

ANNUAL STATEMENT
For the Year Ended December 31, 2014
OF THE CONDITION AND AFFAIRS OF THE
ST. PAUL FIRE AND MARINE
INSURANCE COMPANY

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

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

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

Statutory Home Office: One Tower Square, Hartford, CT, 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 2 columns: Name, Title. Lists officers including Brian William MacLean, Jay Steven Benet, William Herbert Heyman, Alan David Schnitzer, Doreen Spadorcia, Andy Francis Besette, Bruce Richard Jones, Madelyn Joseph Lankton, Maria Olivo, Kenneth Franklin Spence, Douglas Keith Bell, Douglas Kenneth Russell, Scott William Rynda, Wendy Constance Skjerven, and Renée Helou Davis.

DIRECTORS

JAY STEVEN BENET
WILLIAM HERBERT HEYMAN

BRIAN WILLIAM MacLEAN
DOREEN SPADORCIA

KENNETH FRANKLIN SPENCE, III
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.

Signatures of Brian W. MacLean, Wendy C. Skjerven, and Douglas K. Russell with their respective titles: President, Secretary, and Controller.

Subscribed and sworn to before me this

22nd day of January, 2015

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).....	10,403,353,378	0	10,403,353,378	10,494,654,861
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,195,000	0	1,195,000	1,195,000
2.2 Common stocks.....	3,923,731,281	11,633,655	3,912,097,626	3,838,041,696
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	41,900,000	0	41,900,000	42,900,000
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).....	74,086,043	0	74,086,043	76,758,189
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	690,192,475	0	690,192,475	710,584,737
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....31,164,891, Schedule E-Part 1), cash equivalents (\$.....21,098,703, Schedule E-Part 2) and short-term investments (\$.....468,790,440, Schedule DA).....	521,054,034	0	521,054,034	318,764,570
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).....	877,496,524	37,962,828	839,533,696	824,545,127
9. Receivables for securities.....	(41,237)	0	(41,237)	176,867
10. Securities lending reinvested collateral assets (Schedule DL).....	127,377,243	0	127,377,243	32,022,952
11. Aggregate write-ins for invested assets.....	(64,785)	0	(64,785)	(64,785)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,660,279,957	49,596,483	16,610,683,473	16,339,579,214
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	115,888,147	0	115,888,147	122,603,421
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	673,808,230	41,699,651	632,108,579	568,875,618
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....22,890,515 earned but unbilled premiums).....	1,026,606,624	5,218,233	1,021,388,391	992,090,638
15.3 Accrued retrospective premiums.....	22,024,311	1,234,066	20,790,245	23,588,341
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	88,004,296	0	88,004,296	61,765,655
16.2 Funds held by or deposited with reinsured companies.....	11,470,798	0	11,470,798	15,531,386
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.....	391,351,205	63,413,265	327,937,940	352,494,028
19. Guaranty funds receivable or on deposit.....	26,764	0	26,764	327,114
20. Electronic data processing equipment and software.....	413	0	413	34,243
21. Furniture and equipment, including health care delivery assets (\$.....0).....	14,824,690	14,824,690	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.....	92,466,776	3,555,205	88,911,571	89,426,661
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	19,096,752,211	179,541,594	18,917,210,617	18,566,316,320
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	19,096,752,211	179,541,594	18,917,210,617	18,566,316,320

DETAILS OF WRITE-INS

1101. Deferred gain/loss.....	(64,785)	0	(64,785)	(64,785)
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).....	(64,785)	0	(64,785)	(64,785)
2501. Real estate operating fund.....	22,025,895	0	22,025,895	22,134,170
2502. COLI supplemental benefits trust.....	20,238,999	0	20,238,999	5,457,294
2503. Equities and deposits in pools and associations.....	19,555,138	0	19,555,138	19,162,955
2598. Summary of remaining write-ins for Line 25 from overflow page.....	30,646,743	3,555,205	27,091,538	42,672,241
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	92,466,776	3,555,205	88,911,571	89,426,661

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,493,585,203	7,648,975,444
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	277,503,506	275,194,117
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,852,640,576	1,721,718,149
4. Commissions payable, contingent commissions and other similar charges.....	156,796,952	155,227,718
5. Other expenses (excluding taxes, licenses and fees).....	165,460,495	161,327,693
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	84,933,575	90,940,717
7.1 Current federal and foreign income taxes (including \$.....(35,120,522) on realized capital gains (losses)).....	36,555,083	2,337,018
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 \$.....294,904,228 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	2,317,727,202	2,274,421,678
10. Advance premium.....	5,946	1,918
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	11,529,201	11,646,381
12. Ceded reinsurance premiums payable (net of ceding commissions).....	71,065,977	83,515,399
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	1,586,007	656,414
14. Amounts withheld or retained by company for account of others.....	31,445,337	57,763,369
15. Remittances and items not allocated.....	22,633,758	18,263,788
16. Provision for reinsurance (including \$.....2,370,582 certified) (Schedule F, Part 8).....	30,244,397	35,904,335
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	73,190,892	25,128,050
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	78,829,059	20,203,949
20. Derivatives.....	0	0
21. Payable for securities.....	47,898,489	0
22. Payable for securities lending.....	127,377,243	32,022,952
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.....	42,131,487	36,369,949
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	12,923,140,386	12,651,619,036
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	12,923,140,386	12,651,619,036
29. Aggregate write-ins for special surplus funds.....	21,839,551	24,973,952
30. Common capital stock.....	20,000,000	20,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	3,238,382,533	3,238,382,533
35. Unassigned funds (surplus).....	2,713,848,148	2,631,340,799
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	5,994,070,231	5,914,697,284
38. TOTALS (Page 2, Line 28, Col. 3).....	18,917,210,617	18,566,316,320

DETAILS OF WRITE-INS

2501. Other liabilities.....	43,120,000	43,120,000
2502. Investment real estate liability.....	19,908,102	18,058,646
2503. Retroactive reinsurance reserve assumed.....	554,223	557,724
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(21,450,837)	(25,366,421)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	42,131,487	36,369,949
2901. Special surplus from retroactive reinsurance.....	20,839,551	23,973,952
2902. Guaranty surplus fund.....	1,000,000	1,000,000
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).....	21,839,551	24,973,952
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	5,079,565,087	5,079,683,160
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,344,412,412	2,480,578,965
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	718,317,659	592,165,437
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,553,207,380	1,575,160,546
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	4,615,937,450	4,647,904,947
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	463,627,636	431,778,213
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	659,983,264	644,745,603
10. Net realized capital gains (losses) less capital gains tax of \$.....50,472,944 (Exhibit of Capital Gains (Losses)).....	65,514,778	26,223,144
11. Net investment gain (loss) (Lines 9 + 10).....	725,498,043	670,968,747
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....3,030,447 amount charged off \$.....14,266,714).....	(11,236,267)	(11,715,081)
13. Finance and service charges not included in premiums.....	19,283,232	20,817,555
14. Aggregate write-ins for miscellaneous income.....	(2,855,323)	23,622,778
15. Total other income (Lines 12 through 14).....	5,191,642	32,725,251
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,194,317,321	1,135,472,211
17. Dividends to policyholders.....	7,800,320	7,213,935
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).....	1,186,517,001	1,128,258,276
19. Federal and foreign income taxes incurred.....	252,839,473	244,350,932
20. Net income (Line 18 minus Line 19) (to Line 22).....	933,677,528	883,907,344
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,914,697,284	6,000,663,680
22. Net income (from Line 20).....	933,677,528	883,907,344
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....25,454,696.....	283,461,008	170,438,776
25. Change in net unrealized foreign exchange capital gain (loss).....	(53,937,431)	(29,068,734)
26. Change in net deferred income tax.....	(32,140,036)	(43,934,322)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	28,312,076	36,895,537
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	5,659,938	11,555,661
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(1,085,800,000)	(1,115,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	139,865	(760,660)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	79,372,948	(85,966,397)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	5,994,070,231	5,914,697,284
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Change in COLI cash values.....	917,711	885,237
1402. Other assets tri-party/tax credit bond income.....	25,536	0
1403. Fines and penalties of regulatory authorities.....	(258,603)	(87,660)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(3,539,968)	22,825,200
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(2,855,323)	23,622,778
3701. Prior period adjustment.....	139,865	(760,660)
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).....	139,865	(760,660)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,019,861,357	5,073,131,702
2. Net investment income.....	751,662,886	741,549,687
3. Miscellaneous income.....	5,191,642	32,725,251
4. Total (Lines 1 through 3).....	5,776,715,885	5,847,406,641
5. Benefit and loss related payments.....	2,519,671,317	2,580,469,486
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,140,968,161	2,151,861,413
8. Dividends paid to policyholders.....	7,917,500	8,448,551
9. Federal and foreign income taxes paid (recovered) net of \$.....36,423,717 tax on capital gains (losses).....	269,094,352	268,684,383
10. Total (Lines 5 through 9).....	4,937,651,329	5,009,463,833
11. Net cash from operations (Line 4 minus Line 10).....	839,064,556	837,942,808
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	3,024,344,109	2,141,009,293
12.2 Stocks.....	292,119,786	404,708,446
12.3 Mortgage loans.....	1,000,000	2,125,000
12.4 Real estate.....	12,998,864	16,772,351
12.5 Other invested assets.....	253,944,999	136,764,501
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(35,889)	2,441
12.7 Miscellaneous proceeds.....	48,116,593	53,562,260
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,632,488,462	2,754,944,292
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,984,783,898	1,846,738,415
13.2 Stocks.....	79,450,007	274,052,691
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	19,200,730	99,988,021
13.5 Other invested assets.....	145,290,932	114,722,213
13.6 Miscellaneous applications.....	95,354,291	9,339,751
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,324,079,858	2,344,841,092
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).....	308,408,604	410,103,200
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	1,085,800,000	1,115,000,000
16.6 Other cash provided (applied).....	140,616,305	(39,761,718)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(945,183,695)	(1,154,761,718)
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).....	202,289,464	93,284,290
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	318,764,570	225,480,280
19.2 End of year (Line 18 plus Line 19.1).....	521,054,034	318,764,570
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of stock.....	34,820,811	0
20.0002 Prior period return of capital.....	30,887,484	0
20.0003 Exchange of bonds.....	2,180,000	0
20.0004 Interest payment received in securities.....	1,399,388	1,258,244
20.0005 Stock distributions from limited partnerships.....	364,138	61,285

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

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	152,669,993	70,219,625	71,451,893	151,437,726
2. Allied lines.....	122,746,595	61,621,254	60,630,789	123,737,060
3. Farmowners multiple peril.....	40,493,638	19,428,854	19,322,093	40,600,399
4. Homeowners multiple peril.....	795,964,486	431,153,240	425,822,672	801,295,054
5. Commercial multiple peril.....	742,730,918	332,629,607	341,020,917	734,339,608
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	72,987,493	32,283,415	29,606,733	75,664,175
9. Inland marine.....	170,615,038	77,443,950	80,059,457	167,999,532
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(40)	(374)	(315)	(100)
11.2 Medical professional liability - claims-made.....	(2,008)	6	0	(2,002)
12. Earthquake.....	30,239,771	13,119,774	15,257,482	28,102,063
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.....	951,965,426	345,002,355	364,993,340	931,974,441
17.1 Other liability - occurrence.....	438,628,373	184,754,314	191,392,519	431,990,168
17.2 Other liability - claims-made.....	147,824,366	86,505,870	81,915,302	152,414,934
17.3 Excess workers' compensation.....	4,637,896	1,789,357	1,687,285	4,739,968
18.1 Products liability - occurrence.....	64,373,533	30,333,791	29,701,970	65,005,354
18.2 Products liability - claims-made.....	7,047,835	2,578,048	3,134,305	6,491,578
19.1, 19.2 Private passenger auto liability.....	494,260,008	179,255,054	190,021,744	483,493,318
19.3, 19.4 Commercial auto liability.....	386,884,045	176,786,606	174,657,672	389,012,980
21. Auto physical damage.....	422,198,414	159,103,550	168,090,145	413,211,818
22. Aircraft (all perils).....	20,319	379	0	20,698
23. Fidelity.....	13,353,896	9,588,189	8,457,288	14,484,798
24. Surety.....	(3,169,318)	380,674	328,749	(3,117,393)
26. Burglary and theft.....	1,574,313	964,552	941,902	1,596,962
27. Boiler and machinery.....	48,707,308	21,623,881	21,539,445	48,791,744
28. Credit.....	460	2,260	1,596	1,124
29. International.....	472,233	19,608	3,548	488,292
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	10,536,985	3,923,329	4,034,618	10,425,697
32. Reinsurance - nonproportional assumed liability.....	4,532,803	2,170,736	2,371,330	4,332,209
33. Reinsurance - nonproportional assumed financial lines.....	368,906	276,669	245,496	400,079
34. Aggregate write-ins for other lines of business.....	689,359	395,355	451,910	632,804
35. TOTALS.....	5,123,353,043	2,243,353,930	2,287,141,887	5,079,565,087

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	689,359	395,355	451,910	632,804
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).....	689,359	395,355	451,910	632,804

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

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	69,958,677	1,990,449	(497,233)	.0	71,451,893
2. Allied lines.....	58,481,504	2,149,780	(496)	.0	60,630,789
3. Farmowners multiple peril.....	19,713,944	(391,851)	0	.0	19,322,093
4. Homeowners multiple peril.....	425,826,699	(4,027)	0	.0	425,822,672
5. Commercial multiple peril.....	343,720,529	(144,643)	(2,554,970)	.0	341,020,917
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	30,629,836	413,544	(1,436,647)	.0	29,606,733
9. Inland marine.....	67,328,100	13,363,414	(632,058)	.0	80,059,457
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(315)	.0	.0	.0	(315)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	14,687,244	570,239	0	.0	15,257,482
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.....	388,369,230	(75,449)	(14,025,698)	(9,274,743)	364,993,340
17.1 Other liability - occurrence.....	192,507,342	(452,438)	(3,220,039)	2,557,654	191,392,519
17.2 Other liability - claims-made.....	70,768,198	11,058,928	88,176	.0	81,915,302
17.3 Excess workers' compensation.....	1,688,276	.0	(992)	.0	1,687,285
18.1 Products liability - occurrence.....	27,831,966	2,138,123	(587,771)	319,653	29,701,970
18.2 Products liability - claims-made.....	3,250,939	(116,633)	(0)	.0	3,134,305
19.1, 19.2 Private passenger auto liability.....	190,021,744	.0	.0	.0	190,021,744
19.3, 19.4 Commercial auto liability.....	174,403,754	1,563,979	(12,696)	(1,297,365)	174,657,672
21. Auto physical damage.....	167,813,547	276,598	(0)	.0	168,090,145
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	5,491,367	2,965,921	.0	.0	8,457,288
24. Surety.....	193,568	145,274	(10,093)	.0	328,749
26. Burglary and theft.....	661,566	280,336	.0	.0	941,902
27. Boiler and machinery.....	20,561,957	977,488	.0	.0	21,539,445
28. Credit.....	1,596	.0	.0	.0	1,596
29. International.....	3,548	.0	.0	.0	3,548
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	3,006,077	1,028,541	.0	.0	4,034,618
32. Reinsurance - nonproportional assumed liability.....	2,289,204	82,125	.0	.0	2,371,330
33. Reinsurance - nonproportional assumed financial lines.....	245,496	.0	.0	.0	245,496
34. Aggregate write-ins for other lines of business.....	451,910	.0	.0	.0	451,910
35. TOTALS.....	2,279,907,504	37,819,698	(22,890,515)	(7,694,801)	2,287,141,887
36. Accrued retrospective premiums based on experience.....					7,694,801
37. Earned but unbilled premiums.....					22,890,515
38. Balance (sum of Lines 35 through 37).....					2,317,727,202

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	451,910	.0	.0	.0	451,910
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).....	451,910	.0	.0	.0	451,910

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

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

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire.....	53,398,478	132,370,906	(11,784)	14,553,551	18,534,055	152,669,993
2. Allied lines.....	12,913,897	120,314,350	238,711	10,380,841	339,523	122,746,595
3. Farmowners multiple peril.....	0	40,493,638	0	0	0	40,493,638
4. Homeowners multiple peril.....	0	795,964,486	0	0	0	795,964,486
5. Commercial multiple peril.....	1,736,876	742,780,036	0	1,740,025	45,969	742,730,918
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	30,987,004	60,411,815	1,517,876	19,116,884	812,318	72,987,493
9. Inland marine.....	34,150,533	165,501,435	(268)	27,221,619	1,815,043	170,615,038
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(40)	0	0	0	(40)
11.2 Medical professional liability - claims-made.....	0	(2,008)	0	0	0	(2,008)
12. Earthquake.....	740,424	29,604,627	0	11,253	94,027	30,239,771
13. Group accident and health.....	0	0	1,091	1,091	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	30,537	0	(50)	30,487	0	0
16. Workers' compensation.....	1,382,100	951,965,426	2,676,033	4,058,133	0	951,965,426
17.1 Other liability - occurrence.....	390,959,939	429,263,662	(402,133)	380,839,932	353,164	438,628,373
17.2 Other liability - claims-made.....	34,811,307	144,128,309	163	31,077,787	37,627	147,824,366
17.3 Excess workers' compensation.....	0	4,637,896	0	0	0	4,637,896
18.1 Products liability - occurrence.....	55,457,343	36,624,267	59,184	26,189,403	1,577,858	64,373,533
18.2 Products liability - claims-made.....	2,311,465	6,766,760	0	2,022,864	7,526	7,047,835
19.1, 19.2 Private passenger auto liability.....	261	494,260,008	0	261	0	494,260,008
19.3, 19.4 Commercial auto liability.....	93,872,660	363,144,656	1,413,552	70,486,280	1,060,543	386,884,045
21. Auto physical damage.....	29,721,062	415,146,923	644,951	23,306,033	8,490	422,198,414
22. Aircraft (all perils).....	0	20,319	81,830	81,830	0	20,319
23. Fidelity.....	14,699,103	12,884,732	2,925	14,195,157	37,707	13,353,896
24. Surety.....	1,713,050	(2,958,142)	320,460	2,244,685	0	(3,169,318)
26. Burglary and theft.....	426,076	1,486,767	0	336,713	1,818	1,574,313
27. Boiler and machinery.....	2,303,442	46,721,942	(626)	295,798	21,652	48,707,308
28. Credit.....	0	460	1,809	1,809	0	460
29. International.....	0	462,894	23,831	14,492	0	472,233
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	10,536,985	(31,755)	(31,755)	0	10,536,985
32. Reinsurance - nonproportional assumed liability.....	XXX	4,532,803	18,462,071	18,462,071	0	4,532,803
33. Reinsurance - nonproportional assumed financial lines.....	XXX	368,906	1,488,126	1,488,126	0	368,906
34. Aggregate write-ins for other lines of business.....	2,780,793	689,359	0	2,780,793	0	689,359
35. TOTALS.....	764,396,351	5,008,124,174	26,485,997	650,906,160	24,747,320	5,123,353,043

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	2,780,793	689,359	0	2,780,793	0	689,359
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).....	2,780,793	689,359	0	2,780,793	0	689,359

(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.....	43,807,034	70,613,317	26,179,776	88,240,575	73,833,956	80,941,574	81,132,956	53.6
2. Allied lines.....	3,290,653	63,053,324	5,771,980	60,571,997	51,800,277	61,010,063	51,362,210	41.5
3. Farmowners multiple peril.....	0	17,978,594	0	17,978,594	13,647,905	14,154,532	17,471,967	43.0
4. Homeowners multiple peril.....	21	344,232,712	(1,268)	344,234,001	170,521,516	183,754,158	331,001,358	41.3
5. Commercial multiple peril.....	3,242,492	324,582,560	4,212,710	323,612,342	635,154,775	609,848,181	348,918,937	47.5
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	36,318,730	24,582,526	32,560,886	28,340,369	51,538,107	52,805,818	27,072,658	35.8
9. Inland marine.....	16,982,104	72,233,120	11,575,691	77,639,533	66,657,426	61,853,206	82,443,752	49.1
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	317,056	119,761	317,056	119,761	5,068,787	3,743,010	1,445,538	(1,447,709.8)
11.2 Medical professional liability - claims-made.....	1,269,212	802,208	1,547,709	523,711	13,537,386	16,241,878	(2,180,781)	108,905.1
12. Earthquake.....	68,000	38,393	0	106,393	1,688,404	307,938	1,486,860	5.3
13. Group accident and health.....	0	539,032	539,032	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.....	119	660,951	661,069	(0)	0	0	(0)	0.0
16. Workers' compensation.....	37,805,387	450,036,223	46,317,650	441,523,960	3,214,164,794	3,106,526,735	549,162,019	58.9
17.1 Other liability - occurrence.....	217,722,723	182,665,576	225,988,499	174,399,800	1,109,541,200	1,148,879,441	135,061,559	31.3
17.2 Other liability - claims-made.....	38,430,983	85,641,866	38,223,756	85,849,094	398,700,504	405,992,050	78,557,547	51.5
17.3 Excess workers' compensation.....	11,800,000	7,470,965	12,013,125	7,257,839	126,788,301	124,447,554	9,598,587	202.5
18.1 Products liability - occurrence.....	80,029,391	26,156,866	57,378,587	48,807,669	302,177,213	438,268,931	(87,284,049)	(134.3)
18.2 Products liability - claims-made.....	1,514,101	2,656,532	794,833	3,375,800	9,362,888	9,638,327	3,100,361	47.8
19.1, 19.2 Private passenger auto liability.....	0	279,784,292	0	279,784,292	433,426,502	415,290,476	297,920,317	61.6
19.3, 19.4 Commercial auto liability.....	57,709,067	203,657,997	40,064,649	221,302,415	547,407,498	549,840,882	218,869,031	56.3
21. Auto physical damage.....	17,903,991	231,290,160	14,277,583	234,916,567	43,631,553	45,958,305	232,589,815	56.3
22. Aircraft (all perils).....	1,687,299	409,712	2,016,482	80,529	2,173,729	3,387,940	(1,133,682)	(5,477.3)
23. Fidelity.....	4,435,084	9,772,795	4,406,418	9,801,462	32,452,238	32,539,204	9,714,496	67.1
24. Surety.....	(3,516,590)	10,440,257	1,369,014	5,554,654	22,698,802	43,524,587	(15,271,131)	489.9
26. Burglary and theft.....	38,016	497,133	(13)	535,161	1,965,891	2,423,154	77,897	4.9
27. Boiler and machinery.....	2,408,091	11,811,887	91,717	14,128,260	11,499,405	13,622,532	12,005,133	24.6
28. Credit.....	0	75,146	60,436	14,710	1,706,012	2,097,205	(376,484)	(33,503.3)
29. International.....	0	1,633,453	969,850	663,603	2,184,026	3,369,747	(522,118)	(106.9)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	4,139,034	49,608	4,089,427	8,711,534	13,248,810	(447,850)	(4.3)
32. Reinsurance - nonproportional assumed liability.....	XXX	51,685,178	27,168,390	24,516,787	137,090,192	199,922,235	(38,315,256)	(884.4)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	7,950,269	6,370,919	1,579,349	3,601,686	4,476,364	704,671	176.1
34. Aggregate write-ins for other lines of business.....	1,024,599	253,998	1,024,599	253,998	852,699	860,604	246,093	38.9
35. TOTALS.....	574,287,561	2,487,465,836	561,950,745	2,499,802,652	7,493,585,203	7,648,975,444	2,344,412,412	46.2

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	1,024,599	253,998	1,024,599	253,998	852,699	860,604	246,093	38.9
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	1,024,599	253,998	1,024,599	253,998	852,699	860,604	246,093	38.9

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.....	54,769,871	41,252,545	19,985,973	76,036,443	(11,209,620)	27,457,784	18,450,652	73,833,956	8,315,135
2. Allied lines.....	385,255	35,172,096	3,074,796	32,482,555	6,555,986	18,560,627	5,798,891	51,800,277	8,168,491
3. Farmowners multiple peril.....	0	6,366,765	0	6,366,765	0	7,301,629	20,489	13,647,905	2,781,803
4. Homeowners multiple peril.....	0	86,048,388	0	86,048,388	0	85,333,501	860,373	170,521,516	29,494,753
5. Commercial multiple peril.....	1,071,582	319,146,581	2,654,853	317,563,310	8,163,539	330,239,302	20,811,376	635,154,775	229,668,179
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	40,950,060	22,709,779	39,031,566	24,628,273	52,802,067	28,080,860	53,973,093	51,538,107	10,801,075
9. Inland marine.....	8,619,954	34,866,055	3,862,494	39,623,514	11,462,112	29,713,866	14,142,066	66,657,426	10,550,446
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	14,413,570	3,656,792	14,413,571	3,656,791	1,274,770	1,410,140	1,272,914	5,068,787	1,089,533
11.2 Medical professional liability - claims-made.....	17,481,516	20,626,318	30,693,544	7,414,290	4,171,819	14,550,018	12,598,741	13,537,386	2,360,472
12. Earthquake.....	0	193,362	0	193,362	638,947	1,126,818	270,722	1,688,404	669,500
13. Group accident and health.....	0	647,254	647,254	0	(7,730)	402,982	395,251	(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	1,453,346	1,453,346	0	182,611	1,182,358	1,364,970	(a).....0	0
16. Workers' compensation.....	484,094,184	1,742,638,424	545,621,868	1,681,110,739	231,873,111	1,620,475,709	319,294,765	3,214,164,794	463,730,329
17.1 Other liability - occurrence.....	285,026,110	302,126,928	322,389,592	264,763,446	822,138,541	898,057,497	875,418,284	1,109,541,200	362,323,602
17.2 Other liability - claims-made.....	65,579,441	139,086,963	64,154,892	140,511,512	158,864,075	293,475,917	194,151,001	398,700,504	158,520,174
17.3 Excess workers' compensation.....	1,150,000	52,630,908	3,163,750	50,617,158	36,170,581	76,549,931	36,549,369	126,788,301	6,872,922
18.1 Products liability - occurrence.....	156,017,563	54,927,423	94,402,745	116,542,241	170,357,375	163,873,465	148,595,868	302,177,213	363,092,281
18.2 Products liability - claims-made.....	3,686,896	2,342,001	2,953,824	3,075,073	2,548,893	5,606,119	1,867,197	9,362,888	8,187,446
19.1, 19.2 Private passenger auto liability.....	0	249,425,460	0	249,425,460	7,835	184,001,042	7,835	433,426,502	61,453,397
19.3, 19.4 Commercial auto liability.....	116,022,644	250,445,560	81,684,117	284,784,087	86,313,405	259,730,493	83,420,488	547,407,498	63,500,153
21. Auto physical damage.....	4,002,419	14,298,750	(6,171,263)	24,472,431	14,481,360	10,231,724	5,553,963	43,631,553	31,421,574
22. Aircraft (all perils).....	23,795,674	3,657,864	26,151,522	1,302,015	13,785,013	9,598,263	22,511,562	2,173,729	1,223,806
23. Fidelity.....	1,351,325	4,689,030	940,260	5,100,095	39,600,204	28,185,800	40,433,862	32,452,238	11,568,735
24. Surety.....	25,884,075	20,982,760	37,201,423	9,665,412	14,935,591	16,401,813	18,304,013	22,698,802	5,270,956
26. Burglary and theft.....	13,500	12,239	232	25,507	2,343,087	1,660,253	2,062,956	1,965,891	838,922
27. Boiler and machinery.....	30,122	5,699,065	1,624	5,727,563	1,981,749	4,628,775	838,682	11,499,405	2,126,175
28. Credit.....	0	3,742,440	3,001,393	741,046	0	4,852,681	3,887,716	1,706,012	(114,840)
29. International.....	0	4,922,657	3,548,352	1,374,305	0	2,109,308	1,299,588	2,184,026	163,132
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	25,282,887	16,305,203	8,977,684	XXX	7,407,825	7,673,975	8,711,534	977,908
32. Reinsurance - nonproportional assumed liability.....	XXX	276,378,831	193,880,770	82,498,061	XXX	175,867,748	121,275,616	137,090,192	6,924,452
33. Reinsurance - nonproportional assumed financial lines.....	XXX	9,375,884	7,569,178	1,806,706	XXX	9,162,622	7,367,643	3,601,686	295,677
34. Aggregate write-ins for other lines of business.....	463,230	114,835	463,230	114,835	2,976,458	737,864	2,976,458	852,699	364,388
35. TOTALS.....	1,304,808,989	3,734,920,188	1,513,080,109	3,526,649,069	1,672,411,780	4,317,974,733	2,023,450,378	7,493,585,203	1,852,640,576
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	463,230	114,835	463,230	114,835	2,976,458	737,864	2,976,458	852,699	364,388
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).....	463,230	114,835	463,230	114,835	2,976,458	737,864	2,976,458	852,699	364,388

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

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

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	39,374,011	0	0	39,374,011
1.2 Reinsurance assumed.....	311,032,592	0	0	311,032,592
1.3 Reinsurance ceded.....	47,972,662	0	0	47,972,662
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	302,433,941	0	0	302,433,941
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	110,684,875	0	110,684,875
2.2 Reinsurance assumed, excluding contingent.....	0	667,120,897	0	667,120,897
2.3 Reinsurance ceded, excluding contingent.....	0	97,023,691	0	97,023,691
2.4 Contingent - direct.....	0	4,915,717	0	4,915,717
2.5 Contingent - reinsurance assumed.....	0	40,847,838	0	40,847,838
2.6 Contingent - reinsurance ceded.....	0	1,405,695	0	1,405,695
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	725,139,941	0	725,139,941
3. Allowances to manager and agents.....	0	859,328	0	859,328
4. Advertising.....	7,229	27,667,711	(7,112)	27,667,828
5. Boards, bureaus and associations.....	1,187,951	20,438,647	16,234	21,642,832
6. Surveys and underwriting reports.....	570	17,638,403	0	17,638,973
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	164,158,229	364,086,513	8,823,501	537,068,243
8.2 Payroll taxes.....	11,521,332	23,253,887	342,828	35,118,047
9. Employee relations and welfare.....	28,014,259	54,792,000	785,666	83,591,925
10. Insurance.....	167,411,021	4,357,333	5,985	171,774,339
11. Directors' fees.....	0	(30,715)	0	(30,715)
12. Travel and travel items.....	9,430,429	18,313,179	288,395	28,032,003
13. Rent and rent items.....	8,482,666	24,133,239	318,760	32,934,665
14. Equipment.....	1,987,243	9,030,085	731,419	11,748,747
15. Cost or depreciation of EDP equipment and software.....	4,421,796	69,897,927	64,286	74,384,009
16. Printing and stationery.....	693,944	2,389,664	30,616	3,114,224
17. Postage, telephone and telegraph, exchange and express.....	2,871,939	20,426,448	42,155	23,340,542
18. Legal and auditing.....	8,463,572	10,387,622	453,683	19,304,877
19. Totals (Lines 3 to 18).....	408,652,180	667,641,271	11,896,416	1,088,189,867
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....645,268.....	0	116,854,658	0	116,854,658
20.2 Insurance department licenses and fees.....	0	12,355,765	0	12,355,765
20.3 Gross guaranty association assessments.....	0	(909,277)	0	(909,277)
20.4 All other (excluding federal and foreign income and real estate).....	0	4,264,531	0	4,264,531
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	132,565,677	0	132,565,677
21. Real estate expenses.....	0	0	66,709,896	66,709,896
22. Real estate taxes.....	0	0	3,101,635	3,101,635
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	7,231,539	27,860,492	1,147,043	36,239,074
25. Total expenses incurred.....	718,317,660	1,553,207,381	82,854,990	(a) 2,354,380,031
26. Less unpaid expenses - current year.....	1,852,640,576	402,343,040	4,847,981	2,259,831,597
27. Add unpaid expenses - prior year.....	1,721,718,149	403,008,939	4,487,189	2,129,214,277
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).....	587,395,234	1,553,873,280	82,494,198	2,223,762,711

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	13,119,448	77,113,349	1,281,760	91,514,557
2402. Service reimbursements.....	(2,173,296)	(24,979,973)	0	(27,153,269)
2403. Cost of computer software developed for internal use.....	(3,714,613)	(24,272,884)	(134,717)	(28,122,214)
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).....	7,231,539	27,860,492	1,147,043	36,239,074

(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).....34,263,602	.....33,817,441
1.1 Bonds exempt from U.S. tax.....	(a).....215,048,773	.....200,937,768
1.2 Other bonds (unaffiliated).....	(a).....155,775,421	.....163,486,077
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....88,000	.....88,000
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....17,817,728	.....17,952,549
2.21 Common stocks of affiliates.....	.....94,113,719	.....94,113,719
3. Mortgage loans.....	(c).....2,149,742	.....2,146,409
4. Real estate.....	(d).....142,414,227	.....142,414,227
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,140,678	.....1,140,426
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....120,238,958	.....120,238,958
9. Aggregate write-ins for investment income.....	.....129,166	.....129,166
10. Total gross investment income.....	.....783,180,015	.....776,464,741
11. Investment expenses.....		(g).....82,854,991
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....24,586
14. Depreciation on real estate and other invested assets.....		(i).....32,971,139
15. Aggregate write-ins for deductions from investment income.....		.....630,760
16. Total deductions (Lines 11 through 15).....		.....116,481,476
17. Net investment income (Line 10 minus Line 16).....		.....659,983,265

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....148,050	.....148,050
0902. Property and wind plans.....	.....(18,884)	.....(18,884)
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....129,166	.....129,166
1501. Management fees.....		.....349,741
1502. Miscellaneous expense.....		.....290,650
1503. Miscellaneous real estate expense.....		.....(9,631)
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....630,760

- (a) Includes \$.....10,197,120 accrual of discount less \$.....61,421,267 amortization of premium and less \$.....11,123,935 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 \$.....13,750,237 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....307,378 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 \$.....32,971,139 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.....	.....139,969	.....0	.....139,969	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....(13,106)	.....0	.....(13,106)	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....9,341,141	.....(835,046)	.....8,506,096	.....(7,085,529)	.....(2,064,519)
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).....	.....17,348,693	.....(4,959,854)	.....12,388,839	.....53,272,496	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....250,295,830	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....3,704,867	.....0	.....3,704,867	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....(1,036)	.....(34,854)	.....(35,889)	.....147,548	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....91,096,940	.....(219,555)	.....90,877,385	.....43,172,842	.....(3,797,446)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....419,561	.....419,561	.....0	.....(48,075,466)
10. Total capital gains (losses).....	.....121,617,470	.....(5,629,747)	.....115,987,723	.....339,803,188	.....(53,937,431)

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....419,561	.....419,561	.....0	.....(48,075,466)
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	.....419,561	.....419,561	.....0	.....(48,075,466)

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.....	11,633,655	13,289,682	1,656,027
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).....	37,962,828	31,354,013	(6,608,815)
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).....	49,596,483	44,643,696	(4,952,788)
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.....	41,699,651	41,816,382	116,731
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	5,218,233	4,800,504	(417,729)
15.3 Accrued retrospective premiums.....	1,234,066	703,822	(530,245)
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.....	63,413,265	96,451,909	33,038,644
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.....	14,824,690	15,656,650	831,959
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.....	3,555,205	3,780,708	225,503
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	179,541,594	207,853,670	28,312,076
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	179,541,594	207,853,670	28,312,076

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.....	3,083,689	3,308,956	225,267
2502. Other assets nonadmitted.....	471,516	471,752	236
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).....	3,555,205	3,780,708	225,503

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The 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>2014</u>	<u>2013</u>
1. St. Paul Fire and Marine Insurance Company state basis	CT	\$ 933,677,528	\$ 883,907,344
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>\$ 933,677,528</u>	<u>\$ 883,907,344</u>
<u>Surplus</u>			
5. St. Paul Fire and Marine Insurance Company state basis	CT	\$ 5,994,070,231	\$ 5,914,697,284
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>\$ 5,994,070,231</u>	<u>\$ 5,914,697,284</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.

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

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.

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

Mortgage loans are stated at the amount of principal outstanding, adjusted for unamortized premium or discount, net of encumbrances and specific impairments.

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

Loan-backed and structured securities are amortized using the retrospective method, except for securities that have incurred a decline in fair value that is other-than-temporary which 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.

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

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

NOTES TO FINANCIAL STATEMENTS

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company had no material changes in accounting principles or material corrections of errors during 2014.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS**A. Mortgage Loans:**

1. Not applicable.

2. The maximum percentage of any one loan-to-value of security at the time the loan was made, exclusive of any purchase money or insured or guaranteed mortgages was 72%.

3. Not applicable.

4. Age analysis of mortgage loans:

Farm	Residential		Commercial		Mezzanine	Total
	Insured	Other	Insured	Other		

a. Current Year**1. Recorded Investment**

(a) Current	-	-	-	-	41,900,000	-	41,900,000
(b) 30-59 Days past Due	-	-	-	-	-	-	-
(c) 60-89 Days past due	-	-	-	-	-	-	-
(d) 90-179 Days past due	-	-	-	-	-	-	-
(e) 180 + Days past due	-	-	-	-	-	-	-

2. Accruing Interest 90-179 days past due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

3. Accruing Interest 180 + days past due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

4. Interest Reduced

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent reduced	-	-	-	-	-	-	-

b. Prior Year**1. Recorded Investment**

(a) Current	-	-	-	-	42,900,000	-	42,900,000
(b) 30-59 Days past Due	-	-	-	-	-	-	-
(c) 60-89 Days past due	-	-	-	-	-	-	-
(d) 90-179 Days past due	-	-	-	-	-	-	-
(e) 180 + Days past due	-	-	-	-	-	-	-

2. Accruing Interest 90-179 days past due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

3. Accruing Interest 180 + days past due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

4. Interest Reduced

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent reduced	-	-	-	-	-	-	-

5. Investment in impaired loans with or without allowance for credit loss:

Farm	Residential		Commercial		Mezzanine	Total
	Insured	Other	Insured	Other		

a. Current Year

1. With Allowance for Credit Losses	-	-	-	-	-	-	-
2. No Allowance for Credit Losses	-	-	-	-	41,900,000	-	41,900,000

b. Prior Year

1. With Allowance for Credit Losses	-	-	-	-	-	-	-
2. No Allowance for Credit Losses	-	-	-	-	42,900,000	-	42,900,000

NOTES TO FINANCIAL STATEMENTS

6. Investment in impaired loans – average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	Other	Insured	Other		
a. Current Year							
1. Average Recorded Investment	-	-	-	-	42,233,333	-	42,233,333
2. Interest Income Recognized	-	-	-	-	1,968,586	-	1,968,586
3. Recorded Investment on a Nonaccrual status	-	-	-	-	-	-	-
4. Amount of Interest Income Regognized using a Cash-Basis Method of Accounting	-	-	-	-	2,146,409	-	2,146,409
b. Prior Year							
1. Average Recorded Investment	-	-	-	-	43,233,333	-	43,233,333
2. Interest Income Recognized	-	-	-	-	2,186,964	-	2,186,964
3. Recorded Investment on a Nonaccrual status	-	-	-	-	-	-	-
4. Amount of Interest Income Regognized using a Cash-Basis Method of Accounting	-	-	-	-	2,190,297	-	2,190,297

7. Not applicable.

8. The Company continues to accrue income on this loan as it is deemed collectible.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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 pre-payments, 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. The following table provides aggregated information on structured securities classified on the basis for the recognized 2014 other-than-temporary impairments:

	Amortized cost basis before other-than- temporary impairment	Other-than temporary impairment recognized in loss	Fair value
(OTTI recognized in the quarter ending March 31, 2014)			
Present value of Cash flows is less than Amortized cost	\$ 457,316	\$ 9,360	\$ 434,445
(OTTI recognized in the quarter ending June 30, 2014)			
Present value of Cash flows is less than Amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending September 30, 2014)			
Present value of Cash flows is less than Amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending December 31, 2014)			
Present value of Cash flows is less than Amortized cost	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

3. Loan-backed and structured securities with other-than-temporary impairments recognized in 2014 are as follows:

<u>Cusip</u>	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Projected Cash Flow</u>	<u>Other-than- temporary impairment recognized in loss</u>	<u>Amortized cost basis after other- than- temporary impairment</u>	<u>Fair Value</u>	<u>Impairment Quarter</u>
22541SCC0	457,316	447,956	9,360	447,956	434,445	Q1 - 2014

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	\$	119,842
2. 12 Months or Longer	\$	1,473,472

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

1. Less than 12 Months	\$	29,213,819
2. 12 Months or Longer	\$	118,938,569

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.
- Not applicable.
- Not applicable.
- Not applicable.
- Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$127,377,243	\$127,377,243

- Not applicable.
- Not applicable.

F. Real Estate:

- On May 16, 2014, the Company sold two warehouses and land at 4700 Fox Street, Denver, CO. The real estate was sold to Burlington Investments, LLC, resulting in a gain of \$2,374,082.
- On October 30, 2014, the Company sold buildings and land at 10375 East Harvard Avenue, Denver, CO. The real estate was sold to Denver Highlands, LLC, resulting in a gain of \$1,330,785.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets:

1. Restricted Assets (Including Pledged)

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	\$ 127,377,243	\$ -	\$ -	\$ -	\$ 127,377,243	\$ 32,022,952	\$ 95,354,291	\$ 127,377,243	0.7%	0.7%
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 - excluding FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
i. FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
j. On deposit with states	\$ 1,545,185,589	\$ -	\$ -	\$ -	\$ 1,545,185,589	\$ 1,495,900,702	\$ 49,284,887	\$ 1,545,185,589	8.1%	8.2%
k. On deposit with other regulatory bodies	\$ 2,198,101	\$ -	\$ -	\$ -	\$ 2,198,101	\$ 2,098,557	\$ 99,544	\$ 2,198,101	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
m. Pledged as collateral not captured in other categories	\$ 46,353,473	\$ -	\$ -	\$ -	\$ 46,353,473	\$ 70,289,290	\$ (23,935,817)	\$ 46,353,473	0.2%	0.2%
n. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
o. Total restricted assets	\$ 1,721,114,406	\$ -	\$ -	\$ -	\$ 1,721,114,406	\$ 1,600,311,501	\$ 120,802,905	\$ 1,721,114,406	9.0%	9.1%

2. Details of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in Aggregate)

Description of assets	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
Bonds - Reinsurance	\$ 25,959,981	\$ -	\$ -	\$ -	\$ 25,959,981	\$ 29,495,311	\$ (3,535,330)	\$ 25,959,981	0.1%	0.1%
Bonds - Letter of Credit	\$ 20,393,492	\$ -	\$ -	\$ -	\$ 20,393,492	\$ 40,793,979	\$ (20,400,487)	\$ 20,393,492	0.1%	0.1%
Total	\$ 46,353,473	\$ -	\$ -	\$ -	\$ 46,353,473	\$ 70,289,290	\$ (23,935,817)	\$ 46,353,473	0.2%	0.2%

3. Not applicable.

I. Working Capital Investments:

Not applicable.

J. Offsetting and Netting of Assets and Liabilities:

Not applicable.

K. Structured Notes:

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures, partnerships, and limited liability companies are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$219,555 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

A. Policyholders' surplus excludes due and accrued investment income if amounts are over 180 days past due for mortgage loans and over 90 days past due for all other invested assets.

B. At December 31, 2014, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

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

	<u>December 31, 2014</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 523,819,354	\$ 73,160,978	\$ 596,980,332
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>523,819,354</u>	<u>73,160,978</u>	<u>596,980,332</u>
d) Deferred tax assets nonadmitted	<u>63,413,265</u>	-	<u>63,413,265</u>
e) Subtotal (net deferred tax assets)	460,406,089	73,160,978	533,567,067
f) Deferred tax liabilities	<u>104,633,866</u>	<u>100,995,261</u>	<u>205,629,127</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 355,772,223</u>	<u>\$ (27,834,283)</u>	<u>\$ 327,937,940</u>

	<u>December 31, 2013</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 536,623,071	\$ 65,083,761	\$ 601,706,832
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>536,623,071</u>	<u>65,083,761</u>	<u>601,706,832</u>
d) Deferred tax assets nonadmitted	<u>96,451,909</u>	-	<u>96,451,909</u>
e) Subtotal (net deferred tax assets)	440,171,162	65,083,761	505,254,923
f) Deferred tax liabilities	<u>82,013,736</u>	<u>70,747,159</u>	<u>152,760,895</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 358,157,426</u>	<u>\$ (5,663,398)</u>	<u>\$ 352,494,028</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ (12,803,717)	\$ 8,077,217	\$ (4,726,500)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>(12,803,717)</u>	<u>8,077,217</u>	<u>(4,726,500)</u>
d) Deferred tax assets nonadmitted	<u>(33,038,644)</u>	-	<u>(33,038,644)</u>
e) Subtotal (net deferred tax assets)	20,234,927	8,077,217	28,312,144
f) Deferred tax liabilities	<u>22,620,130</u>	<u>30,248,102</u>	<u>52,868,232</u>
g) Net admitted deferred tax asset (liability)	<u>\$ (2,385,203)</u>	<u>\$ (22,170,885)</u>	<u>\$ (24,556,088)</u>

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2014</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 261,615,211	\$ 3,430,874	\$ 265,046,085
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)	62,854,953	36,902	62,891,855
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	62,854,953	36,902	62,891,855
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	849,919,782
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	135,935,925	69,693,202	205,629,127
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b) + 2(c))	<u>460,406,089</u>	<u>73,160,978</u>	<u>533,567,067</u>
DTLs netted against deferred tax assets	<u>104,633,866</u>	<u>100,995,261</u>	<u>205,629,127</u>
Total	<u>\$ 355,772,223</u>	<u>\$ (27,834,283)</u>	<u>\$ 327,937,940</u>

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	\$ 166,788,622	\$ 3,146,253	\$ 169,934,875
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)	182,559,153	-	182,559,153
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	182,559,153	-	182,559,153
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	834,325,352

NOTES TO FINANCIAL STATEMENTS

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	90,823,387	61,937,508	152,760,895
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>440,171,162</u>	<u>65,083,761</u>	<u>505,254,923</u>
DTLs netted against deferred tax assets	<u>82,013,736</u>	<u>70,747,159</u>	<u>152,760,895</u>
Total	<u>\$ 358,157,426</u>	<u>\$ (5,663,398)</u>	<u>\$ 352,494,028</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	\$ 94,826,589	\$ 284,621	\$ 95,111,210
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)	(119,704,200)	36,902	(119,667,298)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	(119,704,200)	36,902	(119,667,298)
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	15,594,431
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	45,112,538	7,755,694	52,868,232
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b)+ 2(c))	<u>20,234,927</u>	<u>8,077,217</u>	<u>28,312,144</u>
DTLs netted against deferred tax assets	<u>22,620,130</u>	<u>30,248,102</u>	<u>52,868,232</u>
Total	<u>\$ (2,385,203)</u>	<u>\$ (22,170,885)</u>	<u>\$ (24,556,088)</u>

	<u>2014</u>	<u>2013</u>
3. a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	543%	543%
b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above.	5,666,131,879	5,562,169,013

	<u>December 31, 2014</u>	
	<u>Ordinary</u>	<u>Capital</u>
4. Impact of Tax Planning Strategies:		
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)	523,819,354	73,160,978
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)	460,406,089	73,160,978
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, 2013</u>	
	<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)	536,623,071	65,083,761
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)	440,171,162	65,083,761
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>	
	<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)	(12,803,717)	8,077,217

NOTES TO FINANCIAL STATEMENTS

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)	20,234,927	8,077,217
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:

	December 31, 2014	December 31, 2013	Change
1. Federal	\$ 241,021,549	\$ 233,430,774	\$ 7,590,775
Foreign	<u>11,817,924</u>	<u>10,920,158</u>	<u>897,766</u>
Subtotal	252,839,473	244,350,932	8,488,541
Federal income taxes on net capital gains	<u>50,472,944</u>	<u>2,040,958</u>	<u>48,431,986</u>
Federal and foreign income taxes incurred	<u>\$ 303,312,417</u>	<u>\$ 246,391,890</u>	<u>\$ 56,920,527</u>

2. The tax effects of temporary differences that give rise to significant portions of the DTA and DTL are as follows:

	December 31, 2014	December 31, 2013	Change
DTA:			
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 193,310,824	\$ 208,805,448	\$ (15,494,624)
Unearned premium reserve	162,241,322	159,209,652	3,031,670
Investments	44,370,764	41,247,669	3,123,095
Fixed assets	28,893,312	24,921,811	3,971,501
Net operating loss carry-forward	5,142,397	8,996,191	(3,853,794)
Other	<u>89,860,735</u>	<u>93,442,300</u>	<u>(3,581,565)</u>
Total DTA - ordinary	523,819,354	536,623,071	(12,803,717)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>63,413,265</u>	<u>96,451,909</u>	<u>(33,038,644)</u>
Admitted ordinary DTA	<u>\$ 460,406,089</u>	<u>\$ 440,171,162</u>	<u>\$ 20,234,927</u>
<u>Capital:</u>			
Investments	<u>\$ 73,160,978</u>	<u>\$ 65,083,761</u>	<u>\$ 8,077,217</u>
Total DTA – capital	73,160,978	65,083,761	8,077,217
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	-	-	-
Admitted capital DTA	<u>\$ 73,160,978</u>	<u>\$ 65,083,761</u>	<u>\$ 8,077,217</u>
Total admitted DTA	<u>\$ 533,567,067</u>	<u>\$ 505,254,923</u>	<u>\$ 28,312,144</u>
DTL:			
<u>Ordinary:</u>			
Investments	\$ 86,621,188	\$ 67,470,749	\$ 19,150,439
Fixed assets	9,903,046	5,747,305	4,155,741
Other	<u>8,109,632</u>	<u>8,795,682</u>	<u>(686,050)</u>
Total ordinary DTL	<u>104,633,866</u>	<u>82,013,736</u>	<u>22,620,130</u>
<u>Capital:</u>			
Investments	<u>\$ 100,995,261</u>	<u>\$ 70,747,159</u>	<u>\$ 30,248,102</u>
Total capital DTL	100,995,261	70,747,159	30,248,102
Total DTL	<u>\$ 205,629,127</u>	<u>\$ 152,760,895</u>	<u>\$ 52,868,232</u>
Net admitted DTA/(DTL)	<u>\$ 327,937,940</u>	<u>\$ 352,494,028</u>	<u>\$ (24,556,088)</u>

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

4. Deferred income taxes do not include a benefit from net operating losses.

5. There are no adjustments to a DTA or DTL for enacted changes in tax laws or rates or a change in the tax status of the Company.

6. There are no adjustments to gross DTA because of change in circumstances that causes a change in judgment about the realizability of the related DTA.

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

	December 31, 2014	December 31, 2013	Change
Total DTA	\$ 596,980,332	\$ 601,706,832	\$ (4,726,500)
Total DTL	<u>205,629,127</u>	<u>152,760,895</u>	<u>52,868,232</u>
Net DTA/(DTL)	<u>\$ 391,351,205</u>	<u>\$ 448,945,937</u>	<u>(57,594,732)</u>
Tax effect of unrealized gains (losses)			25,454,696
Change in net deferred income tax			<u>\$ (32,140,036)</u>

NOTES TO FINANCIAL STATEMENTS

- 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, 2014</u>
Pretax net income (loss)	\$ 1,236,989,945
Taxes at statutory rate	432,946,481
Increase (decrease) attributable to:	
Nontaxable investment income	(96,146,543)
Other	<u>(1,347,485)</u>
	<u>\$ 335,452,453</u>
Federal and foreign taxes incurred	\$ 303,312,417
Change in net deferred taxes	<u>32,140,036</u>
Total statutory income tax	<u>\$ 335,452,453</u>
Effective tax rate	27.1%

- E. 1. The Company has net operating loss carryforward of \$14,692,564 that expire in 2018 available for tax purposes.
2. The Company has \$299,470,153, \$239,769,914, and \$45,828,260 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
3. The reporting entity has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- F. 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.
- In the event that the consolidated group develops an Alternative Minimum Tax (AMT), each company with an AMT on a separate company basis will be allocated a portion of the consolidated AMT. Settlement of the AMT will be made in the same manner and timing as the regular federal income tax.
- G. The Company does not believe it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months.

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

- A-C. (1) On December 17, 2014, the Company received a return of capital in the amount of \$219 million from its subsidiary, United States Fidelity and Guaranty Company (USF&G).
- (2) On December 15, 2014, the Company purchased \$149.8 million of securities from Travelers Casualty and Surety Company of America (America).
- (3) Travelers Casualty and Surety Company (TCS) is party to a Shareholder Declaration dated May 31, 2013, whereby it became the sole shareholder of its newly formed subsidiary 8527512 Canada Inc. (Canada Inc.). From May 31, 2013 through October 31, 2013, TCS became the registered holder of 82,759 common shares representing the majority of the issued and outstanding shares of Canada, Inc. at a cost of \$792.8 million. In addition, on October 31, 2013, Canada Inc. issued 24,000 common shares to the Company at a cost of \$240.0 million CAD. As a result of the transactions above, TCS owns 77.5% of the outstanding shares of Canada Inc. The Company owns the remaining 22.5% ownership interest in the subsidiary.
- On November 1, 2013, Canada Inc. acquired The Dominion of Canada General Insurance Company (Dominion) from E-L Financial Corporation Limited. As a result of this transaction, the Company indirectly owns 22.5% of Dominion.
- On February 18, 2014, the Company purchased an additional 276 shares of Canada Inc. at a cost of \$2.76 million.
- (4) On June 24, 2013, the Company sold \$351.3 million of securities to The Travelers Indemnity Company (Indemnity).

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

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

1. The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by Indemnity. Settlements between the companies are made at least monthly.
 2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2014 and 2013, the TRVMMLP totaled \$4.5 billion and \$3.5 billion, respectively.
- D. (1) At December 31, 2014 and 2013, the Company had \$78,829,059 and \$20,203,949 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.

NOTES TO FINANCIAL STATEMENTS

- (2) The Company participates in an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Uncollected premiums and agents' balances in course of collection	\$316,822,516	\$269,737,292
Amounts recoverable from reinsurers	87,684,276	59,302,696
Reinsurance payable on paid losses and loss adjustment expenses	277,300,872	274,534,261

These balances were settled net through the intercompany settlement process during January 2015 and January 2014, respectively.

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

The Company is party to various guarantees with affiliates. See Note 14G for additional detail.

- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

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

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

- G. All of the issued and outstanding common stock of the Company is owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

- H. Not applicable.

- I. The Company owns 100% of USF&G, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in USF&G at USF&G's statutory equity. The statement value of USF&G assets and liabilities as of December 31, 2014 was \$4.7 billion and \$2.2 billion, respectively. USF&G's net income was \$206.8 million for the year ended December 31, 2014.

- J. Not applicable.

- K. Not applicable.

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

- (1) The carrying value of the Company's investment in Northbrook was \$290,298,422 at December 31, 2014.
- (2) The Company has not obtained an audit of Northbrook's financial statements.
- (3) The Company has limited the carrying value of its investment in Northbrook to the value contained in the statutory audited financial statements of DPCIC and SPPIC, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88*.
- (4) Northbrook does not have any material assets other than the ownership of its insurance subsidiaries. Northbrook does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

11. DEBT

Not applicable.

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.

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 \$25,102,187 and \$34,764,105 for 2014 and 2013, 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.

NOTES TO FINANCIAL STATEMENTS

The Company's allocated share of the postretirement benefit expense was \$816,615 and \$1,202,269 for 2014 and 2013, 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 \$22,335,016 and \$22,226,602 for 2014 and 2013, 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 200,000 shares of common capital stock authorized, issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$470.8 million and extraordinary dividends of \$615 million for a total of \$1.086 billion in 2014, to its parent company, The Travelers Companies, Inc. In 2013, the Company paid ordinary dividends of \$250 million and extraordinary dividends of \$865 million for a total of \$1.115 billion to The Travelers Companies, Inc.

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 2015 without prior approval is \$933,677,000.

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 2014. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$1,693,877,873.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2014, the Company had commitments to fund investments of \$391.9 million.

B. Assessments:

1. The Company has accrued liabilities of \$60.8 million for guaranty fund and other insurance-related assessments and related recoverables of \$696 thousand at December 31, 2014. 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, 2013	\$ 327,114
b. Decreases current year:	
Premium tax offset charged off	26
Premium tax offset applied	222,850
Premium tax offset refund	89,013
c. Increases current year:	
Premium tax offset accrued	<u>11,539</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2014	<u>\$ 26,764</u>

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 United States Fidelity and Guaranty Company (USF&G) and denied summary judgment for American Re-Insurance Company, a subsidiary of Munich Re (American Re), and three other reinsurers. By order dated October 22, 2010, the trial court corrected certain clerical errors and made certain clarifications to the August 17, 2010 order. On October 25, 2010, judgment was entered against American Re and the other three insurers, awarding USF&G \$420 million, comprising \$251 million ceded under the terms of the disputed reinsurance contract plus interest of 9% amounting to \$169 million as of that date. The judgment, including the award of interest, was appealed by the reinsurers to the New York Supreme Court, Appellate Division, First Department. On January 24, 2012, the Appellate Division affirmed the judgment. On January 30, 2012, the reinsurers filed a motion with the Appellate Division seeking permission to appeal its decision to the New York Court of Appeals, and on March 12, 2012, the Appellate Division granted the reinsurers' motion. On February 7, 2013, the Court of Appeals issued an opinion that largely affirmed 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 Court set a trial date for August 3, 2015. USF&G 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, USF&G entered into a settlement agreement with one of the reinsurers. At December 31, 2014, the claim totaled \$488 million, comprising the \$238 million of reinsurance recoverable plus interest amounting to \$250 million as of that date. Interest will continue to accrue at an annual rate of 9% until the claim is paid.

As USF&G is a participant in the 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 \$238 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

NOTES TO FINANCIAL STATEMENTS

of USF&G is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly has not been recognized in the Company's statutory financial statements.

Resolution of Gain Contingency:

Indemnity was 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 were 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. In February 2012, the district court issued a written opinion approving the class settlement pursuant to which the defendants agreed to pay \$450 million to the class. In March 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. In January 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, and in March 2013, the Seventh Circuit dismissed the appeals. In April 2013, the Seventh Circuit issued its mandate returning the case to the district court for administration of the settlement. In June and November 2013, Indemnity received two payments totaling approximately \$93 million, comprising its allocation 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 2013 Statement of Income.

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$3,410,000

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

0-25 Claims
X

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

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

- 1a. In the process of selling business entities to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business entities being sold, covenants and obligations of the Company and/or its subsidiaries following the close, in certain cases obligations arising from certain liabilities and imposition of additional taxes due to either a change in the tax law or an adverse interpretation of the tax law. Such indemnification provisions generally survive for periods ranging from the applicable closing date to the expiration of the relevant statutes of limitations, no term or in some cases agreed upon term limitations. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.
- b. The Company has a contingent obligation for a guarantee related to certain insurance policy obligations of a former insurance subsidiary. The maximum amount of the Company's obligation related to the guarantee was \$480 million at December 31, 2012, all of which is indemnified by a third party.
- c. The Company has an invested interest in an unaffiliated real estate joint venture. Effective October 21, 2011 through August 12, 2014, the real estate joint venture assumed a mortgage secured by property it owns. The Company entered into a separate payment guarantee with the lender for the mortgage and provided several indemnifications, including indemnifications for environmental liabilities should the lender be held responsible. The maximum principal for the mortgage is \$45 million and is secured by the property. The other indemnifications for the mortgage, including an environmental guarantee, are not limited. The Company, along with a third party joint venture investor, were joint and severally liable for these indemnities and guarantees. Concurrent with assuming the mortgage, the Company entered into a contribution agreement with the third party joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required. On August 12, 2014, the Company sold all but 1% of its invested interest in the real estate joint venture to an outside party and the respective guarantees and contribution agreement were terminated prospectively. As part of the sale, the outside party replaced the Company as guarantor with the lender. The company entered into a separate contribution agreement with the outside party for reimbursement based on their respective equity ownership in the Joint Venture.
- d. The Company has an invested interest in an unaffiliated real estate joint venture. Effective May 27, 2010, the real estate joint venture assumed a mortgage secured by property it owns. On November 22, 2013, the joint venture assumed a second mortgage secured by the same property. The Company entered into a separate payment guarantee with the lender for each mortgage and provided several indemnifications for each mortgage, including indemnifications for environmental liabilities should the lender be held responsible. The combined maximum principal for the mortgages is \$105 million and is secured by the property. The other indemnifications for each mortgage, including the environmental guarantees, are not limited. The Company, along with a third party joint venture investor, is joint and severally liable for these indemnities and guarantees. Concurrently with assuming each mortgage, the Company entered into a contribution agreement with the third party joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required.
- e. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50 million. On July 1, 2010, St. Paul (Bermuda) Ltd., St. Paul Re (Bermuda) Ltd. and Travelers (Bermuda) Limited were amalgamated into one Bermuda company under the name Travelers (Bermuda) Limited. The guarantee was amended on June 30, 2010 to limit the Company's guarantee to only those obligations of St. Paul (Bermuda) Ltd. that existed prior to the amalgamation. The Company also waived certain rights in the amended guarantee until all creditors of St. Paul Re (Bermuda) Ltd and Travelers (Bermuda) Limited at the time of the amalgamation have been paid in full.

NOTES TO FINANCIAL STATEMENTS

- f. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
- g. Effective September 30, 1997, the Company entered into an unconditional guaranty that Travelers Constitution State Insurance Company (formerly known as St. Paul Medical Liability Insurance Company), a wholly-owned subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.
- h. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard Surety Company (Seaboard), a New York domiciled insurance company, of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice. On January 2, 2009, Seaboard was merged into America. The terms of the guarantee remain in effect.
- i. Effective December 10, 1993, the Company has guaranteed the performance by Travelers Insurance Company Limited (Travelers Limited), an affiliate incorporated in England, of all Travelers Limited's obligations arising out of its insurance or reinsurance contracts. Effective March 1, 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice. Effective December 31, 2007, pursuant to the order of English Court, made on December 31, 2007, under Part VII of the Financial Services & Markets Act, obligations relating to certain business as of December 31, 2007, were transferred to Unionamerica Insurance Company Limited (Unionamerica), an affiliate of Travelers Limited. This resulted in those obligations no longer being covered by the guarantees. The guarantees will remain in force, however, for the obligations arising out of insurance or reinsurance contracts not transferred to Unionamerica and for business subsequently written by Travelers Limited. In December 2008, Unionamerica was sold to an unaffiliated entity.
- j. The Company guaranteed the timely payment of Discover Reinsurance Company's (Discover Re) obligations with respect to all insurance policies and reinsurance policies issued by Discover Re. On October 1, 2007, Discover Re was merged into Indemnity. The merger resulted in the automatic termination of the guarantee with respect to any future claims. However, the Company continues to guarantee to Indemnity all obligations of Discover Re incurred before the termination date.
- k. In a guarantee agreement dated February 9, 2009, the Company has guaranteed certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary. The guarantee is not limited in amount and expires once all obligations have been met.
- l. The Company is the owner of all the beneficial interests represented by common securities of three business trusts. The trusts exist for the sole purpose of issuing capital securities and common securities and investing the proceeds thereof in deferrable interest junior subordinated debentures, which are held by TRV. The Company fully, irrevocably and unconditionally guaranteed all of the trusts obligations under the capital securities including principal of \$254 million and interest. The Company and TRV are both jointly and severally responsible for the payment obligation of the subordinated debentures.

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amt recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
a. Sale of Business	The fair value of guarantee liabilities as described are minimal and immaterial to the financial statements taken as a whole	Expense - Statement of Income - Line 14. Aggregate write-ins for miscellaneous income	\$345,266,000	The Company has assessed the performance risk as remote under these guarantees
b. Former subsidiary	Fair value initial recognition was \$19,120,000	Expense - Statement of Income - Line 14. Aggregate write-ins for miscellaneous income	\$480,000,000	The Company has assessed the performance risk as remote under this guarantee. The AM Best current claims-paying rating of the former subsidiary is "B++"
c. Real estate joint venture	The fair value of guarantees described are minimal and immaterial to the financial statements taken as a whole	Assets - Line 8 - Other Invested Assets or Line 3 - Mortgage Loans on Real Estate. Either a capital contribution or loan to joint venture	\$45,000,000	The Company has assessed the performance risk as remote under these guarantees
d. Real estate joint venture	The fair value of guarantees described are minimal and immaterial to the financial statements taken as a whole	Assets - Line 8 - Other Invested Assets or Line 3 - Mortgage Loans on Real Estate. Either a capital contribution or loan to joint venture	\$105,000,000	The Company has assessed the performance risk as remote under these guarantees
e. Travelers (Bermuda)	The fair value of guarantee liabilities as described are minimal and immaterial to the financial statements taken as a whole	Surplus - Line 35. Dividend to stockholders	\$50,000,000	The Company has assessed the performance risk as remote under this guarantee
f. USF&G's obligations	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount.	Assets - Line 2.2 Common Stock	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee

NOTES TO FINANCIAL STATEMENTS

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

Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees \$ 1,284,266,000

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

Ultimate financial statement impact if action under the guarantee is required:
Investment in SCA 5,000,000
Joint venture -
Dividends to stockholders 304,000,000
Expense 825,266,000
Other 150,000,000
Total \$ 1,284,266,000

- The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 27.
- In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2014, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.
- For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

NOTES TO FINANCIAL STATEMENTS**15. LEASES****A. Lessee Leasing Arrangements:**

Not applicable.

B. Lessor's Business Activities:

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$380,685,349 and \$360,708,502 as of December 31, 2014 and 2013, respectively. On December 31, 2014, the Company has minimum annual lease payments receivable under non-cancelable leasing arrangements as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2015	\$ 81,024,466
2016	67,634,683
2017	52,674,617
2018	41,065,175
2019	31,630,427
2020 and later years	<u>57,536,051</u>
Total	<u>\$ 331,565,419</u>

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

In the normal course of business, the Company has unfunded commitments to partnerships, limited liability companies, and venture capital entities. The off-balance-sheet risks of these financial instruments were \$391.9 million at December 31, 2014.

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:

The Company does not engage in the practice of wash sales, however, in isolated cases in the course of the Company's asset management activities, a security may be sold and repurchased within thirty days of the sale when an opportunity to significantly enhance the Company's total return on the investment is present.

For the year ended December 31, 2014, the Company's wash sales for securities with a NAIC designation 3 or below were as follows:

<u>Description</u>	<u>NAIC Designation</u>	<u>Number of Transactions</u>	<u>Book Value of Securities Sold</u>	<u>Cost of Securities Repurchased</u>	<u>Gain (Loss)</u>
Bonds	3	3	\$ 4,100,499	\$ 4,200,944	\$ 135,747

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, 2014:

Description	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and miscellaneous	\$ -	\$ 220,544,431	\$ 1,259,532	\$ 221,803,963
Common stock	482,437,726	1,567,427	-	484,005,153
Total securities at fair value	\$ 482,437,726	\$ 222,111,858	\$ 1,259,532	\$ 705,809,116

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

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

Description	Beginning Balance at 1/1/2014	Transfers in to Level 3	Transfers out of Level 3	Total gains & (losses) included in Net Income	Total gains & (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
Bonds	\$ 20,899,486	\$ -	\$ -	\$ (599)	\$ 99,109	\$ 91,181	\$ -	\$ -	\$ (19,829,645)	\$ 1,259,532

- (3) The Company holds NAIC designation 3 - 6 securities at the lower of cost or market as defined in SSAP No. 26,
- Bonds, Excluding Loan-backed and Structured Securities*
- . Market fluctuations cause securities to change from being held at cost to fair value or vice versa. These changes result in a transfer in or out of level 3.

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

- (4) Bonds are carried at fair value in accordance with NAIC guidance. These securities are generally priced by the SVO or by a third party organization.

The Company holds common stock where fair value is based upon market quotations. Accordingly, the fair value for such common stock is included in the amount disclosed in level 1 of the hierarchy. The market quotations for these securities are provided by the SVO or a third party organization.

The Company also 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.

(At December 31, 2014)	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Cash equivalents	\$ 21,098,703	\$ 21,098,703	\$ -	\$ 21,098,703	\$ -	\$ -
Short term bonds	468,790,441	468,790,440	124,644,551	343,711,019	434,871	-
Long term bonds	10,811,865,653	10,403,353,378	488,474,925	10,299,229,370	24,161,358	-
Preferred stock	1,668,200	1,195,000	1,668,200	-	-	-
Common stock	484,005,153	484,005,153	482,437,726	1,567,427	-	-
Mortgage loans	-	41,900,000	-	-	-	41,900,000

(At December 31, 2013)	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Cash equivalents	\$ 38,344,738	\$ 38,344,738	\$ -	\$ 38,344,738	\$ -	\$ -
Short term bonds	249,649,920	249,649,920	109,298,338	140,351,582	-	-
Long term bonds	10,823,090,720	10,494,654,861	591,856,418	10,189,369,336	41,864,966	-
Preferred stock	1,549,200	1,195,000	1,549,200	-	-	-
Common stock	414,773,596	414,773,596	414,773,596	-	-	-
Mortgage loans	-	42,900,000	-	-	-	42,900,000

- D. Not Practicable to Estimate Fair Value

(At December 31, 2014)	Carrying Value	Effective Interest Rate	Maturity Date
Description			
Mortgage loan			
Oak Brook, IL	\$ 41,900,000	4.0%	2/28/15

It is not practicable for the Company to estimate the fair value of this mortgage loan. Obtaining a fair value would not be cost effective due to the nature of the loan and in order to obtain a fair value, the Company would have to re-underwrite the loan.

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.

NOTES TO FINANCIAL STATEMENTS

2014 Schedule P:

The 2004 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	<u>Accident Years</u>				
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000 & Prior</u>
Part 1A	\$ 120	\$ 98	\$ 99	\$ 191	\$ 1,021
Part 1B	210	141	35	68	54,444
Part 1C	4,314	2,712	1,386	2,245	10,968
Part 1D	85,703	89,991	85,471	98,501	1,012,971
Part 1E	8,136	6,408	6,014	6,408	73,458
Part 1F - Section 1	142	620	3,491	121	1,431
Part 1F - Section 2	246	4,566	764	747	8,865
Part 1G	234	647	296	762	16,512
Part 1H - Section 1	15,372	22,470	15,433	25,832	542,435
Part 1H - Section 2	3,696	11,844	6,337	13,845	33,154
Part 1M	-	6	1	138	526
Part 1N	69	45	196	4,777	2,152
Part 1O	269	3,465	4,838	19,348	98,821
Part 1P	123	155	221	1,300	823
Part 1R - Section 1	18,318	18,977	20,946	13,939	382,094
Part 1R - Section 2	1,434	425	(572)	630	2,497

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (192)	\$ (157)	\$ (36)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Comp	(1,509)	(1,326)	(294)	(11,377)	-	(174)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(892)	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability – Occ	(407)	(5)	(2)	-	-	-	-	-	-
Other Liability – CM	(212)	(3,646)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(120)	-	-	-	-	-	-	-	-
Reinsurance B	(1,187)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

- Description of State Transferable and Non-transferable Tax Credits

	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Petros Wyoming Fund Series 2014	WY	\$ 1,107,157	\$ 1,107,157
- These credits are utilized per a set schedule as outlined in the purchase agreement.
- Not applicable.
- State Tax Credits Admitted and Nonadmitted:

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	\$ 1,107,157	\$ -
Non-transferable	-	-

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.

NOTES TO FINANCIAL STATEMENTS

Direct exposure through other investments:

	Actual <u>Cost</u>	Book/Adjusted Carrying Value <u>(excluding interest)</u>	Fair <u>Value</u>	Other-Than- Temporary Impairment Losses <u>Recognized</u>
Residential mortgage-backed securities:	\$ 18,384,737	\$ 18,647,522	\$ 21,478,536	\$ 262,929

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 18, 2015.

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, 2014, in connection with reinsurance agreements among affiliated insurers, were as follows:

Reinsurance balances ceded to pool participants 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	\$ 11,549,213,584
Travelers Casualty and Surety Company	06-6033504	9,485,563,224
The Phoenix Insurance Company	06-0303275	2,326,951,698
The Standard Fire Insurance Company	06-6033509	2,254,047,226
United States Fidelity and Guaranty Company	52-0515280	2,060,438,163
Travelers Casualty Insurance Company of America	06-0876835	1,270,500,452
Farmington Casualty Company	06-1067463	688,714,227
The Travelers Indemnity Company of Connecticut	06-0336212	638,391,429
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	637,526,007
The Charter Oak Fire Insurance Company	06-0291290	593,076,123
Northland Insurance Company	41-6009967	567,817,627
St. Paul Surplus Lines Insurance Company	41-1230819	409,505,751
The Travelers Indemnity Company of America	58-6020487	359,677,405
St. Paul Protective Insurance Company	36-2542404	270,118,676
Northfield Insurance Company	41-0983992	241,980,661
Travelers Commercial Casualty Company	95-3634110	218,759,065
Travelers Commercial Insurance Company	06-1286268	218,713,288
Travelers Casualty Company of Connecticut	06-1286266	218,713,288
St. Paul Mercury Insurance Company	41-0881659	190,582,733
Travelers Property Casualty Company of America	36-2719165	179,859,217
Travelers Property Casualty Insurance Company	06-1286274	139,604,222
The Travelers Casualty Company	41-1435765	134,950,746
Travelers Constitution State Insurance Company	41-1435766	134,950,746
Travelers Excess and Surplus Lines Company	06-1203698	125,643,797
Travelers Personal Insurance Company	36-3703200	125,643,797
The Travelers Home and Marine Insurance Company	35-1838079	125,649,797
TravCo Insurance Company	35-1838077	125,649,797
Travelers Personal Security Insurance Company	06-1286264	125,649,797
Discover Property & Casualty Insurance Company	36-2999370	65,704,219
Discover Specialty Insurance Company	52-1925132	65,148,626
Northland Casualty Company	94-6051964	65,148,626
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,534,727
St. Paul Guardian Insurance Company	41-0963301	46,534,727
American Equity Specialty Insurance Company	86-0868106	46,534,727
Total		<u>\$ 35,753,480,195</u>

Reinsurance balances assumed by The Travelers Indemnity Company and recoverable by the following pool participants:

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
Travelers Property Casualty Company of America	36-2719165	\$ 10,985,599,592
St. Paul Fire and Marine Insurance Company	41-0406690	4,522,124,976
Travelers Casualty and Surety Company	06-6033504	3,327,356,529
The Travelers Indemnity Company of America	58-6020487	2,929,217,303
The Travelers Indemnity Company of Connecticut	06-0336212	2,751,597,676
The Charter Oak Fire Insurance Company	06-0291290	2,708,580,059
The Travelers Home and Marine Insurance Company	35-1838079	2,358,410,661
The Phoenix Insurance Company	06-0303275	2,112,657,375
United States Fidelity and Guaranty Company	52-0515280	1,957,800,284
The Standard Fire Insurance Company	06-6033509	1,830,983,595
Travelers Casualty Insurance Company of America	06-0876835	1,660,399,632
St. Paul Mercury Insurance Company	41-0881659	1,300,249,786
Farmington Casualty Company	06-1067463	690,911,425
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	619,745,458
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	544,595,839
Discover Property & Casualty Insurance Company	36-2999370	518,431,905
Northland Insurance Company	41-6009967	488,273,127
Travelers Commercial Insurance Company	06-1286268	406,005,164
St. Paul Surplus Lines Insurance Company	41-1230819	292,013,651
TravCo Insurance Company	35-1838077	277,128,098
Travelers Property Casualty Insurance Company	06-1286274	246,908,448
Northfield Insurance Company	41-0983992	206,526,507

NOTES TO FINANCIAL STATEMENTS

Travelers Excess and Surplus Lines Company	06-1203698	169,950,534
St. Paul Protective Insurance Company	36-2542404	169,113,719
Travelers Personal Security Insurance Company	06-1286264	152,079,498
St. Paul Guardian Insurance Company	41-0963301	140,924,655
Travelers Commercial Casualty Company	95-3634110	103,309,439
Travelers Personal Insurance Company	36-3703200	59,978,807
Travelers Casualty Company of Connecticut	06-1286266	57,466,718
Northland Casualty Company	94-6051964	19,862,439
Discover Specialty Insurance Company	52-1925132	9,989,947
The Travelers Casualty Company	41-1435765	5,966,379
Travelers Constitution State Insurance Company	41-1435766	4,148,133
American Equity Specialty Insurance Company	86-0868106	337,916
Total		<u>\$ 43,628,645,274</u>

2. Unaffiliated Company Recoverables:

The unsecured aggregate recoverables for ceded losses, LAE and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2014, that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

NONE

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

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,262,005,765	\$ 284,283,114	\$ 284,941,763	\$ 35,810,754	\$ 1,977,064,002	\$ 248,472,360
All Other	<u>13,348,347</u>	<u>1,677,586</u>	<u>9,962,465</u>	<u>1,252,057</u>	<u>3,385,882</u>	<u>425,529</u>
Total	<u>\$ 2,275,354,112</u>	<u>\$ 285,960,700</u>	<u>\$ 294,904,228</u>	<u>\$ 37,062,811</u>	<u>\$ 1,980,449,884</u>	<u>\$ 248,897,889</u>

Direct Unearned Premium Reserve \$ 337,277,318

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$50,394,071 at December 31, 2014. This balance represents the Company's 24.79% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 5,331,363	\$ 46,990,813	\$ 1,928,105	\$ 50,394,071
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 5,331,363</u>	<u>\$ 46,990,813</u>	<u>\$ 1,928,105</u>	<u>\$ 50,394,071</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,330,260	\$ 124,778,936
(2) Adjustments - Prior Year(s)	(743,700)	46,078,889
(3) Adjustments - Current Year	91,294	(1,123,133)
(4) Current Total	<u>\$ 1,677,854</u>	<u>\$ 169,734,692</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$ 111,076,926
(2) Adjustments - Prior Year(s)	-	8,997,139
(3) Adjustments - Current Year	234,482	54,358
(4) Current Total	<u>\$ 2,826,298</u>	<u>\$ 120,128,423</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,028,836	\$ 145,493,173
(2) Current Year	94,795	2,570,605
(3) Current Total	<u>\$ 1,123,631</u>	<u>\$ 148,063,778</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ 13,702,010
(2) Adjustments - Prior Year(s)	743,700	37,081,750
(3) Adjustments - Current Year	143,188	(1,177,491)
(4) Current Year Restricted Surplus	<u>1,148,444</u>	<u>19,691,107</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 29,915,162</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,586,560	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	3,173,120
General Reinsurance Corporation (22039)	-	77,330,471
TIG Insurance Company (25534)	-	19,195,774
Platinum Underwriters Reinsurance Inc. (10357)	-	27,317,875
Swiss Reinsurance America Corporation (25364)	-	7,015,714
Westport Insurance Corporation (39845)	-	4,639,872
XL Reinsurance America Inc. (20583)	-	19,550,123
Various	91,294	11,511,743
Total	<u>\$ 1,677,854</u>	<u>\$ 169,734,692</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	<u>Total Paid Loss/LAE Recoverable</u>	<u>Amount Over 90 Days Past Due</u>
General Reinsurance Corporation (22039)	\$ 41,960	\$ 41,960
Platinum Underwriters Reinsurance Inc. (10357)	40,373	-
Swiss Reinsurance America Corporation (25364)	8,815	3,108
Westport Insurance Corporation (39845)	16,126	-
XL Reinsurance America Inc. (20583)	89	89
Various	5,539	605
Total	<u>\$ 112,902</u>	<u>\$ 45,762</u>

2. Unauthorized Reinsurers

<u>Company</u>	<u>Total Paid Loss/LAE Recoverable</u>	<u>Amount Over 90 Days Past Due</u>	<u>Collateral Held</u>
TIG Insurance Company (25534)	\$ -	\$ -	\$ 6,857,864
Various	11,979	8,059	-
Total	<u>\$ 11,979</u>	<u>\$ 8,059</u>	<u>\$ 6,857,864</u>

G. Reinsurance Accounted for as a Deposit:

As of December 31, 2014, the Company had one assumed reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2001 and has a balance of \$411,794 at year-end. Due to the immaterial nature of the deposit balance the Company accounts for it at the estimated ultimate remaining payments on an undiscounted basis.

As of December 31, 2014, the Company had one ceded reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2002 and has a balance of \$125,730 at year-end. Due to the immaterial nature of the deposit balance the Company accounts for it at the estimated ultimate remaining recoverable on an undiscounted basis.

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	\$ 22,024,311
2. Unsecured amount	5,688,272
3. Less: Nonadmitted amount (10%)	568,827
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	665,239
5. Admitted amount (1) - (3) - (4)	<u>\$ 20,790,245</u>

F. Not applicable.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2014 to December 31, 2014, the prior year-end total loss and LAE reserves developed favorably by \$154,499,000, resulting from better than expected loss and defense and cost containment development primarily in the other liability – occurrence, reinsurance – liability, homeowners and special property lines. This favorable development was partially offset by unfavorable development primarily related to asbestos loss and LAE reserves for "Prior" accident years in the products liability – occurrence line.

The improvement in the other liability – occurrence line was concentrated in the excess coverages for accident years 2008 through 2012 reflecting more favorable legal and judicial environments than what the Company previously expected. The improvement in the reinsurance – liability line was driven by better than expected loss experience related to, and the commutation of reinsurance treaties associated with, a workers' compensation reinsurance pool for "Prior" accident years. The improvement in the homeowners line was

NOTES TO FINANCIAL STATEMENTS

driven primarily by better than expected development for non-catastrophe weather-related claims for accident year 2013 and for catastrophe claims for accident years 2011 through 2013. 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 through 2013.

The unfavorable development related to asbestos includes a reclassification of reserves for the Direct Action Settlement litigation from loss to adjusting and other (AO) LAE as disclosed in the Schedule P Interrogatories of the Company. This change impacts the apparent development for the "Prior" accident year in Schedule P, Part 2R - Section 1, even though the reclassification did not change total loss and LAE reserve development. Lastly, asbestos-related AO reserves include an increase for the court awarded interest for that same settlement.

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
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, 2014 the Company had \$127,205,921 receivable from affiliates as a result of its intercompany reinsurance transactions which settled in January 2015.

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>	
\$ 750,226,931	\$ 750,226,931	
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	\$ 221,634,484
MetLife Insurance Company USA, Charlotte, NC	Yes	85,816,294
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	56,929,489
Symetra Life Insurance Company, Bellevue, WA	Yes	54,683,429
All other companies		331,163,235

NOTES TO FINANCIAL STATEMENTS

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, 2014	
3. Was anticipated investment income utilized in the calculation?		Yes

31. HIGH DEDUCTIBLES

At December 31, 2014, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,554,338,135 and the amount billed and outstanding on paid claims was \$13,290,176. 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. The Company establishes and reports tabular workers' compensation case reserves consistent with statistical reporting requirements, as described below. The total reserve (case plus IBNR/Bulk) for these claims is consistent with its own evaluation of the ultimate payout and a 5% discount rate.

Except for certain third party administered claims, tabular workers' compensation case reserves have been discounted in accordance with state approved workers' compensation statistical plans. 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:

Effective for all claims valued prior to October 1, 2014:

Non-Fatal Cases: United States Life Tables Total Population 1969-71 – MI
 United States Life Tables Total Population 1979-81 – TX
 United States Life Tables Total Population 1999 – FL, NJ & NY
 United States Life Tables Total Male or Total Female 1989-91 – CA
 United States Life Tables Total Male or Total Female 2006 – MA
 United States Life Tables Total Male or Total Female 2000 – MN
 United States Life Tables Total Male or Total Female 1999 – all other states

Fatal Cases: United States Life Tables Total Female 1969-71 – MI *
 United States Life Tables Total Female 1979-81 – TX *
 United States Life Tables Total Female 1989-91 – CA *
 United States Life Tables Total Female 2006 – MA *
 * and the 1979 NCCI Remarriage Table
 New York Mandated Mortality & Remarriage Table – NY
 United States Life Tables Total Female 2000 – MN **
 United States Life Tables Total Female 1999 – all other states **
 ** and the 1980 Railroad Retirement Board Remarriage Table

Effective for all claims valued as of October 1, 2014 and subsequent:

Non-Fatal Cases: United States Life Tables Total Population 1979-81 – TX
 United States Life Tables Total Population 1999 – NY
 United States Life Tables Total Population 2007 – FL
 United States Life Tables Total Male or Total Female 2006 – MA
 United States Life Tables Total Male or Total Female 2009 – MN
 United States Life Tables Total Male or Total Female 2007 – all other states

Fatal Cases: United States Life Tables Total Female 1979-81 – TX *
 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 2007 – all other states **
 United States Life Tables Total Female 2009 – MN **
 ** and the 1997 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, 2014 liabilities of the Company included \$417,091,571 and \$27,993,296 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, 2014 is as follows:

NOTES TO FINANCIAL STATEMENTS

Tabular Discount

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1 *	
	Case	IBNR
1. Workers' Compensation	\$ 94,322,972	\$ 105,686,494
2. Other Liability-Occurrence	<u>3,097,502</u>	<u>40,606,519</u>
3. Total	<u>\$ 97,420,474</u>	<u>\$ 146,293,013</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 24.79%.

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

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

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

The Company continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not 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 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 721,823,000	\$ 678,591,000	\$ 633,480,000	\$ 608,114,000	\$ 590,135,000
b. Incurred losses and LAE:	51,315,000	34,706,000	31,805,000	43,106,000	62,647,000
c. Calendar year payments for losses and LAE:	<u>94,547,000</u>	<u>79,817,000</u>	<u>57,171,000</u>	<u>61,085,000</u>	<u>76,645,000</u>
d. Ending reserves:	<u>\$ 678,591,000</u>	<u>\$ 633,480,000</u>	<u>\$ 608,114,000</u>	<u>\$ 590,135,000</u>	<u>\$ 576,137,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 45,231,000	\$ 50,005,000	\$ 55,267,000	\$ 55,713,000	\$ 53,423,000
b. Incurred losses and LAE:	13,633,000	13,635,000	8,102,000	3,995,000	1,312,000
c. Calendar year payments for losses and LAE:	<u>8,859,000</u>	<u>8,373,000</u>	<u>7,656,000</u>	<u>6,285,000</u>	<u>8,564,000</u>
d. Ending reserves:	<u>\$ 50,005,000</u>	<u>\$ 55,267,000</u>	<u>\$ 55,713,000</u>	<u>\$ 53,423,000</u>	<u>\$ 46,171,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 683,078,000	\$ 631,096,000	\$ 604,171,000	\$ 586,587,000	\$ 579,995,000
b. Incurred losses and LAE:	34,706,000	43,383,000	40,903,000	47,102,000	61,975,000
c. Calendar year payments for losses and LAE:	<u>86,688,000</u>	<u>70,308,000</u>	<u>58,487,000</u>	<u>53,694,000</u>	<u>60,177,000</u>
d. Ending reserves:	<u>\$ 631,096,000</u>	<u>\$ 604,171,000</u>	<u>\$ 586,587,000</u>	<u>\$ 579,995,000</u>	<u>\$ 581,793,000</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:	\$ 473,407,000
2. Assumed Reinsurance Basis:	\$ 17,563,000
3. Net of Ceded Reinsurance Basis:	\$ 467,642,000

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

1. Direct Basis:	\$ 276,785,000
2. Assumed Reinsurance Basis:	\$ 498,000
3. Net of Ceded Reinsurance Basis:	\$ 271,023,000

NOTES TO FINANCIAL STATEMENTS

- 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 and relevant judicial interpretations. 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 82,496,000	\$ 74,706,000	\$ 71,742,000	\$ 70,294,000	\$ 67,790,000
b. Incurred losses and LAE:	9,866,000	16,361,000	19,621,000	17,341,000	22,509,000
c. Calendar year payments for losses and LAE:	<u>17,656,000</u>	<u>19,325,000</u>	<u>21,069,000</u>	<u>19,845,000</u>	<u>22,198,000</u>
d. Ending reserves:	<u>\$ 74,706,000</u>	<u>\$ 71,742,000</u>	<u>\$ 70,294,000</u>	<u>\$ 67,790,000</u>	<u>\$ 68,101,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 13,969,000	\$ 13,055,000	\$ 14,192,000	\$ 17,080,000	\$ 15,889,000
b. Incurred losses and LAE:	1,290,000	3,470,000	4,917,000	392,000	793,000
c. Calendar year payments for losses and LAE:	<u>2,204,000</u>	<u>2,333,000</u>	<u>2,029,000</u>	<u>1,583,000</u>	<u>1,392,000</u>
d. Ending reserves:	<u>\$ 13,055,000</u>	<u>\$ 14,192,000</u>	<u>\$ 17,080,000</u>	<u>\$ 15,889,000</u>	<u>\$ 15,290,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
a. Beginning reserves:	\$ 97,455,000	\$ 86,895,000	\$ 84,620,000	\$ 86,132,000	\$ 81,573,000
b. Incurred losses and LAE:	8,677,000	18,840,000	22,313,000	16,036,000	21,567,000
c. Calendar year payments for losses and LAE:	<u>19,237,000</u>	<u>21,115,000</u>	<u>20,801,000</u>	<u>20,595,000</u>	<u>20,849,000</u>
d. Ending reserves:	<u>\$ 86,895,000</u>	<u>\$ 84,620,000</u>	<u>\$ 86,132,000</u>	<u>\$ 81,573,000</u>	<u>\$ 82,291,000</u>

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

1. Direct Basis:	\$ 67,084,000
2. Assumed Reinsurance Basis:	\$ 9,635,000
3. Net of Ceded Reinsurance Basis	\$ 76,422,000

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

1. Direct Basis:	\$ 11,726,000
2. Assumed Reinsurance Basis:	\$ 28,000
3. Net of Ceded Reinsurance Basis	\$ 11,588,000

As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims 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

NOTES TO FINANCIAL STATEMENTS

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 2014 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2014, 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 PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
BMR SPORTS PROPERTIES, INC.	52-1852190	THE TRAVELERS CASUALTY COMPANY	41-1435765
CAMPERDOWN CORPORATION	41-1762781	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE TRAVELERS INDEMNITY COMPANY	06-0566050
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925132	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TPC INVESTMENTS, INC.	06-1534005
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TRAVCO INSURANCE COMPANY	35-1838077
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVELERS (BERMUDA) LTD.	98-0190863
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS GLOBAL, INC.	47-2215437
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS MGA, INC.	75-2676034
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
TCI GLOBAL SERVICES, INC.	52-1965525	TRAVELERS TEXAS MGA, INC.	27-4469564
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
THE PHOENIX INSURANCE COMPANY	06-0303275	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. 12/31/2014
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/24/2011
- 3.4 By what department or departments?
Minnesota Department of Commerce and 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?
Renée H. Davis, 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
See 12.2 below.

12.12 Number of parcels involved2

12.13 Total book/adjusted carrying value\$.....20,305,184

12.2 If yes, provide explanation.
350 Market Street: Holds a 254 room hotel in St. Paul, MN.
Promenade Partners: Holds a strip mall center in Oakbrook, IL.

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

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

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

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

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
051403041	First National Bank	Failure to comply with contract.	100,000
062106256	Merchants Bank	Failure to comply with contract.	12,500
065301883	United Mississippi Bank	Failure to comply with contract.	10,000
073902151	First Whitney Bank and Trust	Failure to comply with contract.	80,000
081918425	First State Community Bank	Failure to comply with contract.	4,000
082900319	First National Bank of Fort Smith	Failure to comply with contract.	25,000
091913216	Peoples Bank of Commerce	Failure to comply with contract.	93,750
092901683	First Interstate Bank	Failure to comply with contract.	40,000
096010415	Bremer Bank, National Association	Failure to comply with contract.	50,000
101114109	First Option Bank	Failure to comply with contract.	16,000
104000854	American National Bank	Failure to comply with contract.	977,000
322070381	East West Bank	Failure to comply with contract.	300,000
0	ICI Finance Plc-	Failure to comply with contract.	1,890,000

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes 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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 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. \$.....127,377,243
- 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. \$.....127,377,243
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....127,377,243
- 24.103 Total payable for securities lending reported on the liability page. \$.....127,377,243
- 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 Placed under option agreements \$.....0
- 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$.....0
- 25.27 FHLB Capital Stock \$.....0
- 25.28 On deposit with states \$.....1,545,185,589
- 25.29 On deposit with other regulatory bodies \$.....2,198,101
- 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$.....46,353,473
- 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$.....0
- 25.32 Other \$.....0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

- 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)
CIBC Mellon	320 Bay Street Toronto, ON M5H 4A6	Custodial account for Canadian Branch
Citigroup Inc.	388 Greenwich Street New York, NY 10013	Brokerage account

- 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]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	CBRE Clarion Securities	201 King of Prussia Road Suite 600 Radnor, PA 19087

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

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
		0	

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	10,893,242,521	11,301,754,800	408,512,279
30.2 Preferred stocks.....	1,195,000	1,668,200	473,200
30.3 Totals.....	10,894,437,521	11,303,423,000	408,985,479

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

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

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....12,401,039

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC	5,688,023

34.1 Amount of payments for legal expenses, if any? \$.....22,654,519

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

1 Name	2 Amount Paid
	0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....165,468

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

1 Name	2 Amount Paid
	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.....	\$.....5,079,565,087	.....5,079,683,160
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	.....0
2.5 Reserve Denominator.....	\$.....11,941,456,487	.....11,920,309,387
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 \$.....79,554,303
- 3.22 Non-participating policies \$.....5,043,798,740

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 for U.S. exposures 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. 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 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 No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.15
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes No
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes No
- 8.2 If yes, give full information:

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes No
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes No
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes No
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or Yes No
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes No
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes No

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 [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [X] No []
- 11.2 If yes, give full information:
The company guarantees the policies of several of its subsidiaries. See Note 14G.
-
- 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 \$.....16,472,185
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....2,906,856
- 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: \$.....13,690,770
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From0.0 %
- 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....1,538,191,082
- 12.62 Collateral and other funds \$.....450,700,057
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....10,560,864
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.3
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Company's Reinsurance Allocation Agreement and Pooling Agreement.
-
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []
- 14.5 If the answer to 14.4 is no, please explain:

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

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
- If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home..... |0 |0 |0 |0 |0 |
| 16.12 Products..... |0 |0 |0 |0 |0 |
| 16.13 Automobile..... |0 |0 |0 |0 |0 |
| 16.14 Other*..... |0 |0 |0 |0 |0 |
- * Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [] No [X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.
- Provide the following information for this exemption:
- 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
- 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
- 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
- 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
- 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
- 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
- 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
- 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0
- 18.1 Do you act as a custodian for health savings account? Yes [] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0
- 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 2014	2 2013	3 2012	4 2011	5 2010
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).....	3,013,330,809	3,151,157,459	3,069,348,162	2,945,154,855	2,850,460,455
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	996,647,088	993,277,349	975,025,177	983,737,310	1,036,082,655
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,723,018,639	1,759,326,481	1,782,645,978	1,923,453,432	1,855,443,516
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	30,652,851	39,891,681	49,768,570	61,168,852	65,734,670
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	35,357,135	31,585,343	28,693,632	31,367,330	23,693,977
6. Total (Line 35).....	5,799,006,523	5,975,238,313	5,905,481,519	5,944,881,778	5,831,415,273
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,495,619,434	2,470,753,554	2,388,099,149	2,303,682,729	2,208,722,769
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	900,044,124	898,283,987	874,738,537	880,488,485	898,868,277
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,700,904,162	1,728,058,827	1,707,924,026	1,700,135,506	1,635,363,639
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	11,346,630	19,964,817	22,564,931	26,895,627	28,637,594
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	15,438,694	14,329,028	13,103,483	12,166,075	4,830,084
12. Total (Line 35).....	5,123,353,043	5,131,390,213	5,006,430,125	4,923,368,421	4,776,422,362
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	463,627,636	431,778,213	13,179,388	(394,445,772)	273,996,601
14. Net investment gain (loss) (Line 11).....	725,498,043	670,968,747	676,289,799	792,897,910	812,930,356
15. Total other income (Line 15).....	5,191,642	32,725,251	18,267,704	6,028,497	8,868,787
16. Dividends to policyholders (Line 17).....	7,800,320	7,213,935	9,976,096	8,639,061	5,944,977
17. Federal and foreign income taxes incurred (Line 19).....	252,839,473	244,350,932	102,999,600	(5,622,487)	177,360,281
18. Net income (Line 20).....	933,677,528	883,907,343	594,761,195	401,464,061	912,490,486
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	18,917,210,617	18,566,316,320	18,761,764,152	18,414,741,674	18,356,919,227
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	632,108,579	568,875,618	524,716,770	483,626,014	527,912,645
20.2 Deferred and not yet due (Line 15.2).....	1,021,388,391	992,090,638	989,668,171	941,647,858	907,292,930
20.3 Accrued retrospective premiums (Line 15.3).....	20,790,245	23,588,341	28,316,222	46,153,623	48,448,909
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	12,923,140,386	12,651,619,036	12,761,100,471	12,701,137,921	12,536,050,944
22. Losses (Page 3, Line 1).....	7,493,585,203	7,648,975,444	7,710,930,540	7,714,594,475	7,537,768,939
23. Loss adjustment expenses (Page 3, Line 3).....	1,852,640,576	1,721,718,149	1,735,754,840	1,779,413,979	1,779,650,483
24. Unearned premiums (Page 3, Line 9).....	2,317,727,202	2,274,421,678	2,231,148,979	2,190,352,385	2,128,243,431
25. Capital paid up (Page 3, Lines 30 & 31).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,994,070,231	5,914,697,284	6,000,663,680	5,713,603,754	5,820,868,283
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	839,064,556	837,942,808	700,382,424	628,258,981	926,892,248
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,994,070,231	5,914,697,284	6,000,663,680	5,713,603,754	5,820,868,293
29. Authorized control level risk-based capital.....	1,043,218,567	1,024,986,820	1,014,134,142	1,011,750,646	1,020,809,134
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).....	62.6	64.2	65.6	66.8	67.0
31. Stocks (Lines 2.1 & 2.2).....	23.6	23.5	22.9	22.1	21.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.3	0.3	0.3	0.3	0.3
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.6	4.8	4.4	4.4	4.3
34. Cash, cash equivalents and short-term investments (Line 5).....	3.1	2.0	1.4	1.1	1.4
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	0.0
37. Other invested assets (Line 8).....	5.1	5.0	5.1	5.3	5.0
38. Receivable for securities (Line 9).....	(0.0)	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.8	0.2	0.4	0.1	0.2
40. Aggregate write-ins for invested assets (Line 11).....	(0.0)	0.0	0.0	(0.0)	(0.0)
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	3,439,726,128	3,436,557,783	3,435,485,261	3,277,723,135	3,295,166,329
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.....	49,439,397	51,225,520	68,274,435	59,774,333	89,426,881
48. Total of above lines 42 to 47.....	3,489,165,525	3,487,783,302	3,503,759,696	3,337,497,468	3,384,593,210
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).....	58.2	59.0	58.4	58.4	58.1

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2014	2013	2012	2011	2010
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	283,461,008	170,438,776	269,523,204	15,054,022	22,056,399
52. Dividends to stockholders (Line 35).....	(1,085,800,000)	(1,115,000,000)	(558,000,000)	(500,000,000)	(1,846,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	79,372,948	(85,966,397)	287,059,927	(107,264,529)	(770,485,821)
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).....	1,685,590,205	1,678,550,282	1,790,892,173	1,753,470,284	1,861,102,490
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	519,815,243	516,541,701	586,506,658	646,716,236	581,353,071
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	767,254,624	843,342,508	1,040,060,643	1,261,386,044	925,461,534
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	25,318,844	9,498,051	25,808,788	38,051,143	33,373,617
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	63,774,481	78,663,124	43,792,752	71,152,254	131,790,401
59. Total (Line 35).....	3,061,753,397	3,126,595,666	3,487,061,015	3,770,775,961	3,533,081,112
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).....	1,262,944,341	1,263,611,086	1,298,321,809	1,180,457,617	1,173,398,855
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	462,010,226	467,343,734	529,025,202	565,649,894	475,640,411
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	728,374,096	788,111,916	947,303,509	1,157,765,580	797,034,551
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,288,426	2,928,241	16,217,669	16,929,170	15,923,103
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	30,185,563	20,539,084	9,793,387	15,839,145	25,516,759
65. Total (Line 35).....	2,499,802,652	2,542,534,061	2,800,661,577	2,936,641,406	2,487,513,679
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).....	46.2	48.8	56.3	63.8	50.1
68. Loss expenses incurred (Line 3).....	14.1	11.7	11.3	12.3	11.8
69. Other underwriting expenses incurred (Line 4).....	30.6	31.0	32.1	32.0	32.3
70. Net underwriting gain (loss) (Line 8).....	9.1	8.5	0.3	(8.1)	5.8
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.2	30.1	31.5	31.6	31.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	60.3	60.5	67.7	76.1	61.9
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).....	85.5	86.8	83.4	86.2	82.1
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).....	(295,461)	(164,799)	(182,237)	(134,238)	(249,252)
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).....	(5.0)	(2.7)	(3.2)	(2.3)	(3.8)
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).....	(438,279)	(345,970)	(344,549)	(479,176)	(535,079)
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).....	(7.3)	(6.1)	(5.9)	(7.3)	(8.4)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	259,036	92,693	88,721	26,166	29,830	639	8,666	258,088	XXX
2. 2005.....	5,312,258	746,091	4,566,166	2,611,436	676,763	225,603	31,608	180,825	11,437	102,950	2,298,056	XXX
3. 2006.....	5,229,553	631,131	4,598,422	2,019,911	247,071	204,066	19,564	202,970	6,154	108,447	2,154,160	XXX
4. 2007.....	5,328,847	547,168	4,781,679	2,151,819	204,006	216,099	15,129	218,596	4,768	127,213	2,362,613	XXX
5. 2008.....	5,340,661	544,190	4,796,471	2,657,332	276,817	226,606	15,567	255,752	3,739	127,535	2,843,566	XXX
6. 2009.....	5,250,125	435,234	4,814,891	2,359,770	177,546	205,042	10,767	249,303	2,857	116,721	2,622,945	XXX
7. 2010.....	5,192,968	397,758	4,795,209	2,528,327	139,557	210,703	9,626	254,959	2,271	133,092	2,842,536	XXX
8. 2011.....	5,359,698	387,005	4,972,693	2,983,171	200,469	201,095	10,420	265,122	2,396	137,526	3,236,102	XXX
9. 2012.....	5,478,791	421,243	5,057,547	2,654,208	426,773	159,922	19,322	273,553	4,062	124,266	2,637,525	XXX
10. 2013.....	5,527,850	448,167	5,079,683	1,693,451	109,905	98,546	4,199	243,526	6,045	97,229	1,915,374	XXX
11. 2014.....	5,502,349	422,784	5,079,565	1,103,707	51,106	44,847	1,799	194,955	4,705	52,514	1,285,899	XXX
12. Totals.....	XXX	XXX	XXX	23,022,168	2,602,706	1,881,250	164,166	2,369,391	49,073	1,136,159	24,456,865	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,672,743	502,189	1,284,288	224,005	154,909	20,794	253,900	17,564	306,225	(1,572)	8,299	2,909,086	XXX
2. 2005.....	79,918	24,569	88,963	21,196	7,269	3,415	18,497	2,704	4,298	(52)	2,678	147,112	XXX
3. 2006.....	85,108	22,629	120,493	18,889	7,628	692	20,619	1,625	5,703	(83)	2,645	195,800	XXX
4. 2007.....	100,312	19,027	120,142	17,014	11,158	500	23,535	2,923	5,668	(57)	3,739	221,409	XXX
5. 2008.....	120,849	14,019	133,914	18,015	13,682	606	33,054	3,987	10,125	(85)	7,056	275,083	XXX
6. 2009.....	166,054	32,525	164,219	25,814	16,725	830	34,455	2,821	10,379	45	8,579	329,796	XXX
7. 2010.....	211,692	16,001	190,166	20,432	24,569	796	43,815	5,504	14,407	48	14,803	441,867	XXX
8. 2011.....	314,630	23,130	275,669	18,057	37,404	1,375	61,253	4,483	24,036	(35)	27,789	665,982	XXX
9. 2012.....	412,335	33,030	414,356	32,202	50,338	1,288	101,344	4,600	36,114	(7)	37,450	943,374	XXX
10. 2013.....	538,611	60,267	608,668	42,583	51,441	1,504	150,769	6,119	58,956	(533)	46,230	1,298,505	XXX
11. 2014.....	637,884	66,100	1,089,651	85,386	52,523	2,537	214,363	6,857	85,626	955	86,503	1,918,211	XXX
12. Totals.....	4,340,136	813,487	4,490,529	523,593	427,644	34,335	955,605	59,187	561,539	(1,375)	245,771	9,346,226	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,230,837	678,249
2. 2005.	3,216,808	771,639	2,445,169	60.6	103.4	53.5	0	0	24.79	123,116	23,996
3. 2006.	2,666,499	316,539	2,349,960	51.0	50.2	51.1	0	0	24.79	164,083	31,717
4. 2007.	2,847,330	263,308	2,584,022	53.4	48.1	54.0	0	0	24.79	184,413	36,996
5. 2008.	3,451,314	332,665	3,118,649	64.6	61.1	65.0	0	0	24.79	222,729	52,354
6. 2009.	3,205,947	253,206	2,952,741	61.1	58.2	61.3	0	0	24.79	271,933	57,863
7. 2010.	3,478,638	194,234	3,284,404	67.0	48.8	68.5	0	0	24.79	365,426	76,442
8. 2011.	4,162,380	260,296	3,902,084	77.7	67.3	78.5	0	0	24.79	549,112	116,870
9. 2012.	4,102,169	521,270	3,580,899	74.9	123.7	70.8	0	0	24.79	761,459	181,915
10. 2013.	3,443,969	230,090	3,213,879	62.3	51.3	63.3	0	0	24.79	1,044,429	254,076
11. 2014.	3,423,556	219,446	3,204,110	62.2	51.9	63.1	0	0	24.79	1,576,049	342,163
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,493,585	1,852,641

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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	One Year	Two Year
1. Prior.....	7,770,194	7,890,852	7,905,767	7,913,037	7,790,176	7,676,670	7,655,615	7,617,959	7,592,208	7,483,100	(109,108)	(134,859)
2. 2005.....	3,009,197	2,777,893	2,676,143	2,495,805	2,414,585	2,354,875	2,331,412	2,304,737	2,280,911	2,277,395	(3,516)	(27,342)
3. 2006.....	XXX	2,552,769	2,465,933	2,340,068	2,283,409	2,242,240	2,212,382	2,188,343	2,172,423	2,155,488	(16,936)	(32,855)
4. 2007.....	XXX	XXX	2,635,516	2,582,289	2,523,847	2,515,891	2,448,032	2,408,431	2,383,782	2,372,139	(11,643)	(36,292)
5. 2008.....	XXX	XXX	XXX	3,011,040	3,036,985	3,017,535	2,944,545	2,906,318	2,893,483	2,864,838	(28,645)	(41,480)
6. 2009.....	XXX	XXX	XXX	XXX	2,816,746	2,803,689	2,780,671	2,752,169	2,721,273	2,704,825	(16,449)	(47,344)
7. 2010.....	XXX	XXX	XXX	XXX	XXX	2,983,104	3,076,907	3,057,673	3,039,368	3,027,060	(12,309)	(30,613)
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	3,640,306	3,664,367	3,660,451	3,626,680	(33,770)	(37,686)
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,336,989	3,328,286	3,287,182	(41,104)	(49,806)
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,951,685	2,929,704	(21,982)	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,942,948	XXX	XXX
12. Totals.....											(295,461)	(438,279)

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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
1. Prior.....	.000	1,254,671	2,201,400	2,973,747	3,417,702	3,789,158	4,070,459	4,309,321	4,507,785	4,736,683	XXX	XXX
2. 2005.....	832,114	1,449,516	1,689,056	1,855,027	1,962,164	2,036,026	2,072,468	2,101,039	2,120,196	2,128,668	XXX	XXX
3. 2006.....	XXX	801,958	1,261,187	1,505,241	1,677,225	1,805,036	1,865,737	1,909,996	1,939,756	1,957,343	XXX	XXX
4. 2007.....	XXX	XXX	877,768	1,398,663	1,683,795	1,877,953	2,004,298	2,080,009	2,123,760	2,148,784	XXX	XXX
5. 2008.....	XXX	XXX	XXX	1,141,047	1,751,615	2,073,465	2,292,087	2,446,067	2,538,190	2,591,553	XXX	XXX
6. 2009.....	XXX	XXX	XXX	XXX	1,066,632	1,652,222	1,953,508	2,159,449	2,299,486	2,376,499	XXX	XXX
7. 2010.....	XXX	XXX	XXX	XXX	XXX	1,190,279	1,844,927	2,188,802	2,425,337	2,589,848	XXX	XXX
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	1,635,104	2,377,494	2,734,452	2,973,377	XXX	XXX
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,343,509	2,049,479	2,368,034	XXX	XXX
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,100,974	1,677,893	XXX	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,095,648	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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Prior.....	4,043,950	3,434,883	3,045,017	2,677,825	2,377,235	2,084,690	1,865,689	1,709,545	1,597,468	1,367,321
2. 2005.....	1,377,120	870,110	650,213	394,124	281,409	190,678	161,729	126,750	97,232	87,205
3. 2006.....	XXX	1,195,115	781,264	511,348	363,346	266,373	205,739	168,875	141,702	125,275
4. 2007.....	XXX	XXX	1,133,369	702,783	492,427	373,727	269,860	199,132	156,516	129,544
5. 2008.....	XXX	XXX	XXX	1,202,732	738,914	524,605	343,047	252,322	203,199	150,650
6. 2009.....	XXX	XXX	XXX	XXX	1,132,653	668,337	468,547	326,110	233,745	176,811
7. 2010.....	XXX	XXX	XXX	XXX	XXX	1,093,599	690,550	449,770	304,803	215,033
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	1,205,678	708,392	489,500	323,903
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,230,015	743,187	489,011
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,146,018	720,819
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,224,076

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

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	2,968,154	4,369,424	95	4,339,864	(6,646,158)	52,531,775	2,928	100,372
2. Alaska.....AK	L	2,500,387	2,781,658	2,721	2,858,350	836,537	6,957,664	272	3,048
3. Arizona.....AZ	L	4,018,444	5,473,902	0	7,358,268	2,565,210	35,830,835	3,158	191,438
4. Arkansas.....AR	L	2,040,322	2,780,923	0	590,933	(3,980,153)	14,642,738	1,685	4,366
5. California.....CA	L	56,827,934	63,835,741	0	29,655,849	9,783,635	251,040,459	65,338	1,663,793
6. Colorado.....CO	L	19,156,691	21,284,407	3	10,717,056	3,732,160	60,378,857	23,551	236,643
7. Connecticut.....CT	L	4,851,660	6,725,335	382	2,079,833	(1,636,114)	39,706,548	5,988	345,848
8. Delaware.....DE	L	1,163,177	1,340,677	0	(57,315)	(1,364,257)	6,060,879	900	0
9. District of Columbia.....DC	L	996,944	1,359,316	0	800,329	(1,599,889)	12,307,379	459	22,736
10. Florida.....FL	L	32,788,536	34,528,589	103,672	14,642,364	4,891,083	80,978,580	23,005	2,149,922
11. Georgia.....GA	L	4,816,725	6,822,075	2	1,771,995	(2,574,780)	42,578,954	5,384	133,246
12. Hawaii.....HI	L	793,479	1,256,775	0	450,935	(3,030,435)	5,339,577	53	39,406
13. Idaho.....ID	L	367,043	587,212	0	104,565	(202,702)	2,838,684	535	6,905
14. Illinois.....IL	L	15,432,732	23,573,382	0	17,350,994	4,295,794	157,926,468	8,448	492,602
15. Indiana.....IN	L	4,481,517	5,961,515	221	1,078,564	(1,517,895)	25,196,514	2,184	33,885
16. Iowa.....IA	L	3,121,023	4,748,706	0	4,207,520	7,816	25,264,107	1,312	7,636
17. Kansas.....KS	L	14,326,175	15,249,941	9	2,416,496	3,038,107	36,422,983	10,615	49,356
18. Kentucky.....KY	L	2,070,284	2,959,757	47	692,689	(1,092,327)	22,099,709	1,424	87,544
19. Louisiana.....LA	L	23,162,957	24,032,521	0	16,987,085	3,401,199	64,182,644	14,773	919,146
20. Maine.....ME	L	350,337	512,027	5	457,843	(407,807)	3,625,281	327	5,065
21. Maryland.....MD	L	4,190,107	5,278,869	391	4,707,649	(1,162,814)	45,442,855	3,173	79,968
22. Massachusetts.....MA	L	5,767,184	8,551,799	0	3,553,721	(3,819,393)	97,607,392	11,526	320,376
23. Michigan.....MI	L	6,489,005	11,441,980	0	2,913,067	(1,526,266)	73,917,742	4,618	419,302
24. Minnesota.....MN	L	4,718,580	6,837,364	0	7,330,233	(661,996)	77,724,460	2,802	80,487
25. Mississippi.....MS	L	6,116,380	6,477,869	0	21,260,098	19,349,039	24,665,576	5,971	71,184
26. Missouri.....MO	L	2,950,998	5,503,502	0	7,684,688	103,029	49,271,483	3,343	76,445
27. Montana.....MT	L	4,385,085	4,545,849	0	5,069,629	1,711,598	9,030,218	6,587	18,830
28. Nebraska.....NE	L	1,267,258	2,412,374	0	1,895,226	(350,656)	18,543,878	727	245,459
29. Nevada.....NV	L	2,306,553	3,974,142	0	10,395,879	2,151,489	24,074,521	2,617	86,954
30. New Hampshire.....NH	L	843,952	816,909	0	508,520	(145,668)	11,605,785	1,140	1,066,095
31. New Jersey.....NJ	L	8,300,083	12,498,844	0	11,415,803	2,615,739	107,148,944	10,281	21,543
32. New Mexico.....NM	L	27,091,787	27,487,017	18	17,777,102	14,192,322	45,087,199	26,315	3,037,480
33. New York.....NY	L	53,727,897	62,173,886	4	44,644,445	2,329,018	279,772,797	40,562	60,412
34. North Carolina.....NC	L	2,789,266	4,372,044	220	4,521,670	1,234,200	31,672,422	2,582	1,750
35. North Dakota.....ND	L	20,525,091	18,019,370	0	8,492,317	11,157,285	22,287,402	5,099	0
36. Ohio.....OH	L	12,802,790	15,051,378	553	6,600,771	9,948,092	55,958,672	7,295	128,841
37. Oklahoma.....OK	L	21,015,284	20,991,689	38	9,966,858	3,244,082	38,405,444	862	8,518
38. Oregon.....OR	L	1,400,035	1,736,138	0	9,387,683	7,328,540	10,259,680	1,590	7,292
39. Pennsylvania.....PA	L	24,429,284	27,663,512	413	39,558,839	11,052,881	108,181,130	18,383	203,123
40. Rhode Island.....RI	L	1,043,906	1,653,335	0	101,098	(477,916)	16,498,626	1,535	19,060
41. South Carolina.....SC	L	1,581,692	2,151,282	3	350,036	(1,927,086)	18,138,573	1,596	149,024
42. South Dakota.....SD	L	617,967	901,242	0	1,876,451	1,005,120	11,114,938	537	9,520
43. Tennessee.....TN	L	3,327,200	4,093,410	4	2,084,416	2,581,515	39,352,774	2,552	52,733
44. Texas.....TX	L	154,835,128	154,616,164	5	101,280,695	98,716,300	327,897,267	142,711	564,282
45. Utah.....UT	L	4,116,119	4,681,059	0	2,442,165	(801,293)	17,057,052	6,677	13,946
46. Vermont.....VT	L	667,304	636,840	0	216,793	(417,851)	4,584,101	634	21,004
47. Virginia.....VA	L	7,641,356	7,367,110	7,871	2,599,076	(4,796,537)	38,437,682	8,927	70,878
48. Washington.....WA	L	4,072,736	5,108,280	0	7,208,449	(1,075,605)	34,399,895	5,453	46,062
49. West Virginia.....WV	L	12,952,927	12,587,361	4,077	2,927,817	1,367,487	19,280,649	5,212	0
50. Wisconsin.....WI	L	5,041,865	7,102,341	218	7,757,069	6,922,475	56,114,791	1,153	66,245
51. Wyoming.....WY	L	19,322,799	19,023,131	0	3,077,824	3,684,379	22,954,180	15,997	4,687
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	3,227	2,763	0	0	1,884	7,301	0	0
54. Puerto Rico.....PR	L	102,080	93,134	0	381,450	(773,257)	2,065,745	0	0
55. US Virgin Islands.....VI	L	48,493	36,299	0	67,169	(103,862)	441,746	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	L	138,397,257	146,680,724	0	100,698,642	46,482,913	273,545,502	0	0
58. Aggregate Other Alien.....OT	XXX	3,273,155	3,409,631	0	5,029,996	(5,880,358)	18,761,711	0	0
59. Totals.....(a) 54		764,396,351	846,162,521	120,969	574,287,561	231,757,853	2,977,220,770	520,796	13,444,456

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	1,605,554	1,429,315	0	14,566	(1,144,709)	3,640,153	0	0
58002. Other Alien Combined.....	XXX	1,071,536	1,464,242	0	1,986,744	(2,190,761)	9,274,202	0	0
58003. CYM Cayman Islands.....	XXX	179,194	148,635	0	0	(182,885)	647	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	416,871	367,439	0	3,028,686	(2,362,003)	5,846,709	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	3,273,155	3,409,631	0	5,029,996	(5,880,358)	18,761,711	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	... .. Symmetry Growth Capital II, LLC	Minnesota	76-0753165
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. Upper Lake Growth Capital, LLC (99.1%)	Minnesota	41-1927945
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... .. Vesbridge Partners, LP (88.4%)	Minnesota	20-1222630
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... .. Windamere II, LLC (98.9%)	Minnesota	41-1963936
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Windamere III, LLC (99%)	Minnesota	41-2007089
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Windamere, LLC (90.2%)	Minnesota	41-1926305
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... Camperdown Corporation	Delaware	41-1762781
... .. Travelers Constitution State Insurance Company (41750) *	Connecticut	41-1435766	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... Aprilgrange Limited	United Kingdom	
... .. Discover Property & Casualty Insurance Company (36463) *	Connecticut	36-2999370	... F&G U.K. Underwriters Limited	United Kingdom	
... .. St. Paul Protective Insurance Company (19224) *	Connecticut	36-2542404	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Discover Specialty Insurance Company (10213) *	Connecticut	52-1925132	... Travelers Syndicate Management Limited	United Kingdom	
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... St. Paul Surety Europe Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... Travelers London Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... St. Paul London Properties, Inc.	Minnesota	41-1880024
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... Travelers Management Limited	United Kingdom	
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... .. Travelers Professional Risks Limited	United Kingdom	
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... .. Constitution Plaza, Inc.	Connecticut	06-0566030
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. USF&G Capital I	Delaware	52-1953822	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. USF&G Capital III	Delaware	52-2044075	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Travelers Special Services Limited	United Kingdom		... .. Lone Rock Timber Investments II, LLC (90%)	Delaware	32-0447309
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. Castle Pines Fidelity Realty, Inc.	Maryland	52-1735211	... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. English Turn Fidelity Realty, Inc.	Minnesota	52-1466734	... .. TPC Investments Inc.	Connecticut	06-1534005
... .. English Turn LLC (99%)	Minnesota	59-2635727	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. Fidelity English Turn Club LLC (99%)	Minnesota	59-2709441	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. English Turn LLC (1%)	Minnesota	59-2635727	... .. 8527512 Canada Inc. (77.52%)	Canada	
... .. English Turn Realty Management, Inc.	Minnesota	52-1715225	... .. The Dominion of Canada General Insurance Company *	Canada	
... .. Fidelity English Turn Club LLC (1%)	Minnesota	59-2709441	... .. Travelers Insurance Company of Canada *	Canada	
... .. 8527512 Canada Inc. (22.48%)	Canada		... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. The Dominion of Canada General Insurance Company *	Canada		... .. Travelers Global, Inc.	Delaware	47-2215437
... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480	... .. Travelers Brazil Holding, LLC	Delaware	06-0907370

Notes:

* Denotes affiliated insurer

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

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

...	Travelers Brazil Acquisition LLC	Delaware	06-0907370	...	Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
...	J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (49.5%)	Brazil		...	Travelers Distribution Alliance, Inc.	Delaware	62-1657094
...	J. Malucelli Resseguradora S.A. *	Brazil		...	Travelers TLD, LLC	Delaware	06-0566050
...	J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		...	Tiercel, LLC	Delaware	06-0566050
...	J. Malucelli Seguradora S.A. *	Brazil		...	Redstart, LLC	Delaware	06-0566050
...	J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		...	The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
...	J. Malucelli Seguros S.A. *	Brazil		...	The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
...	JM Latam (49.5%)	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				
...	The Premier Insurance Company of Massachusetts (12850) *	Connecticut	04-3175569				
...	TravCo Insurance Company (28188) *	Connecticut	35-1838077				
...	TINDY Foreign, Inc	Delaware	20-4403403				

Notes:

* Denotes affiliated insurer

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

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