

ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
UNITED STATES FIDELITY AND
GUARANTY COMPANY

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

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

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

Statutory Home Office: One Tower Square, Hartford, CT, 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: 385 Washington Street, St. Paul, MN, US 55102 (651) 310-7911
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists 10 officers including Brian William MacLean, Jay Steven Benet, William Herbert Heyman, Alan David Schnitzer, Doreen Spadorcia, Andy Francis Besette, Robert Carl Brody, John Patrick Clifford, Jr., William Eugene Cunningham, Jr., and William Patrick Hannon.

DIRECTORS

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

STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

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

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

Subscribed and sworn to before me this

21st day of January, 2014

Notary Public signature and commission expiration date: My Commission Expires January 31, 2016



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	4,064,300,808	0	4,064,300,808	4,203,266,156
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	120,262,410	0	120,262,410	119,535,799
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....72,745, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....32,416,617, Schedule DA).....	32,489,362	0	32,489,362	11,292,990
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).....	15,254	0	15,254	18,927
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	1,358,364	0	1,358,364	7,644,982
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,218,426,199	0	4,218,426,199	4,341,758,854
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	50,997,002	0	50,997,002	53,336,274
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	112,733,777	6,858,947	105,874,830	94,834,944
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....4,141,847 earned but unbilled premiums).....	177,233,213	853,982	176,379,231	175,881,138
15.3 Accrued retrospective premiums.....	4,321,438	125,206	4,196,232	5,037,295
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	4,864,129	0	4,864,129	20,413,420
16.2 Funds held by or deposited with reinsured companies.....	1,493,058	0	1,493,058	1,554,085
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	81,283,755	0	81,283,755	92,984,704
19. Guaranty funds receivable or on deposit.....	133,914	0	133,914	182,495
20. Electronic data processing equipment and software.....	12,616	0	12,616	86,202
21. Furniture and equipment, including health care delivery assets (\$.....0).....	79,397	79,397	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	10,733,191	455,742	10,277,449	11,146,264
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,662,311,689	8,373,274	4,653,938,415	4,797,215,673
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	4,662,311,689	8,373,274	4,653,938,415	4,797,215,673

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Equities and deposits in pools and associations.....	4,813,665	0	4,813,665	5,883,074
2502. Amounts receivable under high deductible policies.....	3,707,067	370,721	3,336,345	2,843,600
2503. State surcharges receivable.....	2,078,268	0	2,078,268	2,082,578
2598. Summary of remaining write-ins for Line 25 from overflow page.....	134,192	85,021	49,171	337,011
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	10,733,191	455,742	10,277,449	11,146,264

UNITED STATES FIDELITY AND GUARANTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,309,708,421	1,320,121,453
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	52,313,194	58,460,275
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	288,275,595	286,979,550
4. Commissions payable, contingent commissions and other similar charges.....	26,828,616	25,050,467
5. Other expenses (excluding taxes, licenses and fees).....	27,841,936	24,714,063
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	15,864,968	15,033,443
7.1 Current federal and foreign income taxes (including \$.....21,770,937 on realized capital gains (losses)).....	4,096,346	377,533
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 \$.....10,546,158 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).....	393,262,807	383,580,881
10. Advance premium.....	678,732	678,732
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	2,071,825	2,291,456
12. Ceded reinsurance premiums payable (net of ceding commissions).....	13,648,620	15,532,936
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.....	7,630,368	7,728,457
15. Remittances and items not allocated.....	(2,283,391)	(2,410,838)
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.....	18,751,012	13,084,057
20. Derivatives.....	0	0
21. Payable for securities.....	0	1,498,638
22. Payable for securities lending.....	1,358,364	7,644,982
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.....	9,455,295	9,382,016
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,169,502,708	2,169,748,101
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,169,502,708	2,169,748,101
29. Aggregate write-ins for special surplus funds.....	4,307,395	4,946,584
30. Common capital stock.....	35,214,075	35,214,075
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	1,730,805,261	2,087,805,261
35. Unassigned funds (surplus).....	714,108,976	499,501,651
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	2,484,435,707	2,627,467,572
38. TOTALS (Page 2, Line 28, Col. 3).....	4,653,938,415	4,797,215,673

DETAILS OF WRITE-INS

2501. Investment real estate liability.....	12,958,214	13,533,314
2502. Escheat liability.....	865,086	865,086
2503. Retroactive reinsurance reserve assumed.....	99,216	99,841
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(4,467,220)	(5,116,226)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,455,295	9,382,016
2901. Special surplus from retroactive reinsurance.....	4,307,395	4,946,584
2902.	0	0
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).....	4,307,395	4,946,584
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

UNITED STATES FIDELITY AND GUARANTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	876,954,005	855,340,381
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	428,715,122	489,048,972
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	105,019,460	95,635,079
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	268,364,129	269,850,845
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	802,098,711	854,534,895
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	74,855,294	805,485
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	171,958,824	173,111,722
10. Net realized capital gains (losses) less capital gains tax of \$....3,110,044 (Exhibit of Capital Gains (Losses)).....	11,080,255	66,518,916
11. Net investment gain (loss) (Lines 9 + 10).....	183,039,079	239,630,638
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....459,324 amount charged off \$....2,543,371).....	(2,084,046)	(2,111,416)
13. Finance and service charges not included in premiums.....	3,703,325	3,884,651
14. Aggregate write-ins for miscellaneous income.....	6,994,296	603,962
15. Total other income (Lines 12 through 14).....	8,613,574	2,377,197
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	266,507,947	242,813,320
17. Dividends to policyholders.....	1,283,318	1,774,691
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).....	265,224,629	241,038,629
19. Federal and foreign income taxes incurred.....	41,024,970	24,322,900
20. Net income (Line 18 minus Line 19) (to Line 22).....	224,199,659	216,715,729
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	2,627,467,572	2,488,689,267
22. Net income (from Line 20).....	224,199,659	216,715,729
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(349,678).....	1,113,753	2,427,683
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(12,050,627)	(28,693,753)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	840,667	59,553,293
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	(1,224,647)
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.....	(357,000,000)	(110,000,000)
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.....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	(135,317)	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(143,031,865)	138,778,305
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	2,484,435,707	2,627,467,572
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.....	7,264,130	(89,462)
1402. Fines and penalties of regulatory authorities.....	(15,609)	(15,843)
1403. Retroactive reinsurance gain/loss.....	(254,225)	709,267
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	6,994,296	603,962
3701. Prior period adjustment.....	(135,317)	0
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).....	(135,317)	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	874,868,287	856,268,250
2. Net investment income.....	199,717,588	196,240,992
3. Miscellaneous income.....	8,613,574	2,377,197
4. Total (Lines 1 through 3).....	1,083,199,449	1,054,886,438
5. Benefit and loss related payments.....	429,664,920	480,162,496
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	366,487,411	369,265,065
8. Dividends paid to policyholders.....	1,502,949	1,522,314
9. Federal and foreign income taxes paid (recovered) net of \$.....3,532,623 tax on capital gains (losses).....	40,416,202	21,098,373
10. Total (Lines 5 through 9).....	838,071,482	872,048,248
11. Net cash from operations (Line 4 minus Line 10).....	245,127,967	182,838,190
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	459,802,414	299,431,784
12.2 Stocks.....	7,028,750	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	64,103,794
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	9,320,540	1,498,638
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	476,151,704	365,034,216
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	341,866,800	459,684,285
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	35,000	0
13.6 Miscellaneous applications.....	1,498,638	252,351
13.7 Total investments acquired (Lines 13.1 to 13.6).....	343,400,438	459,936,636
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).....	132,751,266	(94,902,419)
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.....	(357,000,000)	(110,000,000)
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.....	0	0
16.6 Other cash provided (applied).....	317,139	(111,134)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(356,682,861)	(110,111,134)
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).....	21,196,372	(22,175,363)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	11,292,990	33,468,353
19.2 End of year (Line 18 plus Line 19.1).....	32,489,362	11,292,990
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	2,005,400	1,377,344

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	22,779,522	9,622,200	10,559,665	21,842,057
2. Allied lines.....	23,305,631	10,147,192	10,752,487	22,700,335
3. Farmowners multiple peril.....	7,263,319	3,483,379	3,456,283	7,290,416
4. Homeowners multiple peril.....	146,433,023	75,312,915	76,699,709	145,046,229
5. Commercial multiple peril.....	131,152,437	59,510,244	59,177,886	131,484,795
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	11,256,212	4,765,921	4,636,457	11,385,677
9. Inland marine.....	27,381,979	12,850,035	13,210,824	27,021,191
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(6)	(122)	(67)	(62)
11.2 Medical professional liability - claims-made.....	(491)	0	1	(492)
12. Earthquake.....	5,077,066	2,129,411	2,271,165	4,935,312
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.....	162,407,233	57,724,346	61,373,957	158,757,623
17.1 Other liability - occurrence.....	74,594,027	30,717,442	31,961,172	73,350,297
17.2 Other liability - claims-made.....	25,934,259	13,931,584	15,011,385	24,854,458
17.3 Excess workers' compensation.....	976,121	242,268	318,316	900,072
18.1 Products liability - occurrence.....	5,675,565	2,290,881	2,452,353	5,514,093
18.2 Products liability - claims-made.....	1,022,091	440,779	419,181	1,043,688
19.1, 19.2 Private passenger auto liability.....	90,804,123	30,784,757	31,888,455	89,700,425
19.3, 19.4 Commercial auto liability.....	64,780,048	29,500,161	29,161,409	65,118,799
21. Auto physical damage.....	73,152,957	26,749,406	27,636,375	72,265,987
22. Aircraft (all perils).....	4,014	0	68	3,947
23. Fidelity.....	2,416,536	1,668,512	1,649,742	2,435,305
24. Surety.....	275,609	(225,578)	67,720	(17,688)
26. Burglary and theft.....	326,710	173,273	159,796	340,187
27. Boiler and machinery.....	8,292,908	3,512,876	3,689,361	8,116,424
28. Credit.....	(162)	600	402	36
29. International.....	136,258	49,418	3,488	182,188
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	1,779,727	658,483	697,938	1,740,272
32. Reinsurance - nonproportional assumed liability.....	694,932	419,802	386,162	728,572
33. Reinsurance - nonproportional assumed financial lines.....	74,393	55,109	49,218	80,284
34. Aggregate write-ins for other lines of business.....	110,772	93,139	70,331	133,579
35. TOTALS.....	888,106,814	376,608,431	387,761,239	876,954,005

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	110,772	93,139	70,331	133,579
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).....	110,772	93,139	70,331	133,579

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	10,412,382	229,756	(82,472)	.0	10,559,665
2. Allied lines.....	10,459,898	293,326	(737)	.0	10,752,487
3. Farmowners multiple peril.....	3,534,335	(78,053)	0	.0	3,456,283
4. Homeowners multiple peril.....	76,701,236	(1,527)	0	.0	76,699,709
5. Commercial multiple peril.....	59,778,542	(68,289)	(532,367)	.0	59,177,886
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	4,781,232	.53,926	(198,702)	.0	4,636,457
9. Inland marine.....	10,865,040	2,459,734	(113,951)	.0	13,210,824
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(67)	.0	.0	.0	(67)
11.2 Medical professional liability - claims-made.....	.1	.0	.0	.0	.1
12. Earthquake.....	2,191,902	.79,279	(15)	.0	2,271,165
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.....	65,843,989	.22,763	(2,579,526)	(1,913,269)	61,373,957
17.1 Other liability - occurrence.....	31,972,926	.29,383	(547,520)	506,383	31,961,172
17.2 Other liability - claims-made.....	13,079,770	.1,916,251	15,364	.0	15,011,385
17.3 Excess workers' compensation.....	.318,669	.0	(353)	.0	.318,316
18.1 Products liability - occurrence.....	2,483,123	.15,591	(108,177)	61,816	2,452,353
18.2 Products liability - claims-made.....	.453,408	(42,650)	8,423	.0	.419,181
19.1, 19.2 Private passenger auto liability.....	.31,888,455	.0	.0	.0	.31,888,455
19.3, 19.4 Commercial auto liability.....	.29,058,187	.117,873	.0	(14,651)	.29,161,409
21. Auto physical damage.....	.27,626,469	.9,906	.0	.0	.27,636,375
22. Aircraft (all perils).....	.68	.0	.0	.0	.68
23. Fidelity.....	.1,028,601	.621,158	(17)	.0	.1,649,742
24. Surety.....	.41,314	.28,201	(1,795)	.0	.67,720
26. Burglary and theft.....	.109,930	.49,869	(2)	.0	.159,796
27. Boiler and machinery.....	.3,483,387	.205,974	(0)	.0	.3,689,361
28. Credit.....	.402	.0	.0	.0	.402
29. International.....	.3,488	.0	.0	.0	.3,488
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	.514,540	.183,398	.0	.0	.697,938
32. Reinsurance - nonproportional assumed liability.....	.358,723	.27,438	.0	.0	.386,162
33. Reinsurance - nonproportional assumed financial lines.....	.49,218	.0	.0	.0	.49,218
34. Aggregate write-ins for other lines of business.....	.70,331	.0	.0	.0	.70,331
35. TOTALS.....	387,109,500	6,153,307	(4,141,847)	(1,359,721)	387,761,239
36. Accrued retrospective premiums based on experience.....					1,359,721
37. Earned but unbilled premiums.....					4,141,847
38. Balance (sum of Lines 35 through 37).....					393,262,807

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	70,331	.0	.0	.0	70,331
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).....	70,331	.0	.0	.0	70,331

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

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

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	22,779,522	0	0	0	22,779,522
2. Allied lines.....	0	23,305,631	0	0	0	23,305,631
3. Farmowners multiple peril.....	0	7,263,319	0	0	0	7,263,319
4. Homeowners multiple peril.....	0	146,433,023	0	0	0	146,433,023
5. Commercial multiple peril.....	0	131,152,437	0	0	0	131,152,437
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	11,256,212	433	433	0	11,256,212
9. Inland marine.....	126	27,381,979	0	126	0	27,381,979
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(6)	0	0	0	(6)
11.2 Medical professional liability - claims-made.....	0	(491)	0	0	0	(491)
12. Earthquake.....	0	5,077,066	0	0	0	5,077,066
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.....	41,404,487	175,888,740	8,255	54,894,249	0	162,407,233
17.1 Other liability - occurrence.....	(8,690)	74,642,080	(285,628)	(246,265)	0	74,594,027
17.2 Other liability - claims-made.....	0	25,934,259	0	0	0	25,934,259
17.3 Excess workers' compensation.....	4,636,004	976,121	0	4,636,004	0	976,121
18.1 Products liability - occurrence.....	0	5,675,565	0	0	0	5,675,565
18.2 Products liability - claims-made.....	0	1,022,091	0	0	0	1,022,091
19.1, 19.2 Private passenger auto liability.....	0	90,804,123	0	0	0	90,804,123
19.3, 19.4 Commercial auto liability.....	97,524	64,796,967	0	114,443	0	64,780,048
21. Auto physical damage.....	(415)	73,152,957	0	(415)	0	73,152,957
22. Aircraft (all perils).....	0	4,014	8,399	8,399	0	4,014
23. Fidelity.....	9,703	2,416,536	0	9,703	0	2,416,536
24. Surety.....	780,441	290,022	0	794,854	0	275,609
26. Burglary and theft.....	0	326,710	0	0	0	326,710
27. Boiler and machinery.....	0	8,292,908	0	0	0	8,292,908
28. Credit.....	0	(162)	0	0	0	(162)
29. International.....	0	136,258	0	0	0	136,258
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,779,727	(1,202)	(1,202)	0	1,779,727
32. Reinsurance - nonproportional assumed liability.....	XXX	694,932	(42,004)	(42,004)	0	694,932
33. Reinsurance - nonproportional assumed financial lines.....	XXX	74,393	0	0	0	74,393
34. Aggregate write-ins for other lines of business.....	0	110,772	0	0	0	110,772
35. TOTALS.....	46,919,180	901,667,705	(311,746)	60,168,325	0	888,106,814

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	110,772	0	0	0	110,772
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	110,772	0	0	0	110,772

(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.....	(136,548)	10,461,592	(136,853)	10,461,897	8,525,896	8,752,973	10,234,820	46.9
2. Allied lines.....	(230,628)	11,532,603	(231,332)	11,533,306	10,624,790	16,343,764	5,814,331	25.6
3. Farmowners multiple peril.....	0	2,996,020	0	2,996,020	2,518,011	2,184,023	3,330,008	45.7
4. Homeowners multiple peril.....	0	62,073,377	20,266	62,053,111	32,688,820	38,974,177	55,767,754	38.4
5. Commercial multiple peril.....	2,583,050	64,795,803	3,292,797	64,086,056	108,419,567	111,608,331	60,897,291	46.3
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	8,182,447	676	8,181,771	8,731,240	11,859,182	5,053,829	44.4
9. Inland marine.....	13,892	13,564,123	11,551	13,566,464	10,555,520	10,918,747	13,203,237	48.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	288,213	0	288,213	665,530	1,114,010	(160,266)	259,751.0
11.2 Medical professional liability - claims-made.....	0	299,158	0	299,158	2,807,979	3,036,022	71,115	(14,456.8)
12. Earthquake.....	0	70,138	0	70,138	11,350	1,585,633	(1,504,145)	(30.5)
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	549	549	0	0	0	0	0.0
16. Workers' compensation.....	77,535,323	116,119,353	115,297,742	78,356,933	552,574,954	535,445,603	95,486,283	60.1
17.1 Other liability - occurrence.....	7,710,144	27,685,170	8,580,782	26,814,533	199,439,415	205,206,434	21,047,514	28.7
17.2 Other liability - claims-made.....	1,652,664	15,170,763	1,654,978	15,168,450	69,480,466	70,823,388	13,825,527	55.6
17.3 Excess workers' compensation.....	10,611,929	640,813	10,611,929	640,813	22,138,512	22,431,557	347,769	38.6
18.1 Products liability - occurrence.....	7,331,467	5,040,940	7,342,671	5,029,736	59,690,085	62,622,732	2,097,090	38.0
18.2 Products liability - claims-made.....	0	161,215	0	161,215	1,132,691	1,098,068	195,838	18.8
19.1, 19.2 Private passenger auto liability.....	3,859,660	52,400,090	4,960,347	51,299,402	73,877,813	69,215,771	55,961,445	62.4
19.3, 19.4 Commercial auto liability.....	3,864,225	41,399,204	4,810,893	40,452,535	87,316,868	87,474,349	40,295,055	61.9
21. Auto physical damage.....	519,492	41,312,014	522,912	41,308,594	4,244,334	3,954,315	41,598,613	57.6
22. Aircraft (all perils).....	4,188	295,465	275,469	24,184	596,124	574,276	46,031	1,166.4
23. Fidelity.....	(84,739)	1,537,381	(103,379)	1,556,021	5,733,292	5,326,293	1,963,020	80.6
24. Surety.....	(32,792,731)	(1,704,904)	(33,299,433)	(1,198,202)	6,890,584	7,119,070	(1,426,688)	8,065.7
26. Burglary and theft.....	0	25,247	0	25,247	371,519	582,043	(185,277)	(54.5)
27. Boiler and machinery.....	0	2,171,023	0	2,171,023	1,869,426	1,598,347	2,442,103	30.1
28. Credit.....	0	180,311	167,137	13,175	373,081	390,665	(4,410)	(12,346.0)
29. International.....	0	85,592	0	85,592	599,459	776,553	(91,502)	(50.2)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	408,870	417	408,453	2,336,348	2,311,163	433,638	24.9
32. Reinsurance - nonproportional assumed liability.....	XXX	2,089,337	(1,003,119)	3,092,456	34,546,852	35,903,404	1,735,904	238.3
33. Reinsurance - nonproportional assumed financial lines.....	XXX	120,109	0	120,109	794,800	736,137	178,772	222.7
34. Aggregate write-ins for other lines of business.....	0	61,753	0	61,753	153,097	154,425	60,425	45.2
35. TOTALS.....	82,441,386	479,463,769	122,777,000	439,128,155	1,309,708,421	1,320,121,453	428,715,122	48.9

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	61,753	0	61,753	153,097	154,425	60,425	45.2
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	61,753	0	61,753	153,097	154,425	60,425	45.2

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	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	358	5,849,153	141,572	5,707,940	647,856	2,917,715	747,615	8,525,896	643,194
2. Allied lines.....	0	6,492,534	0	6,492,534	680,376	4,505,084	1,053,204	10,624,790	1,537,582
3. Farmowners multiple peril.....	0	1,032,797	0	1,032,797	(60,096)	1,485,211	(60,099)	2,518,011	331,073
4. Homeowners multiple peril.....	0	16,643,868	9,050	16,634,819	0	16,054,001	0	32,688,820	5,517,730
5. Commercial multiple peril.....	2,924,681	58,858,773	4,627,740	57,155,713	8,666,258	57,235,425	14,637,830	108,419,567	39,810,979
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	3,998,905	95,305	3,903,599	668,622	4,828,433	669,415	8,731,240	1,820,357
9. Inland marine.....	0	8,059,543	569	8,058,975	7,156,179	2,727,616	7,387,250	10,555,520	902,280
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	409,071	0	409,071	(422)	256,459	(422)	665,530	233,223
11.2 Medical professional liability - claims-made.....	0	1,710,902	0	1,710,902	0	1,097,078	0	2,807,979	403,812
12. Earthquake.....	0	7,136	0	7,136	(12)	4,210	(16)	11,350	8,982
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	54,059	54,059	0	123,735	0	123,735	(a) 0	0
16. Workers' compensation.....	327,284,093	586,157,039	625,130,100	288,311,032	282,054,364	510,603,330	528,393,771	552,574,954	76,634,936
17.1 Other liability - occurrence.....	21,414,786	52,172,293	29,408,306	44,178,772	64,222,998	166,930,080	75,892,435	199,439,415	64,949,719
17.2 Other liability - claims-made.....	573,285	22,666,517	574,891	22,664,912	1,347,343	46,848,057	1,379,845	69,480,466	28,122,513
17.3 Excess workers' compensation.....	134,647,688	9,183,007	134,647,688	9,183,007	149,186,427	13,700,279	149,931,201	22,138,512	1,091,121
18.1 Products liability - occurrence.....	7,981,929	10,334,799	8,688,480	9,628,248	4,291,922	50,778,315	5,008,400	59,690,085	30,226,865
18.2 Products liability - claims-made.....	0	251,236	0	251,236	1,251	881,460	1,256	1,132,691	787,924
19.1, 19.2 Private passenger auto liability.....	113,473,417	86,684,146	154,290,049	45,867,514	4,727,090	28,010,452	4,727,243	73,877,813	12,876,490
19.3, 19.4 Commercial auto liability.....	46,113,358	48,135,595	48,311,621	45,937,332	16,290,698	45,692,635	20,603,797	87,316,868	13,643,340
21. Auto physical damage.....	4,805	5,765,996	3,089,938	2,680,862	236,385	2,230,097	903,009	4,244,334	2,681,868
22. Aircraft (all perils).....	90,720	1,682,487	1,568,301	204,906	1,336,656	393,489	1,338,927	596,124	204,121
23. Fidelity.....	265,239	1,400,989	281,146	1,385,083	86,715	4,355,366	93,872	5,733,292	2,035,887
24. Surety.....	94,760,966	4,703,826	95,379,258	4,085,534	588,709	3,964,690	1,748,349	6,890,584	1,872,802
26. Burglary and theft.....	0	1,307	0	1,307	27,348	393,834	50,970	371,519	146,572
27. Boiler and machinery.....	0	939,664	0	939,664	(60)	929,641	(181)	1,869,426	241,872
28. Credit.....	0	157,095	4,690	152,405	0	220,676	0	373,081	(22,488)
29. International.....	0	368,169	0	368,169	0	231,290	0	599,459	17,504
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	2,133,021	398,100	1,734,921	XXX	601,427	0	2,336,348	165,464
32. Reinsurance - nonproportional assumed liability.....	XXX	171,118,728	150,793,012	20,325,716	XXX	14,221,136	0	34,546,852	1,312,931
33. Reinsurance - nonproportional assumed financial lines.....	XXX	493,372	0	493,372	XXX	301,428	0	794,800	23,982
34. Aggregate write-ins for other lines of business.....	0	19,065	0	19,065	0	134,032	0	153,097	52,961
35. TOTALS.....	749,535,323	1,107,485,091	1,257,493,874	599,526,540	542,280,341	982,532,947	814,631,407	1,309,708,421	288,275,595
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	19,065	0	19,065	0	134,032	0	153,097	52,961
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	19,065	0	19,065	0	134,032	0	153,097	52,961

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

UNITED STATES FIDELITY AND GUARANTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	25,515,601	0	0	25,515,601
1.2 Reinsurance assumed.....	56,753,918	0	0	56,753,918
1.3 Reinsurance ceded.....	27,073,594	0	0	27,073,594
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	55,195,925	0	0	55,195,925
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	3,153,763	0	3,153,763
2.2 Reinsurance assumed, excluding contingent.....	0	120,098,344	0	120,098,344
2.3 Reinsurance ceded, excluding contingent.....	0	3,693,962	0	3,693,962
2.4 Contingent - direct.....	0	8,518	0	8,518
2.5 Contingent - reinsurance assumed.....	0	7,399,367	0	7,399,367
2.6 Contingent - reinsurance ceded.....	0	8,671	0	8,671
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	126,957,359	0	126,957,359
3. Allowances to manager and agents.....	0	141,926	0	141,926
4. Advertising.....	735	5,208,350	280	5,209,365
5. Boards, bureaus and associations.....	222,101	3,632,531	835	3,855,467
6. Surveys and underwriting reports.....	97	2,817,091	0	2,817,188
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	29,047,365	61,995,372	1,245,330	92,288,067
8.2 Payroll taxes.....	2,165,223	4,141,124	48,703	6,355,050
9. Employee relations and welfare.....	5,826,904	9,560,402	113,718	15,501,024
10. Insurance.....	4,270,091	782,082	455	5,052,628
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,456,105	3,180,567	18,560	4,655,232
13. Rent and rent items.....	1,620,870	3,745,623	17,807	5,384,300
14. Equipment.....	377,903	1,456,183	10,772	1,844,858
15. Cost or depreciation of EDP equipment and software.....	876,588	13,144,612	7,925	14,029,125
16. Printing and stationery.....	135,103	441,522	2,742	579,367
17. Postage, telephone and telegraph, exchange and express.....	538,925	3,516,323	3,111	4,058,359
18. Legal and auditing.....	1,882,541	1,161,825	57,422	3,101,788
19. Totals (Lines 3 to 18).....	48,420,551	114,925,533	1,527,660	164,873,744
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....143,087.....	0	20,792,362	0	20,792,362
20.2 Insurance department licenses and fees.....	0	2,127,665	0	2,127,665
20.3 Gross guaranty association assessments.....	0	(116,610)	0	(116,610)
20.4 All other (excluding federal and foreign income and real estate).....	0	716,282	0	716,282
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	23,519,699	0	23,519,699
21. Real estate expenses.....	0	0	840	840
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	1,402,986	2,961,538	128,804	4,493,328
25. Total expenses incurred.....	105,019,462	268,364,129	1,657,304	(a) 375,040,895
26. Less unpaid expenses - current year.....	288,275,595	69,909,075	626,444	358,811,115
27. Add unpaid expenses - prior year.....	286,979,550	64,357,523	440,450	351,777,524
28. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	103,723,417	262,812,577	1,471,310	368,007,304

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	2,348,412	12,019,748	150,890	14,519,050
2402. Service reimbursements.....	(333,447)	(3,742,946)	0	(4,076,393)
2403. Cost of computer software developed for internal use.....	(611,979)	(5,315,264)	(22,086)	(5,949,329)
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).....	1,402,986	2,961,538	128,804	4,493,328

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....2,403,215	.....2,393,247
1.1 Bonds exempt from U.S. tax.....	(a).....118,295,544	.....117,035,307
1.2 Other bonds (unaffiliated).....	(a).....49,126,414	.....48,057,346
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....771,358	.....771,358
2.21 Common stocks of affiliates.....	.....3,900,000	.....3,900,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....143,203	.....143,203
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....1,270,877	.....1,270,877
9. Aggregate write-ins for investment income.....	.....44,790	.....44,790
10. Total gross investment income.....	.....175,955,401	.....173,616,128
11. Investment expenses.....		(g).....1,657,305
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....1,657,305
17. Net investment income (Line 10 minus Line 16).....		.....171,958,824

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....37,506	.....37,506
0902. Miscellaneous income.....	.....19,044	.....19,044
0903. Property and wind plans.....	.....(11,759)	.....(11,759)
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).....	.....44,790	.....44,790
1501. ....	.....0	.....0
1502. ....	.....0	.....0
1503. ....	.....0	.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

(a) Includes \$.....2,812,539 accrual of discount less \$.....28,046,643 amortization of premium and less \$.....768,196 paid for accrued interest on purchases.

(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.

(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.

(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.

(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.

(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.

(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....34,392	.....0	.....34,392	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....2,229,574	.....0	.....2,229,574	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....1,864,267	.....0	.....1,864,267	.....76,136	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....7,028,750	.....0	.....7,028,750	.....(1,036,546)	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....1,763,158	.....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.....	.....3,033,922	.....0	.....3,033,922	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....(38,673)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(607)	.....(607)	.....0	.....0
10. Total capital gains (losses).....	.....14,190,906	.....(607)	.....14,190,299	.....764,076	.....0

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(607)	.....(607)	.....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	.....(607)	.....(607)	.....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).....	0	0	0
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).....	0	0	0
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.....	6,858,947	6,943,995	85,048
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	853,982	1,630,669	776,686
15.3 Accrued retrospective premiums.....	125,206	77,059	(48,147)
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.....	0	0	0
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.....	79,397	79,746	348
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.....	455,742	482,473	26,730
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	8,373,274	9,213,941	840,667
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	8,373,274	9,213,941	840,667

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.....	370,721	393,569	22,847
2502. Other assets nonadmitted.....	85,021	88,904	3,883
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).....	455,742	482,473	26,730

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

- A. United States Fidelity and Guaranty Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. 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.

<u>Net Income</u>	<u>State of Domicile</u>	<u>2013</u>	<u>2012</u>
1. United States Fidelity and Guaranty Company state basis	CT	\$ 224,199,659	\$ 216,715,729
2. State prescribed practices that increase/(decrease) NAIC SAP		-	-
3. State permitted practices that increase/(decrease) NAIC SAP		-	-
4. NAIC SAP (1-2-3=4)		<u>\$ 224,199,659</u>	<u>\$ 216,715,729</u>
<u>Surplus</u>			
5. United States Fidelity and Guaranty Company state basis	CT	\$ 2,484,435,707	\$ 2,627,467,572
6. State prescribed practices that increase/(decrease) NAIC SAP		-	-
7. State permitted practices that increase/(decrease) NAIC SAP		-	-
8. NAIC SAP (5-6-7=8)		<u>\$ 2,484,435,707</u>	<u>\$ 2,627,467,572</u>

- 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 funds, a component of surplus as regards policyholders (policyholders' 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.

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.

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. During the first quarter of 2013, an error in the reporting of "Taxes, licenses and fees" (TL&F), "Payable to parent, subsidiaries and affiliates" and "Amounts withheld or retained by company for account of others" was detected. The error resulted in paid TL&F associated with business not covered by an affiliated reinsurance agreement not being allocated to the Company, causing an understatement of the reported amount in the TL&F payable account. In accordance with SSAP No. 3, Accounting Changes and Corrections of Errors, the Company corrected this error on the March 31, 2013 statutory financial statement.

The correction resulted in an additional \$2,453,071 to TL&F, offset by both a reduction of \$230,061 in Amounts withheld or retained by company for account of others, and \$2,223,010 to Payable to parent, subsidiaries and affiliates. This error did not impact net income or policyholders' surplus.

2. 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

NOTES TO FINANCIAL STATEMENTS

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 \$1,224,647, and a corresponding decrease in unassigned funds in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*.

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:

1. 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 a nationally recognized pricing service, as well as broker quotes in determining the fair value of its loan-backed securities.

2. Not applicable.

3. The Company had no loaned-back securities with other-than-temporary impairments recognized in 2013.

4. 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	\$ 294,207
2. 12 Months or Longer	\$ 358,202

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

1. Less than 12 Months	\$17,805,096
2. 12 Months or Longer	\$ 7,253,427

5. 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.

Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u> 30 Days or Less	<u>Amortized Cost</u>	<u>Fair Value</u>
	\$1,358,364	\$1,358,364

F. Real Estate:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

H. Restricted Assets:

Restricted Asset Category	Gross Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under securities lending agreement	\$ 1,358,364	\$ -	\$ -	\$ -	\$ 1,358,364	\$ 7,644,982	\$ (6,286,618)	\$ 1,358,364	0.0%	0.0%
c. Subject to repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
d. Subject to reverse repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
e. Subject to dollar repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
f. Subject to dollar reverse repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
g. Placed under options contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
h. Letter stock or securities restricted as to sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
i. On deposit with states	\$ 179,841,910	\$ -	\$ -	\$ -	\$ 179,841,910	\$ 180,231,829	\$ (389,919)	\$ 179,841,910	3.9%	3.9%
j. On deposit with other regulatory bodies	\$ 813,520	\$ -	\$ -	\$ -	\$ 813,520	\$ 800,324	\$ 13,196	\$ 813,520	0.0%	0.0%
k. Pledged as collateral not captured in other categories	\$ 134,987,612	\$ -	\$ -	\$ -	\$ 134,987,612	\$ 133,904,511	\$ 1,083,101	\$ 134,987,612	2.9%	2.9%
l. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
m. Total restricted assets	\$ 317,001,406	\$ -	\$ -	\$ -	\$ 317,001,406	\$ 322,581,646	\$ (5,580,240)	\$ 317,001,406	6.8%	6.8%

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

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

B. At December 31, 2013, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

The Company may use U.S. Treasury note futures contracts to modify the effective duration of specific assets within the investment portfolio. These futures contracts require a daily mark-to-market and settlement with the counterparty/broker. The Company utilized Treasury futures contracts during 2013, but had no open positions at December 31, 2013. The Company does not hold or issue derivative instruments for trading purposes.

9. INCOME TAXES

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

<u>December 31, 2013</u>			
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 107,749,912	\$ 3,294,871	\$ 111,044,783
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	107,749,912	3,294,871	111,044,783
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal (net deferred tax assets)	107,749,912	3,294,871	111,044,783
f) Deferred tax liabilities	24,962,558	4,798,470	29,761,028
g) Net admitted deferred tax asset (liability)	<u>\$ 82,787,354</u>	<u>\$ (1,503,599)</u>	<u>\$ 81,283,755</u>

<u>December 31, 2012</u>			
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 153,666,140	\$ 4,191,363	\$ 157,857,503
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	153,666,140	4,191,363	157,857,503
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal (net deferred tax assets)	153,666,140	4,191,363	157,857,503
f) Deferred tax liabilities	59,678,498	5,194,301	64,872,799
g) Net admitted deferred tax asset (liability)	<u>\$ 93,987,642</u>	<u>\$ (1,002,938)</u>	<u>\$ 92,984,704</u>

NOTES TO FINANCIAL STATEMENTS

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ (45,916,228)	\$ (896,492)	\$ (46,812,720)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	(45,916,228)	(896,492)	(46,812,720)
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal (net deferred tax assets)	(45,916,228)	(896,492)	(46,812,720)
f) Deferred tax liabilities	(34,715,940)	(395,831)	(35,111,771)
g) Net admitted deferred tax asset (liability)	<u>\$ (11,200,288)</u>	<u>\$ (500,661)</u>	<u>\$ (11,700,949)</u>

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2013</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 37,622,406	\$ 662,555	\$ 38,284,961
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)	54,248,843	-	54,248,843
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	54,248,843	-	54,248,843
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	360,470,900
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	15,878,663	2,632,316	18,510,979
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>107,749,912</u>	<u>3,294,871</u>	<u>111,044,783</u>
DTLs netted against deferred tax assets	<u>24,962,558</u>	<u>4,798,470</u>	<u>29,761,028</u>
Total	<u>\$ 82,787,354</u>	<u>\$ (1,503,599)</u>	<u>\$ 81,283,755</u>

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	\$ 9,692,467	\$ 919,822	\$ 10,612,289
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)	103,568,024	257,789	103,825,813
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	103,568,024	257,789	103,825,813
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	380,159,500
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	40,405,649	3,013,752	43,419,401
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>153,666,140</u>	<u>4,191,363</u>	<u>157,857,503</u>
DTLs netted against deferred tax assets	<u>59,678,498</u>	<u>5,194,301</u>	<u>64,872,799</u>
Total	<u>\$ 93,987,642</u>	<u>\$ (1,002,938)</u>	<u>\$ 92,984,704</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	\$ 27,929,939	\$ (257,267)	\$ 27,672,672
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)	(49,319,181)	(257,789)	(49,576,970)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	(49,319,181)	(257,789)	(49,576,970)
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	(19,688,601)
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	(24,526,986)	(381,436)	(24,908,422)
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>(45,916,228)</u>	<u>(896,492)</u>	<u>(46,812,720)</u>
DTLs netted against deferred tax assets	<u>(34,715,940)</u>	<u>(395,831)</u>	<u>(35,111,771)</u>
Total	<u>\$ (11,200,288)</u>	<u>\$ (500,661)</u>	<u>\$ (11,700,949)</u>

NOTES TO FINANCIAL STATEMENTS

	<u>2013</u>	<u>2012</u>
3. a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	1,835%	1,861%
b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above.	2,403,139,336	2,534,396,666

	<u>December 31, 2013</u>	
4. Impact of Tax Planning Strategies:	<u>Ordinary</u>	<u>Capital</u>
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	107,749,912	3,294,871
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	107,749,912	3,294,871
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>December 31, 2012</u>	
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.	<u>Ordinary</u>	<u>Capital</u>
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	153,666,140	4,191,363
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	153,666,140	4,191,363
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>Change</u>	
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.	<u>Ordinary</u>	<u>Capital</u>
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	(45,916,228)	(896,492)
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	(45,916,228)	(896,492)
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ___ No X

B. DTL not recognized for the following amounts:

Not applicable.

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

	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
1. Federal	\$ 41,024,970	\$ 24,322,900	\$ 16,702,070
Foreign	-	-	-
Subtotal	41,024,970	24,322,900	16,702,070
Federal income taxes on net capital gains	3,110,044	490,470	2,619,574
Federal and foreign income taxes incurred	<u>\$ 44,135,014</u>	<u>\$ 24,813,370</u>	<u>\$ 19,321,644</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, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
DTA:			
Ordinary:			
Discounting of unpaid losses	\$ 35,169,109	\$ 38,873,754	\$ (3,704,645)
Unearned premium reserve	27,575,908	26,898,173	677,735
Investments	39,702,225	76,838,467	(37,136,242)
Other	5,302,670	11,055,746	(5,753,076)
Total DTA - ordinary	107,749,912	153,666,140	(45,916,228)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	-	-	-
Admitted ordinary DTA	<u>\$ 107,749,912</u>	<u>\$ 153,666,140</u>	<u>\$ (45,916,228)</u>

NOTES TO FINANCIAL STATEMENTS

Capital:			
Investments	\$ 3,294,871	\$ 4,191,363	\$ (896,492)
Total DTA – capital	3,294,871	4,191,363	(896,492)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	-	-	-
Admitted capital DTA	<u>3,294,871</u>	<u>4,191,363</u>	<u>(896,492)</u>
Total admitted DTA	<u>\$ 111,044,783</u>	<u>\$ 157,857,503</u>	<u>\$ (46,812,720)</u>

DTL:

Ordinary:			
Investments	\$ 24,387,246	\$ 59,081,356	\$ (34,694,110)
Other	<u>575,312</u>	<u>597,142</u>	<u>(21,830)</u>
Total ordinary DTL	<u>24,962,558</u>	<u>59,678,498</u>	<u>(34,715,940)</u>

Capital:

Investments	\$ 4,798,470	\$ 5,194,301	\$ (395,831)
Total capital DTL	4,798,470	5,194,301	(395,831)

Total DTL	<u>29,761,028</u>	<u>64,872,799</u>	<u>(35,111,771)</u>
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Net admitted DTA/(DTL)	<u>\$ 81,283,755</u>	<u>\$ 92,984,704</u>	<u>\$ (11,700,949)</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, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
Total DTA	\$ 111,044,783	\$ 157,857,503	\$ (46,812,720)
Total DTL	<u>29,761,028</u>	<u>64,872,799</u>	<u>(35,111,771)</u>
Net DTA/(DTL)	<u>\$ 81,283,755</u>	<u>\$ 92,984,704</u>	<u>(11,700,949)</u>
Tax effect of unrealized gains (losses)			<u>(349,678)</u>
Change in net deferred income tax			<u>\$ (12,050,627)</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, 2013</u>
Pretax net income (loss)	\$ 268,334,673
Taxes at statutory rate	\$ 93,917,136
Increase (decrease) attributable to:	
Nontaxable investment income	(36,352,108)
Other	<u>(1,379,387)</u>
	<u>56,185,641</u>
Federal and foreign taxes incurred	\$ 44,135,014
Change in net deferred taxes	<u>12,050,627</u>
Total statutory income tax	<u>\$ 56,185,641</u>

Effective tax rate 20.9%

- The Company has no net operating loss carryforward available for tax purposes.
 - The Company has \$45,688,192, \$18,236,695 and \$0 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
 - The reporting entity has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
 - The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

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

- G. The Company believes it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months. However, an estimate of the reasonably possible increase cannot be made at this time.

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

- A-C. (1) On December 27, 2013, the Company returned capital of \$357 million to its sole shareholder St. Paul Fire and Marine Insurance Company (Fire and Marine).
- (2) On December 20, 2013, the Company sold \$180.6 million of securities to Travelers Casualty and Surety Company.
- (3) On December 26, 2012, the Company returned capital of \$110 million to Fire and Marine.

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, 2013 and 2012, the TRVMMLP totaled \$3.5 billion and \$3.4 billion, respectively.
- D. (1) At December 31, 2013 and 2012, the Company had \$18,751,012 and \$13,084,057 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.
- (2) The Company participates in an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Uncollected premiums and agents' balances in course of collection	\$ 56,927,424	\$ 48,907,096
Amounts recoverable from reinsurers	4,864,129	20,413,420
Reinsurance payable on paid losses and loss adjustment expenses	51,285,937	57,575,211

These balances were settled net through the intercompany settlement process during January 2014 and January 2013, respectively.

- E. The Company is a partner in a real estate joint venture. TRV is the guarantor of certain debt of the real estate joint venture. The Company entered into an agreement to reimburse TRV in the event that TRV is required to make payments under the guarantee. Please see Note 14F for additional detail.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

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

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

- G. All of the issued and outstanding common stock of the Company is owned by Fire and Marine, an insurance company domiciled in Connecticut. The Company is a member of TRV, the organization of which is shown in Schedule Y - Part 1.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**A-D. Defined Benefit Plans:**

Not applicable.

E. Defined Contribution Plans:

Not applicable.

F. Multiemployer Plans:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

G. Consolidated/Holding Company Plans:

1. Employee Retirement Plans:

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by TRV that provides benefits, primarily under a cash balance formula, for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in 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 \$5,915,902 and \$6,005,426 for 2013 and 2012, 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 \$213,877 and \$386,164 for 2013 and 2012, 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 \$3,953,986 and \$3,623,990 for 2013 and 2012, respectively.

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

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

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2014 without prior approval is \$248,443,000.

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 2013. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$17,709,961.

14. CONTINGENCIES

A. Contingent Commitments:

Not applicable.

B. Assessments:

1. The Company has accrued liabilities of \$11.5 million for guaranty fund and other insurance-related assessments and related recoverables of \$262 thousand at December 31, 2013. 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, 2012	\$ 182,495
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b. Decreases current year:	
Premium tax offset charged off	35,208
Premium tax offset applied	6,567
Premium tax offset refund	16,777

c. Increases current year:	
Premium tax offset accrued	<u>9,971</u>

d. Assets recognized from paid and accrued premium tax offsets December 31, 2013	<u>\$ 133,914</u>
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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.*, the trial court granted summary judgment for the Company and denied summary judgment for American Re-Insurance Company (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

NOTES TO FINANCIAL STATEMENTS

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 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. The Company believes it has a meritorious position on each of these issues and intends to pursue its claim vigorously. On May 2, 2013, the Court of Appeals denied a motion by reinsurers to reconsider the February 7, 2013 opinion. In November 2013, the Company entered into a settlement agreement with one of the reinsurers. At December 31, 2013, the claim totaled \$466 million, comprising the \$238 million of reinsurance recoverable plus interest amounting to \$228 million as of that date. Interest will continue to accrue at 9% until the claim is paid.

As the Company 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 the Company 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 members 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. 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 approving 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. On March 25, 2013, the Seventh Circuit dismissed the appeals. On April 16, 2013, the Seventh Circuit issued its mandate returning the case to the district court for administration of the settlement. On June 26, 2013, Indemnity received payment of approximately \$91 million, comprising 98% of its allocation from the settlement fund. On November 11, 2013, Indemnity received payment of approximately \$2 million, comprising the remaining 2% to be paid from the settlement fund. The combination of the payments received in June and November 2013 totaling \$93 million, less approximately \$2 million remitted to another insurer, resulted in a net gain of \$91 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 \$91 million receipt is reported as an aggregate write-in for miscellaneous income in the Company's Statement of Income. Prior to the receipt, the Company accounted for its anticipated allocation from the settlement fund as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*.

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

Not applicable.

E. Product Warranties:

Not applicable.

F. All Other Contingencies:

1. In the process of selling business entities to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business entities being sold, covenants and obligations of the Company and/or its subsidiaries following the close, and in certain cases obligations arising from unrecognized liabilities. The indemnification provisions generally survive for periods ranging from the applicable closing date to the expiration of the relevant statutes of limitations or no term. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.

The Company is a partner in a real estate joint venture. TRV is the guarantor of certain debt of the real estate joint venture. The Company entered into an agreement to reimburse TRV in the event that TRV is required to make payments under the guarantee. The Company has recorded a liability of \$12,958,214 on the balance sheet as of December 31, 2013 under this reimbursement agreement.

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amt recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
Sale of Businesses	The fair value of guarantee liabilities as described are minimal and immaterial to the financial statements taken as a whole	Expense - Statement of Income - Line 14. Aggregate write-ins for miscellaneous income	\$25,000,000	The Company has assessed the performance risk as remote under these guarantees
Real Estate Joint Venture	\$12,958,214	Dividend to stockholders	\$57,720,000	The Company's performance risk is reasonably probable based on operating results of this joint venture.
a. Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees			\$ 82,720,000	

NOTES TO FINANCIAL STATEMENTS

b. Current liability recognized in financial statements:	
Noncontingent liabilities	12,958,214
Contingent liabilities	-
c. Ultimate financial statement impact if action under the guarantee is required:	
Investment in SCA	-
Joint venture	-
Dividends to stockholders	57,720,000
Expense	25,000,000
Other	-
Total	<u>\$ 82,720,000</u>

2. 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.
3. In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2013, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.
4. For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

15. LEASES

Not applicable.

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

Not applicable.

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

Not applicable.

B. Transfer and Servicing of Financial Assets:

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

C. Wash Sales:

Not applicable.

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

Not applicable.

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

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

20. FAIR VALUE MEASUREMENTS

The Company's estimates of fair value for financial assets and financial liabilities 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 level in the fair value hierarchy within which the fair value measurement is reported is based on the lowest level input that is significant to the measurement in its entirety. 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.

NOTES TO FINANCIAL STATEMENTS

A. (1) Securities measured and reported at fair value as of December 31, 2013:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ -	\$ 875,000	\$ -	\$ 875,000
Common stock	304	26,840	-	27,144
Total securities at fair value	<u>\$ 304</u>	<u>\$ 901,840</u>	<u>\$ -</u>	<u>\$ 902,144</u>

Common stock in the amount of \$25,498 transferred from level 1 to level 2 due to active market prices not being readily available.

(2) Securities measured and reported at fair value using significant unobservable inputs (Level 3):

<u>Description</u>	<u>Beginning Balance at 1/1/2013</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Total gains & (losses) included in Net Income</u>	<u>Total gains & (losses) included in Surplus</u>	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Ending Balance at 12/31/2013</u>
Common Stock	\$ 1,044,877	\$ -	\$ -	\$ 7,028,750	\$ (1,044,877)	\$ -	\$ -	\$ (7,028,750)	\$ -	\$ -

(3) Not applicable.

(4) Bonds were carried at fair value in accordance with NAIC guidelines. These bonds were generally priced by the SVO or by a third party organization.

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

(5) Not applicable.

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.

<u>(At December 31, 2013)</u> <u>Description</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Practicable (Carrying Value)</u>
Short term bonds	\$ 32,416,617	\$ 32,416,617	\$ 14,192,203	\$ 18,224,414	\$ -	\$ -
Long term bonds	4,234,964,343	4,064,300,808	32,051,063	4,200,871,460	2,041,820	-
Common stock	27,144	27,144	304	26,840	-	-

<u>(At December 31, 2012)</u> <u>Description</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Practicable (Carrying Value)</u>
Short term bonds	\$ 11,272,898	\$ 11,272,898	\$ 4,631,310	\$ 6,608,422	\$ 33,166	\$ -
Long term bonds	4,578,679,673	4,203,266,156	34,328,962	4,541,881,827	2,468,884	-
Common stock	1,063,690	1,063,690	18,813	-	1,044,877	-

D. Not applicable.

21. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures and Unusual Items:

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

2013 Schedule P:

The 2003 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>Schedule P</u>	<u>Accident Years</u>				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999 & Prior</u>
Part 1A	\$ 22	\$ 15	\$ 18	\$ 52	\$ 176
Part 1B	47	33	17	8	9,123
Part 1C	628	454	635	364	2,104
Part 1D	17,189	15,767	17,811	17,055	170,413
Part 1E	2,022	1,422	1,676	998	12,800
Part 1F - Section 1	129	299	46	174	150
Part 1F - Section 2	75	1,028	173	381	1,353
Part 1G	109	(13)	205	268	2,207
Part 1H - Section 1	4,299	3,975	5,555	4,097	99,732
Part 1H - Section 2	2,364	1,338	2,352	344	4,979
Part 1M	1	-	29	86	26
Part 1N	16	63	794	91	482
Part 1O	361	747	3,701	1,126	27,512
Part 1P	34	182	280	33	113

NOTES TO FINANCIAL STATEMENTS

Part 1R - Section 1	2,175	2,105	1,016	1,562	60,457
Part 1R - Section 2	26	74	46	3	353

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	\$ (45)	\$ (70)	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(290)	(248)	(63)	(2,143)	-	(35)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(410)	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability – Occ	(90)	-	-	-	-	-	-	-	-
Other Liability – CM	-	(800)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(28)	-	-	-	-	-	-	-	-
Reinsurance B	(219)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

Not applicable.

F. 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:	\$ 4,999,424	\$ 4,215,802	\$ 6,192,343	\$ 1,420,410

G. Offsetting and Netting of Assets and Liabilities:

Not applicable.

H. Joint and Several Liabilities:

Not applicable.

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 17, 2014.

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, 2013, in connection with reinsurance agreements among affiliated insurers, were as follows:

NOTES TO FINANCIAL STATEMENTS

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	\$ 11,483,459,981
Travelers Casualty and Surety Company	06-6033504	9,430,730,663
The Phoenix Insurance Company	06-0303275	2,313,046,143
The Standard Fire Insurance Company	06-6033509	2,251,730,683
United States Fidelity and Guaranty Company	52-0515280	2,051,452,292
Travelers Casualty Insurance Company of America	06-0876835	1,262,956,665
Farmington Casualty Company	06-1067463	684,654,331
The Travelers Indemnity Company of Connecticut	06-0336212	634,282,525
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	633,767,860
The Charter Oak Fire Insurance Company	06-0291290	589,655,042
Northland Insurance Company	41-6009967	564,712,673
St. Paul Surplus Lines Insurance Company	41-1230819	407,091,759
The Travelers Indemnity Company of America	58-6020487	356,670,550
St. Paul Protective Insurance Company	36-2542404	268,394,489
Northfield Insurance Company	41-0983992	240,554,209
Travelers Commercial Casualty Company	95-3634110	217,442,605
Travelers Commercial Insurance Company	06-1286268	217,423,998
Travelers Casualty Company of Connecticut	06-1286266	217,423,998
St. Paul Mercury Insurance Company	41-0881659	189,137,515
Travelers Property Casualty Company of America	36-2719165	175,980,095
Travelers Property Casualty Insurance Company	06-1286274	138,781,266
The Travelers Casualty Company	41-1435765	134,155,225
Travelers Constitution State Insurance Company	41-1435766	134,155,225
Travelers Excess and Surplus Lines Company	06-1203698	124,903,136
Travelers Personal Insurance Company	36-3703200	124,903,136
The Travelers Home and Marine Insurance Company	35-1838079	124,903,136
TravCo Insurance Company	35-1838077	124,903,136
Travelers Personal Security Insurance Company	06-1286264	124,903,136
Discover Property & Casualty Insurance Company	36-2999370	64,797,534
Discover Specialty Insurance Company	52-1925132	64,764,578
Northland Casualty Company	94-6051964	64,764,578
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,260,406
St. Paul Guardian Insurance Company	41-0963301	46,260,406
American Equity Specialty Insurance Company	86-0868106	46,260,406
Total		<u>\$ 35,555,283,380</u>

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

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
Travelers Property Casualty Company of America	36-2719165	\$ 10,536,324,422
St. Paul Fire and Marine Insurance Company	41-0406690	5,063,930,966
Travelers Casualty and Surety Company	06-6033504	3,611,477,520
The Travelers Indemnity Company of America	58-6020487	2,865,093,761
The Charter Oak Fire Insurance Company	06-0291290	2,627,444,686
The Travelers Indemnity Company of Connecticut	06-0336212	2,594,861,672
The Travelers Home and Marine Insurance Company	35-1838079	2,447,076,316
United States Fidelity and Guaranty Company	52-0515280	2,377,327,630
The Phoenix Insurance Company	06-0303275	1,998,200,805
The Standard Fire Insurance Company	06-6033509	1,728,286,459
St. Paul Mercury Insurance Company	41-0881659	1,554,107,782
Travelers Casualty Insurance Company of America	06-0876835	1,540,154,561
Farmington Casualty Company	06-1067463	699,662,192
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	648,127,855
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	634,529,466
Discover Property & Casualty Insurance Company	36-2999370	604,748,966
Northland Insurance Company	41-6009967	513,633,469
Travelers Commercial Insurance Company	06-1286268	418,369,813
St. Paul Surplus Lines Insurance Company	41-1230819	344,071,978
TravCo Insurance Company	35-1838077	292,674,982
Travelers Property Casualty Insurance Company	06-1286274	202,849,718
Northfield Insurance Company	41-0983992	201,704,551
St. Paul Guardian Insurance Company	41-0963301	160,554,964
Travelers Excess and Surplus Lines Company	06-1203698	150,743,737
Travelers Personal Security Insurance Company	06-1286264	147,706,865
St. Paul Protective Insurance Company	36-2542404	134,299,380
Travelers Commercial Casualty Company	95-3634110	102,570,762
Travelers Casualty Company of Connecticut	06-1286266	55,425,528
Travelers Personal Insurance Company	36-3703200	40,943,950
Northland Casualty Company	94-6051964	20,521,899
The Travelers Casualty Company	41-1435765	11,260,524
Discover Specialty Insurance Company	52-1925132	10,982,464
Travelers Constitution State Insurance Company	41-1435766	5,134,266
American Equity Specialty Insurance Company	86-0868106	719,645
Total		<u>\$ 44,345,523,554</u>

2. Unaffiliated Company Recoverables:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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	\$ 395,321,150	\$ 55,416,136	\$ 10,546,158	\$ 1,478,361	\$ 384,774,992	\$ 53,937,775
All Other	<u>72,302</u>	<u>10,135</u>	-	-	<u>72,302</u>	<u>10,135</u>
Total	<u>\$ 395,393,452</u>	<u>\$ 55,426,271</u>	<u>\$ 10,546,158</u>	<u>\$ 1,478,361</u>	<u>\$ 384,847,294</u>	<u>\$ 53,947,910</u>
Direct Unearned Premium Reserve			\$ 8,415,513			

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$7,819,655 at December 31, 2013. This balance represents the Company's 4.41% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 4,679	\$ 7,819,742	\$ 4,766	\$ 7,819,655
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 4,679</u>	<u>\$ 7,819,742</u>	<u>\$ 4,766</u>	<u>\$ 7,819,655</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 414,540	\$ 21,403,169
(2) Adjustments - Prior Year(s)	(132,300)	8,372,928
(3) Adjustments - Current Year	-	(161,380)
(4) Current Total	<u>\$ 282,240</u>	<u>\$ 29,614,717</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 461,069	\$ 18,965,659
(2) Adjustments - Prior Year(s)	-	1,600,540
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 461,069</u>	<u>\$ 20,566,199</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 182,399	\$ 24,632,609
(2) Current Year	625	514,888
(3) Current Total	<u>\$ 183,024</u>	<u>\$ 25,147,497</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 46,529	\$ 2,437,510
(2) Adjustments - Prior Year(s)	132,300	6,772,388
(3) Adjustments - Current Year	-	(161,380)
(4) Current Year Restricted Surplus	<u>178,829</u>	<u>4,128,565</u>
(5) Cumulative Total Transferred to Unassigned Funds	\$ -	\$ 4,919,953

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 282,240	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	564,480
General Reinsurance Corporation (22039)	-	13,230,000
nSpire Re Limited (AA-1784124)	-	3,475,151
Platinum Underwriters Reinsurance Inc. (10357)	-	4,056,139
Various	-	8,288,947
Total	<u>\$ 282,240</u>	<u>\$ 29,614,717</u>

- f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Past Due
Platinum Underwriters Reinsurance Inc. (10357)	\$ 4,781	\$ -
General Reinsurance Corporation (22039)	7,464	7,464
Various	4,652	672
Total	<u>\$ 16,897</u>	<u>\$ 8,136</u>

NOTES TO FINANCIAL STATEMENTS

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid/Loss/LAE <u>Recoverable</u>	Amount Over 90 Days <u>Past Due</u>	Collateral <u>Held</u>
nSpire Re Limited (AA-178412)	\$ -	\$ -	\$ 1,078,391
Various	2,811	2,225	-
Total	<u>\$ 2,811</u>	<u>\$ 2,225</u>	<u>\$ 1,078,391</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 Rating 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.

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 4,321,438
2. Unsecured amount	551,968
3. Less: Nonadmitted amount (10%)	55,197
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>70,009</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 4,196,232</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2013 to December 31, 2013, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$24,913,000, resulting from better than expected loss and defense and cost containment (DCC) development primarily in the other liability – occurrence, homeowners, special property, and workers' compensation lines, and from lower estimates for adjusting and other expenses, partially offset by loss and DCC deterioration primarily in the products liability – occurrence and commercial multi-peril lines.

The improvement in the other liability – occurrence line was concentrated in the excess coverages for accident years 2004 – 2012 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 for recent accident years. This improvement was partially offset by unfavorable development in asbestos and environmental reserves for "Prior" accident years. The improvement in the homeowners line was driven primarily by better than expected development for catastrophe and non-catastrophe claims for accident years 2011 and 2012. The improvement in the special property line was driven primarily by better than expected development for catastrophe and non-catastrophe claims for accident years 2010 – 2012. The improvement in the workers' compensation line was concentrated in accident years 2008 and prior, and reflected lower than expected medical inflation. 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 products liability – occurrence line was primarily caused by unfavorable development in asbestos reserves for "Prior" accident years and by a reallocation of IBNR from the other liability – occurrence line for recent accident years. The deterioration in the commercial multi-peril line was driven primarily by worse than expected development for the liability coverage for accident years 2008 – 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 which 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

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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
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, 2013 the Company had \$10,505,617 receivable from Indemnity as a result of its intercompany reinsurance transactions which settled in January 2014.

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>
\$137,321,468		\$137,321,468
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	\$40,899,500
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	16,149,637
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	10,554,249
Symetra Life Insurance Company, Bellevue, WA	Yes	10,104,564
All other companies		59,613,518

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, 2013	
3. Was anticipated investment income utilized in the calculation?		Yes

31. HIGH DEDUCTIBLES

At December 31, 2013, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$273,669,910 and the amount billed and outstanding on paid claims was \$2,346,681. 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

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United States Life Tables Total Male or Total Female 1999 – all other states

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

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

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

The December 31, 2013 liabilities of the Company included \$81,947,403 and \$5,070,716 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, 2013 is as follows:

Tabular Discount

	<u>Schedule P Lines of Business</u>	<u>Tabular Discount Included in</u> <u>Schedule P, Part 1*</u>	
		<u>Case</u>	<u>IBNR</u>
1.	Workers' Compensation	\$16,587,554	\$18,667,331
2.	Other Liability-Occurrence	581,723	7,404,779
3.	Total	<u>\$17,169,277</u>	<u>\$26,072,110</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. ABESTOS/ENVIRONMENTAL RESERVES

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

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

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

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

The Company 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 subject 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. 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 review includes an analysis of exposure and claim payment patterns by policyholder category, 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.

1. <u>Direct Basis - Asbestos:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 136,830,000	\$ 128,408,000	\$ 120,717,000	\$ 112,693,000	\$ 108,180,000
b. Incurred losses and LAE:	7,056,000	9,128,000	6,175,000	5,658,000	7,669,000
c. Calendar year payments for losses and LAE:	<u>15,478,000</u>	<u>16,819,000</u>	<u>14,199,000</u>	<u>10,171,000</u>	<u>10,867,000</u>
d. Ending reserves:	<u>\$ 128,408,000</u>	<u>\$ 120,717,000</u>	<u>\$ 112,693,000</u>	<u>\$ 108,180,000</u>	<u>\$ 104,982,000</u>

NOTES TO FINANCIAL STATEMENTS

2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 8,568,000	\$ 8,046,000	\$ 8,896,000	\$ 9,832,000	\$ 9,912,000
b. Incurred losses and LAE:	1,102,000	2,426,000	2,425,000	1,442,000	710,000
c. Calendar year payments for losses and LAE:	<u>1,624,000</u>	<u>1,576,000</u>	<u>1,489,000</u>	<u>1,362,000</u>	<u>1,118,000</u>
d. Ending reserves:	<u>\$ 8,046,000</u>	<u>\$ 8,896,000</u>	<u>\$ 9,832,000</u>	<u>\$ 9,912,000</u>	<u>\$ 9,504,000</u>

3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 128,406,000	\$ 121,516,000	\$ 112,268,000	\$ 107,479,000	\$ 104,351,000
b. Incurred losses and LAE:	8,159,000	6,173,000	7,718,000	7,277,000	8,379,000
c. Calendar year payments for losses and LAE:	<u>15,049,000</u>	<u>15,421,000</u>	<u>12,507,000</u>	<u>10,405,000</u>	<u>9,552,000</u>
d. Ending reserves:	<u>\$ 121,516,000</u>	<u>\$ 112,268,000</u>	<u>\$ 107,479,000</u>	<u>\$ 104,351,000</u>	<u>\$ 103,178,000</u>

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

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

1. Direct Basis:	\$ 87,578,000
2. Assumed Reinsurance Basis:	\$ 3,999,000
3. Net of Ceded Reinsurance Basis:	\$ 83,749,000

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

1. Direct Basis:	\$ 26,493,000
2. Assumed Reinsurance Basis:	\$ 87,000
3. Net of Ceded Reinsurance Basis:	\$ 24,975,000

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.

1. <u>Direct Basis - Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 14,805,000	\$ 14,676,000	\$ 13,290,000	\$ 12,763,000	\$ 12,506,000
b. Incurred losses and LAE:	3,705,000	1,755,000	2,911,000	3,491,000	3,083,000
c. Calendar year payments for losses and LAE:	<u>3,834,000</u>	<u>3,141,000</u>	<u>3,438,000</u>	<u>3,748,000</u>	<u>3,530,000</u>
d. Ending reserves:	<u>\$ 14,676,000</u>	<u>\$ 13,290,000</u>	<u>\$ 12,763,000</u>	<u>\$ 12,506,000</u>	<u>\$ 12,059,000</u>

2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 2,815,000	\$ 2,485,000	\$ 2,322,000	\$ 2,525,000	\$ 3,039,000
b. Incurred losses and LAE:	44,000	229,000	618,000	875,000	70,000
c. Calendar year payments for losses and LAE:	<u>374,000</u>	<u>392,000</u>	<u>415,000</u>	<u>361,000</u>	<u>282,000</u>
d. Ending reserves:	<u>\$ 2,485,000</u>	<u>\$ 2,322,000</u>	<u>\$ 2,525,000</u>	<u>\$ 3,039,000</u>	<u>\$ 2,827,000</u>

3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 18,246,000	\$ 17,337,000	\$ 15,458,000	\$ 15,053,000	\$ 15,322,000
b. Incurred losses and LAE:	3,088,000	1,543,000	3,351,000	3,969,000	2,853,000
c. Calendar year payments for losses and LAE:	<u>3,997,000</u>	<u>3,422,000</u>	<u>3,756,000</u>	<u>3,700,000</u>	<u>3,664,000</u>
d. Ending reserves:	<u>\$ 17,337,000</u>	<u>\$ 15,458,000</u>	<u>\$ 15,053,000</u>	<u>\$ 15,322,000</u>	<u>\$ 14,511,000</u>

NOTES TO FINANCIAL STATEMENTS

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

1. Direct Basis:	\$ 11,920,000
2. Assumed Reinsurance Basis:	\$ 1,747,000
3. Net of Ceded Reinsurance Basis	\$ 13,440,000

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

1. Direct Basis:	\$ 2,304,000
2. Assumed Reinsurance Basis:	\$ 3,000
3. Net of Ceded Reinsurance Basis	\$ 2,230,000

As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2013 are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in the cost to resolve, and/or the number of, asbestos and environmental claims beyond that which is anticipated, the emergence of a greater number of asbestos claims than anticipated as a result of extended life expectancies resulting from medical advances and lifestyle improvements, 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 Company's current 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 2013 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2013, 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>
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE PHOENIX INSURANCE COMPANY	06-0303275
BMR SPORTS PROPERTIES, INC.	52-1852190	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
CAMPERDOWN CORPORATION	41-1762781	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE TRAVELERS CASUALTY COMPANY	41-1435765
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS INDEMNITY COMPANY	06-0566050
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925131	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TPC INVESTMENTS, INC.	06-1534005
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS (BERMUDA) LTD.	98-0190863
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS MGA, INC.	75-2676034
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS TEXAS MGA, INC.	27-4469564
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
TCI GLOBAL SERVICES, INC.	52-1965525	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755	YONKERS FINANCING CORPORATION	20-3033027

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Connecticut
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 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?
Insurance Department of 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information: _____
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
- 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
- 10.4 If the response to 10.3 is yes, provide information related to this exemption: _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No

12.11 Name of real estate holding company
Laurel Village Fidelity Realty, Inc.

12.12 Number of parcels involved8

12.13 Total book/adjusted carrying value \$.....0

12.2 If yes, provide explanation.
Holds 727 apartment units in downtown Minneapolis, MN

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

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

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

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

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

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

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

14.2 Has the code of ethics for senior managers been amended? Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

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

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

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes No

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes No

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \$.....0

21.22 Borrowed from others \$.....0

21.23 Leased from others \$.....0

21.24 Other \$.....0

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 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.

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 [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....1,358,364
- 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 [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] 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 [X] 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. \$.....1,358,364
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....1,358,364
- 24.103 Total payable for securities lending reported on the liability page. \$.....1,358,364

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 [X] No []

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....134,987,612
- 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 \$.....179,841,910
- 25.29 Other \$.....813,520

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
- 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 [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A		

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

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

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

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

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	4,096,717,425	4,267,380,961	170,663,536
30.2 Preferred stocks.....			0
30.3 Totals.....	4,096,717,425	4,267,380,961	170,663,536

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

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

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 [] 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? \$.....2,260,215

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

1	2
Name	Amount Paid
INSURANCE SERVICES OFFICE, INC.	977,044

34.1 Amount of payments for legal expenses, if any? \$.....4,320,729

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
	0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....66,031

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
	0

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.....	\$.....876,954,005	\$.....855,340,381
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....2,043,560,017	\$.....2,049,142,160
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 \$.....13,640,198
- 3.22 Non-participating policies \$.....874,466,615

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:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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 uninsured catastrophic loss:

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.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 [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its 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 [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 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 [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 \$.....3,330,270
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....587,695
- 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: \$.....3,365,997
- 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 \$.....282,181,821
- 12.62 Collateral and other funds \$.....75,485,141
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....1,532,475
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes] No]
- 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] 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]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes] No]
- 14.5 If the answer to 14.4 is no, please explain:
-
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes] No]
- 15.2 If yes, give full information:
-
- 16.1 Does the reporting entity write any warranty business? Yes] No]
- If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home..... | | | | | |
| 16.12 Products..... | | | | | |
| 16.13 Automobile..... | | | | | |
| 16.14 Other*..... | | | | | |
- * Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes] No]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.
- Provide the following information for this exemption:
- 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
- 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
- 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
- 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
- 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
- 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
- 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
- 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0
- 18.1 Do you act as a custodian for health savings account? Yes] No]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0
- 18.3 Do you act as an administrator for health savings accounts? Yes] No]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 2013	2 2012	3 2011	4 2010	5 2009
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).....	485,591,400	491,878,280	473,412,418	532,015,636	534,491,140
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	152,023,576	146,272,879	146,537,984	148,501,759	149,289,695
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	304,410,746	300,547,073	298,983,685	287,234,765	273,734,820
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,743,570	4,470,528	5,418,986	6,139,779	6,603,698
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,505,847	2,136,400	2,168,477	821,162	987,327
6. Total (Line 35).....	948,275,138	945,305,161	926,521,550	974,713,102	965,106,679
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).....	426,192,970	410,024,450	392,698,875	374,668,205	371,253,418
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	152,023,865	146,269,713	146,539,483	148,412,645	149,217,868
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	304,401,913	300,548,686	298,976,544	287,228,711	273,719,799
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,939,013	3,388,376	4,123,201	4,333,390	4,148,681
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,549,053	2,331,035	2,164,276	859,061	1,079,143
12. Total (Line 35).....	888,106,814	862,562,260	844,502,378	815,502,013	799,418,910
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	74,855,294	805,485	(72,122,014)	46,699,754	77,188,657
14. Net investment gain (loss) (Line 11).....	183,039,079	239,630,638	177,545,530	304,187,133	184,790,193
15. Total other income (Line 15).....	8,613,574	2,377,197	1,120,439	1,435,895	899,541
16. Dividends to policyholders (Line 17).....	1,283,318	1,774,691	1,536,840	1,057,578	770,908
17. Federal and foreign income taxes incurred (Line 19).....	41,024,970	24,322,900	1,824,489	37,932,043	49,850,203
18. Net income (Line 20).....	224,199,659	216,715,729	103,182,626	313,333,161	212,257,280
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	4,653,938,415	4,797,215,673	4,646,799,971	4,599,086,294	4,627,074,603
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	105,874,830	94,834,944	94,062,825	41,258,299	40,501,265
20.2 Deferred and not yet due (Line 15.2).....	176,379,231	175,881,138	167,611,891	161,453,580	157,683,082
20.3 Accrued retrospective premiums (Line 15.3).....	4,196,232	5,037,295	8,210,467	8,618,785	21,321,491
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,169,502,708	2,169,748,101	2,158,110,704	2,141,137,360	2,161,318,953
22. Losses (Page 3, Line 1).....	1,309,708,421	1,320,121,453	1,312,376,801	1,277,299,854	1,302,562,430
23. Loss adjustment expenses (Page 3, Line 3).....	288,275,595	286,979,550	294,496,550	296,097,833	305,832,375
24. Unearned premiums (Page 3, Line 9).....	393,262,807	383,580,881	375,946,854	364,591,325	353,277,656
25. Capital paid up (Page 3, Lines 30 & 31).....	35,214,075	35,214,075	35,214,075	35,214,075	35,214,075
26. Surplus as regards policyholders (Page 3, Line 37).....	2,484,435,707	2,627,467,572	2,488,689,267	2,457,948,934	2,465,755,650
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	245,127,967	182,838,190	64,251,191	105,602,067	165,044,893
Risk-Based Capital Analysis					
28. Total adjusted capital.....	2,484,435,707	2,627,467,572	2,488,689,267	2,457,948,934	2,465,755,650
29. Authorized control level risk-based capital.....	130,970,065	136,203,769	133,614,130	135,896,625	147,546,024
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).....	96.3	96.8	96.2	95.6	87.8
31. Stocks (Lines 2.1 & 2.2).....	2.9	2.8	2.8	2.9	7.7
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	0.8	0.3	0.8	1.0	4.4
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	0.0	XXX
37. Other invested assets (Line 8).....	0.0	0.0	0.0	0.1	0.1
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.0	0.2	0.2	0.4	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	120,235,267	118,472,108	116,174,504	120,273,535	74,462,726
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.....	0	0	0	0	0
48. Total of above lines 42 to 47.....	120,235,267	118,472,108	116,174,504	120,273,535	74,462,726
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).....	4.8	4.5	4.7	4.9	3.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2013	2012	2011	2010	2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	1,113,753	2,427,683	(5,855,496)	(150,938,656)	110,842,752
52. Dividends to stockholders (Line 35).....	0	0	(77,100,000)	(171,000,000)	0
53. Change in surplus as regards policyholders for the year (Line 38).....	(143,031,865)	138,778,305	30,740,333	(7,806,716)	399,863,185
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).....	371,770,331	382,328,019	363,383,378	378,621,527	387,000,115
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	77,131,923	86,817,142	92,987,875	77,140,315	76,735,401
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	143,101,372	177,540,201	215,505,804	155,958,225	154,241,095
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(32,716,787)	7,420,421	(18,187)	11,262,236	(10,434,582)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,618,316	13,483,237	14,211,135	13,201,140	12,768,699
59. Total (Line 35).....	561,905,155	667,589,020	686,070,004	636,183,442	620,310,727
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).....	218,510,989	222,837,822	205,101,620	203,306,163	186,743,110
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	76,965,645	86,438,561	92,390,870	77,637,891	77,429,632
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	139,512,164	167,466,023	204,820,674	141,077,177	127,701,425
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	518,338	2,857,656	2,987,963	2,771,953	3,326,087
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	3,621,019	1,704,258	2,742,434	4,944,455	4,145,249
65. Total (Line 35).....	439,128,155	481,304,320	508,043,561	429,737,638	399,345,503
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).....	48.9	57.2	64.9	50.4	46.1
68. Loss expenses incurred (Line 3).....	12.0	11.2	12.0	11.6	12.2
69. Other underwriting expenses incurred (Line 4).....	30.6	31.5	31.7	32.1	32.0
70. Net underwriting gain (loss) (Line 8).....	8.5	0.1	(8.6)	5.8	9.6
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).....	29.2	31.0	31.3	31.5	32.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	60.9	68.4	76.9	62.0	58.3
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).....	35.7	32.8	33.9	33.2	32.4
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).....	(21,498)	(25,646)	(13,987)	(41,178)	(47,343)
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).....	(0.8)	(1.0)	(0.6)	(1.7)	(2.3)
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).....	(47,895)	(46,399)	(72,720)	(85,584)	(111,937)
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).....	(1.9)	(1.9)	(2.9)	(4.1)	(5.8)

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.....	30,606	9,314	12,373	1,185	6,145	63	2,095	38,564	XXX.....
2. 2004.....	931,555	155,365	776,190	397,675	67,089	39,971	5,066	31,115	2,775	17,996	393,832	XXX.....
3. 2005.....	897,822	130,392	767,430	450,330	118,087	37,338	5,501	31,979	2,003	16,202	394,057	XXX.....
4. 2006.....	884,315	108,617	775,698	342,945	42,674	32,925	3,347	35,850	1,097	17,248	364,602	XXX.....
5. 2007.....	973,426	166,420	807,005	360,965	34,709	34,028	2,594	38,707	845	20,067	395,553	XXX.....
6. 2008.....	901,921	89,389	812,532	445,230	45,405	36,050	2,668	45,174	661	20,552	477,721	XXX.....
7. 2009.....	889,664	71,759	817,905	389,425	24,241	31,989	1,748	43,959	503	18,433	438,881	XXX.....
8. 2010.....	883,980	64,914	819,066	411,207	22,333	31,529	1,457	44,617	397	20,848	463,166	XXX.....
9. 2011.....	916,251	63,243	853,008	479,974	31,792	27,340	1,598	45,690	415	21,435	519,200	XXX.....
10. 2012.....	940,985	69,626	871,359	411,858	70,669	19,601	2,899	45,760	689	19,969	402,963	XXX.....
11. 2013.....	952,126	75,172	876,954	192,258	8,567	7,685	356	35,269	804	10,425	225,485	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	3,912,474	474,878	310,832	28,420	404,266	10,251	185,269	4,114,022	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.....	304,348	93,748	255,433	43,336	29,093	5,651	45,669	3,157	30,493	(65)	867	519,209	XXX.....
2. 2004.....	15,617	4,687	13,446	3,806	1,264	154	2,690	383	826	4	491	24,808	XXX.....
3. 2005.....	14,061	4,665	17,531	4,486	1,346	630	3,122	334	674	18	427	26,599	XXX.....
4. 2006.....	18,230	5,199	24,732	4,634	1,586	194	3,748	342	1,032	10	454	38,949	XXX.....
5. 2007.....	17,720	3,353	24,660	3,395	1,858	113	4,940	382	963	2	771	42,895	XXX.....
6. 2008.....	24,301	3,146	30,441	3,046	2,765	196	7,206	445	1,854	11	1,574	59,723	XXX.....
7. 2009.....	31,566	5,238	36,870	4,953	3,474	226	7,361	567	1,910	17	2,497	70,180	XXX.....
8. 2010.....	47,720	4,042	46,040	3,879	5,958	314	9,731	567	3,031	15	4,412	103,662	XXX.....
9. 2011.....	68,541	4,770	71,518	4,741	8,282	358	15,663	575	4,854	16	7,360	158,398	XXX.....
10. 2012.....	87,981	6,948	110,220	7,963	8,768	289	23,550	725	7,499	(0)	9,738	222,091	XXX.....
11. 2013.....	115,517	10,280	178,227	14,695	8,887	351	36,726	1,329	18,647	(121)	14,902	331,469	XXX.....
12. Totals.....	745,602	146,075	809,118	98,936	73,280	8,477	160,405	8,806	71,783	(92)	43,494	1,597,984	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.....	422,697	96,512
2. 2004.	502,604	83,964	418,639	54.0	54.0	53.9	0	0	4.41	20,569	4,239
3. 2005.	556,381	135,725	420,655	62.0	104.1	54.8	0	0	4.41	22,440	4,159
4. 2006.	461,048	57,497	403,550	52.1	52.9	52.0	0	0	4.41	33,129	5,820
5. 2007.	483,841	45,392	438,448	49.7	27.3	54.3	0	0	4.41	35,633	7,262
6. 2008.	593,022	55,579	537,443	65.8	62.2	66.1	0	0	4.41	48,550	11,173
7. 2009.	546,555	37,493	509,062	61.4	52.2	62.2	0	0	4.41	58,245	11,935
8. 2010.	599,833	33,005	566,828	67.9	50.8	69.2	0	0	4.41	85,839	17,824
9. 2011.	721,864	44,266	677,598	78.8	70.0	79.4	0	0	4.41	130,548	27,850
10. 2012.	715,236	90,182	625,054	76.0	129.5	71.7	0	0	4.41	183,289	38,802
11. 2013.	593,217	36,263	556,955	62.3	48.2	63.5	0	0	4.41	268,769	62,700
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	1,309,708	288,276

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior.....	1,264,472	1,339,691	1,379,651	1,394,356	1,412,755	1,399,667	1,386,790	1,390,485	1,386,912	1,386,038	(874)	(4,448)
2. 2004.....	505,669	459,944	440,257	428,692	414,318	407,724	400,505	395,946	392,522	390,839	(1,682)	(5,107)
3. 2005.....	XXX	513,612	472,204	456,127	425,881	413,682	403,957	399,580	395,341	391,269	(4,072)	(8,312)
4. 2006.....	XXX	XXX	431,507	417,046	394,641	386,596	380,376	375,551	372,000	369,332	(2,667)	(6,218)
5. 2007.....	XXX	XXX	XXX	444,535	433,686	422,268	421,960	411,628	404,652	401,103	(3,549)	(10,525)
6. 2008.....	XXX	XXX	XXX	XXX	509,113	513,963	511,233	499,903	494,379	492,683	(1,696)	(7,221)
7. 2009.....	XXX	XXX	XXX	XXX	XXX	477,722	474,629	473,334	469,556	465,356	(4,200)	(7,978)
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	509,403	526,624	524,633	521,378	(3,255)	(5,246)
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	622,377	628,428	629,536	1,108	7,160
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	575,312	574,702	(610)	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	506,088	XXX	XXX
12. Totals.....											(21,498)	(47,895)

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior.....	.000	241,748	409,832	534,183	645,742	705,772	759,624	801,976	838,963	871,444	XXX	XXX
2. 2004.....	135,785	230,634	276,844	311,952	332,630	346,022	354,695	359,779	362,912	365,491	XXX	XXX
3. 2005.....	XXX	144,561	249,807	291,218	320,492	338,999	351,625	357,437	361,129	364,081	XXX	XXX
4. 2006.....	XXX	XXX	138,822	214,806	256,051	285,464	307,568	317,716	325,153	329,849	XXX	XXX
5. 2007.....	XXX	XXX	XXX	151,583	236,526	283,676	316,654	338,362	350,453	357,691	XXX	XXX
6. 2008.....	XXX	XXX	XXX	XXX	196,644	299,574	355,177	392,125	417,743	433,208	XXX	XXX
7. 2009.....	XXX	XXX	XXX	XXX	XXX	184,411	284,554	336,360	371,630	395,425	XXX	XXX
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	207,544	319,846	378,049	418,946	XXX	XXX
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	285,984	412,782	473,924	XXX	XXX
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	235,861	357,891	XXX	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	191,020	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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior.....	631,277	546,686	496,703	458,002	417,563	378,560	336,320	306,827	283,223	267,748
2. 2004.....	268,673	146,537	94,857	66,473	46,866	35,172	25,986	20,401	15,665	12,596
3. 2005.....	XXX	235,616	146,245	109,782	65,990	47,675	33,045	27,816	21,610	16,678
4. 2006.....	XXX	XXX	202,163	132,731	85,670	61,502	45,572	35,481	29,064	24,489
5. 2007.....	XXX	XXX	XXX	194,670	121,566	83,175	63,944	45,987	34,111	26,935
6. 2008.....	XXX	XXX	XXX	XXX	204,100	125,923	89,460	58,613	43,397	35,206
7. 2009.....	XXX	XXX	XXX	XXX	XXX	193,389	112,258	79,680	55,345	39,987
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	187,493	118,264	77,373	52,653
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	205,713	121,017	83,575
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	212,123	126,964
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	201,025

UNITED STATES FIDELITY AND GUARANTY COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	732,991	234,991	0	2,267,209	1,119	32,144,726	874	0
2. Alaska.....AK	L	142,018	293,089	0	795,984	319,630	3,547,583	16	0
3. Arizona.....AZ	L	1,138,195	834,716	0	587,277	(46,625)	10,497,877	1,014	0
4. Arkansas.....AR	L	128,595	127,542	0	1,094,346	281,027	11,047,486	118	0
5. California.....CA	L	9,816,540	34,557,441	0	36,216,616	36,000,136	275,025,418	13,145	0
6. Colorado.....CO	L	433,875	408,345	0	1,033,223	(2,358,539)	7,522,798	561	0
7. Connecticut.....CT	L	2,042,458	2,694,322	0	1,078,286	2,684,338	10,565,265	3,788	0
8. Delaware.....DE	L	101,376	99,604	0	383,672	34,620	3,514,791	94	0
9. District of Columbia.....DC	L	(7,449)	(9,181)	0	(2,954)	(83,546)	856,698	0	0
10. Florida.....FL	L	111,857	158,746	0	4,706,812	4,159,719	61,209,872	84	0
11. Georgia.....GA	L	679,671	786,046	0	1,649,997	(478,371)	16,374,227	886	0
12. Hawaii.....HI	L	(159,279)	(158,760)	0	11,001	(115,276)	1,452,362	0	0
13. Idaho.....ID	L	246,947	226,701	0	99,170	144,231	1,794,257	440	0
14. Illinois.....IL	L	523,188	456,985	0	1,710,749	(343,651)	26,702,755	474	0
15. Indiana.....IN	L	125,359	166,852	0	433,157	(580,742)	12,568,136	36	0
16. Iowa.....IA	L	799,586	837,853	0	418,904	611,388	9,512,427	416	0
17. Kansas.....KS	L	635,837	601,235	0	1,001,109	719,308	6,976,396	517	0
18. Kentucky.....KY	L	44,833	135,720	0	733,579	(873,198)	20,346,438	27	0
19. Louisiana.....LA	L	192,081	349,727	0	2,269,142	(5,465,792)	14,446,510	125	0
20. Maine.....ME	L	126,004	127,257	0	240,722	(158,583)	4,601,829	177	0
21. Maryland.....MD	L	434,349	427,324	0	1,372,278	(636,163)	7,534,904	365	0
22. Massachusetts.....MA	L	99,372	101,325	0	1,136,330	149,401	22,830,810	228	0
23. Michigan.....MI	L	5,758,194	5,787,941	0	5,382,451	881,369	142,266,542	5,216	0
24. Minnesota.....MN	L	2,200,345	2,573,881	0	2,141,644	1,947,004	13,509,378	1,514	0
25. Mississippi.....MS	L	367,859	380,794	0	1,222,582	(1,264,808)	26,193,281	302	0
26. Missouri.....MO	L	6,666	3,833	0	4,013,221	3,365,682	18,817,851	1	0
27. Montana.....MT	L	271,114	256,550	0	871,283	37,058	5,046,619	455	0
28. Nebraska.....NE	L	3,744,372	4,244,678	0	1,108,946	2,042,285	7,542,581	2,661	0
29. Nevada.....NV	L	238,038	296,015	0	33,851	(252,895)	4,138,294	285	0
30. New Hampshire.....NH	L	378,499	356,469	0	76,508	(93,246)	1,919,479	630	0
31. New Jersey.....NJ	L	277,362	277,568	0	2,995,231	5,198,093	36,906,993	411	0
32. New Mexico.....NM	L	162,185	162,378	0	962,995	493,345	13,507,845	144	0
33. New York.....NY	L	1,871,601	1,884,858	0	(18,694,658)	(17,061,726)	44,175,695	2,730	0
34. North Carolina.....NC	L	1,316,630	1,304,188	0	4,324,621	6,020,254	18,420,779	1,470	0
35. North Dakota.....ND	L	9,680	14,478	0	29,657	(99,120)	306,538	0	0
36. Ohio.....OH	L	(16,361)	(15,289)	0	1,788,641	402,525	15,057,916	0	0
37. Oklahoma.....OK	L	198,479	195,960	0	923,658	(1,517,206)	17,612,161	8	0
38. Oregon.....OR	L	1,477,082	1,117,237	0	1,466,721	1,979,687	8,087,874	2,193	0
39. Pennsylvania.....PA	L	3,172,153	3,142,558	0	6,736,690	(14,348,215)	92,134,990	2,905	0
40. Rhode Island.....RI	L	(1,224)	(951)	0	753,196	45,285	1,352,132	0	0
41. South Carolina.....SC	L	164,995	196,300	0	789,723	877,609	12,606,043	203	0
42. South Dakota.....SD	L	97,149	115,952	0	468,746	482,236	1,496,231	90	0
43. Tennessee.....TN	L	180,625	390,529	0	(9,723,582)	(10,022,541)	21,915,108	155	0
44. Texas.....TX	L	74,422	118,419	0	2,164,366	1,353,180	44,967,978	104	0
45. Utah.....UT	L	507,326	520,691	0	90,500	563,619	4,815,663	894	0
46. Vermont.....VT	L	1,788,293	1,782,727	0	6,826,454	6,865,132	7,028,475	2,557	0
47. Virginia.....VA	L	330,420	124,888	0	1,743,537	778,284	27,867,610	381	0
48. Washington.....WA	L	3,690	3,673	0	428,468	(115,841)	3,915,605	6	0
49. West Virginia.....WV	L	55,982	58,157	0	474,250	121,380	1,812,105	11	0
50. Wisconsin.....WI	L	3,826,756	1,093,076	0	3,867,749	3,806,613	36,328,788	1,055	0
51. Wyoming.....WY	L	55,204	42,044	0	(818)	(158,985)	352,536	0	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	16,806	17,305	0	(61,853)	78,962	2,471,643	0	0
55. US Virgin Islands.....VI	L	100	234	0	0	(5,735)	17,858	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	(57)	1,755	0	0
58. Aggregate Other Alien.....OT	XXX	(3,665)	(123,989)	0	0	(2,105,546)	98,147,758	0	0
59. Totals.....(a) ..53		46,919,180	69,781,031	0	82,441,386	24,258,109	1,291,815,664	49,766	0

DETAILS OF WRITE-INS

58001. BRA Brazil.....	XXX	0	0	0	0	0	90,854,888	0	0
58002. EGY Egypt.....	XXX	0	0	0	0	649	1,473	0	0
58003. NOR Norway.....	XXX	0	0	0	0	(25)	772	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	(3,665)	(123,989)	0	0	(2,106,170)	7,290,625	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	(3,665)	(123,989)	0	0	(2,105,546)	98,147,758	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

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

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. Fidelity English Turn Club General Partnership (1%)	Maryland	59-2709441
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. 8527512 Canada Inc. (22.48%)	Canada	
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... .. The Dominion of Canada General Insurance Company *	Canada	
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Symmetry Growth Capital II, LLC	Minnesota	76-0753165
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Upper Lake Growth Capital, LLC (99.1%)	Minnesota	41-1927945
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... .. Vesbridge Partners, LP (88.4%)	Minnesota	20-1222630
... .. Travelers Constitution State Insurance Company (41750) *	Connecticut	41-1435766	... .. Windamere II, LLC (98.9%)	Minnesota	41-1963936
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. Windamere III, LLC (99%)	Minnesota	41-2007089
... .. Discover Property & Casualty Insurance Company (36463) *	Connecticut	36-2999370	... .. Windamere, LLC (90.2%)	Minnesota	41-1926305
... .. St. Paul Protective Insurance Company (19224) *	Connecticut	36-2542404	... Camperdown Corporation	Delaware	41-1762781
... .. Discover Specialty Insurance Company (10213) *	Connecticut	52-1925132	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... Aprilgrange Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... F&G U.K. Underwriters Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... Travelers Syndicate Management Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... St. Paul Surety Europe Limited	United Kingdom	
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... Travelers London Limited	United Kingdom	
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... .. Solicitors Professional Indemnity Limited (49%)	United Kingdom	
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... St. Paul London Properties, Inc.	Minnesota	41-1880024
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... Travelers Management Limited	United Kingdom	
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. Travelers Professional Risks Limited	United Kingdom	
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Constitution Plaza, Inc.	Connecticut	06-0566030
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. USF&G Capital I	Delaware	52-1953822	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. USF&G Capital III	Delaware	52-2044075	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. Travelers Special Services Limited	United Kingdom		... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. Castle Pines Fidelity Realty, Inc.	Maryland	52-1735211	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. Castle Pines Fidelity Associates Limited Partnership (1%)	Maryland	52-1735213	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. Fidelity Castle Pines Limited Partnership (50%)	Maryland	52-1631820	... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Castle Pines Fidelity Associates Limited Partnership (99%)	Maryland	52-1735213	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. English Turn Fidelity Realty, Inc.	Maryland	52-1466734	... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. English Turn Limited Partnership (99%)	Maryland	59-2635727	... .. TPC Investments Inc.	Connecticut	06-1534005
... .. Fidelity English Turn Club General Partnership (99%)	Maryland	59-2709441	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. English Turn Limited Partnership (1%)	Maryland	59-2635727	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. English Turn Realty Management, Inc.	Maryland	52-1715225	... .. 8527512 Canada Inc. (77.52%)	Canada	

Notes:

* Denotes affiliated insurer

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

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

... .. The Dominion of Canada General Insurance Company *	Canada		... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... .. Travelers Insurance Company of Canada *	Canada		... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370	... .. TINDY Foreign, Inc	Delaware	20-4403403
... .. Travelers Brazil Holding, LLC	Delaware	06-0907370	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... .. Travelers Brazil Acquisition LLC	Delaware	06-0907370	... .. Travelers Distribution Alliance, Inc.	Delaware	62-1657094
... .. J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (49.5%)	Brazil		... .. Travelers TLD, LLC	Delaware	06-0566050
... .. J. Malucelli Resseguradora S.A. *	Brazil		... .. Tiercel, LLC	Delaware	06-0566050
... .. J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		... .. Redstart, LLC	Delaware	06-0566050
... .. J. Malucelli Seguradora S.A. *	Brazil		... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... .. J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... .. J. Malucelli Seguros S.A. *	Brazil		... .. Travelers Marine, LLC	Delaware	06-0566050
... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835			
... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266			
... .. Travelers Casualty UK Investments LLC	Delaware	06-6033504			
... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268			
... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698			
... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040			
... .. Travelers MGA, Inc.	Texas	75-2676034			
... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050			
... .. Arch Street North LLC	Delaware	06-0566050			
... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290			
... .. Travelers Real Estate, LLC	Delaware	06-0566050			
... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141			
... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361			
... .. Select Insurance Company (22233) *	Texas	75-6013697			
... .. 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			
... .. 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			
... .. Phoenix UK Investments LLC	Delaware	06-0303275			

Notes:

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