	460,735
33.	Reinsurance - nonproportional assumed financial lines.....	60,482	.0	.0	.0	60,482
34.	Aggregate write-ins for other lines of business.....	102,221	.0	.0	.0	102,221
35.	TOTALS.....	414,615,047	6,367,144	(5,455,052)	(2,197,252)	413,329,888
36.	Accrued retrospective premiums based on experience.....					2,197,252
37.	Earned but unbilled premiums.....					5,455,052
38.	Balance (sum of Lines 35 through 37).....					420,982,192

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	102,221	.0	.0	.0	102,221
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).....	102,221	.0	.0	.0	102,221

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	25,232,816	22,981,868	2,170,023	27,402,839	0	22,981,868
2. Allied lines.....	245,735,295	24,345,295	7,642,709	253,378,004	0	24,345,295
3. Farmowners multiple peril.....	0	8,009,362	0	0	0	8,009,362
4. Homeowners multiple peril.....	567,649,557	156,080,162	1,591,000	569,240,557	0	156,080,162
5. Commercial multiple peril.....	77,821	144,565,045	0	77,821	0	144,565,045
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	46,742,607	12,659,023	0	46,742,607	0	12,659,023
9. Inland marine.....	11,788,363	29,003,012	0	11,788,363	0	29,003,012
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(8)	0	0	0	(8)
11.2 Medical professional liability - claims-made.....	0	(519)	0	0	0	(519)
12. Earthquake.....	6,446,551	5,257,301	0	6,446,551	0	5,257,301
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.....	163,722,832	166,303,364	0	163,722,832	0	166,303,364
17.1 Other liability - occurrence.....	12,497,613	78,846,381	31,922	12,529,535	0	78,846,381
17.2 Other liability - claims-made.....	0	26,547,112	0	(250,063)	0	26,797,175
17.3 Excess workers' compensation.....	0	962,853	0	0	0	962,853
18.1 Products liability - occurrence.....	0	6,516,805	0	0	0	6,516,805
18.2 Products liability - claims-made.....	0	958,709	0	0	0	958,709
19.1, 19.2 Private passenger auto liability.....	177,031,388	97,167,627	144,485,926	321,517,314	0	97,167,627
19.3, 19.4 Commercial auto liability.....	0	72,451,771	0	0	0	72,451,771
21. Auto physical damage.....	114,455,012	78,569,557	107,482,204	221,937,216	0	78,569,557
22. Aircraft (all perils).....	0	4,745	0	0	0	4,745
23. Fidelity.....	0	2,817,912	0	0	0	2,817,912
24. Surety.....	390	570,880	0	390	0	570,880
26. Burglary and theft.....	9,266	374,805	20,912	30,178	0	374,805
27. Boiler and machinery.....	0	8,535,550	0	0	0	8,535,550
28. Credit.....	0	1,498	0	0	0	1,498
29. International.....	0	227,172	0	0	0	227,172
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,406,597	0	0	0	1,406,597
32. Reinsurance - nonproportional assumed liability.....	XXX	1,056,246	0	0	0	1,056,246
33. Reinsurance - nonproportional assumed financial lines.....	XXX	95,481	0	0	0	95,481
34. Aggregate write-ins for other lines of business.....	0	151,300	0	0	0	151,300
35. TOTALS.....	1,371,389,510	946,466,907	263,424,697	1,634,564,144	0	946,716,970

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	151,300	0	0	0	151,300
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	151,300	0	0	0	151,300

(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.....	11,348,809	12,807,257	12,774,851	11,381,214	9,606,438	9,839,244	11,148,408	49.7
2. Allied lines.....	255,076,374	19,698,056	257,708,735	17,065,695	17,937,374	18,104,012	16,899,057	69.7
3. Farmowners multiple peril.....	0	4,071,279	0	4,071,279	2,396,978	2,427,836	4,040,421	50.7
4. Homeowners multiple peril.....	337,332,933	94,443,157	338,257,895	93,518,195	42,774,381	45,018,230	91,274,345	58.5
5. Commercial multiple peril.....	(30,163)	76,860,522	(30,163)	76,860,522	122,490,776	123,403,217	75,948,082	52.4
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	28,338,199	6,656,058	28,338,199	6,656,058	13,015,520	8,315,090	11,356,488	88.9
9. Inland marine.....	5,313,928	14,532,323	5,313,928	14,532,323	11,983,388	13,003,166	13,512,545	46.8
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	368,172	0	368,172	1,222,632	1,621,660	(30,856)	33,744.4
11.2 Medical professional liability - claims-made.....	0	419,571	0	419,571	3,332,052	4,449,679	(698,056)	147,228.8
12. Earthquake.....	2,397	144,547	2,397	144,547	1,740,241	1,115,382	769,406	14.7
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.....	93,801,427	79,653,904	93,801,427	79,653,904	587,654,581	573,916,733	93,391,752	59.3
17.1 Other liability - occurrence.....	8,376,741	32,073,767	8,411,392	32,039,116	225,215,226	226,370,506	30,883,836	39.3
17.2 Other liability - claims-made.....	0	15,490,467	0	15,490,467	77,729,070	76,681,351	16,538,186	61.3
17.3 Excess workers' compensation.....	0	699,090	0	699,090	24,618,761	24,557,552	760,299	74.0
18.1 Products liability - occurrence.....	321,542	6,664,017	321,542	6,664,017	68,728,803	70,516,999	4,875,821	76.3
18.2 Products liability - claims-made.....	0	44,200	0	44,200	1,205,136	1,188,887	60,449	6.1
19.1, 19.2 Private passenger auto liability.....	125,527,926	155,668,661	218,202,619	62,993,969	75,964,701	74,880,189	64,078,480	65.6
19.3, 19.4 Commercial auto liability.....	0	46,193,267	0	46,193,267	96,003,593	91,866,816	50,330,044	68.6
21. Auto physical damage.....	70,640,599	129,040,830	147,925,637	51,755,791	4,339,884	4,894,557	51,201,118	65.3
22. Aircraft (all perils).....	0	31,230	0	31,230	630,271	679,151	(17,651)	(372.0)
23. Fidelity.....	0	2,362,765	0	2,362,765	5,845,636	5,476,731	2,731,670	93.5
24. Surety.....	0	416,621	0	416,621	7,813,220	9,079,703	(849,862)	(143.1)
26. Burglary and theft.....	704	(8,502)	4,962	(12,760)	638,795	541,161	84,874	22.1
27. Boiler and machinery.....	0	2,657,625	0	2,657,625	1,754,194	1,697,526	2,714,293	32.2
28. Credit.....	0	5,681	0	5,681	428,757	434,439	(0)	(0.0)
29. International.....	0	298,274	0	298,274	852,271	849,336	301,210	165.1
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	496,122	0	496,122	2,536,514	2,484,458	548,178	41.0
32. Reinsurance - nonproportional assumed liability.....	XXX	1,360,534	0	1,360,534	39,404,190	46,025,824	(5,261,100)	(466.9)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	13,776	0	13,776	807,914	787,063	34,628	31.4
34. Aggregate write-ins for other lines of business.....	0	52,953	0	52,953	169,482	114,479	107,955	67.4
35. TOTALS.....	936,051,417	703,216,225	1,111,033,422	528,234,219	1,448,840,779	1,440,340,979	536,734,019	57.2

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	52,953	0	52,953	169,482	114,479	107,955	67.4
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	52,953	0	52,953	169,482	114,479	107,955	67.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	2,224,495	7,150,758	2,547,357	6,827,896	1,375,998	2,858,744	1,456,200	9,606,438	726,103
2. Allied lines.....	638,170,043	13,066,439	638,619,981	12,616,500	7,663,460	11,375,665	13,718,251	17,937,374	1,814,373
3. Farmowners multiple peril.....	0	1,311,373	0	1,311,373	0	1,085,606	0	2,396,978	477,271
4. Homeowners multiple peril.....	63,314,628	18,437,893	63,523,730	18,228,792	112,663,722	24,604,323	112,722,456	42,774,381	6,310,082
5. Commercial multiple peril.....	824,369	68,358,679	824,369	68,358,679	895,902	54,132,098	895,902	122,490,776	45,222,771
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	51,753,706	9,481,022	51,753,706	9,481,022	27,523,097	3,534,498	27,523,097	13,015,520	2,086,868
9. Inland marine.....	412,892	7,788,607	412,892	7,788,607	928,475	4,194,781	928,475	11,983,388	1,080,329
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	633,961	0	633,961	94,576	588,671	94,576	1,222,632	310,882
11.2 Medical professional liability - claims-made.....	0	2,046,077	0	2,046,077	0	1,285,975	0	3,332,052	499,018
12. Earthquake.....	74	55,096	74	55,096	760	1,685,145	760	1,740,241	55,435
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.....	301,959,394	306,233,385	301,959,394	306,233,385	180,870,144	281,421,196	180,870,144	587,654,581	77,022,014
17.1 Other liability - occurrence.....	5,048,951	47,789,114	5,065,690	47,772,375	17,358,850	177,470,018	17,386,017	225,215,226	76,602,180
17.2 Other liability - claims-made.....	0	26,189,823	0	26,189,823	450	51,539,248	450	77,729,070	30,537,258
17.3 Excess workers' compensation.....	0	9,459,830	0	9,459,830	16,838	15,158,930	16,838	24,618,761	1,254,871
18.1 Products liability - occurrence.....	807,521	11,708,002	807,521	11,708,002	9,464,096	57,020,801	9,464,096	68,728,803	33,241,034
18.2 Products liability - claims-made.....	0	338,524	0	338,524	0	866,612	0	1,205,136	909,541
19.1, 19.2 Private passenger auto liability.....	111,712,232	92,797,912	153,095,987	51,414,157	49,510,970	24,550,544	49,510,970	75,964,701	13,161,086
19.3, 19.4 Commercial auto liability.....	0	50,881,335	0	50,881,335	4,208	45,122,259	4,208	96,003,593	15,074,548
21. Auto physical damage.....	4,832,719	7,000,512	7,962,922	3,870,309	(3,666,032)	469,574	(3,666,032)	4,339,884	2,065,244
22. Aircraft (all perils).....	0	247,074	0	247,074	46,372	383,197	46,372	630,271	281,469
23. Fidelity.....	0	1,322,470	0	1,322,470	85	4,523,166	85	5,845,636	2,356,004
24. Surety.....	0	4,405,885	0	4,405,885	4,132	3,407,335	4,132	7,813,220	1,532,246
26. Burglary and theft.....	0	1,342	1,017	326	(417)	638,851	(36)	638,795	268,554
27. Boiler and machinery.....	0	708,704	0	708,704	0	1,045,491	0	1,754,194	448,830
28. Credit.....	0	193,062	0	193,062	0	235,695	0	428,757	(26,158)
29. International.....	0	312,785	0	312,785	0	539,486	0	852,271	12,083
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,926,829	0	1,926,829	XXX	609,686	0	2,536,514	186,266
32. Reinsurance - nonproportional assumed liability.....	XXX	22,674,679	0	22,674,679	XXX	16,729,510	0	39,404,190	1,394,652
33. Reinsurance - nonproportional assumed financial lines.....	XXX	503,878	0	503,878	XXX	304,037	0	807,914	14,103
34. Aggregate write-ins for other lines of business.....	0	28,984	0	28,984	0	140,498	0	169,482	42,726
35. TOTALS.....	1,181,061,023	713,054,032	1,226,574,639	667,540,416	404,755,686	787,521,638	410,976,961	1,448,840,779	314,961,683
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	28,984	0	28,984	0	140,498	0	169,482	42,726
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	28,984	0	28,984	0	140,498	0	169,482	42,726

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	46,211,725	0	0	46,211,725
1.2 Reinsurance assumed.....	60,505,227	0	0	60,505,227
1.3 Reinsurance ceded.....	50,077,411	0	0	50,077,411
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	56,639,541	0	0	56,639,541
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	220,739,686	0	220,739,686
2.2 Reinsurance assumed, excluding contingent.....	0	181,495,484	0	181,495,484
2.3 Reinsurance ceded, excluding contingent.....	0	265,422,501	0	265,422,501
2.4 Contingent - direct.....	0	1,910,031	0	1,910,031
2.5 Contingent - reinsurance assumed.....	0	2,709,285	0	2,709,285
2.6 Contingent - reinsurance ceded.....	0	1,910,031	0	1,910,031
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	139,521,954	0	139,521,954
3. Allowances to manager and agents.....	0	154,189	0	154,189
4. Advertising.....	324	7,228,007	10	7,228,341
5. Boards, bureaus and associations.....	247,548	3,875,665	0	4,123,213
6. Surveys and underwriting reports.....	16	3,118,255	0	3,118,271
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	28,813,399	64,711,549	877,880	94,402,828
8.2 Payroll taxes.....	2,145,961	4,367,960	38,308	6,552,229
9. Employee relations and welfare.....	5,476,870	11,027,437	88,824	16,593,131
10. Insurance.....	3,447,161	852,919	652	4,300,732
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,906,142	3,449,552	14,618	5,370,312
13. Rent and rent items.....	1,647,072	4,202,352	15,155	5,864,579
14. Equipment.....	365,624	1,365,328	76,463	1,807,415
15. Cost or depreciation of EDP equipment and software.....	1,018,297	12,775,996	10,474	13,804,767
16. Printing and stationery.....	163,802	557,030	2,301	723,133
17. Postage, telephone and telegraph, exchange and express.....	553,611	3,991,645	5,123	4,550,379
18. Legal and auditing.....	1,464,581	1,454,047	49,638	2,968,266
19. Totals (Lines 3 to 18).....	47,250,408	123,131,931	1,179,446	171,561,785
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....187,789.....	0	24,889,906	0	24,889,906
20.2 Insurance department licenses and fees.....	0	2,453,571	0	2,453,571
20.3 Gross guaranty association assessments.....	0	(44,743)	0	(44,743)
20.4 All other (excluding federal and foreign income and real estate).....	0	1,035,711	0	1,035,711
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	28,334,445	0	28,334,445
21. Real estate expenses.....	0	0	527,838	527,838
22. Real estate taxes.....	0	0	192,768	192,768
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	1,070,098	5,174,506	184,896	6,429,500
25. Total expenses incurred.....	104,960,047	296,162,836	2,084,948	(a) 403,207,831
26. Less unpaid expenses - current year.....	314,961,683	70,632,747	386,598	385,981,027
27. Add unpaid expenses - prior year.....	323,211,632	66,574,023	315,438	390,101,094
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).....	113,209,997	292,104,112	2,013,789	407,327,897

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	2,428,956	13,239,158	184,896	15,853,010
2402. Service reimbursements.....	(306,777)	(3,015,325)	0	(3,322,102)
2403. Costs of computer software developed for internal use.....	(1,052,081)	(5,049,327)	0	(6,101,408)
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).....	1,070,098	5,174,506	184,896	6,429,500

(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).....1,518,581	.....1,589,156
1.1 Bonds exempt from U.S. tax.....	(a).....58,386,796	.....57,345,533
1.2 Other bonds (unaffiliated).....	(a).....33,887,558	.....34,250,651
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....42,613	.....42,613
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....1,131	.....1,131
2.21 Common stocks of affiliates.....	.....30,600,000	.....30,600,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....1,413,948	.....1,413,948
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....127,621	.....127,621
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....15,296,496	.....15,311,796
9. Aggregate write-ins for investment income.....	.....2,448,662	.....2,448,662
10. Total gross investment income.....	.....143,723,406	.....143,131,112
11. Investment expenses.....		(g).....2,084,948
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).....285,009
15. Aggregate write-ins for deductions from investment income.....		.....91,883
16. Total deductions (Lines 11 through 15).....		.....2,461,840
17. Net investment income (Line 10 minus Line 16).....		.....140,669,272

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....2,343,638	.....2,343,638
0902. Miscellaneous income.....	.....81,922	.....81,922
0903. Securities lending income.....	.....23,103	.....23,103
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).....	.....2,448,662	.....2,448,662
1501. Management fees.....		.....91,883
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).....		.....91,883

- (a) Includes \$.....2,230,913 accrual of discount less \$.....13,603,292 amortization of premium and less \$.....1,076,072 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 \$.....1,413,948 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 \$.....285,009 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.....	.....0	.....0	.....0	.....234,255	.....0
1.2 Other bonds (unaffiliated).....	.....1,092,091	.....0	.....1,092,091	.....519,263	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....(41,209)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....258,546	.....(2,394)	.....256,153	.....(151,102)	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....19,150,663	.....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.....	.....(896)	.....(3,037,320)	.....(3,038,216)	.....15,476,346	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....1,349,742	.....(3,039,714)	.....(1,689,972)	.....35,188,216	.....0

DETAILS OF WRITE-INS

0901. ....	.....0	.....0	.....0	.....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	.....0	.....0	.....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).....	15,330,709	5,173,702	(10,157,007)
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).....	15,330,709	5,173,702	(10,157,007)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,621,074	8,042,732	421,658
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,789,668	1,335,991	(453,677)
15.3 Accrued retrospective premiums.....	84,573	155,622	71,049
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.....	41,629,137	39,949,914	(1,679,222)
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.....	218,734	264,198	45,464
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.....	817,164	1,036,518	219,354
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	67,491,059	55,958,677	(11,532,382)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	67,491,059	55,958,677	(11,532,382)

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Amounts receivable under high deductible policies.....	431,944	506,678	74,734
2502. Other assets nonadmitted.....	385,220	529,840	144,620
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).....	817,164	1,036,518	219,354

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Standard Fire Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The Company has not applied for and does not believe that it employs any statutory accounting practices that would be considered a permitted practice in its financial statements.
- 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. The Company adopted Statement of Statutory Accounting Principles (SSAP) No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* (SSAP No. 101), effective January 1, 2012. For a discussion of this accounting change see Note 2.

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

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

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

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

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

Real estate is stated at depreciated cost, net of encumbrances and specific impairments.

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

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

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

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

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

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

1. The Company adopted SSAP No. 101 effective January 1, 2012. SSAP No. 101 revises the guidance for current and deferred federal and foreign income taxes. The new guidance limits the admissibility of deferred tax assets (DTAs) based on an insurer's RBC and the ratio of its adjusted DTAs to adjusted capital and surplus. The guidance also rejects the GAAP guidance from Financial Interpretation No. 48: *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (ASC 740 in codification)* and instead modifies SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*, requiring that a "more likely than not" rather than a "probable" standard to be applied in determining federal and foreign income tax loss contingencies.

At adoption, the Company reported a cumulative effect adjustment that resulted in an increase in its liability for current tax liabilities of \$1,298,194, and a corresponding decrease in unassigned funds in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*.

2. During the first quarter 2012, an error in the reporting for "Uncollected premiums and agents' balances in course of collection" and "Payable to parent, subsidiaries and affiliates" was detected. The error impacted the balance sheet only, resulting in an understated amount reported in agents' balances, offset by an overstated due from affiliates. In accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*, the Company corrected this error in the March 31, 2012 statutory financial statement.

NOTES TO FINANCIAL STATEMENTS

The error correction resulted in an additional \$2,514,135 reported in agents' balances in course of collection and payable to parent, subsidiaries and affiliates and did not impact net income or surplus as regards policyholders (policyholders' surplus).

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 the constant effective yield method which includes an adjustment for estimated principal repayments, if any. The effective yield used to determine amortization for these securities is recalculated and adjusted periodically based upon actual historical and/or projected future cash flows. The Company changes from the retrospective to prospective method for valuing the securities when an other-than-temporary impairment has been recorded.

For collateralized mortgage obligations, asset-backed securities and pass-through certificates prepayment assumptions are adjusted periodically.

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

- Not applicable.

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

Cusip	Amortized cost basis before other-than-temporary impairment	Projected Cash Flow	Other-than-temporary impairment recognized in loss	Amortized cost basis after other-than-temporary impairment	Fair Value	Impairment Quarter
66987XCD5	\$ 167,429	\$ 160,690	\$ 6,739	\$ 160,690	\$ 125,183	Q4 - 2009
66987XCD5	133,209	131,463	1,746	131,463	127,394	Q2 - 2011
126671R32	8,595,404	8,590,098	5,306	8,590,098	8,647,713	Q2 - 2011
66987XCD5	129,107	121,722	7,386	121,722	120,858	Q3 - 2011
126671R32	7,967,932	7,966,717	1,215	7,966,717	7,903,828	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:

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ -
2. 12 Months or Longer	\$ 45,589

b. The aggregate related fair values of securities with unrealized losses:

1. Less than 12 Months	\$ -
2. 12 Months or Longer	\$5,131,474

- 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.

E. Repurchase Agreements and/or Securities Lending Transactions:

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

NOTES TO FINANCIAL STATEMENTS

Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u> 30 Days or Less	<u>Amortized Cost</u>	<u>Fair Value</u>
	\$5,011,480	\$5,011,480

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 2021.

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

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

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures, partnerships, and limited liability companies are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$3,037,320 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

A. Policyholders' surplus excludes due and accrued investment income if amounts are over 90 days past due.

B. At December 31, 2012, the Company had no accrued investment income over 90 days past due.

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, 2012</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 105,144,850	\$ 8,335,850	\$ 113,480,700
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	105,144,850	8,335,850	113,480,700
d) Deferred tax assets nonadmitted	36,371,623	5,257,514	41,629,137
e) Subtotal (net deferred tax assets)	68,773,227	3,078,336	71,851,563
f) Deferred tax liabilities	9,033,418	2,166,684	11,200,102
g) Net admitted deferred tax asset (liability)	<u>\$ 59,739,809</u>	<u>\$ 911,652</u>	<u>\$ 60,651,461</u>

	<u>December 31, 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 111,660,180	\$ 8,307,659	\$ 119,967,839
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	111,660,180	8,307,659	119,967,839
d) Deferred tax assets nonadmitted	32,532,972	7,416,942	39,949,914
e) Subtotal (net deferred tax assets)	79,127,208	890,717	80,017,925
f) Deferred tax liabilities	11,190,235	331,075	11,521,310
g) Net admitted deferred tax asset (liability)	<u>\$ 67,936,973</u>	<u>\$ 559,642</u>	<u>\$ 68,496,615</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ (6,515,330)	\$ 28,191	\$ (6,487,139)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	(6,515,330)	28,191	(6,487,139)
d) Deferred tax assets nonadmitted	3,838,651	(2,159,428)	1,679,223
e) Subtotal (net deferred tax assets)	(10,353,981)	2,187,619	(8,166,362)
f) Deferred tax liabilities	(2,156,817)	1,835,609	(321,208)
g) Net admitted deferred tax asset (liability)	<u>\$ (8,197,164)</u>	<u>\$ 352,010</u>	<u>\$ (7,845,154)</u>

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2012</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 12,764,995	\$ 303,884	\$ 13,068,879
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below paragraph 10.b.i. and 10.b.ii. below)	46,974,814	607,768	47,582,582
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	46,974,814	607,768	47,582,582
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	146,388,693
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	9,033,418	2,166,684	11,200,102
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>68,773,227</u>	<u>3,078,336</u>	<u>71,851,563</u>
DTLs netted against deferred tax assets	<u>9,033,418</u>	<u>2,166,684</u>	<u>11,200,102</u>
Total	<u>\$ 59,739,809</u>	<u>\$ 911,652</u>	<u>\$ 60,651,461</u>

Admission Calculation Components SSAP No. 101:

	<u>December 31, 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 28,486,423	\$ 374,907	\$ 28,861,330
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below paragraph 10.b.i. and 10.b.ii. below)	39,450,550	184,735	39,635,285
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	39,450,550	184,735	39,635,285
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	155,823,054
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	11,190,235	331,075	11,521,310
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>79,127,208</u>	<u>890,717</u>	<u>80,017,925</u>
DTLs netted against deferred tax assets	<u>11,190,235</u>	<u>331,075</u>	<u>11,521,310</u>
Total	<u>\$ 67,936,973</u>	<u>\$ 559,642</u>	<u>\$ 68,496,615</u>

Admission Calculation Components SSAP No. 101:

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ (15,721,428)	\$ (71,023)	\$ (15,792,451)
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below paragraph 10.b.i. and 10.b.ii. below)	7,524,264	423,033	7,947,297
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	7,524,264	423,033	7,947,297
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	(9,434,361)
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	(2,156,817)	1,835,609	(321,208)
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>(10,353,981)</u>	<u>2,187,619</u>	<u>(8,166,362)</u>
DTLs netted against deferred tax assets	<u>(2,156,817)</u>	<u>1,835,609</u>	<u>(321,208)</u>
Total	<u>\$ (8,197,164)</u>	<u>\$ 352,010</u>	<u>\$ (7,845,154)</u>

NOTES TO FINANCIAL STATEMENTS

	<u>2012</u>	<u>2011</u>	
3. a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	466%	466%	
b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above.	975,924,620	1,038,820,360	
		<u>December 31, 2012</u>	
4. Impact of Tax Planning Strategies:	<u>Ordinary Percent</u>	<u>Capital Percent</u>	<u>Total</u>
a) Adjusted gross DTA	0%	0%	0%
(% of total adjusted gross DTA)			
b) Net admitted adjusted gross DTA	0%	0%	0%
(% of total net admitted adjusted gross DTA)			
		<u>December 31, 2011</u>	
a) Adjusted gross DTA	<u>Ordinary Percent</u>	<u>Capital Percent</u>	<u>Total</u>
(% of total adjusted gross DTA)	0%	0%	0%
b) Net admitted adjusted gross DTA	0%	0%	0%
(% of total net admitted adjusted gross DTA)			
		<u>Change</u>	
c) Adjusted gross DTA	<u>Ordinary Percent</u>	<u>Capital Percent</u>	<u>Total</u>
(% of total adjusted gross DTA)	0%	0%	0%
d) Net admitted adjusted gross DTA	0%	0%	0%
(% of total net admitted adjusted gross DTA)			
e) Does the Company's tax-planning strategies include the use of reinsurance? Yes ___ No <u>X</u>			

B. DTL not recognized for the following amounts:

Not applicable.

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

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>Change</u>
1. Federal	\$ 20,210,770	\$ (6,961,456)	\$ 27,172,226
Foreign	-	2,437	(2,437)
Subtotal	<u>20,210,770</u>	<u>(6,959,019)</u>	<u>27,169,789</u>
Federal income taxes on net capital gains	(4,173,232)	(2,916,865)	(1,256,367)
Federal and foreign income taxes incurred	<u>\$ 16,037,538</u>	<u>\$ (9,875,884)</u>	<u>\$ 25,913,422</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, 2012</u>	<u>December 31, 2011</u>	<u>Change</u>
DTA:			
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 42,664,060	\$ 44,993,379	\$ (2,329,319)
Unearned premium reserve	29,468,753	28,882,269	586,484
Investments	20,370,748	23,990,247	(3,619,499)
Non-admitted assets	5,427,569	1,897,484	3,530,085
Other	<u>7,213,720</u>	<u>11,896,801</u>	<u>(4,683,081)</u>
Total DTA - ordinary	105,144,850	111,660,180	(6,515,330)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>36,371,623</u>	<u>32,532,972</u>	<u>3,838,651</u>
Admitted ordinary DTA	<u>\$ 68,773,227</u>	<u>\$ 79,127,208</u>	<u>\$ (10,353,981)</u>
<u>Capital:</u>			
Investments	<u>\$ 8,335,850</u>	<u>8,307,659</u>	<u>28,191</u>
Total DTA - capital	8,335,850	8,307,659	28,191
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>5,257,514</u>	<u>7,416,942</u>	<u>(2,159,428)</u>
Admitted capital DTA	3,078,336	890,717	2,187,619
Total admitted DTA	<u>\$ 71,851,563</u>	<u>\$ 80,017,925</u>	<u>\$ (8,166,362)</u>

NOTES TO FINANCIAL STATEMENTS

DTL:

Ordinary:

Investments	\$ 305,122	\$ 2,696,297	\$ (2,391,175)
Fixed assets	4,273,541	3,959,143	314,398
Other	<u>4,454,755</u>	<u>4,534,795</u>	<u>(80,040)</u>
Total ordinary DTL	<u>9,033,418</u>	<u>11,190,235</u>	<u>(2,156,817)</u>

Capital:

Investments	\$ 2,166,684	\$ 331,075	\$ 1,835,609
Total capital DTL	2,166,684	331,075	1,835,609
Total DTL	<u>11,200,102</u>	<u>11,521,310</u>	<u>(321,208)</u>

Net admitted DTA/(DTL)	\$ <u>60,651,461</u>	\$ <u>68,496,615</u>	\$ <u>(7,845,154)</u>
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- Deferred income taxes do not include any benefit from investment tax credits.
- Deferred income taxes do not include a benefit 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, 2012</u>	<u>December 31, 2011</u>	<u>Change</u>
Total DTA	\$ 113,480,700	\$ 119,967,839	\$ (6,487,139)
Total DTL	<u>11,200,102</u>	<u>11,521,310</u>	<u>(321,208)</u>
Net DTA/(DTL)	<u>\$ 102,280,598</u>	<u>\$ 108,446,529</u>	<u>(6,165,931)</u>
Tax effect of unrealized gains (losses)			410,872
Change in net deferred income tax			<u>\$ (5,755,059)</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:

Rate Reconciliation:

	<u>December 31, 2012</u>
Pretax net income (loss)	\$ 146,735,923
Taxes at statutory rate	\$ 51,357,573
Increase (decrease) attributable to:	
Nontaxable investment income	(27,891,756)
Nonadmitted assets	(3,448,605)
Other	<u>1,775,385</u>
	<u>\$ 21,792,597</u>
Federal and foreign taxes incurred	\$ 16,037,538
Change in net deferred taxes	<u>5,755,059</u>
Total statutory income tax	<u>\$ 21,792,597</u>
Effective tax rate	14.9%

- The Company has no net operating loss carryforward. The Company has an alternative minimum tax credit of \$61,575 that originated in 2011 and can be carried forward indefinitely.
 - The Company has \$13,091,459, \$0 and \$7,520,184 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
 - The reporting entity has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
 - The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

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

- G. The Company does not believe it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months.

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

A-C. (1) On March 2, 2011, the Company made a capital contribution of \$24.2 million to Oregon Evergreen Investor I, LLC.

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

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

1. The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2012 and 2011, the TRVMMLP totaled \$3.4 billion and \$3.3 billion, respectively.

D. (1) At December 31, 2012 and 2011, the Company had \$20,022,721 and \$7,315,881 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 an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Amounts recoverable from reinsurers	\$ 73,486,700	\$ 81,193,966
Reinsurance payable on paid losses and loss adjustment expenses	62,143,589	56,366,603
Ceded reinsurance premiums payable	20,639,768	35,030,059

These balances were settled net through the intercompany settlement process during January 2013 and January 2012, 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 ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹

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

G. All of the issued and outstanding common stock of the Company is owned by Travelers Insurance Group Holdings Inc. (TIGHI), which in turn is indirectly owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

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

NOTES TO FINANCIAL STATEMENTS

addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover 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 \$6,590,990 and \$5,496,570 for 2012 and 2011, 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 \$423,817 and \$491,552 for 2012 and 2011, respectively.

3. Deferred Compensation Plans:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$3,977,349 and \$3,850,892 for 2012 and 2011, 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 20,000 shares of common capital stock authorized, issued and outstanding with a par value of \$250 per share.

The Company paid ordinary dividends of \$49 million and extraordinary dividends of \$50 million for a total of \$99 million in 2012, to its parent company, TIGHI. In 2011, the Company paid ordinary dividends of \$235 million to TIGHI.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of the dividends to shareholders that can be made during 2013 without prior approval is \$130,698,000.

There are no restrictions on the use of the Company's unassigned funds and such funds are held for the benefit of the shareholder, except for the dividend restrictions indicated above.

The change in the balance of special surplus from retroactive reinsurance is a result of ongoing activity occurring in 2012. See Note 23F for additional detail. Due to the adoption of SSAP No. 101, special surplus related to DTA's generated from the application of SSAP No. 10R at December 31, 2011 is no longer required. See Note 2 and 9 for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$282,710,794.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2012, the Company had commitments to fund investments of \$171.5 million.

B. Assessments:

1. The Company has accrued liabilities of \$14.4 million for guaranty fund and other insurance-related assessments and related recoverables of \$703 thousand at December 31, 2012. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

2. a. Assets recognized from paid and accrued premium tax offsets December 31, 2011 \$ 550,207

b. Decreases current year:

Premium tax offset charged off	-
Premium tax offset applied	140,052
Premium tax offset refund	91,016

c. Increases current year:

Premium tax offset accrued	<u>253,257</u>
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d. Assets recognized from paid and accrued premium tax offsets December 31, 2012 \$ 572,396

C. Gain Contingencies:

On August 17, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company v. American Re-Insurance Company, et al.* (American Re), the trial court granted summary judgment for United States Fidelity & Guaranty Company (USF&G) and denied summary judgment for American Re and three other reinsurers. By order dated October 22, 2010, the trial court corrected certain clerical errors and made certain clarifications to the August 17, 2010 order. On October 25, 2010, judgment was entered against American Re and the other three insurers, awarding USF&G \$420 million, comprising \$251 million ceded under the terms of the disputed reinsurance contract plus interest of 9% amounting to \$169 million as of that date. The judgment, including the award of interest, was appealed by the reinsurers to the New York Supreme Court, Appellate Division, First Department. On January 24, 2012, the Appellate Division affirmed the judgment. On January 30, 2012, the reinsurers filed a motion with the Appellate Division seeking permission to appeal its decision to the New York Court of Appeals, and on March 12, 2012, the Appellate Division granted the reinsurers' motion. On February 7, 2013, the Court of Appeals issued an opinion that largely affirmed

NOTES TO FINANCIAL STATEMENTS

the summary judgment in USF&G's favor, while modifying in part the summary judgment with respect to two discrete issues and remanding the case to the trial court for determination of those issues. USF&G believes it has a meritorious position on each of these issues and intends to pursue its claim vigorously. At December 31, 2012, the claim totaled \$470 million, comprising the \$251 million of reinsurance recoverable plus interest which had grown to \$219 million as of that date. Interest will continue to accrue at 9% until the claim is paid.

As USF&G is a participant in the Travelers Reinsurance Pool (TRV Pool), any amounts recoverable from this claim are subject to participation percentages of the TRV Pool (See Note 26). Accordingly, the Company's respective TRV Pool participation share of the \$251 million awarded by the court represents the amounts owed to and reported by the Company under the terms of the disputed reinsurance contract. The Company's respective Pool participation share of the interest that would be received as part of any judgment ultimately entered in favor of USF&G is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly has not been recognized in the Company's statutory financial statements.

In an unrelated action, Indemnity is one of the Settlement Class plaintiffs and a class member in a class action lawsuit captioned *Safeco Insurance Company of America, et al. v. American International Group, Inc. et al.* (U.S. District Court, N.D. Ill.) in which the defendants are alleged to have engaged in the under-reporting of workers' compensation premium in connection with a workers' compensation reinsurance pool in which several member of the TRV Pool participate. On July 26, 2011, the court granted preliminary approval of a class settlement pursuant to which the defendants agreed to pay \$450 million to the class. The settlement includes a plan of allocation of the settlement proceeds among the class members. On December 21, 2011, the court entered an order granting final approval of the settlement, and on February 28, 2012, the district court issued a written opinion regarding its approval of the settlement. On March 27, 2012, three parties who objected to the settlement appealed the court's orders approving the settlement to the U.S. Court of Appeals for the Seventh Circuit. On January 11, 2013, all parties, including the three parties who had objected to the settlement, filed a Stipulation of Dismissal indicating that there were no longer any objections to the settlement. All parties are awaiting an order from the Seventh Circuit in response to the Stipulation of Dismissal. Indemnity anticipates that its allocation from the settlement fund, in the event the settlement becomes final, will be approximately \$90 million.

As Indemnity is a participant in the TRV Pool, its settlement amount is subject to participation percentages of the TRV Pool (See Note 26). Accordingly, the Company's respective TRV Pool participation share of the \$90 million to be awarded from the settlement is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly will be recognized in the Company's financial statements during the period in which it is received.

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$411,806

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

0-25 Claims
X

Claim count information provided herein is disclosed on a per claim basis.

E. Product Warranties:

Not applicable.

F. All Other Contingencies:

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

In the 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, 2012, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.

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

15. LEASES

Not applicable.

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

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were \$171.5 million at December 31, 2012.

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

Not applicable.

B. Transfer and Servicing of Financial Assets:

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

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales:

Not applicable.

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

Not applicable.

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

The Company's direct premiums written through managing general agents (MGA) (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators (TPA) were as follows:

Name and Address of MGA / TPA	F.E.I.N.	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premiums Written
Stoneriver National Flood Services 555 Corporate Drive Kalispell, MT 59901	81-0453933	Yes	National Flood Insurance Program	C, CA, I, P, U	\$220,584,134

LEGEND:

- C - Claims Payment
- CA - Claims Adjustment
- I - Policy Issuance
- P - Premium Collection
- U - Underwriting

20. FAIR VALUE MEASUREMENTS

The estimates of fair value for financial assets are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Company's significant market assumptions. The three levels of the hierarchy are as follows:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use.

A. (1) Assets measured and reported at fair value as of December 31, 2012:

Description	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and miscellaneous	\$ -	\$ 226,566	\$ 10,387,082	\$ 10,613,651
Preferred stock				
Non-redeemable preferred stock	579,975	-	-	579,975
Common stock	17,886	-	-	17,886
Total assets at fair value	\$ 597,861	\$ 226,566	\$ 10,387,082	\$ 11,211,512

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

(2) Assets Measured at Fair Value Using Significant Unobservable Inputs (Level 3):

Description	Beginning Balance at 1/1/2012	Transfer into Level 3	Transfer out of Level 3	Total gains & (losses) included in Net Income	Total gains & (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Bonds	\$ 33,484,343	\$ 10,408,771	\$ (47,023,351)	\$ (16,557)	\$ 564,336	\$ 14,789,504	\$ 1,505,700	\$ -	\$ (3,325,664)	\$ 10,387,082
Total	\$ 33,484,343	\$ 10,408,771	\$ (47,023,351)	\$ (16,557)	\$ 564,336	\$ 14,789,504	\$ 1,505,700	\$ -	\$ (3,325,664)	\$ 10,387,082

(3) In accordance with SSAP No. 26, securities rated 3 or lower by the NAIC are carried at the lower of amortized cost or fair value. With fluctuations in the market value, the method of valuation may change from amortized cost to fair value or vice versa. These changes in the valuation method are captured in the transfers in or out of the level 3 hierarchy.

(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.

B. Not applicable.

C. The following table provides the aggregate fair value and reported aggregate admitted asset value by type of financial instrument; and the hierarchy level in which the fair values fall.

NOTES TO FINANCIAL STATEMENTS

(At December 31, 2012)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Practicable (Carrying Value)
Short term bonds	\$ 8,272,698	\$ 8,272,698	\$ 3,398,720	\$ 4,849,639	\$ 24,339	\$ -
Long term bonds	2,443,688,997	2,275,400,491	56,948,640	2,311,178,612	75,561,745	-
Preferred stock	579,975	579,975	579,975	-	-	-
Common stock	17,886	17,886	17,886	-	-	-

(At December 31, 2011)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Practicable (Carrying Value)
Short term bonds	\$ 16,497,736	\$ 16,497,736	\$ 11,818,302	\$ 3,958,399	\$ 721,035	\$ -
Long term bonds	2,372,925,713	2,212,995,264	49,486,730	2,271,040,429	52,398,554	-
Preferred stock	621,184	621,184	621,184	-	-	-
Common stock	696,652	696,652	696,652	-	-	-

D. 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.

2012 Schedule P:

The 2002 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):

	<u>Accident Years</u>				
Schedule P	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998 & Prior</u>
Part 1A	\$ 13	\$ 14	\$ 102	\$ 2	\$ 167
Part 1B	45	33	10	9	11,821
Part 1C	625	700	475	327	2,306
Part 1D	18,140	21,261	19,380	16,104	182,242
Part 1E	2,111	2,265	1,613	1,367	14,396
Part 1F - Section 1	657	124	184	91	226
Part 1F - Section 2	388	409	923	683	1,155
Part 1G	(3)	238	289	93	1,815
Part 1H - Section 1	5,597	6,958	5,349	5,863	104,901
Part 1H - Section 2	2,277	2,797	741	518	5,493
Part 1M	-	36	92	20	7
Part 1N	96	900	157	218	307
Part 1O	935	4,910	1,956	1,709	30,093
Part 1P	52	304	43	125	48
Part 1R - Section 1	2,668	1,570	2,002	1,932	67,452
Part 1R - Section 2	77	26	3	33	497

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (16)	\$ (126)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(156)	(193)	(24)	(2,539)	-	(42)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	(620)	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(125)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(1,129)	-	-	-	-	-	-	-
Special Property	(2)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(28)	-	-	-	-	-	-	-	-
Reinsurance B	(254)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

F. State Transferable and Non-Transferable Tax Credits:

1.	Description of State Transferable <u>and Non-transferable Tax Credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
	Enhanced Capital Tennessee Tax Credit	TN	\$ 4,249,249	\$ 5,325,000

2. These credits are utilized per a set schedule as outlined in the purchase agreement.

3. Not applicable.

4. State Tax Credits Admitted and Nonadmitted:

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	\$ 4,249,249	\$ -
Non-transferable	-	-

G. Subprime Mortgage Related Risk Exposure

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

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

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

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

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

Direct exposure through other investments:

	<u>Actual Cost</u>	<u>Book/Adjusted Carrying Value (excluding interest)</u>	<u>Fair Value</u>	<u>Other Than Temporary Impairment Losses Recognized</u>
Residential mortgage-backed securities:	\$ 10,283,701	\$ 10,253,043	\$ 10,262,098	\$ 22,391

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 15, 2013.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the TRV Pool and/or other reinsurance programs with affiliates and takes credit for reinsurance ceded directly and indirectly to these companies. The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums at December 31, 2012, in connection with reinsurance agreements among affiliated insurers, were as follows:

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

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,526,987,202
Travelers Casualty and Surety Company	06-6033504	9,466,187,253
The Standard Fire Insurance Company	06-6033509	2,364,976,866
The Phoenix Insurance Company	06-0303275	2,321,366,742
United States Fidelity and Guaranty Company	52-0515280	2,048,767,358
Travelers Casualty Insurance Company of America	06-0876835	1,267,360,643
Farmington Casualty Company	06-1067463	687,077,211
The Travelers Indemnity Company of Connecticut	06-0336212	636,622,185
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	636,010,667
The Charter Oak Fire Insurance Company	06-0291290	591,090,536
Northland Insurance Company	41-6009967	566,570,357
St. Paul Surplus Lines Insurance Company	41-1230819	408,532,394
The Travelers Indemnity Company of America	58-6020487	357,521,178
St. Paul Protective Insurance Company	36-2542404	269,326,601
Northfield Insurance Company	41-0983992	241,405,499
Travelers Commercial Casualty Company	95-3634110	218,238,445
Travelers Casualty Company of Connecticut	06-1286266	218,193,421
Travelers Commercial Insurance Company	06-1286268	218,193,421
St. Paul Mercury Insurance Company	41-0881659	186,094,540

NOTES TO FINANCIAL STATEMENTS

Travelers Property Casualty Company of America	36-2719165	173,033,020
Travelers Property Casualty Insurance Company	06-1286274	139,272,400
The Travelers Casualty Company	41-1435765	134,629,975
Travelers Constitution State Insurance Company	41-1435766	134,629,975
TravCo Insurance Company	35-1838077	125,345,151
Travelers Excess and Surplus Lines Company	06-1203698	125,345,151
The Travelers Home and Marine Insurance Company	35-1838079	125,345,151
Travelers Personal Insurance Company	36-3703200	125,345,151
Travelers Personal Security Insurance Company	06-1286264	125,345,151
Discover Specialty Insurance Company	52-1925132	64,993,769
Discover Property & Casualty Insurance Company	36-2999370	64,993,769
Northland Casualty Company	94-6051964	64,993,769
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,424,124
American Equity Specialty Insurance Company	86-0868106	46,424,123
St. Paul Guardian Insurance Company	41-0963301	46,424,123
Total		<u>\$ 35,773,067,321</u>

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

Company	F.E.I.N.	Amount
Travelers Property Casualty Company of America	36-2719165	\$ 10,092,463,471
St. Paul Fire and Marine Insurance Company	41-0406690	5,615,958,379
Travelers Casualty and Surety Company	06-6033504	3,714,513,411
The Travelers Indemnity Company of America	58-6020487	2,862,085,130
United States Fidelity and Guaranty Company	52-0515280	2,615,948,244
The Standard Fire Insurance Company	06-6033509	2,601,876,688
The Charter Oak Fire Insurance Company	06-0291290	2,594,383,614
The Travelers Home and Marine Insurance Company	35-1838079	2,470,945,172
The Travelers Indemnity Company of Connecticut	06-0336212	2,466,911,972
The Phoenix Insurance Company	06-0303275	1,921,440,666
St. Paul Mercury Insurance Company	41-0881659	1,764,333,035
Travelers Casualty Insurance Company of America	06-0876835	1,447,702,985
Farmington Casualty Company	06-1067463	732,064,529
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	695,673,189
Discover Property & Casualty Insurance Company	36-2999370	691,994,436
Northland Insurance Company	41-6009967	551,480,761
St. Paul Surplus Lines Insurance Company	41-1230819	406,123,177
Travelers Commercial Insurance Company	06-1286268	386,590,969
TravCo Insurance Company	35-1838077	320,099,815
Travelers Property Casualty Insurance Company	06-1286274	258,080,706
Northfield Insurance Company	41-0983992	205,410,914
St. Paul Guardian Insurance Company	41-0963301	191,024,574
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	169,552,606
Travelers Excess and Surplus Lines Company	06-1203698	163,327,982
Travelers Personal Security Insurance Company	06-1286264	156,103,753
St. Paul Protective Insurance Company	36-2542404	146,509,049
Travelers Commercial Casualty Company	95-3634110	109,206,782
Travelers Personal Insurance Company	36-3703200	51,569,058
Travelers Casualty Company of Connecticut	06-1286266	51,425,798
Northland Casualty Company	94-6051964	20,093,483
Discover Specialty Insurance Company	52-1925132	14,081,815
Travelers Constitution State Insurance Company	41-1435766	7,985,871
The Travelers Casualty Company	41-1435765	6,686,703
American Equity Specialty Insurance Company	86-0868106	1,592,661
Total		<u>\$ 45,505,241,398</u>

2. Unaffiliated Company Recoverables:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 420,982,192	\$ 64,508,346	\$ 773,293,482	\$ 118,494,047	\$ (352,311,290)	\$ (53,985,701)
All Other	106,853,901	16,373,539	-	-	106,853,901	16,373,539
Total	<u>\$ 527,836,093</u>	<u>\$ 80,881,885</u>	<u>\$ 773,293,482</u>	<u>\$ 118,494,047</u>	<u>\$ (245,457,389)</u>	<u>\$ (37,612,162)</u>

Direct Unearned Premium Reserve \$ 666,439,581

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$3,618,088 at December 31, 2012. This balance represents the Company's 4.84% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 3,255,202	\$ 3,618,088	\$ 3,255,202	\$ 3,618,088
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 3,255,202</u>	<u>\$ 3,618,088</u>	<u>\$ 3,255,202</u>	<u>\$ 3,618,088</u>

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 454,960	\$ 23,490,099
(2) Adjustments - Prior Year(s)	(145,200)	8,588,426
(3) Adjustments - Current Year	-	847,795
(4) Current Total	<u>\$ 309,760</u>	<u>\$ 32,926,320</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 506,026	\$ 20,814,918
(2) Adjustments - Prior Year(s)	-	1,756,602
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 506,026</u>	<u>\$ 22,571,520</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 199,668	\$ 26,714,342
(2) Current Year	517	566,971
(3) Current Total	<u>\$ 200,185</u>	<u>\$ 27,281,313</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 51,066	\$ 2,675,181
(2) Adjustments - Prior Year(s)	145,200	6,831,824
(3) Adjustments - Current Year	-	847,795
(4) Current Year Restricted Surplus	196,266	5,232,638
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 5,122,162</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 309,760	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	619,520
General Reinsurance Corporation (22039)	-	14,520,000
nSpire Re Limited (AA-1784124)	-	3,859,123
Platinum Underwriters Reinsurance Inc. (10357)	-	4,454,258
Various	-	9,473,419
Total	<u>\$ 309,760</u>	<u>\$ 32,926,320</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Past Due
Platinum Underwriters Reinsurance Inc. (10357)	\$ 2,087	\$ -
General Reinsurance Corporation (22039)	8,192	8,192
Various	10,964	1,055
Total	<u>\$ 21,243</u>	<u>\$ 9,247</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
nSpire Re Limited (AA-178412)	\$ -	\$ -	\$ 1,252,873
Various	17,265	11,540	-
Total	<u>\$ 17,265</u>	<u>\$ 11,540</u>	<u>\$ 1,252,873</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

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

Not applicable.

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

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

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

C. See Schedule P - Part 7A.

NOTES TO FINANCIAL STATEMENTS

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 5,613,033
2. Unsecured amount	845,731
3. Less: Nonadmitted amount (10%)	84,573
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	-
5. Admitted amount (1) - (3) - (4)	<u>\$ 5,528,460</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2012 to December 31, 2012, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$38,198,000, resulting from better than expected loss and defense and cost containment (DCC) development primarily in the workers' compensation, special property, other liability – occurrence, reinsurance – liability, homeowners, and automobile physical damage lines, and from lower estimates for adjusting and other expenses, partially offset by loss and DCC deterioration primarily in the commercial automobile liability, products liability – occurrence, and private passenger automobile liability lines.

The improvement in the workers' compensation line was concentrated in accident years 2008 and prior, and reflected better than expected frequency and severity of lifetime medical claims. The improvement in the special property line was driven by better than expected development for catastrophe claims incurred in accident year 2011, and by higher than expected salvage and subrogation recoveries in accident years 2009 through 2011. The improvement in the other liability – occurrence line was concentrated in the excess coverages for accident years 2003 through 2010 and reflected more favorable legal and judicial environments than what the Company previously expected. Also contributing to the improvement was a reallocation of IBNR to products liability – occurrence. This improvement was partially offset by unfavorable development in asbestos and environmental reserves for "Prior" accident years. The improvement in the reinsurance - liability line was driven by a reallocation of IBNR to other liability – claims made line for accident years 2008 through 2011 and by favorable resolutions of claims and disputes from accident years 2004 and prior, partially offset by an increase in projected assumed asbestos liability payments. The improvement in the homeowners line was driven by better than expected development for catastrophe claims incurred in accident year 2011 and non-catastrophe claims incurred in accident years 2010 and 2011. The improvement in the automobile physical damage line was driven by better than expected development for weather-related claims in accident year 2011. Lastly, the improvement in adjusting and other expense reserves was driven by improvement in the underlying loss and DCC reserves and by the allocation of adjusting and other expense reserves by year as disclosed in the Schedule P Interrogatories of the Company.

The deterioration in the commercial automobile liability line was driven by higher than expected bodily injury severity for accident years 2010 and 2011. The deterioration in the products liability – occurrence line was primarily caused by unfavorable development in asbestos reserves and by a reallocation of IBNR from the other liability – occurrence line. Lastly, the deterioration in the private passenger automobile liability line was driven by higher than expected bodily injury severity for accident year 2011.

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

26. INTERCOMPANY POOLING ARRANGEMENTS

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

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

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

NOTES TO FINANCIAL STATEMENTS

Northland Casualty Company	24031	0.14
American Equity Specialty Insurance Company	10819	0.10
Fidelity and Guaranty Insurance Underwriters, Inc.	25879	0.10
St. Paul Guardian Insurance Company	24775	0.10

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

As of December 31, 2012 the Company had \$9,296,658 payable to affiliates as a result of its intercompany reinsurance transactions which settled in January 2013.

27. STRUCTURED SETTLEMENTS

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims. In the event that the life insurance company fails to make the required annuity payments, the Company would be required to make such payments if and to the extent not paid by state guaranty associations.

The following data represents the Company's proportionate share of structured settlement annuities purchased by members of the TRV Pool (see Note 26):

A. <u>Loss Reserves Eliminated by Annuities</u>		<u>Unrecorded Loss Contingencies</u>
\$152,811,716		\$152,811,716
B. <u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$45,254,117
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	18,788,521
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	11,893,724
Symetra Life Insurance Company, Bellevue, WA	Yes	11,380,799
Genworth Life Insurance Company, Richmond, VA	Yes	9,375,244
All other companies		56,119,311

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

1. Liability carried for premium deficiency reserves	\$	0
2. Date of the most recent evaluation of this liability	December 31, 2012	
3. Was anticipated investment income utilized in the calculation?		Yes

31. HIGH DEDUCTIBLES

At December 31, 2012 the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$330,545,959 and the amount billed and outstanding on paid claims was \$2,669,027. These amounts represent the Company's proportionate share of the TRV Pool (see Note 26).

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

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

Non-Fatal Cases:	United States Life Tables Total Population 1969-71 – MI
	United States Life Tables Total Population 1979-81 – TX
	United States Life Tables Total Population 1999 – FL, NJ & NY
	United States Life Tables Total Male or Total Female 1989-91 – CA
	United States Life Tables Total Male or Total Female 2006 – MA
	United States Life Tables Total Male or Total Female 2000 – MN
	United States Life Tables Total Male or Total Female 1999 – all other states
Fatal Cases:	United States Life Tables Total Female 1969-71 – MI *
	United States Life Tables Total Female 1979-81 – TX *
	United States Life Tables Total Female 1989-91 – CA *
	United States Life Tables Total Female 2006 – MA *
	* and the 1979 NCCI Remarriage Table
	New York Mandated Mortality & Remarriage Table – NY
	United States Life Tables Total Female 2000 – MN **
	United States Life Tables Total Female 1999 – all other states **
	** and the Railroad Retirement Board Remarriage Table

Other liability reserves related to annuity obligations from structured settlements are discounted using a discount rate of 5% and reflect the 1983 Individual Annuity Mortality table adjusted for impairment and future mortality improvement.

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

NOTES TO FINANCIAL STATEMENTS

The December 31, 2012 liabilities of the Company included \$78,947,463 and \$6,049,729 of such discounted liabilities related to workers' compensation and other liability-occurrence reserves, respectively. The amount of discount for case and IBNR reserves at December 31, 2012 is as follows:

Tabular Discount

	<u>Schedule P Lines of Business</u>	<u>Tabular Discount Included in Schedule P, Part 1*</u>	
		<u>Case</u>	<u>IBNR</u>
1.	Workers' Compensation	\$17,824,849	\$21,598,719
2.	Other Liability-Occurrence	<u>680,456</u>	<u>6,613,647</u>
3.	Total	<u>\$18,505,305</u>	<u>\$28,212,366</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 4.84%.

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

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

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

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

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

In December 2008, the Company's affiliate, St. Paul Fire and Marine Insurance Company (Fire and Marine) sold Unionamerica. In conjunction with the sale Fire and Marine commuted its assumed intercompany reinsurance agreements with Unionamerica subsidiaries. As a result of these commutations and their impact on the TRV Pool, the Company's 2008 asbestos assumed calendar year paid losses increased by \$9,583,200 and the Company's 2008 asbestos assumed incurred losses decreased by \$1,645,600.

1. <u>Direct Basis - Asbestos:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 182,461,000	\$ 150,171,000	\$ 140,929,000	\$ 132,488,000	\$ 123,681,000
b. Incurred losses and LAE:	3,035,000	7,745,000	10,018,000	6,776,000	6,210,000
c. Calendar year payments for losses and LAE:	<u>35,325,000</u>	<u>16,987,000</u>	<u>18,459,000</u>	<u>15,583,000</u>	<u>11,163,000</u>
d. Ending reserves:	<u>\$ 150,171,000</u>	<u>\$ 140,929,000</u>	<u>\$ 132,488,000</u>	<u>\$ 123,681,000</u>	<u>\$ 118,728,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 23,078,000	\$ 9,403,000	\$ 8,831,000	\$ 9,763,000	\$ 10,790,000
b. Incurred losses and LAE:	(1,270,000)	1,210,000	2,662,000	2,662,000	1,583,000
c. Calendar year payments for losses and LAE:	<u>12,405,000</u>	<u>1,782,000</u>	<u>1,730,000</u>	<u>1,635,000</u>	<u>1,495,000</u>
d. Ending reserves:	<u>\$ 9,403,000</u>	<u>\$ 8,831,000</u>	<u>\$ 9,763,000</u>	<u>\$ 10,790,000</u>	<u>\$ 10,878,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 180,599,000	\$ 140,927,000	\$ 133,364,000	\$ 123,215,000	\$ 117,958,000
b. Incurred losses and LAE:	1,766,000	8,954,000	6,776,000	8,470,000	7,986,000
c. Calendar year payments for losses and LAE:	<u>41,438,000</u>	<u>16,517,000</u>	<u>16,925,000</u>	<u>13,727,000</u>	<u>11,419,000</u>
d. Ending reserves:	<u>\$ 140,927,000</u>	<u>\$ 133,364,000</u>	<u>\$ 123,215,000</u>	<u>\$ 117,958,000</u>	<u>\$ 114,525,000</u>

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

NOTES TO FINANCIAL STATEMENTS**B. Ending loss and LAE reserves for unreported claims included in Part A above:**

1. Direct Basis:	\$ 99,117,000
2. Assumed Reinsurance Basis:	\$ 4,943,000
3. Net of Ceded Reinsurance Basis:	\$ 93,404,000

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

1. Direct Basis:	\$ 31,939,000
2. Assumed Reinsurance Basis:	\$ 126,000
3. Net of Ceded Reinsurance Basis	\$ 30,176,000

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

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

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

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of the alleged environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. Conventional actuarial techniques are not used to estimate these reserves.

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

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

As a result of the commutations described above and their impact on the TRV Pool, the Company's 2008 environmental assumed calendar year paid losses increased by \$1,355,200 and the Company's 2008 environmental assumed incurred losses decreased by \$242,000.

1. <u>Direct Basis - Environmental:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 17,435,000	\$ 16,249,000	\$ 16,106,000	\$ 14,586,000	\$ 14,007,000
b. Incurred losses and LAE:	4,106,000	4,065,000	1,927,000	3,194,000	3,831,000
c. Calendar year payments for losses and LAE:	<u>5,292,000</u>	<u>4,208,000</u>	<u>3,447,000</u>	<u>3,773,000</u>	<u>4,113,000</u>
d. Ending reserves:	<u>\$ 16,249,000</u>	<u>\$ 16,106,000</u>	<u>\$ 14,586,000</u>	<u>\$ 14,007,000</u>	<u>\$ 13,725,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 5,297,000	\$ 3,090,000	\$ 2,727,000	\$ 2,549,000	\$ 2,771,000
b. Incurred losses and LAE:	(218,000)	48,000	252,000	678,000	961,000
c. Calendar year payments for losses and LAE:	<u>1,989,000</u>	<u>411,000</u>	<u>430,000</u>	<u>456,000</u>	<u>396,000</u>
d. Ending reserves:	<u>\$ 3,090,000</u>	<u>\$ 2,727,000</u>	<u>\$ 2,549,000</u>	<u>\$ 2,771,000</u>	<u>\$ 3,336,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 23,712,000	\$ 20,025,000	\$ 19,027,000	\$ 16,965,000	\$ 16,521,000
b. Incurred losses and LAE:	3,886,000	3,388,000	1,694,000	3,679,000	4,356,000
c. Calendar year payments for losses and LAE:	<u>7,573,000</u>	<u>4,386,000</u>	<u>3,756,000</u>	<u>4,123,000</u>	<u>4,061,000</u>
d. Ending reserves:	<u>\$ 20,025,000</u>	<u>\$ 19,027,000</u>	<u>\$ 16,965,000</u>	<u>\$ 16,521,000</u>	<u>\$ 16,816,000</u>

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

1. Direct Basis:	\$ 13,516,000
2. Assumed Reinsurance Basis:	\$ 2,225,000
3. Net of Ceded Reinsurance Basis	\$ 15,668,000

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

1. Direct Basis:	\$ 3,310,000
2. Assumed Reinsurance Basis:	\$ 8,000
3. Net of Ceded Reinsurance Basis	\$ 3,230,000

As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2012 are appropriately established based upon known facts, current law and management's

NOTES TO FINANCIAL STATEMENTS

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

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

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 2012 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2012, 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 CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	THE PHOENIX INSURANCE COMPANY	06-0303275
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	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 CASUALTY COMPANY	41-1435765
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE TRAVELERS INDEMNITY COMPANY	06-0566050
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
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 CASUALTY AND SURETY COMPANY	06-6033504
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS MGA, INC.	75-2676034
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	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 RETAIL ASSOCIATES GP, INC.	52-1704255
TCI GLOBAL SERVICES, INC.	52-1965525	YONKERS FINANCING CORPORATION	20-3033027
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755		

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Connecticut
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/14/2011
- 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 [X] No []
- 4.12 renewals? Yes [X] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [X] No []
- 4.22 renewals? Yes [X] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information: _____

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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 FDIC	6 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

Annual Statement for the year 2012 of **THE STANDARD FIRE INSURANCE COMPANY**
GENERAL INTERROGATORIES

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
 12.11 Name of real estate holding company
 Standard Fire Properties, LLC
 Oregon Evergreen Investors 1, LLC
 12.12 Number of parcels involved38
 12.13 Total book/adjusted carrying value \$.28,778,436

12.2 If yes, provide explanation.
 Standard Fire Properties, LLC - Holds ground leases
 Oregon Evergreen Investors 1, LLC - Owns 75% of Lone Rock Timber, LLC which owns timber land

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 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

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
 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 [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 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 24.03)? Yes [X] No []
 24.02 If no, give full and complete information relating thereto.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
This company is a party to a security lending agreement. See Note 17.

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....5,011,480
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....5,011,480
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....5,011,480
- 24.103 Total payable for securities lending reported on the liability page. \$.....5,011,480
- 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 24.03) Yes No
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....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 \$.....164,662,272
- 25.29 Other \$.....1,319,233

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	270 Park Avenue, New York, NY 10017-2070

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	2,283,673,189	2,451,961,697	168,288,508
30.2 Preferred stocks.....	579,975	579,975	0
30.3 Totals.....	2,284,253,164	2,452,541,672	168,288,508

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....2,531,870
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC.	1,015,548

- 34.1 Amount of payments for legal expenses, if any? \$.....3,786,527
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	0

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....169,300
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
US CHAMBER OF COMMERCE - INSTITUTE FOR LEGAL REFORM	55,660

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$.....0
- 1.62 Total incurred claims \$.....0
- 1.63 Number of covered lives0
- All years prior to most current three years:
- 1.64 Total premium earned \$.....0
- 1.65 Total incurred claims \$.....0
- 1.66 Number of covered lives0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$.....0
- 1.72 Total incurred claims \$.....0
- 1.73 Number of covered lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$.....0
- 1.75 Total incurred claims \$.....0
- 1.76 Number of covered lives0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....938,790,917	\$.....918,550,852
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....2,246,928,243	\$.....2,232,523,018
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 \$.....15,211,981
- 3.22 Non-participating policies \$.....931,504,989
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's risk management practices include active monitoring of insured employee local-based concentrations. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages periodically and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

The Company uses various analyses and methods, including proprietary and third party computer modeling processes, to analyze catastrophic events and the associated risks to arrive at loss estimates. The Company uses these analyses and methods to make underwriting and reinsurance decisions designed to manage its exposure to catastrophic events. The Company's hurricane loss estimates reflect U.S. exposures and include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The Company's loss estimates are based on the Company's catastrophe risk model estimates and include loss from the hurricane hazards of wind and storm surge. The Company's loss estimates for earthquakes reflect U.S. and Canadian exposures and include property exposures and workers' compensation exposures. The Company's loss estimates for terrorism reflect U.S. exposures and include property exposures. The Company also develops conventional attack loss estimates for combined property and workers' compensation exposures for comparison and adherence with aggregate enterprise guidelines. To best assess risk, the Company conducts site engineering analyses on buildings with large exposures. Property exposures are analyzed to determine locations of concentration. Spanning the U.S., this includes California, Florida, New Madrid, the Northeast, the Gulf States, and the Mid-Atlantic States.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.15
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes No
- 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:
-
- 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 affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?
- Yes No
- 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 31 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 \$.....4,573,707
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....807,125
- 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: \$.....4,535,102
- 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 From0.0 %
 - 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes No
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....281,923,149
 - 12.62 Collateral and other funds \$.....77,119,904

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....1,681,900
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.3

- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Company's Reinsurance Allocation Agreement and Pooling Agreement.

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information:

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

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

* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [] No [X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

- Provide the following information for this exemption:
- 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
- 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
- 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
- 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
- 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
- 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
- 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
- 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0

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

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	947,523,776	960,031,358	913,108,138	871,537,793	860,835,393
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	681,514,991	682,257,197	675,627,373	666,972,750	668,264,255
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	945,914,871	973,384,642	1,010,171,308	1,048,986,115	1,114,150,365
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,769,152	4,576,976	4,807,210	4,604,341	4,170,322
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,558,324	2,375,305	942,825	1,184,366	(3,134,712)
6. Total (Line 35).....	2,581,281,114	2,622,625,477	2,604,656,854	2,593,285,365	2,644,285,623
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	450,004,159	430,989,242	411,200,480	407,452,731	414,045,986
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	160,531,839	160,827,913	162,883,719	163,767,456	169,003,386
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	329,853,886	328,128,452	315,235,138	300,409,031	293,920,890
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,768,762	4,575,236	4,805,920	4,603,201	4,169,056
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,558,324	2,375,305	942,825	1,184,366	(3,134,712)
12. Total (Line 35).....	946,716,970	926,896,147	895,068,082	877,416,785	878,004,607
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	934,015	(79,104,325)	51,290,085	84,832,336	63,848,273
14. Net investment gain (loss) (Line 11).....	143,152,532	168,983,524	215,646,443	201,750,773	204,895,091
15. Total other income (Line 15).....	8,770,343	(519,727)	211,899	(538,742)	4,613,486
16. Dividends to policyholders (Line 17).....	1,947,733	1,686,690	1,160,698	846,076	1,062,354
17. Federal and foreign income taxes incurred (Line 19).....	20,210,770	(6,959,019)	30,168,588	48,104,747	54,498,822
18. Net income (Line 20).....	130,698,386	94,631,801	235,819,142	237,093,544	217,795,674
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,440,165,126	3,374,009,131	3,522,928,723	3,762,950,429	3,653,337,339
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	50,406,074	46,137,220	45,281,218	44,450,368	41,993,167
20.2 Deferred and not yet due (Line 15.2).....	193,030,546	183,955,000	177,196,220	173,058,077	188,013,793
20.3 Accrued retrospective premiums (Line 15.3).....	5,528,460	9,011,034	9,459,166	23,400,457	15,575,371
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,382,408,789	2,364,142,888	2,330,114,002	2,386,987,427	2,346,058,799
22. Losses (Page 3, Line 1).....	1,448,840,779	1,440,340,979	1,401,843,830	1,429,569,652	1,462,794,172
23. Loss adjustment expenses (Page 3, Line 3).....	314,961,683	323,211,632	324,969,050	335,652,765	334,999,344
24. Unearned premiums (Page 3, Line 9).....	420,982,192	412,603,803	400,141,046	387,724,230	392,394,217
25. Capital paid up (Page 3, Lines 30 & 31).....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	1,057,756,337	1,009,866,243	1,192,814,721	1,375,963,003	1,307,278,540
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	167,097,218	127,206,375	188,274,635	225,672,319	207,494,490
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,057,756,337	1,009,866,243	1,192,814,721	1,375,963,003	1,307,278,540
29. Authorized control level risk-based capital.....	214,152,432	210,728,506	211,308,930	220,652,758	220,262,313
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	76.5	76.1	78.2	77.6	77.4
31. Stocks (Lines 2.1 & 2.2).....	16.4	16.1	17.0	17.0	16.4
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).....	0.1	0.1	0.1	0.1	0.1
34. Cash, cash equivalents and short-term investments (Line 5).....	0.3	0.6	1.1	1.7	2.1
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	XXX	XXX
37. Other invested assets (Line 8).....	6.5	6.7	3.4	3.6	4.0
38. Receivable for securities (Line 9).....	0.0	0.2	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.2	0.2	0.2	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	485,962,096	466,811,433	520,538,367	559,529,422	534,655,485
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	30,058,906	29,276,077	4,560,123	685,503	544,730
48. Total of above lines 42 to 47.....	516,021,002	496,087,510	525,098,490	560,214,925	535,200,215
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. 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).....	48.8	49.1	44.0	40.7	40.9

THE STANDARD FIRE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	34,777,344	(44,030,754)	7,121,695	27,481,253	(65,023,975)
52. Dividends to stockholders (Line 35).....	(99,000,000)	(235,000,000)	(422,000,000)	(217,000,000)	(275,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	47,890,094	(182,948,478)	(183,148,282)	68,684,463	(114,800,599)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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).....	565,302,753	534,169,662	501,233,678	453,803,819	451,795,043
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	518,597,321	422,611,522	316,231,054	386,425,659	336,573,758
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	550,360,840	760,829,158	553,431,133	540,970,786	573,521,035
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,136,294	3,279,307	3,042,234	3,650,400	3,162,503
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,870,433	3,009,837	5,426,567	4,549,435	22,851,471
59. Total (Line 35).....	1,639,267,642	1,723,899,486	1,379,364,666	1,389,400,098	1,387,903,810
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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).....	244,565,773	225,100,190	223,129,667	204,951,622	216,077,687
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	94,866,810	101,399,503	85,208,025	84,979,460	83,420,343
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	183,794,909	224,791,851	154,833,001	140,153,037	137,822,939
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,136,294	3,279,307	3,042,234	3,650,400	3,162,503
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,870,433	3,009,837	5,426,567	4,549,435	22,851,471
65. Total (Line 35).....	528,234,219	557,580,689	471,639,494	438,283,954	463,334,942
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	57.2	64.9	50.4	46.1	48.3
68. Loss expenses incurred (Line 3).....	11.2	12.0	11.6	12.2	13.2
69. Other underwriting expenses incurred (Line 4).....	31.5	31.7	32.1	32.0	31.2
70. Net underwriting gain (loss) (Line 8).....	0.1	(8.6)	5.8	9.7	7.3
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.4	31.5	31.6	32.1	30.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	68.4	76.9	62.0	58.3	61.5
73. 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).....	89.5	91.8	75.0	63.8	67.2
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(28,150)	(15,347)	(45,192)	(51,964)	(66,938)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.8)	(1.3)	(3.3)	(4.0)	(4.7)
Two Year Loss Development (000 omitted)					
76. 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).....	(50,922)	(79,807)	(93,928)	(122,852)	(83,167)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(4.3)	(5.8)	(7.2)	(8.6)	(6.5)

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.....	.....39,641	.....14,793	.....13,422	.....1,108	.....6,134	.....117	.....599	.....43,179	.....XXX.....
2. 2003.....	.....996,575	.....194,477	.....802,097	.....454,718	.....73,020	.....51,287	.....7,041	.....30,189	.....2,865	.....18,181	.....453,268	.....XXX.....
3. 2004.....	.....1,002,875	.....170,258	.....832,616	.....421,387	.....72,541	.....42,581	.....5,514	.....32,963	.....3,038	.....18,729	.....415,838	.....XXX.....
4. 2005.....	.....965,302	.....141,667	.....823,635	.....479,272	.....128,627	.....39,532	.....5,919	.....33,848	.....2,187	.....16,812	.....415,919	.....XXX.....
5. 2006.....	.....951,404	.....119,120	.....832,284	.....359,766	.....45,694	.....34,339	.....3,416	.....37,861	.....1,164	.....17,686	.....381,692	.....XXX.....
6. 2007.....	.....964,804	.....100,256	.....864,548	.....375,268	.....36,832	.....34,954	.....2,742	.....40,770	.....917	.....20,680	.....410,501	.....XXX.....
7. 2008.....	.....970,469	.....97,760	.....872,710	.....460,909	.....47,640	.....35,610	.....2,656	.....47,510	.....708	.....21,417	.....493,025	.....XXX.....
8. 2009.....	.....957,037	.....78,351	.....878,687	.....392,669	.....24,118	.....29,748	.....1,651	.....45,976	.....515	.....18,292	.....442,108	.....XXX.....
9. 2010.....	.....951,489	.....70,655	.....880,833	.....402,464	.....22,440	.....26,069	.....1,287	.....46,647	.....424	.....19,420	.....451,029	.....XXX.....
10. 2011.....	.....987,398	.....68,848	.....918,551	.....454,053	.....29,662	.....20,027	.....1,382	.....47,452	.....428	.....20,307	.....490,059	.....XXX.....
11. 2012.....	.....1,014,604	.....75,813	.....938,791	.....257,689	.....13,357	.....8,161	.....309	.....40,156	.....512	.....12,217	.....291,828	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....4,097,835	.....508,724	.....335,729	.....33,024	.....409,505	.....12,875	.....184,340	.....4,288,446	.....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.....	.....338,697	.....106,419	.....278,635	.....49,786	.....32,421	.....6,272	.....53,166	.....3,941	.....33,871	.....16	.....1,305	.....570,357	.....XXX.....
2. 2003.....	.....19,332	.....3,610	.....21,614	.....6,132	.....1,850	.....196	.....4,318	.....928	.....3,510	.....18	.....1,280	.....39,740	.....XXX.....
3. 2004.....	.....18,811	.....5,497	.....17,108	.....4,092	.....1,384	.....192	.....3,752	.....541	.....1,421	.....4	.....591	.....32,150	.....XXX.....
4. 2005.....	.....17,358	.....5,481	.....26,663	.....7,392	.....1,744	.....290	.....3,951	.....725	.....995	.....12	.....765	.....36,810	.....XXX.....
5. 2006.....	.....23,274	.....6,255	.....32,119	.....5,974	.....2,139	.....351	.....4,946	.....610	.....1,629	.....(0)	.....1,132	.....50,917	.....XXX.....
6. 2007.....	.....22,887	.....3,876	.....35,536	.....5,539	.....2,718	.....166	.....6,451	.....592	.....1,482	.....(5)	.....1,592	.....58,906	.....XXX.....
7. 2008.....	.....36,404	.....4,424	.....42,194	.....5,667	.....4,097	.....292	.....10,206	.....727	.....3,261	.....(1)	.....3,585	.....85,052	.....XXX.....
8. 2009.....	.....47,553	.....7,123	.....55,172	.....7,816	.....5,536	.....298	.....12,113	.....951	.....3,265	.....3	.....4,780	.....107,450	.....XXX.....
9. 2010.....	.....71,352	.....5,668	.....73,447	.....6,534	.....8,661	.....391	.....16,269	.....1,032	.....5,190	.....17	.....6,980	.....161,276	.....XXX.....
10. 2011.....	.....101,798	.....9,347	.....114,537	.....8,447	.....9,603	.....408	.....23,809	.....1,045	.....7,733	.....39	.....11,034	.....238,193	.....XXX.....
11. 2012.....	.....167,450	.....39,674	.....210,335	.....18,678	.....9,808	.....441	.....36,554	.....1,129	.....18,702	.....(24)	.....19,283	.....382,951	.....XXX.....
12. Totals.....	.....864,915	.....197,375	.....907,359	.....126,059	.....79,961	.....9,297	.....175,536	.....12,221	.....81,061	.....79	.....52,327	.....1,763,802	.....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.....	.....461,127	.....109,230
2. 2003.	.....586,817	.....93,809	.....493,008	.....58.9	.....48.2	.....61.5	.....0	.....0	.....4.84	.....31,203	.....8,537
3. 2004.	.....539,407	.....91,419	.....447,988	.....53.8	.....53.7	.....53.8	.....0	.....0	.....4.84	.....26,330	.....5,820
4. 2005.	.....603,363	.....150,633	.....452,730	.....62.5	.....106.3	.....55.0	.....0	.....0	.....4.84	.....31,148	.....5,662
5. 2006.	.....496,073	.....63,464	.....432,609	.....52.1	.....53.3	.....52.0	.....0	.....0	.....4.84	.....43,163	.....7,754
6. 2007.	.....520,066	.....50,659	.....469,407	.....53.9	.....50.5	.....54.3	.....0	.....0	.....4.84	.....49,008	.....9,898
7. 2008.	.....640,192	.....62,115	.....578,077	.....66.0	.....63.5	.....66.2	.....0	.....0	.....4.84	.....68,506	.....16,546
8. 2009.	.....592,032	.....42,473	.....549,559	.....61.9	.....54.2	.....62.5	.....0	.....0	.....4.84	.....87,787	.....19,664
9. 2010.	.....650,098	.....37,794	.....612,304	.....68.3	.....53.5	.....69.5	.....0	.....0	.....4.84	.....132,596	.....28,680
10. 2011.	.....779,010	.....50,759	.....728,252	.....78.9	.....73.7	.....79.3	.....0	.....0	.....4.84	.....198,540	.....39,653
11. 2012.	.....748,855	.....74,076	.....674,779	.....73.8	.....97.7	.....71.9	.....0	.....0	.....4.84	.....319,432	.....63,519
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,448,841	.....314,962

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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior.....	1,243,649	1,381,424	1,453,569	1,498,619	1,511,642	1,530,884	1,525,796	1,516,400	1,522,548	1,521,792	(756)	5,392
2. 2003.....	495,187	469,642	480,603	478,975	481,730	482,917	473,677	468,945	466,954	463,769	(3,185)	(5,176)
3. 2004.....	XXX	542,139	491,959	470,833	458,140	442,135	435,025	427,096	422,147	418,343	(3,804)	(8,753)
4. 2005.....	XXX	XXX	550,809	505,608	488,485	455,072	441,647	431,018	426,341	421,705	(4,637)	(9,313)
5. 2006.....	XXX	XXX	XXX	460,613	445,500	421,013	411,954	405,274	400,119	396,262	(3,857)	(9,012)
6. 2007.....	XXX	XXX	XXX	XXX	474,437	461,815	448,983	448,845	437,432	429,903	(7,530)	(18,943)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	545,416	550,209	547,745	535,887	529,932	(5,954)	(17,813)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	510,685	507,459	506,739	502,773	(3,965)	(4,686)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	545,631	564,899	563,013	(1,885)	17,382
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	668,525	675,950	7,426	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	619,066	XXX	XXX
12. Totals.....											(28,150)	(50,922)

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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior.....	000	224,863	420,031	562,968	667,645	772,595	828,318	880,421	921,155	958,317	XXX	XXX
2. 2003.....	143,765	246,746	313,342	352,687	383,017	400,021	409,955	416,881	422,557	425,944	XXX	XXX
3. 2004.....	XXX	143,587	244,978	294,284	331,243	352,994	367,513	376,929	382,494	385,913	XXX	XXX
4. 2005.....	XXX	XXX	153,528	266,196	309,997	340,691	360,343	373,965	380,252	384,258	XXX	XXX
5. 2006.....	XXX	XXX	XXX	147,100	227,890	271,111	302,361	326,043	336,923	344,995	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	160,066	249,875	299,759	334,886	357,653	370,648	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	209,694	319,937	379,447	418,968	446,224	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	196,421	303,951	359,241	396,648	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	221,109	342,260	404,806	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	306,013	443,035	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	252,184	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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior.....	619,091	566,098	514,863	485,555	453,120	411,580	380,512	341,306	312,135	291,131
2. 2003.....	247,013	122,716	83,796	58,814	48,932	46,357	34,769	27,641	24,586	19,690
3. 2004.....	XXX	290,574	157,833	102,930	72,690	51,207	38,566	28,465	22,386	17,158
4. 2005.....	XXX	XXX	253,510	157,606	119,575	72,118	52,122	36,086	30,462	23,678
5. 2006.....	XXX	XXX	XXX	216,240	143,252	93,342	67,028	49,788	38,841	31,856
6. 2007.....	XXX	XXX	XXX	XXX	208,900	131,270	90,067	69,798	50,254	37,365
7. 2008.....	XXX	XXX	XXX	XXX	XXX	219,287	135,326	96,794	63,870	47,405
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	207,127	120,161	86,251	60,185
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	201,400	127,375	83,867
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	221,291	130,896
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	229,600

THE STANDARD FIRE INSURANCE COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	16,293,820	16,341,386	3,594	8,987,432	8,476,571	11,164,726	112,591	0
2. Alaska.....AK	L	37,019	31,104	0	9,740	1,722	503,166	0	0
3. Arizona.....AZ	L	14,668,086	15,754,460	0	6,646,563	7,680,135	14,405,023	44,940	0
4. Arkansas.....AR	L	7,969,240	8,576,033	1,154	4,703,290	4,303,109	8,298,650	40,517	0
5. California.....CA	L	222,352,079	224,035,698	0	131,902,959	137,706,567	111,472,747	2,847,889	0
6. Colorado.....CO	L	29,748,480	29,533,751	0	24,403,420	22,920,006	11,982,837	87,543	0
7. Connecticut.....CT	L	86,351,941	89,914,281	24,008	44,964,457	66,144,248	91,971,897	696,203	0
8. Delaware.....DE	L	6,689,771	6,686,603	23	3,821,950	2,922,452	6,530,352	33,025	0
9. District of Columbia.....DC	L	22,109,917	22,884,559	0	9,173,315	7,787,467	10,307,323	171,178	0
10. Florida.....FL	L	31,903,158	32,501,285	0	8,304,623	3,193,970	29,772,154	4,366	0
11. Georgia.....GA	L	29,709,498	30,528,952	90	13,770,214	13,628,261	14,026,621	268,618	0
12. Hawaii.....HI	L	307,441	351,139	0	123,231	86,566	2,058,318	245	0
13. Idaho.....ID	L	940,482	963,140	0	745,181	884,151	564,773	4,597	0
14. Illinois.....IL	L	20,795,686	21,124,119	10,721	10,344,008	12,670,187	20,956,233	95,744	0
15. Indiana.....IN	L	19,053,878	19,434,480	932	12,137,373	12,987,855	8,869,595	94,198	0
16. Iowa.....IA	L	4,056,353	3,974,333	7,545	1,380,940	1,767,802	2,841,334	13,134	0
17. Kansas.....KS	L	8,251,884	9,077,006	0	6,161,154	5,143,444	8,594,102	21,579	0
18. Kentucky.....KY	L	17,019,364	16,626,681	0	12,737,279	12,041,790	7,218,397	73,533	0
19. Louisiana.....LA	L	35,038,391	35,734,181	0	18,370,790	19,345,804	53,251,183	145,282	0
20. Maine.....ME	L	8,763,320	9,863,615	0	2,249,869	2,274,494	13,513,580	70,425	0
21. Maryland.....MD	L	143,111,487	143,492,471	78,712	83,355,690	79,005,800	52,216,561	622,455	0
22. Massachusetts.....MA	L	55,307,746	55,159,031	0	16,919,845	15,841,181	14,947,612	275,463	0
23. Michigan.....MI	L	6,933,746	7,912,225	5,251	5,304,004	3,783,767	54,522,662	15,564	0
24. Minnesota.....MN	L	18,423,994	19,679,922	637	8,651,948	10,837,380	27,816,449	48,427	0
25. Mississippi.....MS	L	4,859,218	4,958,949	781	2,328,938	2,423,651	4,625,055	25,717	0
26. Missouri.....MO	L	29,697,761	30,964,294	0	21,743,107	17,123,787	16,890,657	129,770	0
27. Montana.....MT	L	1,840,937	1,830,958	0	1,071,299	697,090	2,302,084	10,843	0
28. Nebraska.....NE	L	3,806,612	3,957,067	0	1,063,276	461,082	1,785,810	10,832	0
29. Nevada.....NV	L	2,143,884	2,233,656	0	624,203	570,047	859,295	11,673	0
30. New Hampshire.....NH	L	6,778,332	7,031,069	0	1,795,879	2,686,475	2,769,619	51,149	0
31. New Jersey.....NJ	L	17,368,944	16,903,782	0	39,335,451	160,135,671	155,979,310	41,550	0
32. New Mexico.....NM	L	10,139,921	10,379,280	6,535	5,255,278	5,499,268	12,336,069	34,838	0
33. New York.....NY	L	53,977,024	52,493,229	0	159,216,131	633,611,714	549,119,397	214,782	0
34. North Carolina.....NC	L	93,348,134	96,350,000	19,475	58,071,120	58,753,560	44,108,193	1,067,898	0
35. North Dakota.....ND	L	289,850	303,059	0	149,173	409,457	456,657	1,718	0
36. Ohio.....OH	L	28,702,994	29,441,972	0	14,356,938	13,110,607	7,897,301	222,585	0
37. Oklahoma.....OK	L	19,567,744	21,496,249	0	12,636,363	23,062,299	23,488,022	14,267	0
38. Oregon.....OR	L	2,479,639	2,485,143	0	1,536,969	(1,073,573)	7,568,587	14,525	0
39. Pennsylvania.....PA	L	34,137,590	33,082,133	0	34,190,218	6,384,920	37,112,084	274,583	0
40. Rhode Island.....RI	L	11,889,054	12,474,675	1,242	4,577,571	10,381,354	10,808,303	92,209	0
41. South Carolina.....SC	L	54,032,212	56,215,675	0	24,139,334	22,687,755	19,547,338	564,034	0
42. South Dakota.....SD	L	968,762	713,424	0	210,902	330,971	818,309	2,360	0
43. Tennessee.....TN	L	47,393,027	48,003,109	0	56,675,478	53,368,037	11,509,108	293,776	0
44. Texas.....TX	L	45,080,845	48,201,712	2,635	18,878,283	20,678,876	56,338,883	142,166	0
45. Utah.....UT	L	5,730,497	5,864,272	976	2,651,520	3,471,946	5,666,541	21,141	0
46. Vermont.....VT	L	4,815,944	4,919,906	568	2,961,386	2,137,676	2,318,795	35,422	0
47. Virginia.....VA	L	61,002,926	60,178,775	6,311	27,964,352	26,042,161	20,354,024	310,622	0
48. Washington.....WA	L	8,111,771	8,494,715	0	3,126,403	2,338,909	2,868,234	54,470	0
49. West Virginia.....WV	L	6,227,258	4,879,594	0	795,864	1,395,625	1,990,312	7,037	0
50. Wisconsin.....WI	L	10,254,649	10,682,862	0	5,410,195	3,631,047	8,319,854	81,065	0
51. Wyoming.....WY	L	441,735	464,982	0	116,511	137,013	172,576	2,045	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	L	29,695	35,485	0	0	0	0	0	0
55. US Virgin Islands.....VI	L	435,769	420,475	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a) 53		1,371,389,510	1,395,640,956	171,189	936,051,417	1,521,892,152	1,585,816,709	9,520,591	0

DETAILS OF WRITE-INS

58001.....XXX	0	0	0	0	0	0	0	0	0
58002.....XXX	0	0	0	0	0	0	0	0	0
58003.....XXX	0	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	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
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... Camperdown Corporation	Delaware	41-1762781
... .. Travelers Constitution State 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	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... Travelers Syndicate Management Limited	United Kingdom	
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... St. Paul Surety Europe Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... Travelers London Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... .. Solicitors Professional Indemnity Limited (49%)	United Kingdom	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... St. Paul London Properties, Inc.	Minnesota	41-1880024
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... Travelers Management Limited	United Kingdom	
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... .. Travelers Professional Risks Limited	United Kingdom	
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... .. Constitution Plaza, Inc.	Connecticut	06-0566030
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. USF&G Capital I	Delaware	52-1953822	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. USF&G Capital III	Delaware	52-2044075	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. UA Combined Investment Company Limited (67%)	United Kingdom		... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Jago Dedicated Limited (88.9%)	United Kingdom		... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. Jago Capital Limited	United Kingdom		... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. Jago Dedicated Limited (11.1%)	United Kingdom		... .. TPC Investments Inc.	Connecticut	06-1534005
... .. MFCM Limited	United Kingdom		... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. Travelers Special Services Limited	United Kingdom		... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Travelers Insurance Company of Canada *	Canada	
... .. Castle Pines Fidelity Realty, Inc.	Maryland	52-1735211	... .. Coronation Insurance Company, Ltd. *	Canada	
... .. Castle Pines Fidelity Associates Limited Partnership (1%)	Maryland	52-1735213	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. Fidelity Castle Pines Limited Partnership (50%)	Maryland	52-1631820	... .. Travelers Brazil Holding, LLC	Delaware	06-0907370
... .. Castle Pines Fidelity Associates Limited Partnership (99%)	Maryland	52-1735213	... .. Travelers Brazil Acquisition LLC	Delaware	06-0907370

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**

97.1

... .. J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (43.4%)	Brazil		... .. Phoenix UK Investments LLC	Delaware	06-0303275
... .. J. Malucelli Resseguradora S.A. *	Brazil		... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... .. J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... .. J. Malucelli Seguradora S.A. *	Brazil		... .. TINDY Foreign, Inc	Delaware	20-4403403
... .. J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... .. J. Malucelli Seguros S.A. *	Brazil		... .. Travelers Distribution Alliance, Inc.	Delaware	62-1657094
... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835	... .. Travelers TLD, LLC	Delaware	06-0566050
... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266	... .. Tiercel, LLC	Delaware	06-0566050
... .. Travelers Casualty UK Investments LLC	Delaware	06-6033504	... .. Redstart, LLC	Delaware	06-0566050
... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268	... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698	... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040	... .. Travelers Marine, LLC	Delaware	06-0566050
... .. 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 U.K. 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			
... .. American Marine Management Services, Inc. (47.5%)	New York	13-2743602			
... .. American Marine Claims & Adjusting Services, Inc.	New York	30-0510298			
... .. 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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