

ANNUAL STATEMENT
For the Year Ended December 31, 2015
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 4 columns: Name, Title, Name, Title. Lists officers including Brian William MacLean, Jay Steven Benet, William Herbert Heyman, 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, Renee Helou Davis, and Wendy Constance Skjerven.

DIRECTORS

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

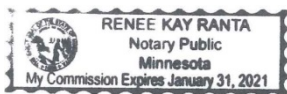
STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

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

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

21st day of January, 2016
Notary Public
My Commission Expires January 31, 2021



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).....	10,472,440,190	0	10,472,440,190	10,403,353,378
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,195,000	0	1,195,000	1,195,000
2.2 Common stocks.....	2,701,723,139	11,299,762	2,690,423,378	3,912,097,626
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	41,900,000	0	41,900,000	41,900,000
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).....	29,503,370	0	29,503,370	74,086,043
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	751,666,431	0	751,666,431	690,192,475
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....31,100,699, Schedule E-Part 1), cash equivalents (\$....3,098,324, Schedule E-Part 2) and short-term investments (\$....1,051,559,186, Schedule DA).....	1,085,758,209	0	1,085,758,209	521,054,034
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).....	844,428,476	43,164,000	801,264,475	839,533,696
9. Receivables for securities.....	419,669	0	419,669	(41,237)
10. Securities lending reinvested collateral assets (Schedule DL).....	113,034,727	0	113,034,727	127,377,243
11. Aggregate write-ins for invested assets.....	(64,785)	0	(64,785)	(64,785)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,042,004,426	54,463,762	15,987,540,664	16,610,683,473
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	104,175,468	0	104,175,468	115,888,147
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	686,230,310	41,018,077	645,212,233	632,108,579
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....27,716,026 earned but unbilled premiums).....	1,069,160,106	6,080,699	1,063,079,407	1,021,388,391
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	21,799,736	1,966,762	19,832,974	20,790,245
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	71,922,832	0	71,922,832	88,004,296
16.2 Funds held by or deposited with reinsured companies.....	8,155,576	0	8,155,576	11,470,798
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.....	455,691,026	145,808,845	309,882,181	327,937,940
19. Guaranty funds receivable or on deposit.....	(21,086)	0	(21,086)	26,764
20. Electronic data processing equipment and software.....	263	0	263	413
21. Furniture and equipment, including health care delivery assets (\$.....0).....	4,519,419	4,519,419	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.....	92,592,724	4,975,743	87,616,981	88,911,571
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	18,556,230,801	258,833,308	18,297,397,494	18,917,210,617
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	18,556,230,801	258,833,308	18,297,397,494	18,917,210,617

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. COLI supplemental benefits trust.....	20,309,261	0	20,309,261	20,238,999
2502. Real estate operating fund.....	20,970,736	2,239,336	18,731,400	22,025,895
2503. Amounts receivable under high deductible policies.....	20,459,733	2,264,892	18,194,841	15,923,704
2598. Summary of remaining write-ins for Line 25 from overflow page.....	30,852,995	471,516	30,381,479	30,722,972
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	92,592,724	4,975,743	87,616,981	88,911,571

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).....	7,422,324,562	7,493,585,203
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	288,297,531	277,503,506
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,742,046,642	1,852,640,576
4. Commissions payable, contingent commissions and other similar charges.....	159,324,402	156,796,952
5. Other expenses (excluding taxes, licenses and fees).....	161,304,400	165,460,495
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	86,454,234	84,933,575
7.1 Current federal and foreign income taxes (including \$.....(50,727,748) on realized capital gains (losses)).....	41,446,321	36,555,083
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 \$.....217,966,402 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).....	2,387,044,917	2,317,727,202
10. Advance premium.....	16,856	5,946
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	11,934,303	11,529,201
12. Ceded reinsurance premiums payable (net of ceding commissions).....	62,240,340	71,065,977
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	395,031	1,586,007
14. Amounts withheld or retained by company for account of others.....	28,602,229	31,445,337
15. Remittances and items not allocated.....	15,578,051	22,633,758
16. Provision for reinsurance (including \$.....491,665 certified) (Schedule F, Part 8).....	12,508,723	30,244,397
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	94,478,176	73,190,892
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	47,513,979	78,829,059
20. Derivatives.....	0	0
21. Payable for securities.....	11,186,850	47,898,489
22. Payable for securities lending.....	113,034,727	127,377,243
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.....	48,392,739	42,131,487
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	12,734,125,013	12,923,140,386
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	12,734,125,013	12,923,140,386
29. Aggregate write-ins for special surplus funds.....	18,969,506	21,839,551
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).....	2,285,920,443	2,713,848,148
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).....	5,563,272,481	5,994,070,231
38. TOTALS (Page 2, Line 28, Col. 3).....	18,297,397,494	18,917,210,617

DETAILS OF WRITE-INS

2501. Other liabilities.....	43,120,000	43,120,000
2502. Investment real estate liability.....	23,101,705	19,908,102
2503. Retroactive reinsurance reserve assumed.....	302,877	554,223
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(18,131,843)	(21,450,837)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	48,392,739	42,131,487
2901. Special surplus from retroactive reinsurance.....	17,969,506	20,839,551
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).....	18,969,506	21,839,551
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).....	5,186,232,028	5,079,565,087
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,440,696,027	2,344,412,412
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	607,329,839	718,317,659
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,597,733,756	1,553,207,380
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	4,645,759,623	4,615,937,450
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	540,472,405	463,627,636
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	639,456,883	659,983,264
10. Net realized capital gains (losses) less capital gains tax of \$.....3,158,635 (Exhibit of Capital Gains (Losses)).....	305,164,467	65,514,778
11. Net investment gain (loss) (Lines 9 + 10).....	944,621,350	725,498,043
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,779,834 amount charged off \$.....12,963,532).....	(10,183,698)	(11,236,267)
13. Finance and service charges not included in premiums.....	18,533,044	19,283,232
14. Aggregate write-ins for miscellaneous income.....	57,401	(2,855,323)
15. Total other income (Lines 12 through 14).....	8,406,747	5,191,642
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,493,500,502	1,194,317,321
17. Dividends to policyholders.....	8,523,590	7,800,320
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).....	1,484,976,912	1,186,517,001
19. Federal and foreign income taxes incurred.....	298,369,269	252,839,473
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,186,607,643	933,677,528
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,994,070,231	5,914,697,284
22. Net income (from Line 20).....	1,186,607,643	933,677,528
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(58,920,372).....	(255,549,071)	283,461,008
25. Change in net unrealized foreign exchange capital gain (loss).....	(41,719,732)	(53,937,431)
26. Change in net deferred income tax.....	5,419,449	(32,140,036)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(79,291,713)	28,312,076
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	17,735,675	5,659,938
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.....	(1,264,000,000)	(1,085,800,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	139,865
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(430,797,750)	79,372,948
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	5,563,272,481	5,994,070,231
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Profit and loss, miscellaneous.....	716,509	(2,178,138)
1402. Change in COLI cash values.....	489,023	917,711
1403. Other assets tri-party/tax credit bond income.....	98,368	25,536
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,246,499)	(1,620,432)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	57,401	(2,855,323)
3701. Prior period adjustment.....	0	139,865
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	139,865

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,191,984,028	5,019,861,357
2. Net investment income.....	703,480,930	751,662,886
3. Miscellaneous income.....	8,406,747	5,191,642
4. Total (Lines 1 through 3).....	5,903,871,705	5,776,715,885
5. Benefit and loss related payments.....	2,481,765,957	2,519,671,317
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,314,843,905	2,140,968,161
8. Dividends paid to policyholders.....	8,118,488	7,917,500
9. Federal and foreign income taxes paid (recovered) net of \$.....18,765,574 tax on capital gains (losses).....	296,636,666	269,094,352
10. Total (Lines 5 through 9).....	5,101,365,017	4,937,651,329
11. Net cash from operations (Line 4 minus Line 10).....	802,506,688	839,064,556
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,457,930,238	3,024,344,109
12.2 Stocks.....	1,307,248,145	292,119,786
12.3 Mortgage loans.....	0	1,000,000
12.4 Real estate.....	69,098,240	12,998,864
12.5 Other invested assets.....	110,878,879	253,944,999
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(71,356)	(35,889)
12.7 Miscellaneous proceeds.....	14,342,516	48,116,593
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,959,426,661	3,632,488,462
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,589,797,279	2,984,783,898
13.2 Stocks.....	42,784,326	79,450,007
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	116,450,098	19,200,730
13.5 Other invested assets.....	106,677,096	145,290,932
13.6 Miscellaneous applications.....	37,172,545	95,354,291
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,892,881,344	3,324,079,858
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).....	1,066,545,317	308,408,604
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.....	1,264,000,000	1,085,800,000
16.6 Other cash provided (applied).....	(40,347,830)	140,616,305
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,304,347,830)	(945,183,695)
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).....	564,704,175	202,289,464
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	521,054,034	318,764,570
19.2 End of year (Line 18 plus Line 19.1).....	1,085,758,209	521,054,034

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001	Exchange of stock.....	23,021,690	34,820,811
20.0002	Exchange of bonds.....	21,236,768	2,180,000
20.0003	Interest payment received in securities.....	1,483,527	1,399,388
20.0004	Bonds exchanged for stock.....	281,007	0
20.0005	Stock distributions from limited partnerships.....	278,479	364,138
20.0006	Prior period return of capital.....	0	30,887,484

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.....	153,195,231	71,451,893	70,061,984	154,585,139
2. Allied lines.....	120,384,867	60,630,789	60,505,956	120,509,700
3. Farmowners multiple peril.....	41,837,572	19,322,093	20,217,318	40,942,347
4. Homeowners multiple peril.....	794,978,789	425,822,672	427,732,067	793,069,394
5. Commercial multiple peril.....	751,543,346	341,020,917	343,380,501	749,183,761
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	62,662,946	29,606,733	25,894,729	66,374,949
9. Inland marine.....	170,045,217	80,059,457	79,614,136	170,490,538
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(40)	(315)	(56)	(299)
11.2 Medical professional liability - claims-made.....	(36,616)	0	0	(36,616)
12. Earthquake.....	29,026,302	15,257,482	15,406,492	28,877,292
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.....	980,878,217	364,993,340	376,931,604	968,939,953
17.1 Other liability - occurrence.....	449,812,213	191,392,519	196,171,268	445,033,464
17.2 Other liability - claims-made.....	143,375,629	81,915,302	80,253,692	145,037,239
17.3 Excess workers' compensation.....	4,718,419	1,687,285	1,648,555	4,757,149
18.1 Products liability - occurrence.....	54,604,690	29,701,970	23,970,235	60,336,426
18.2 Products liability - claims-made.....	6,764,687	3,134,305	3,338,333	6,560,660
19.1, 19.2 Private passenger auto liability.....	545,382,967	190,021,744	221,609,614	513,795,098
19.3, 19.4 Commercial auto liability.....	395,395,794	174,657,672	177,800,472	392,252,993
21. Auto physical damage.....	457,740,685	168,090,145	189,928,323	435,902,507
22. Aircraft (all perils).....	29,204	0	0	29,204
23. Fidelity.....	12,365,293	8,457,288	7,994,728	12,827,853
24. Surety.....	12,083,055	328,749	1,211,830	11,199,974
26. Burglary and theft.....	1,721,264	941,902	970,808	1,692,358
27. Boiler and machinery.....	48,562,242	21,539,445	21,655,091	48,446,596
28. Credit.....	573	1,596	1,325	845
29. International.....	565,353	3,548	2,143	566,759
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	9,239,065	4,034,618	3,723,760	9,549,922
32. Reinsurance - nonproportional assumed liability.....	4,088,897	2,371,330	2,261,024	4,199,203
33. Reinsurance - nonproportional assumed financial lines.....	469,160	245,496	278,772	435,884
34. Aggregate write-ins for other lines of business.....	683,275	451,910	463,448	671,737
35. TOTALS.....	5,252,118,293	2,287,141,887	2,353,028,152	5,186,232,028

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	683,275	451,910	463,448	671,737
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).....	683,275	451,910	463,448	671,737

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

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	69,297,948	1,249,121	(485,086)	.0	70,061,984
2. Allied lines.....	59,057,131	1,449,321	(496)	.0	60,505,956
3. Farmowners multiple peril.....	20,419,085	(201,768)	0	.0	20,217,318
4. Homeowners multiple peril.....	427,736,199	(4,132)	0	.0	427,732,067
5. Commercial multiple peril.....	348,257,463	(160,426)	(4,716,536)	.0	343,380,501
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	26,678,858	650,606	(1,434,735)	.0	25,894,729
9. Inland marine.....	66,844,222	13,169,602	(399,688)	.0	79,614,136
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(56)	.0	.0	.0	(56)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	14,909,314	497,178	0	.0	15,406,492
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.....	400,580,383	62,152	(16,595,468)	(7,115,462)	376,931,604
17.1 Other liability - occurrence.....	201,247,795	(3,367,153)	(3,800,302)	2,090,927	196,171,268
17.2 Other liability - claims-made.....	66,882,557	13,301,501	69,634	.0	80,253,692
17.3 Excess workers' compensation.....	1,650,290	.0	(1,735)	.0	1,648,555
18.1 Products liability - occurrence.....	23,576,700	661,494	(481,918)	213,959	23,970,235
18.2 Products liability - claims-made.....	3,297,098	(97,495)	138,730	.0	3,338,333
19.1, 19.2 Private passenger auto liability.....	221,609,614	.0	.0	.0	221,609,614
19.3, 19.4 Commercial auto liability.....	178,489,457	809,604	(8,427)	(1,490,162)	177,800,472
21. Auto physical damage.....	189,847,195	81,128	(0)	.0	189,928,323
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	4,927,728	3,067,000	.0	.0	7,994,728
24. Surety.....	109,993	1,101,837	.0	.0	1,211,830
26. Burglary and theft.....	698,014	272,794	.0	.0	970,808
27. Boiler and machinery.....	18,707,300	2,947,792	.0	.0	21,655,091
28. Credit.....	1,325	.0	.0	.0	1,325
29. International.....	2,143	.0	.0	.0	2,143
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	2,513,308	1,210,453	.0	.0	3,723,760
32. Reinsurance - nonproportional assumed liability.....	2,231,475	29,548	.0	.0	2,261,024
33. Reinsurance - nonproportional assumed financial lines.....	278,772	.0	.0	.0	278,772
34. Aggregate write-ins for other lines of business.....	463,448	.0	.0	.0	463,448
35. TOTALS.....	2,350,314,759	36,730,158	(27,716,026)	(6,300,738)	2,353,028,152
36. Accrued retrospective premiums based on experience.....					6,300,738
37. Earned but unbilled premiums.....					27,716,026
38. Balance (sum of Lines 35 through 37).....					2,387,044,917

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	463,448	.0	.0	.0	463,448
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).....	463,448	.0	.0	.0	463,448

(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.....	42,586,454	130,887,512	2,049	10,497,280	9,783,503	153,195,231
2. Allied lines.....	10,747,909	118,295,629	37,099	8,466,777	228,992	120,384,867
3. Farmowners multiple peril.....	0	41,837,572	0	0	0	41,837,572
4. Homeowners multiple peril.....	0	794,978,789	0	0	0	794,978,789
5. Commercial multiple peril.....	1,789,074	751,575,072	0	1,789,074	31,726	751,543,346
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	12,801,905	55,070,338	(289,170)	4,379,591	540,537	62,662,946
9. Inland marine.....	32,502,314	164,148,406	227	25,577,218	1,028,512	170,045,217
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	(36,616)	(139,307)	(139,307)	0	(36,616)
12. Earthquake.....	559,593	28,553,184	0	37,485	48,991	29,026,302
13. Group accident and health.....	0	0	919	919	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	8,764	0	(1)	8,763	0	0
16. Workers' compensation.....	224,752	980,878,217	1,645,404	1,870,156	0	980,878,217
17.1 Other liability - occurrence.....	254,290,962	442,855,724	(385,890)	246,901,481	47,102	449,812,213
17.2 Other liability - claims-made.....	28,890,064	139,933,704	527,007	25,926,361	48,784	143,375,629
17.3 Excess workers' compensation.....	0	4,718,419	0	0	0	4,718,419
18.1 Products liability - occurrence.....	44,479,887	34,216,182	24,145	22,708,625	1,406,899	54,604,690
18.2 Products liability - claims-made.....	1,015,480	6,465,182	0	708,428	7,547	6,764,687
19.1, 19.2 Private passenger auto liability.....	66	545,382,967	0	66	0	545,382,967
19.3, 19.4 Commercial auto liability.....	87,253,962	378,359,029	578,678	69,974,091	821,785	395,395,794
21. Auto physical damage.....	26,069,531	453,934,764	265,555	22,519,588	9,577	457,740,685
22. Aircraft (all perils).....	0	29,204	121,266	121,266	0	29,204
23. Fidelity.....	5,252,224	12,202,535	1,591	5,087,487	3,569	12,365,293
24. Surety.....	895,025	12,247,601	109,310	1,168,881	0	12,083,055
26. Burglary and theft.....	215,883	1,620,743	0	114,145	1,217	1,721,264
27. Boiler and machinery.....	1,712,812	47,065,233	(787)	182,348	32,669	48,562,242
28. Credit.....	0	573	2,313	2,313	0	573
29. International.....	0	636,904	6,896	78,447	0	565,353
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	9,239,065	54,119	54,119	0	9,239,065
32. Reinsurance - nonproportional assumed liability.....	XXX	4,088,897	16,562,338	16,562,338	0	4,088,897
33. Reinsurance - nonproportional assumed financial lines.....	XXX	469,160	1,892,535	1,892,535	0	469,160
34. Aggregate write-ins for other lines of business.....	2,756,253	683,275	0	2,756,253	0	683,275
35. TOTALS.....	554,052,913	5,160,337,222	21,016,298	469,246,730	14,041,410	5,252,118,293

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	2,756,253	683,275	0	2,756,253	0	683,275
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).....	2,756,253	683,275	0	2,756,253	0	683,275

(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.....	30,767,415	59,871,011	12,603,619	78,034,807	84,930,999	73,833,956	89,131,851	57.7
2. Allied lines.....	4,198,760	50,967,320	4,804,546	50,361,534	36,637,625	51,800,277	35,198,882	29.2
3. Farmowners multiple peril.....	0	15,368,582	0	15,368,582	12,189,070	13,647,905	13,909,747	34.0
4. Homeowners multiple peril.....	0	329,658,694	0	329,658,694	156,385,865	170,521,516	315,523,043	39.8
5. Commercial multiple peril.....	602,706	314,030,863	967,056	313,666,514	614,759,412	635,154,775	293,271,151	39.1
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	17,410,109	23,090,392	14,155,586	26,344,914	50,260,970	51,538,107	25,067,777	37.8
9. Inland marine.....	14,854,797	71,119,734	10,513,724	75,460,806	48,442,320	66,657,426	57,245,700	33.6
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	4,367,037	1,082,588	4,367,037	1,082,588	3,483,027	5,068,787	(503,171)	168,380.4
11.2 Medical professional liability - claims-made.....	570,693	(268,199)	265,300	37,193	12,502,954	13,537,386	(997,239)	2,723.5
12. Earthquake.....	0	35,485	0	35,485	740,217	1,688,404	(912,702)	(3.2)
13. Group accident and health.....	0	116,441	116,441	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	116,686	116,686	0	0	0	0	0.0
16. Workers' compensation.....	37,639,291	452,653,687	46,759,080	443,533,899	3,319,148,944	3,214,164,794	548,518,049	56.6
17.1 Other liability - occurrence.....	206,028,926	195,178,326	212,475,969	188,731,283	1,068,344,177	1,109,541,200	147,534,261	33.2
17.2 Other liability - claims-made.....	49,062,968	106,114,246	45,724,497	109,452,716	376,055,703	398,700,504	86,807,916	59.9
17.3 Excess workers' compensation.....	750,000	4,891,139	865,810	4,775,329	131,129,739	126,788,301	9,116,767	191.6
18.1 Products liability - occurrence.....	105,319,792	36,053,246	88,222,337	53,150,701	271,015,471	302,177,213	21,988,959	36.4
18.2 Products liability - claims-made.....	155,098	1,324,710	137,269	1,342,539	8,972,954	9,362,888	952,605	14.5
19.1, 19.2 Private passenger auto liability.....	0	296,468,662	0	296,468,662	428,988,800	433,426,502	292,030,960	56.8
19.3, 19.4 Commercial auto liability.....	51,869,019	213,655,797	37,991,159	227,533,656	537,859,286	547,407,498	217,985,445	55.6
21. Auto physical damage.....	18,931,356	249,256,921	15,389,652	252,798,625	54,628,012	43,631,553	263,795,084	60.5
22. Aircraft (all perils).....	392,526	72,802	430,216	35,112	1,945,993	2,173,729	(192,624)	(659.6)
23. Fidelity.....	2,272,244	7,560,423	2,162,500	7,670,167	22,914,114	32,452,238	(1,867,957)	(14.6)
24. Surety.....	2,743,546	1,886,768	3,601,206	1,029,108	16,723,625	22,698,802	(4,946,069)	(44.2)
26. Burglary and theft.....	23,769	435,873	(24)	459,667	2,127,646	1,965,891	621,422	36.7
27. Boiler and machinery.....	174,872	15,340,104	6,013	15,508,963	13,782,031	11,499,405	17,791,589	36.7
28. Credit.....	0	(23,760)	(19,040)	(4,720)	1,715,365	1,706,012	4,634	548.4
29. International.....	0	2,631,922	1,600,874	1,031,047	2,043,800	2,184,026	890,821	157.2
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	3,665,040	158,362	3,506,679	12,501,079	8,711,534	7,296,224	76.4
32. Reinsurance - nonproportional assumed liability.....	XXX	48,906,713	34,489,448	14,417,265	127,539,133	137,090,192	4,866,207	115.9
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,089,400	873,373	216,027	3,606,890	3,601,686	221,232	50.8
34. Aggregate write-ins for other lines of business.....	1,003,729	248,824	1,003,729	248,824	949,339	852,699	345,465	51.4
35. TOTALS.....	549,138,653	2,502,600,442	539,782,426	2,511,956,669	7,422,324,562	7,493,585,203	2,440,696,028	47.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	1,003,729	248,824	1,003,729	248,824	949,339	852,699	345,465	51.4
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	1,003,729	248,824	1,003,729	248,824	949,339	852,699	345,465	51.4

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	44,848,221	40,630,117	9,393,865	76,084,473	(8,633,341)	34,046,912	16,567,044	84,930,999	8,230,916
2. Allied lines.....	741,483	27,922,903	3,155,730	25,508,656	7,198,162	9,795,918	5,865,111	36,637,625	10,696,268
3. Farmowners multiple peril.....	0	5,500,071	13	5,500,058	0	6,709,488	20,476	12,189,070	3,379,201
4. Homeowners multiple peril.....	0	89,877,299	0	89,877,299	0	67,357,998	849,432	156,385,865	28,263,320
5. Commercial multiple peril.....	305,454	323,318,062	640,797	322,982,718	7,115,536	290,805,129	6,143,971	614,759,412	245,017,773
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	31,379,091	24,480,982	28,232,276	27,627,796	45,630,787	23,420,824	46,418,436	50,260,970	9,501,864
9. Inland marine.....	6,691,342	31,840,643	3,324,024	35,207,961	7,196,313	15,421,599	9,383,554	48,442,320	10,341,666
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	9,370,099	2,163,271	9,370,099	2,163,271	1,604,776	1,317,902	1,602,921	3,483,027	1,058,501
11.2 Medical professional liability - claims-made.....	11,758,516	18,604,497	24,357,046	6,005,967	7,159,582	12,074,753	12,737,348	12,502,954	2,343,440
12. Earthquake.....	5,000	154,188	0	159,188	869,624	(3,394)	285,200	740,217	678,084
13. Group accident and health.....	0	427,945	427,945	0	(7,730)	395,850	388,119	(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	1,291,448	1,291,448	0	166,647	1,227,571	1,394,217	(a).....0	0
16. Workers' compensation.....	454,338,536	1,768,299,095	516,518,556	1,706,119,075	216,729,563	1,681,889,875	285,589,568	3,319,148,944	497,061,340
17.1 Other liability - occurrence.....	243,957,000	289,260,448	281,948,611	251,268,837	711,060,298	857,474,844	751,459,801	1,068,344,177	388,859,280
17.2 Other liability - claims-made.....	55,926,663	130,199,931	54,249,997	131,876,596	106,597,436	280,484,599	142,902,928	376,055,703	137,938,236
17.3 Excess workers' compensation.....	0	68,335,571	1,673,750	66,661,821	36,169,184	65,070,896	36,772,163	131,129,739	7,969,644
18.1 Products liability - occurrence.....	116,038,621	43,410,557	59,733,956	99,715,222	167,014,934	151,563,774	147,278,460	271,015,471	207,930,157
18.2 Products liability - claims-made.....	3,767,892	1,732,480	3,038,555	2,461,817	2,511,017	5,793,572	1,793,451	8,972,954	8,743,873
19.1, 19.2 Private passenger auto liability.....	0	247,552,198	0	247,552,198	7,835	181,436,601	7,835	428,988,800	61,357,614
19.3, 19.4 Commercial auto liability.....	105,927,556	246,645,583	75,392,036	277,181,103	81,644,683	259,920,132	80,886,632	537,859,286	58,299,793
21. Auto physical damage.....	2,388,751	15,739,302	(6,970,105)	25,098,158	16,109,360	20,429,051	7,008,557	54,628,012	29,281,621
22. Aircraft (all perils).....	23,504,036	3,667,916	25,872,313	1,299,639	12,834,604	9,245,391	21,433,640	1,945,993	1,226,722
23. Fidelity.....	1,794,570	2,463,818	1,516,723	2,741,665	27,185,947	20,774,103	27,787,600	22,914,114	9,231,385
24. Surety.....	18,920,492	16,460,301	27,935,266	7,445,527	7,800,598	13,668,679	12,191,179	16,723,625	2,483,453
26. Burglary and theft.....	24,900	2,406	209	27,096	2,343,239	1,792,617	2,035,306	2,127,646	647,538
27. Boiler and machinery.....	25,813	6,868,073	75	6,893,812	2,419,512	5,225,995	757,288	13,782,031	2,998,788
28. Credit.....	0	2,211,980	1,772,532	439,449	0	6,411,534	5,135,617	1,715,365	(131,965)
29. International.....	0	1,813,557	974,405	839,152	0	3,376,820	2,172,172	2,043,800	197,155
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	24,665,559	15,987,948	8,677,611	XXX	11,755,555	7,932,087	12,501,079	1,143,751
32. Reinsurance - nonproportional assumed liability.....	XXX	254,519,729	176,862,501	77,657,228	XXX	172,693,656	122,811,750	127,539,133	6,562,220
33. Reinsurance - nonproportional assumed financial lines.....	XXX	5,438,357	4,410,143	1,028,215	XXX	13,124,404	10,545,728	3,606,890	328,179
34. Aggregate write-ins for other lines of business.....	500,683	124,119	500,683	124,119	3,328,843	825,220	3,328,843	949,339	406,827
35. TOTALS.....	1,132,214,717	3,695,622,406	1,321,611,397	3,506,225,726	1,462,057,406	4,225,527,866	1,771,486,437	7,422,324,562	1,742,046,642
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	500,683	124,119	500,683	124,119	3,328,843	825,220	3,328,843	949,339	406,827
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).....	500,683	124,119	500,683	124,119	3,328,843	825,220	3,328,843	949,339	406,827

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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.....	50,244,463	0	0	50,244,463
1.2 Reinsurance assumed.....	315,124,822	0	0	315,124,822
1.3 Reinsurance ceded.....	47,716,367	0	0	47,716,367
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	317,652,918	0	0	317,652,918
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	79,933,072	0	79,933,072
2.2 Reinsurance assumed, excluding contingent.....	0	681,669,826	0	681,669,826
2.3 Reinsurance ceded, excluding contingent.....	0	69,658,317	0	69,658,317
2.4 Contingent - direct.....	0	3,233,371	0	3,233,371
2.5 Contingent - reinsurance assumed.....	0	49,118,106	0	49,118,106
2.6 Contingent - reinsurance ceded.....	0	1,700,147	0	1,700,147
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	742,595,911	0	742,595,911
3. Allowances to manager and agents.....	0	844,204	0	844,204
4. Advertising.....	39,609	28,328,064	1,396	28,369,069
5. Boards, bureaus and associations.....	1,232,181	20,968,599	18,447	22,219,227
6. Surveys and underwriting reports.....	122	19,941,244	0	19,941,366
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	175,159,791	368,760,165	7,799,660	551,719,616
8.2 Payroll taxes.....	12,407,778	23,624,990	291,769	36,324,537
9. Employee relations and welfare.....	30,182,751	57,452,676	749,098	88,384,525
10. Insurance.....	24,189,566	4,383,382	4,878	28,577,826
11. Directors' fees.....	0	(352)	0	(352)
12. Travel and travel items.....	9,238,637	18,066,403	130,049	27,435,089
13. Rent and rent items.....	9,132,335	23,010,488	(704,418)	31,438,405
14. Equipment.....	1,739,184	9,948,619	757,806	12,445,609
15. Cost or depreciation of EDP equipment and software.....	5,407,298	70,993,058	100,281	76,500,637
16. Printing and stationery.....	670,125	2,147,646	24,039	2,841,810
17. Postage, telephone and telegraph, exchange and express.....	2,876,486	21,889,188	37,537	24,803,211
18. Legal and auditing.....	8,024,408	8,340,705	421,012	16,786,125
19. Totals (Lines 3 to 18).....	280,300,271	678,699,079	9,631,554	968,630,904
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....525,598.....	0	135,073,451	0	135,073,451
20.2 Insurance department licenses and fees.....	0	9,628,496	0	9,628,496
20.3 Gross guaranty association assessments.....	0	54,211	0	54,211
20.4 All other (excluding federal and foreign income and real estate).....	0	4,034,358	0	4,034,358
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	148,790,516	0	148,790,516
21. Real estate expenses.....	0	0	67,845,649	67,845,649
22. Real estate taxes.....	0	0	2,166,161	2,166,161
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	9,376,650	27,648,250	1,116,195	38,141,095
25. Total expenses incurred.....	607,329,839	1,597,733,756	80,759,559	(a) 2,285,823,154
26. Less unpaid expenses - current year.....	1,742,046,642	403,108,814	3,974,223	2,149,129,679
27. Add unpaid expenses - prior year.....	1,852,640,576	402,343,040	4,847,981	2,259,831,597
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).....	717,923,773	1,596,967,982	81,633,317	2,396,525,072

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	14,197,343	82,287,985	1,169,452	97,654,780
2402. Service reimbursements.....	(2,214,851)	(26,218,524)	0	(28,433,375)
2403. Cost of computer software developed for internal use.....	(2,605,842)	(28,421,211)	(53,257)	(31,080,310)
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).....	9,376,650	27,648,250	1,116,195	38,141,095

(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).....22,929,097	.....20,009,506
1.1 Bonds exempt from U.S. tax.....	(a).....182,879,983	.....173,317,714
1.2 Other bonds (unaffiliated).....	(a).....173,302,355	.....173,944,097
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....88,334	.....88,334
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....21,547,668	.....21,670,657
2.21 Common stocks of affiliates.....	.....104,313,719	.....104,313,719
3. Mortgage loans.....	(c).....2,132,784	.....2,132,784
4. Real estate.....	(d).....148,062,598	.....148,062,598
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,651,778	.....1,658,267
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....106,963,497	.....106,961,459
9. Aggregate write-ins for investment income.....	.....537,996	.....537,996
10. Total gross investment income.....	.....764,409,809	.....752,697,130
11. Investment expenses.....		(g).....80,759,559
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....34,899
14. Depreciation on real estate and other invested assets.....		(i).....31,951,918
15. Aggregate write-ins for deductions from investment income.....		.....493,871
16. Total deductions (Lines 11 through 15).....		.....113,240,247
17. Net investment income (Line 10 minus Line 16).....		.....639,456,883

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....555,271	.....555,271
0902. Property and wind plans.....	.....(17,275)	.....(17,275)
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).....	.....537,996	.....537,996
1501. Management fees.....		.....405,275
1502. Miscellaneous expense.....		.....88,596
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....493,871

- (a) Includes \$.....8,048,404 accrual of discount less \$.....58,173,007 amortization of premium and less \$.....7,436,360 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 \$.....11,472,832 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....372,234 accrual of discount less \$.....15,211 amortization of premium and less \$.....2,253 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 \$.....31,951,918 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.....	.....5,279,638	.....0	.....5,279,638	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....1,228,735	.....(23,762)	.....1,204,973	.....24,750	.....0
1.2 Other bonds (unaffiliated).....	.....2,088,999	.....(2,377,737)	.....(288,738)	.....(20,862,423)	.....783,655
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).....	.....3,983,772	.....(30,788,783)	.....(26,805,011)	.....(119,853,831)	.....0
2.21 Common stocks of affiliates.....	.....367,292,999	.....0	.....367,292,999	.....(159,957,846)	.....(18,780,120)
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....3,112,214	.....(1,620,870)	.....1,491,343	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....1,961	.....(73,317)	.....(71,356)	.....(41,166)	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....103,197	.....(12,419,286)	.....(12,316,089)	.....(13,778,927)	.....(2,480,121)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(27,464,656)	.....(27,464,656)	.....0	.....(21,243,146)
10. Total capital gains (losses).....	.....383,091,515	.....(74,768,412)	.....308,323,103	.....(314,469,444)	.....(41,719,732)

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(27,464,656)	.....(27,464,656)	.....0	.....(21,243,146)
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	.....(27,464,656)	.....(27,464,656)	.....0	.....(21,243,146)

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.....	11,299,762	11,633,655	333,894
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).....	43,164,000	37,962,828	(5,201,172)
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).....	54,463,762	49,596,483	(4,867,279)
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.....	41,018,077	41,699,651	681,574
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,080,699	5,218,233	(862,466)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,966,762	1,234,066	(732,696)
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.....	145,808,845	63,413,265	(82,395,580)
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.....	4,519,419	14,824,690	10,305,272
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.....	4,975,743	3,555,205	(1,420,538)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	258,833,308	179,541,594	(79,291,713)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	258,833,308	179,541,594	(79,291,713)

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.....	2,264,892	3,083,689	818,798
2502. Real estate operating fund.....	2,239,336	0	(2,239,336)
2503. Other assets nonadmitted.....	471,516	471,516	(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).....	4,975,743	3,555,205	(1,420,538)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices:

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>	State of <u>Domicile</u>	<u>2015</u>	<u>2014</u>
1. St. Paul Fire and Marine Insurance Company state basis	CT	\$ 1,186,607,643	\$ 933,677,528
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>\$ 1,186,607,643</u>	<u>\$ 933,677,528</u>
<u>Surplus</u>			
5. St. Paul Fire and Marine Insurance Company state basis	CT	\$ 5,563,272,481	\$ 5,994,070,231
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>\$ 5,563,272,481</u>	<u>\$ 5,994,070,231</u>

B. Use of Estimates in the Preparation of the Financial Statements:

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. Accounting Policy:

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.

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

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

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

Common stocks of non-affiliates are stated at NAIC fair value based on fair values received from the Securities Valuation Office (SVO).

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.

Common stock 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 earned 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.

NOTES TO FINANCIAL STATEMENTS

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 changed. Such changes in estimates could occur in a future period and may be material to the Company's net income in such period. For a discussion of loss and LAE reserves related to asbestos and environmental reserves, see Note 33.

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company had no material changes in accounting principles or material corrections of errors during 2015.

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	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(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	-	-	-	-	-	-	-

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
b. Prior 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	-	-	-	-	-	-	-

5. Investment in Impaired Loans With or Without Allowance for Credit Losses

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All 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	-	-	-	-	41,900,000	-	41,900,000

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	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 41,900,000	\$ -	\$ 41,900,000
2. Interest Income Recognized	-	-	-	-	2,132,784	-	2,132,784
3. Recorded Investment on a Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	2,132,784	-	2,132,784
b. Prior Year							
1. Average Recorded Investment	-	-	-	-	42,233,333	-	42,233,333
2. Interest Income Recognized	-	-	-	-	2,149,742	-	2,149,742
3. Recorded Investment on a Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	2,146,409	-	2,146,409

7. Not applicable.

8. Not applicable.

9. 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 prepayments, 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 SVO are 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 used for the recognized 2015 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, 2015)			
Present value of cash flows is less than amortized cost	\$ 62,297	\$ 460	\$ 61,742
(OTTI recognized in the quarter ending June 30, 2015)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending September 30, 2015)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending December 31, 2015)			
Present value of cash flows is less than amortized cost	\$ 55,795	\$ 1,057	\$ 55,126
Annual Aggregate Total:		<u>\$ 1,517</u>	

NOTES TO FINANCIAL STATEMENTS

3. Loan-backed and structured securities with other-than-temporary impairments recognized in 2015 are as follows:

CUSIP	Amortized cost basis before other-than-temporary impairment	Present value of projected cash flows	Other-than-temporary impairment recognized in loss	Amortized cost basis after other-than-temporary impairment	Fair Value	Impairment Quarter
36228FCL8	\$ 62,297	\$ 61,837	\$ 460	\$ 61,837	\$ 61,742	Q1 - 2015
36228FCL8	55,795	54,738	1,057	54,738	55,126	Q4 - 2015
Total:			<u>\$ 1,517</u>			

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	\$ 2,755,259
2. 12 Months or Longer	\$ 897,170

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

1. Less than 12 Months	\$ 323,499,506
2. 12 Months or Longer	\$ 38,959,414

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 capital 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:

1. 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.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$ 113,034,727	\$ 113,034,727

6. Not applicable.

7. Not applicable.

F. Real Estate:

- (1) On March 19, 2015, the Company sold property located at 9420 83rd Avenue North, Brooklyn Park, MN. The real estate was sold to First American Exchange Company, a qualified intermediary for 7000 Shady Oak, LLC. This sale resulted in a gain of \$2,638,700.
- (2) On April 17, 2015, the Company sold property located at 2579-2605 Fairview Avenue North, Roseville, MN. The real estate was sold to Land Title Exchange LLC, a qualified intermediary for New Hope Distribution Center, LLC. This sale resulted in a gain of \$1,351,725.
- (3) On August 4, 2015, the Company sold the North Building of its company-occupied property located at 385 Washington Street, Saint Paul, MN. The real estate was sold to Ecolab Inc., resulting in a loss of \$6,212,341. Included in this loss, are realized losses on building improvements of \$1,126,693 not included on Schedule A.
- (4) On August 21, 2015, the Company sold land located at 1520 Broadmoor Blvd., Buford, GA. The land was sold to Buford Logistics Center Bldg Venture, LLC, resulting in a gain of \$3,484,781.
- (5) During the quarter ending September 30, 2015, the Company classified its property located at 55 North Arizona Place, Chandler, AZ as held for sale. At the time of the classification, an impairment of \$1,602,870 was recognized to reduce the carrying value to the appraised value less the estimated cost to sell. On December 18, 2015, the real estate was sold to DT Chandler Property, LLC, resulting in a gain of \$722,655.

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							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase / (Decrease) (5 minus 6)		9 Gross Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	113,034,727	-	-	-	113,034,727	127,377,243	(14,342,516)	113,034,727	0.6%	0.6%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	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	1,452,426,751	-	-	-	1,452,426,751	1,545,185,589	(92,758,838)	1,452,426,751	7.8%	7.9%
k. On deposit with other regulatory bodies	2,198,335	-	-	-	2,198,335	2,198,101	234	2,198,335	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	48,780,713	-	-	-	48,780,713	46,353,473	2,427,240	48,780,713	0.3%	0.3%
n. Other restricted assets	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 1,616,440,526	\$ -	\$ -	\$ -	\$ 1,616,440,526	\$ 1,721,114,406	\$ (104,673,880)	\$ 1,616,440,526	8.7%	8.8%

(a) Subset of column 1
(b) Subset of column 3

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							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase / (Decrease) (5 minus 6)		9 Gross Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
Bonds - Reinsurance	\$ 27,405,911	\$ -	\$ -	\$ -	\$ 27,405,911	\$ 25,959,981	\$ 1,445,930	\$ 27,405,911	0.1%	0.1%
Bonds - Letter of Credit	21,384,802	-	-	-	21,384,802	20,393,492	991,310	21,384,802	0.1%	0.1%
Total	\$ 48,790,713	\$ -	\$ -	\$ -	\$ 48,790,713	\$ 46,353,473	\$ 2,437,240	\$ 48,790,713	0.3%	0.3%

(a) Subset of column 1
(b) Subset of column 3

3. Not applicable.

I. Working Capital Finance 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 \$12,419,286 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, 2015, the Company had no accrued investment income over 90 days past due.

NOTES TO FINANCIAL STATEMENTS

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

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

	<u>December 31, 2015</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a. Gross deferred tax assets	\$ 466,689,499	\$ 85,408,689	\$ 552,098,188
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	466,689,499	85,408,689	552,098,188
d. Deferred tax assets nonadmitted	<u>115,449,251</u>	<u>30,359,594</u>	<u>145,808,845</u>
e. Subtotal net admitted deferred tax assets	351,240,248	55,049,095	406,289,343
f. Deferred tax liabilities	<u>46,823,676</u>	<u>49,583,486</u>	<u>96,407,162</u>
g. Net admitted deferred tax asset/(liability)	<u>\$ 304,416,572</u>	<u>\$ 5,465,609</u>	<u>\$ 309,882,181</u>

	<u>December 31, 2014</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
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	523,819,354	73,160,978	596,980,332
d. Deferred tax assets nonadmitted	<u>63,413,265</u>	<u>-</u>	<u>63,413,265</u>
e. Subtotal net admitted 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>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ (57,129,855)	\$ 12,247,711	\$ (44,882,144)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	(57,129,855)	12,247,711	(44,882,144)
d. Deferred tax assets nonadmitted	<u>52,035,986</u>	<u>30,359,594</u>	<u>82,395,580</u>
e. Subtotal net admitted deferred tax assets	(109,165,841)	(18,111,883)	(127,277,724)
f. Deferred tax liabilities	<u>(57,810,190)</u>	<u>(51,411,775)</u>	<u>(109,221,965)</u>
g. Net admitted deferred tax asset/(liability)	<u>\$ (51,355,651)</u>	<u>\$ 33,299,892</u>	<u>\$ (18,055,759)</u>

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2015</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 252,469,040	\$ 3,629,204	\$ 256,098,244
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)	51,947,532	1,836,405	53,783,937
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	51,947,532	1,836,405	53,783,937
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	788,008,506
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.	46,823,676	49,583,486	96,407,162
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total 2(a) + 2(b) + 2(c)	<u>351,240,248</u>	<u>55,049,095</u>	<u>406,289,343</u>
Deferred tax liabilities netted against deferred tax assets	<u>46,823,676</u>	<u>49,583,486</u>	<u>96,407,162</u>
Total	<u>\$ 304,416,572</u>	<u>\$ 5,465,609</u>	<u>\$ 309,882,181</u>

	<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

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.	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>
Deferred tax liabilities 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>
		<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ (9,146,171)	\$ 198,330	\$ (8,947,841)
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).	(10,907,421)	1,799,503	(9,107,918)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(10,907,421)	1,799,503	(9,107,918)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(61,911,276)
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.	(89,112,249)	(20,109,716)	(109,221,965)
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>(109,165,841)</u>	<u>(18,111,883)</u>	<u>(127,277,724)</u>
Deferred tax liabilities netted against deferred tax assets	<u>(57,810,190)</u>	<u>(51,411,775)</u>	<u>(109,221,965)</u>
Total	<u>\$ (51,355,651)</u>	<u>\$ 33,299,892</u>	<u>\$ (18,055,759)</u>
	<u>2015</u>	<u>2014</u>	
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	512%	543%	
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	5,253,390,038	5,666,131,879	
4. Impact of Tax Planning Strategies:			
	<u>December 31, 2015</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)	466,689,499	85,408,689	
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)	351,240,248	55,049,095	
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, 2014</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)	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%	

NOTES TO FINANCIAL STATEMENTS

	<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)	(57,129,855)	12,247,711
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)	(109,165,841)	(18,111,883)
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>

B. Deferred tax liabilities not recognized for the following amounts:

As of December 31, 2015, the Company had undistributed earnings of \$427,873 in certain foreign subsidiaries. The Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
1. Current Income Tax:			
Federal	\$ 299,274,957	\$ 241,021,549	\$ 58,253,408
Foreign	<u>(905,688)</u>	<u>11,817,924</u>	<u>(12,723,612)</u>
Subtotal	298,369,269	252,839,473	45,529,796
Federal income taxes on net capital gains	<u>3,158,635</u>	<u>50,472,944</u>	<u>(47,314,309)</u>
Federal and foreign income taxes incurred	<u>\$ 301,527,904</u>	<u>\$ 303,312,417</u>	<u>\$ (1,784,513)</u>

2. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets are as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 176,863,994	\$ 193,310,824	\$ (16,446,830)
Unearned premium reserve	167,094,326	162,241,322	4,853,004
Investments	7,891,770	44,370,764	(36,478,994)
Fixed assets	29,871,482	28,893,312	978,170
Net operating loss carryforward	1,288,603	5,142,397	(3,853,794)
Nonadmitted assets	34,021,849	31,384,494	2,637,355
Other	<u>49,657,475</u>	<u>58,476,241</u>	<u>(8,818,766)</u>
Total ordinary deferred tax assets	\$ 466,689,499	\$ 523,819,354	\$ (57,129,855)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>115,449,251</u>	<u>63,413,265</u>	<u>52,035,986</u>
Admitted ordinary deferred tax assets	<u>\$ 351,240,248</u>	<u>\$ 460,406,089</u>	<u>\$ (109,165,841)</u>
<u>Capital:</u>			
Investments	<u>\$ 85,408,689</u>	<u>\$ 73,160,978</u>	<u>\$ 12,247,711</u>
Total capital deferred tax assets	\$ 85,408,689	\$ 73,160,978	\$ 12,247,711
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>30,359,594</u>	<u>-</u>	<u>30,359,594</u>
Admitted capital deferred tax assets	<u>\$ 55,049,095</u>	<u>\$ 73,160,978</u>	<u>\$ (18,111,883)</u>
Total admitted deferred tax assets:	<u>\$ 406,289,343</u>	<u>\$ 533,567,067</u>	<u>\$ (127,277,724)</u>

3. The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
<u>Ordinary:</u>			
Investments	\$ 26,208,011	\$ 86,621,188	\$ (60,413,177)
Fixed assets	13,364,759	9,903,046	3,461,713
Other	<u>7,250,906</u>	<u>8,109,632</u>	<u>(858,726)</u>
Total ordinary deferred tax liabilities	<u>\$ 46,823,676</u>	<u>\$ 104,633,866</u>	<u>\$ (57,810,190)</u>
<u>Capital:</u>			
Investments	<u>\$ 49,583,486</u>	<u>\$ 100,995,261</u>	<u>\$ (51,411,775)</u>
Total capital deferred tax liabilities	<u>\$ 49,583,486</u>	<u>\$ 100,995,261</u>	<u>\$ (51,411,775)</u>
Total deferred tax liabilities:	<u>\$ 96,407,162</u>	<u>\$ 205,629,127</u>	<u>\$ (109,221,965)</u>

4. Net admitted deferred tax asset/(liability) \$ 309,882,181 \$ 327,937,940 \$ (18,055,759)

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

6. Deferred income taxes include a benefit of \$1,288,603 from net operating losses.

7. There are no adjustments to a deferred tax asset or deferred tax liability for enacted changes in tax laws or rates or a change in the tax status of the Company.

8. There are no adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
Total deferred tax assets	\$ 552,098,188	\$ 596,980,332	\$ (44,882,144)
Total deferred tax liabilities	<u>96,407,162</u>	<u>205,629,127</u>	<u>(109,221,965)</u>
Net deferred tax asset/(liability)	<u>\$ 455,691,026</u>	<u>\$ 391,351,205</u>	64,339,821
Tax effect of unrealized gains (losses)			<u>(58,920,372)</u>
Change in net deferred income tax			<u>\$ 5,419,449</u>

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate before income tax. The significant items causing this difference are as follows:

Rate Reconciliation:

	<u>December 31, 2015</u>
Pretax net income (loss)	\$ 1,488,135,547
Taxes at statutory rate	520,847,441
Increase (decrease) attributable to:	
Nontaxable investment income	(92,855,787)
Subsidiary return of capital	(128,552,550)
Other	<u>(3,330,649)</u>
	<u>\$ 296,108,455</u>
Federal and foreign taxes incurred	\$ 301,527,904
Change in net deferred taxes	<u>(5,419,449)</u>
Total statutory income tax	<u>\$ 296,108,455</u>
Effective tax rate	19.9%

- E. 1. The Company has a net operating loss carryforward of \$3,681,723 that expires in 2018.
2. The Company has \$304,654,755, \$298,912,456, and \$29,209,072 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) The Company received distributions totaling \$1.275 billion from its wholly-owned subsidiary, United States Fidelity and Guaranty Company (USF&G) during 2015. These distributions were recorded as a return of capital of \$907.7 million which reduced its cost basis in USF&G by this same amount and a net realized capital gain of \$367.3 million.
- (2) In December 2015, the Company purchased \$100.0 million of securities from its affiliate, Travelers Casualty and Surety Company of America (TCSA).
- (3) In December 2014, the Company received a return of capital in the amount of \$219 million from its wholly-owned subsidiary, USF&G.
- (4) In December 2014, the Company purchased \$149.8 million of securities from its affiliate, TCSA.

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 provided for any transaction requiring such action.

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

- (1) The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
- (2) TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2015 and 2014, the TRVMMLP totaled \$4.75 billion and \$4.48 billion, respectively.
- D. (1) At December 31, 2015 and 2014, the Company had \$47,513,979 and \$78,829,059 payable to affiliates, respectively. Substantially all of the accounts between and among the Company and its affiliates are settled at least monthly through the TRVMMLP or in cash.

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, 2015</u>	<u>December 31, 2014</u>
Uncollected premiums and agents' balances in course of collection	\$ 327,041,372	\$ 316,822,516
Amounts recoverable from reinsurers	71,529,880	87,684,276
Reinsurance payable on paid losses and LAE	288,366,497	277,300,872

These balances were settled net through the intercompany settlement process during January 2016 and January 2015, respectively.

- E. 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:

<u>TYPE OF CONTRACT AND DESCRIPTION</u>	<u>SERVICING COMPANY</u>	<u>OTHER PARTY</u>
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. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. 1. 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.
2. The carrying value of the Company's investment in Northbrook was \$290,420,454 at December 31, 2015.
3. The Company has not obtained an audit of Northbrook's financial statements.
4. 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*.
5. 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.
- M. The tables below provide information on subsidiary, controlled and affiliated (SCA) investments, excluding investments in U.S. insurance SCA entities.

Common Stock:

	12/31/2014	12/31/2014	12/31/2014					
<u>Investment</u>	<u>Gross</u>	<u>Nonadmitted</u>	<u>Admitted</u>	<u>Date of</u>	<u>Type of</u>	<u>NAIC</u>	<u>NAIC</u>	<u>Valuation Method</u>
	<u>Amount</u>	<u>Amount</u>	<u>Asset</u>	<u>Filing</u>	<u>NAIC Filing</u>	<u>Response</u>	<u>Valuation</u>	<u>Disallowed,</u>
			<u>Amount</u>	<u>to NAIC</u>		<u>(yes/no)</u>	<u>(Amount)</u>	<u>Resubmission</u>
				<u>8/17/2015</u>	<u>SUB II</u>	<u>yes</u>	<u>\$ 290,298,422</u>	<u>Required</u>
				<u>8/27/2015</u>	<u>SUB II</u>	<u>yes</u>	<u>135,644,522</u>	<u>(yes/no)</u>
Northbrook Holdings, Inc.	\$ 290,298,422	\$ -	\$ 290,298,422	8/17/2015	SUB II	yes	\$ 290,298,422	no
8527512 Canada Inc.	135,644,522	-	135,644,522	8/27/2015	SUB II	yes	135,644,522	yes
English Turn Fidelity Realty, Inc.	3,405,022	-	3,405,022	*	*	*	*	*
Fully Nonadmitted Assets	11,633,655	11,633,655	-					
Total:	\$ 440,981,621	\$ 11,633,655	\$ 429,347,966	XXX	XXX	XXX	\$ 425,942,944	XXX

* The assets of English Turn Fidelity Realty, Inc. consist primarily of its investment in the TRVMMLP. Please see Part A - C above for additional information on the TRVMMLP.

The gross amount as of December 31, 2014 represents the value for filings made with the SVO during 2015 as referenced. For the year ended December 31, 2015, applicable Sub I and Sub II SCA investment filings will be made with the SVO subsequent to the Company's Annual Statement filing date. Balances above represent values as of the prior year end. For December 31, 2015 carrying values, see the accompanying investment schedules.

During 2015, the Company did not make any Other Invested Assets (Schedule BA) SCA investment Sub I or Sub II filings with the SVO.

For additional information on downstream holding companies valued utilizing the look-through approach, see Part L above.

- N. Not applicable.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A-D. Defined Benefit Plans:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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 TRV. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover certain highly-compensated employees of TRV. 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 \$31,228,384 and \$25,102,187 for 2015 and 2014, respectively.

2. Postretirement Benefit Plan:

The Company participates in a postretirement health and life insurance benefit plan sponsored by TRV for employees of TRV that satisfy certain age and service requirements and for certain retirees. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of postretirement benefit expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the postretirement benefit expense was \$1,328,317 and \$816,615 for 2015 and 2014, respectively.

3. 401(k) Savings Plan:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of TRV. 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 \$23,168,316 and \$22,335,016 for 2015 and 2014, 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 \$472 million and extraordinary dividends of \$792 million for a total of \$1.264 billion in 2015, to its parent company, TRV. In 2014, the Company paid ordinary dividends of \$470.8 million and extraordinary dividends of \$615 million for a total of \$1.086 billion to TRV.

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 the Company to shareholders without prior approval of the Insurance Commissioner of the State of Connecticut is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2016 without prior approval is \$1,186,607,000.

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 2015. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$1,427,965,724.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

At December 31, 2015, the Company had commitments to fund investments of \$403.6 million.

B. Assessments:

1. The Company has accrued liabilities of \$59.6 million for guaranty fund and other insurance-related assessments and related recoverables of \$747 thousand at December 31, 2015. 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, 2014	\$ 26,764
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	100,653
Premium tax offset refund	36,149
c. Increases current year:	
Premium tax offset accrued	<u>88,952</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2015	<u>\$ (21,086)</u>

NOTES TO FINANCIAL STATEMENTS**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 USF&G and denied summary judgment for American Re-Insurance Company, a subsidiary of Munich Re (American Re), and three other reinsurers. That summary judgment was largely affirmed on appeal, but the Court of Appeals remanded the case for trial on two discrete issues. On June 3, 2015, the trial court entered orders on pretrial motions filed by all parties in advance of the August 3, 2015 trial date and determined that the issues for trial will be limited to the two discrete issues remanded by the Court of Appeals. The reinsurers appealed the trial court's orders to the Appellate Division, First Department and were granted a stay of the trial date pending the outcome of their appeal. On August 12, 2015, USF&G filed a motion to dismiss the reinsurers' appeal. On October 29, 2015, the Appellate Division denied USF&G's motion to dismiss the reinsurers' appeal, but also unanimously ruled in USF&G's favor and affirmed the rulings limiting the issues for trial to the two discrete issues remanded by the Court of Appeals. On October 30, 2015, the reinsurers appealed the Appellate Division's decision to the New York Court of Appeals. On November 9, 2015, the Clerk of the Court of Appeals directed the parties to submit letter briefs addressing whether the Court of Appeals has jurisdiction to decide the reinsurers' appeal. On November 19, 2015, USF&G and the reinsurers filed their respective letter briefs, and the parties await a decision from the Court of Appeals as to whether the reinsurers' appeal may proceed. At December 31, 2015, the claim totaled \$509 million, comprising \$238 million of reinsurance recoverable plus interest amounting to \$271 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 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.

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 (ECO) or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 85,301

Number of claims where amounts were paid to settle claims related ECO 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:

1. a. In the ordinary course of selling businesses 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 being sold, covenants and obligations of the Company and, in certain cases, obligations arising from certain liabilities and the 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 are applicable from the closing date to the expiration of the relevant statutes of limitations, although, in some cases, there may be agreed upon term limitations or no 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, 2015, 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

NOTES TO FINANCIAL STATEMENTS

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.

- 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, 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 amount 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

NOTES TO FINANCIAL STATEMENTS

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amount 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
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
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	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
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	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
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	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
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	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

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amount 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
I. 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 May 24, 2014 from “bbb+” to “a-” 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
Contingent liabilities

43,120,000

-

Ultimate financial statement impact if action under the guarantee is required:

Investment in SCA
Joint venture
Dividends to stockholders
Expense
Other
Total

5,000,000

-

304,000,000

825,266,000

150,000,000

\$ 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, 2015, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.
- For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

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

Not applicable.

B. Lessor Leases:

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 \$406,074,393 and \$380,685,349 as of December 31, 2015 and 2014, respectively. On December 31, 2015, the Company has future minimum annual lease payments receivable under non-cancelable leasing arrangements as follows:

Year Ending December 31	Operating Leases
2016	\$ 87,252,784
2017	70,454,620
2018	58,217,873
2019	46,271,586
2020	33,145,684
2021 and later years	<u>52,886,332</u>
Total	<u>\$ 348,228,879</u>

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

The Company has unfunded commitments to private equity limited partnerships and real estate partnerships in which it invests. The off-balance-sheet risk of these financial instruments was \$403.6 million at December 31, 2015.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS**B. Transfer and Servicing of Financial Assets:**

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

C. Wash Sales:

Not applicable.

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

Not applicable.

19. DIRECT PREMIUM 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.

A. 1. Securities measured and reported at fair value as of December 31, 2015:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ -	\$ 254,774,213	\$ -	\$ 254,774,213
Common stock				
Industrial and miscellaneous	346,171,615	-	2,270,363	348,441,978
Total securities at fair value	\$ 346,171,615	\$ 254,774,213	\$ 2,270,363	\$ 603,216,191

At December 31, 2015, the Company also holds Level 3 industrial and miscellaneous bonds and Level 3 non-redeemable preferred stock measured and reported at their fair value of \$0.

There were no significant transfers between Level 1 and Level 2 during the year.

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

<u>Description</u>	<u>Beginning Balance at 1/1/2015</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Total gains & (losses) included in Net Income</u>	<u>Total gains & (losses) included in Surplus</u>	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Ending Balance at 12/31/2015</u>
Bonds	\$ 1,259,532	\$ 1,427	\$ (694)	\$ 10	\$ 6,317	\$ -	\$ -	\$ -	\$ (1,266,592)	\$ -
Common stock	-	1,567,427	(112,571)	-	815,507	-	-	-	-	2,270,363
Total	\$ 1,259,532	\$ 1,568,854	\$ (113,265)	\$ 10	\$ 821,824	\$ -	\$ -	\$ -	\$ (1,266,592)	\$ 2,270,363

During the year, market fluctuations caused Level 3 bonds to change from being held at cost to being held at fair value, and vice versa, resulting in the transfers in and out, respectively, as shown above.

Also during the year, common stock previously held at fair value transferred into and in part, out of Level 3 due to observable market data availability.

3. 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. Additionally, securities transfer between levels based on the availability of observable market data. In both cases, the Company recognizes these transfers at the end of the period.
4. Bonds and preferred stock are carried at fair value in accordance with NAIC guidelines. 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.

NOTES TO FINANCIAL STATEMENTS

The Company also holds common stock where the fair value estimate is determined by an internal fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals. Due to the significant unobservable inputs in these valuations, the Company includes the total fair value estimate for all of these investments in Level 3.

5. Not applicable.

B. Not applicable.

C. The following tables provide 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, 2015)	Aggregate	Admitted	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Description	Fair Value	Assets				
Cash equivalents	\$ 3,098,324	\$ 3,098,324	\$ -	\$ 3,098,324	\$ -	\$ -
Short term bonds	1,051,559,249	1,051,559,186	365,236,432	686,322,817	-	-
Long term bonds	10,770,001,672	10,472,440,190	597,029,860	10,142,254,117	30,717,695	-
Preferred stock	1,741,800	1,195,000	1,741,800	-	-	-
Common stock	348,441,978	348,441,978	346,171,615	-	2,270,363	-
Mortgage loans	-	41,900,000	-	-	-	41,900,000

(At December 31, 2014)	Aggregate	Admitted	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Description	Fair Value	Assets				
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

D. Not Practicable to Estimate Fair Value

(At December 31, 2015)	Carrying Value	Effective Interest Rate	Maturity Date
Description			
Mortgage loan Oak Brook, IL	\$ 41,900,000	4.0%	2/28/18

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. Unusual or Infrequent Items:

Not applicable.

B. Troubled Debt Restructuring – Debtors:

Not applicable.

C. Other Disclosures:

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

2015 Schedule P:

The 2005 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	2005	2004	Accident Years 2003	2002	2001 & Prior
Part 1A	\$ 604	\$ 129	\$ 102	\$ 285	\$ 911
Part 1B	241	92	53	62	54,658
Part 1C	(4,208)	4,339	2,525	1,067	13,219
Part 1D	87,036	82,264	87,776	78,945	1,030,869
Part 1E	8,360	6,549	5,135	4,035	71,424
Part 1F - Section 1	64	140	613	1,946	1,479
Part 1F - Section 2	166	3,422	433	755	9,565
Part 1G	(18)	214	653	391	17,268
Part 1H - Section 1	18,523	14,534	26,526	16,072	586,424
Part 1H - Section 2	6,040	2,831	8,113	4,419	43,376
Part 1M	-	-	5	-	590
Part 1N	(43)	69	45	192	6,505
Part 1O	356	834	2,600	4,520	108,956
Part 1P	113	124	156	323	1,786
Part 1R - Section 1	6,434	7,363	6,746	9,621	208,908
Part 1R - Section 2	303	1,425	428	(573)	3,370

NOTES TO FINANCIAL STATEMENTS

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (76)	\$ (55)	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(1,151)	(1,140)	(274)	(10,723)	-	(286)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(350)	-	-	-	-	-	-	-	-
Other Liability - CM	(153)	(2,325)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(115)	-	-	-	-	-	-	-	-
Reinsurance B	(1,166)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

<u>Description of State Transferable and Non-transferable Tax Credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Petros Wyoming Fund Series 2014	WY	\$ 805,920	\$ 784,791

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

3. Not applicable.

4. State Tax Credits Admitted and Nonadmitted:

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	\$ 805,920	\$ -
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.

Direct exposure through other investments:

	<u>Actual Cost</u>	<u>Book/Adjusted Carrying Value (excluding interest)</u>	<u>Fair Value</u>	<u>Other-Than-Temporary Impairment Losses Recognized</u>
Residential mortgage-backed securities	\$ 13,829,540	\$ 13,835,167	\$ 16,223,564	\$ 262,929

G. Insurance-Linked Securities:

Not applicable.

22. EVENTS SUBSEQUENT

On January 1, 2016, in accordance with a Plan of Merger the Company's subsidiary, St. Paul Fire and Casualty Insurance Company (SPFC) merged with and into the Company, with the Company being the surviving corporation. At the time of the merger, SPFC had a statutory carrying value of \$16,136,680.

All required regulatory approvals were obtained by the Company and SPFC in connection with the Plan of Merger dated November 3, 2015.

NOTES TO FINANCIAL STATEMENTS

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, 2015, 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	\$ 11,476,692,479
Travelers Casualty and Surety Company	06-6033504	9,430,629,981
The Phoenix Insurance Company	06-0303275	2,313,500,954
The Standard Fire Insurance Company	06-6033509	2,243,182,451
United States Fidelity and Guaranty Company	52-0515280	2,050,687,854
Travelers Casualty Insurance Company of America	06-0876835	1,263,109,817
Farmington Casualty Company	06-1067463	684,816,825
The Travelers Indemnity Company of Connecticut	06-0336212	635,785,141
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	633,812,563
The Charter Oak Fire Insurance Company	06-0291290	589,564,660
Northland Insurance Company	41-6009967	565,653,251
St. Paul Surplus Lines Insurance Company	41-1230819	407,120,473
The Travelers Indemnity Company of America	58-6020487	357,848,690
St. Paul Protective Insurance Company	36-2542404	268,397,452
Northfield Insurance Company	41-0983992	240,571,180
Travelers Commercial Casualty Company	95-3634110	217,474,396
Travelers Commercial Insurance Company	06-1286268	217,439,335
Travelers Casualty Company of Connecticut	06-1286266	217,439,335
St. Paul Mercury Insurance Company	41-0881659	197,235,553
Travelers Property Casualty Company of America	36-2719165	183,169,227
Travelers Property Casualty Insurance Company	06-1286274	138,791,059
The Travelers Casualty Company	41-1435765	134,164,689
Travelers Constitution State Insurance Company	41-1435766	134,164,689
Travelers Personal Security Insurance Company	06-1286264	124,911,951
Travelers Personal Insurance Company	36-3703200	124,911,951
Travelers Excess and Surplus Lines Company	06-1203698	124,911,951
TravCo Insurance Company	35-1838077	124,911,951
The Travelers Home and Marine Insurance Company	35-1838079	124,911,951
Discover Property & Casualty Insurance Company	36-2999370	66,132,201
Discover Specialty Insurance Company	52-1925132	64,769,151
Northland Casualty Company	94-6051964	64,769,151
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,372,189
St. Paul Guardian Insurance Company	41-0963301	46,263,675
American Equity Specialty Insurance Company	86-0868106	46,263,675
Total		<u>\$ 35,560,381,851</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	\$ 11,515,201,476
St. Paul Fire and Marine Insurance Company	41-0406690	3,915,121,272
Travelers Casualty and Surety Company	06-6033504	3,055,257,848
The Travelers Indemnity Company of America	58-6020487	3,025,970,040
The Travelers Indemnity Company of Connecticut	06-0336212	2,843,738,482
The Charter Oak Fire Insurance Company	06-0291290	2,793,708,575
The Phoenix Insurance Company	06-0303275	2,259,436,735
The Standard Fire Insurance Company	06-6033509	2,168,776,118
The Travelers Home and Marine Insurance Company	35-1838079	2,165,916,971
United States Fidelity and Guaranty Company	52-0515280	1,778,227,383
Travelers Casualty Insurance Company of America	06-0876835	1,709,522,682
St. Paul Mercury Insurance Company	41-0881659	1,010,089,193
Farmington Casualty Company	06-1067463	677,796,690
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	586,939,850
Northland Insurance Company	41-6009967	522,251,104
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	460,060,520
Discover Property & Casualty Insurance Company	36-2999370	417,756,805
Travelers Commercial Insurance Company	06-1286268	407,800,854
Travelers Property Casualty Insurance Company	06-1286274	342,614,135
TravCo Insurance Company	35-1838077	263,205,083
St. Paul Surplus Lines Insurance Company	41-1230819	231,074,614
St. Paul Protective Insurance Company	36-2542404	212,190,532
Northfield Insurance Company	41-0983992	206,191,313
Travelers Excess and Surplus Lines Company	06-1203698	195,646,796
Travelers Personal Security Insurance Company	06-1286264	166,025,987
St. Paul Guardian Insurance Company	41-0963301	131,859,881
Travelers Personal Insurance Company	36-3703200	114,523,922
Travelers Commercial Casualty Company	95-3634110	91,233,436
Travelers Casualty Company of Connecticut	06-1286266	61,199,249
Northland Casualty Company	94-6051964	19,352,350
Discover Specialty Insurance Company	52-1925132	8,335,548

NOTES TO FINANCIAL STATEMENTS

The Travelers Casualty Company	41-1435765	4,797,137
Travelers Constitution State Insurance Company	41-1435766	2,797,723
American Equity Specialty Insurance Company	86-0868106	207,056
Total		<u>\$ 43,364,827,360</u>

2. Unaffiliated Company Recoverables:

The unsecured aggregate recoverables for ceded losses, LAE and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2015, 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:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,345,464,284	\$ 320,145,525	\$ 212,070,979	\$ 28,946,753	\$ 2,133,393,305	\$ 291,198,772
All Other	<u>12,075,298</u>	<u>1,648,225</u>	<u>5,895,423</u>	<u>804,699</u>	<u>6,179,875</u>	<u>843,526</u>
Total	<u>\$ 2,357,539,582</u>	<u>\$ 321,793,750</u>	<u>\$ 217,966,402</u>	<u>\$ 29,751,452</u>	<u>\$ 2,139,573,180</u>	<u>\$ 292,042,298</u>

Direct Unearned Premium Reserve \$ 247,471,737

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$55,181,174 at December 31, 2015. 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	\$ 4,163,785	\$ 53,389,469	\$ 2,372,080	\$ 55,181,174
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 4,163,785</u>	<u>\$ 53,389,469</u>	<u>\$ 2,372,080</u>	<u>\$ 55,181,174</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)	(652,406)	44,955,756
(3) Adjustments - Current Year	<u>(223,648)</u>	<u>(897,649)</u>
(4) Current Total	<u>\$ 1,454,206</u>	<u>\$ 168,837,043</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$ 111,076,926
(2) Adjustments - Prior Year(s)	234,482	9,051,497
(3) Adjustments - Current Year	<u>670</u>	<u>24,208</u>
(4) Current Total	<u>\$ 2,826,968</u>	<u>\$ 120,152,631</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,123,631	\$ 148,063,778
(2) Current Year	<u>27,697</u>	<u>2,341,075</u>
(3) Current Total	<u>\$ 1,151,328</u>	<u>\$ 150,404,853</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ 13,702,010
(2) Adjustments - Prior Year(s)	886,888	35,904,259
(3) Adjustments - Current Year	<u>224,318</u>	<u>(921,857)</u>
(4) Current Year Restricted Surplus	<u>1,372,762</u>	<u>16,596,745</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 32,087,667</u>

NOTES TO FINANCIAL STATEMENTS

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,338,660	\$ -
General Reinsurance Corporation (22039)	-	77,330,471
Renaissance Reinsurance U.S. Inc. (10357)	-	27,307,399
XL Reinsurance America Inc. (20583)	-	19,550,123
TIG Insurance Company (25534)	-	18,594,175
Swiss Reinsurance America Corporation (25364)	-	7,002,510
Westport Insurance Corporation (39845)	-	4,228,977
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	3,321,860
Excalibur Reinsurance Corp. (39675)	-	2,705,527
Various	115,546	8,796,001
Total	<u>\$ 1,454,206</u>	<u>\$ 168,837,043</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due
XL Reinsurance America Inc. (20583)	\$ 166,335	\$ -
Westport Insurance Corporation (39845)	46,240	-
General Reinsurance Corporation (22039)	41,959	41,959
Renaissance Reinsurance U.S. Inc. (10357)	41,624	-
Swiss Reinsurance America Corporation (25364)	3,108	3,108
Various	22,220	592
Total	<u>\$ 321,476</u>	<u>\$ 45,659</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
Excalibur Reinsurance Corp. (39675)	\$ 283,606	\$ 283,104	\$ -
Total	<u>\$ 283,606</u>	<u>\$ 283,104</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

As of December 31, 2015, 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 deposit balance of \$299,372 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, 2015, 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 \$166,326 at year-end. Due to the immaterial nature of this balance the Company accounts for its 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.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation:

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	\$ 21,799,736
2. Unsecured amount	5,353,009
3. Less: Nonadmitted amount (10%)	535,301
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	1,431,461
5. Admitted amount (1) - (3) - (4)	<u>\$ 19,832,974</u>

F. Not applicable.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2015 to December 31, 2015, the prior year-end total loss and LAE reserves developed favorably by \$171,703,000, resulting from better than expected loss and defense and cost containment development primarily in the other liability – occurrence (excluding asbestos and environmental), workers' compensation, homeowners, special property, private passenger auto liability and fidelity & surety lines. This favorable development was partially offset by unfavorable development for asbestos and environmental loss and LAE reserves in the other liability – occurrence line.

NOTES TO FINANCIAL STATEMENTS

The improvement was driven primarily by better than expected loss experience in (i) the other liability – occurrence line for both primary and excess coverages for accident years 2005 through 2014 reflecting a more favorable legal environment than the Company previously expected, (ii) the workers' compensation line for accident years 2006 and "Prior", (iii) the homeowners line for liability coverages for accident years 2011 through 2014 and for non-catastrophe losses for accident year 2014, (iv) the special property line related to catastrophe losses for accident years 2011, 2012 and 2014; and non-catastrophe losses for accident years 2013 and 2014, (v) the private passenger auto liability line for accident years 2012 through 2014 and (vi) the fidelity & surety line for accident years 2007 through 2014. These improvements were partially offset by unfavorable development in asbestos and environmental reserves in the other liability – occurrence and products liability – occurrence lines for "Prior" accident years.

Additionally, the allocation of IBNR reserves between the other liability – occurrence and products liability – occurrence was reviewed with regard to asbestos and construction defect exposures. As a result of that review, there was a shift of IBNR reserves from products liability – occurrence to other liability – occurrence for the "Prior" accident year and from the other liability – occurrence to products liability – occurrence for more recent accident years.

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 Insurance Company	38130	0.27
Travelers Personal Security Insurance Company	36145	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, 2015 the Company had a \$110,204,754 net receivable from affiliates as a result of its intercompany reinsurance transactions which settled in January 2016.

27. STRUCTURED SETTLEMENTS

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is contingently liable as 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 the purchased annuities are not covered 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.	Loss Reserves	Unrecorded Loss
	<u>Eliminated by Annuities</u>	<u>Contingencies</u>
	\$ 731,564,794	\$ 731,564,794

NOTES TO FINANCIAL STATEMENTS

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	\$ 215,351,962
MetLife Insurance Company USA, Charlotte, NC	Yes	77,550,306
Genworth Life Insurance Company, Richmond, VA	Yes	54,815,428
Symetra Life Insurance Company, Bellevue, WA	Yes	51,954,227
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	50,348,539
All other companies		281,544,332

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, 2015	
3. Was anticipated investment income utilized in the calculation?		Yes

31. HIGH DEDUCTIBLES

At December 31, 2015, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,327,213,813 and the amount billed and outstanding on paid claims was \$13,483,450. 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 the Company's 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:

Non-Fatal Cases:	United States Life Tables Total Population 2007 – FL United States Life Tables Total Male or Total Female 2009 – MA & MN United States Life Tables Total Male or Total Female Population 1999 – MA(USL) United States Life Tables Total Male or Total Female 2007 – all other states
Fatal Cases:	New York Mandated Mortality & Remarriage Table – NY United States Life Tables Total Female 2009 – MA & MN ** United States Life Tables Total Female 1999 – MA(USL) * * and the 1980 Railroad Retirement Board Remarriage Table United States Life Tables Total Female 2007 – all other states ** ** 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, 2015 liabilities of the Company included \$452,261,419 and \$27,127,293 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, 2015 is as follows:

Tabular Discount

<u>Schedule P Lines of Business</u>	<u>Tabular Discount Included in Schedule P, Part 1 *</u>	
	<u>Case</u>	<u>IBNR</u>
1. Workers' Compensation	\$ 89,495,870	\$ 110,824,619
2. Other Liability-Occurrence	<u>2,763,097</u>	<u>39,875,460</u>
3. Total	<u>\$ 92,258,967</u>	<u>\$ 150,700,079</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.

NOTES TO FINANCIAL STATEMENTS

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

In January 2015, pursuant to an order issued by a federal bankruptcy court, Travelers Property Casualty Corp. made a payment in the amount of \$579 million for the settlement of litigation that had commenced in 2001 and 2002 related to the handling and settlement of asbestos claims and the alleged violation of purported common law duties to third parties. The payment was comprised of the \$502 million settlement amount, plus pre-judgment and post-judgment interest totaling \$77 million. The Company's allocable share of this payment was fully accrued in its financial statements at December 31, 2014. The Company's allocable share of the payment of the settlement amount resulted in a \$124.6 million decrease to the Company's direct asbestos reserves and a \$118.4 million decrease to the Company's net of ceded reinsurance asbestos reserves.

1. <u>Direct Basis - Asbestos:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 678,591,183	\$ 633,480,217	\$ 608,110,768	\$ 590,135,346	\$ 576,136,691
b. Incurred losses and LAE:	34,706,000	31,805,569	43,109,810	62,646,561	74,766,640
c. Calendar year payments for losses and LAE:	<u>79,816,966</u>	<u>57,175,018</u>	<u>61,085,232</u>	<u>76,645,216</u>	<u>201,910,378</u>
d. Ending reserves:	<u>\$ 633,480,217</u>	<u>\$ 608,110,768</u>	<u>\$ 590,135,346</u>	<u>\$ 576,136,691</u>	<u>\$ 448,992,953</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 50,004,969	\$ 55,266,612	\$ 55,717,147	\$ 53,423,520	\$ 46,171,365
b. Incurred losses and LAE:	13,634,500	8,106,330	3,991,190	1,311,639	1,834,460
c. Calendar year payments for losses and LAE:	<u>8,372,857</u>	<u>7,655,795</u>	<u>6,284,817</u>	<u>8,563,794</u>	<u>6,959,644</u>
d. Ending reserves:	<u>\$ 55,266,612</u>	<u>\$ 55,717,147</u>	<u>\$ 53,423,520</u>	<u>\$ 46,171,365</u>	<u>\$ 41,046,181</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 631,096,316	\$ 604,170,939	\$ 586,587,373	\$ 579,994,405	\$ 581,793,027
b. Incurred losses and LAE:	43,382,500	40,903,500	47,101,000	61,975,000	54,538,000
c. Calendar year payments for losses and LAE:	<u>70,307,877</u>	<u>58,487,066</u>	<u>53,693,968</u>	<u>60,176,378</u>	<u>190,726,039</u>
d. Ending reserves:	<u>\$ 604,170,939</u>	<u>\$ 586,587,373</u>	<u>\$ 579,994,405</u>	<u>\$ 581,793,027</u>	<u>\$ 445,604,988</u>

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

1. Direct Basis:	\$ 347,756,920
2. Assumed Reinsurance Basis:	\$ 11,661,639
3. Net of Ceded Reinsurance Basis:	\$ 330,999,319

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

1. Direct Basis:	\$ 162,919,988
2. Assumed Reinsurance Basis:	\$ 639,470
3. Net of Ceded Reinsurance Basis:	\$ 155,790,263

- 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

NOTES TO FINANCIAL STATEMENTS

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 methods 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 74,705,847	\$ 71,742,234	\$ 70,297,232	\$ 67,790,175	\$ 68,101,295
b. Incurred losses and LAE:	16,361,400	19,621,285	17,338,126	22,509,320	20,042,715
c. Calendar year payments for losses and LAE:	<u>19,325,013</u>	<u>21,066,287</u>	<u>19,845,183</u>	<u>22,198,200</u>	<u>12,559,395</u>
d. Ending reserves:	<u>\$ 71,742,234</u>	<u>\$ 70,297,232</u>	<u>\$ 67,790,175</u>	<u>\$ 68,101,295</u>	<u>\$ 75,584,615</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 13,054,600	\$ 14,191,704	\$ 17,085,485	\$ 15,888,864	\$ 15,290,083
b. Incurred losses and LAE:	3,470,600	4,920,815	386,723	793,280	37,185
c. Calendar year payments for losses and LAE:	<u>2,333,496</u>	<u>2,027,034</u>	<u>1,583,344</u>	<u>1,392,061</u>	<u>1,258,753</u>
d. Ending reserves:	<u>\$ 14,191,704</u>	<u>\$ 17,085,485</u>	<u>\$ 15,888,864</u>	<u>\$ 15,290,083</u>	<u>\$ 14,068,515</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 86,894,649	\$ 84,619,903	\$ 86,129,276	\$ 81,573,460	\$ 82,290,608
b. Incurred losses and LAE:	18,840,400	22,311,000	16,039,129	21,567,300	17,848,800
c. Calendar year payments for losses and LAE:	<u>21,115,146</u>	<u>20,801,627</u>	<u>20,594,945</u>	<u>20,850,152</u>	<u>13,577,317</u>
d. Ending reserves:	<u>\$ 84,619,903</u>	<u>\$ 86,129,276</u>	<u>\$ 81,573,460</u>	<u>\$ 82,290,608</u>	<u>\$ 86,562,091</u>

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

1. Direct Basis:	\$ 74,798,979
2. Assumed Reinsurance Basis:	\$ 8,871,928
3. Net of Ceded Reinsurance Basis	\$ 81,243,087

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

1. Direct Basis:	\$ 24,383,753
2. Assumed Reinsurance Basis:	\$ (2,011)
3. Net of Ceded Reinsurance Basis	\$ 23,637,623

G. 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 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.

NOTES TO FINANCIAL STATEMENTS

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2015 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2015, 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 MANAGEMENT COMPANY	20-4312440
ST. PAUL FIRE AND CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
ST. PAUL FIRE AND 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, CONNECTICUT	06-0848755	UNITED STATES FIDELITY AND 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 name of 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 Company Code	3 State of Domicile
	0	

- 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 control 0.000%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated with 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 the response to 8.3 is yes, please provide below 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 other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A 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:
- 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 response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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 involved 2
- 12.13 Total book/adjusted carrying value \$ 16,988,973
- 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
0	ICI Finance PLC	Failure to comply with contract.	1,890,000
0	Southwest Georgia Farm Credit	Failure to comply with contract.	100,000
051403041	First National Bank	Failure to comply with contract.	100,000
062106256	Merchants Bank	Failure to comply with contract.	12,500
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
091208138	Kensington Bank	Failure to comply with contract.	50,000
091913216	Peoples Bank of Commerce	Failure to comply with contract.	62,500
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.	517,000

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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 reporting 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

INVESTMENT

- 24.01 Were all of 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. \$ 113,034,727
- 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: | | \$ | 113,034,727 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: | | \$ | 113,034,727 |
| 24.103 Total payable for securities lending reported on the liability page: | | \$ | 113,034,727 |
- 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 current 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 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 sale – excluding FHLB Capital Stock | | \$ | 0 |
| 25.27 FHLB Capital Stock | | \$ | 0 |
| 25.28 On deposit with states | | \$ | 1,452,426,751 |
| 25.29 On deposit with other regulatory bodies | | \$ | 2,198,335 |
| 25.30 Pledged as collateral – excluding collateral pledged to an FHLB | | \$ | 48,790,714 |
| 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 of the current year: \$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian 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.	390 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]

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, broker/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	2 Name(s)	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 above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	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	11,527,097,701	11,824,659,246 297,561,545
30.2	Preferred Stocks	1,195,000	1,741,800 546,800
30.3	Totals	11,528,292,701	11,826,401,046 298,108,345

30.4 Describe the sources or methods utilized in determining 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 reliance 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 Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 12,587,260

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	\$ 5,708,348

34.1 Amount of payments for legal expenses, if any? \$ 20,424,403

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? \$ 399,609

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 & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1		2	
		Current Year		Prior Year	
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	5,186,232,028	\$	5,079,565,087
2.3	Premium Ratio (2.1/2.2)		0.000		0.000
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	11,839,713,652	\$	11,941,456,487
2.6	Reserve Ratio (2.4/2.5)		0.000		0.000
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		\$		84,503,137
3.22	Non-participating policies		\$		5,167,615,157
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?				0.000%
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 []
5.22	As a direct expense of the exchange			Yes []	No []
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 fulfillments of certain conditions, been deferred?			Yes []	No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>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.</u>				
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: <u>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.</u>				
6.3	What provision has this reporting entity made (such as 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? <u>The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.</u>				

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
The Company's all region aggregate catastrophe treaty does not contain a reinstatement provision but does allow for recoveries under multiple event loss scenarios. The Company's northeast region catastrophe treaty applies per occurrence and provides for one reinstatement. Additionally, the Company buys property catastrophe cat bonds for designated perils covering the northeast region. Those bonds apply per occurrence but do not have a reinstatement provision. The Company believes that its reinsurance programs along with the Company's surplus is adequate to cover its exposures in a catastrophic event.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 12
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances 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 the reporting entity guaranteed policies issued by any other entity and now in force? Yes [X] No []
- 11.2 If yes, give full information
The company guarantees the policies of a former subsidiary. See Note 14G(1b).
- 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 \$ 15,825,192
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 2,792,681
- 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? \$ 23,970,882
- 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 From 0.000%
 12.42 To 0.000%

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
12.6	If yes, state the amount thereof at December 31 of current year:											
12.61	Letters of Credit	\$								1,497,600,234		
12.62	Collateral and other funds	\$								458,870,232		
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$								11,969,451		
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>Per the Company's Reinsurance Allocation Agreement and Pooling Agreement.</u>											
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?										Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
14.5	If the answer to 14.4 is no, please explain:											
15.1	Has the reporting entity guaranteed any financed premium accounts?										Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
15.2	If yes, give full information											
16.1	Does the reporting entity write any warranty business?										Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, disclose the following information for each of the following types of warranty coverage:											
			1	2	3	4	5					
			Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium					
			Incurred	Unpaid	Premium	Unearned	Earned					
16.11	Home	\$	0 \$	0 \$	0 \$	0 \$	0					0
16.12	Products	\$	0 \$	0 \$	0 \$	0 \$	0					0
16.13	Automobile	\$	0 \$	0 \$	0 \$	0 \$	0					0
16.14	Other*	\$	0 \$	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. 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:										Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 accounts?										Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 2015	2 2014	3 2013	4 2012	5 2011
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).....	2,951,177,977	3,013,330,809	3,151,157,459	3,069,348,162	2,945,154,855
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,010,426,853	996,647,088	993,277,349	975,025,177	983,737,310
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,706,691,307	1,723,018,639	1,759,326,481	1,782,645,978	1,923,453,432
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	34,804,183	30,652,851	39,891,681	49,768,570	61,168,852
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	32,306,113	35,357,135	31,585,343	28,693,632	31,367,330
6. Total (Line 35).....	5,735,406,433	5,799,006,523	5,975,238,313	5,905,481,519	5,944,881,778
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).....	2,580,895,960	2,495,619,434	2,470,753,554	2,388,099,149	2,303,682,729
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	932,113,566	900,044,124	898,283,987	874,738,537	880,488,485
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,699,614,097	1,700,904,162	1,728,058,827	1,707,924,026	1,700,135,506
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	25,697,550	11,346,630	19,964,817	22,564,931	26,895,627
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	13,797,121	15,438,694	14,329,028	13,103,483	12,166,075
12. Total (Line 35).....	5,252,118,293	5,123,353,043	5,131,390,213	5,006,430,125	4,923,368,421
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	540,472,405	463,627,636	431,778,213	13,179,388	(394,445,772)
14. Net investment gain (loss) (Line 11).....	944,621,350	725,498,043	670,968,747	676,289,799	792,897,910
15. Total other income (Line 15).....	8,406,747	5,191,642	32,725,251	18,267,704	6,028,497
16. Dividends to policyholders (Line 17).....	8,523,590	7,800,320	7,213,935	9,976,096	8,639,061
17. Federal and foreign income taxes incurred (Line 19).....	298,369,269	252,839,473	244,350,932	102,999,600	(5,622,487)
18. Net income (Line 20).....	1,186,607,643	933,677,528	883,907,343	594,761,195	401,464,061
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	18,297,397,494	18,917,210,617	18,566,316,320	18,761,764,152	18,414,741,674
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	645,212,233	632,108,579	568,875,618	524,716,770	483,626,014
20.2 Deferred and not yet due (Line 15.2).....	1,063,079,407	1,021,388,391	992,090,638	989,668,171	941,647,858
20.3 Accrued retrospective premiums (Line 15.3).....	19,832,974	20,790,245	23,588,341	28,316,222	46,153,623
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	12,734,125,013	12,923,140,386	12,651,619,036	12,761,100,471	12,701,137,921
22. Losses (Page 3, Line 1).....	7,422,324,562	7,493,585,203	7,648,975,444	7,710,930,540	7,714,594,475
23. Loss adjustment expenses (Page 3, Line 3).....	1,742,046,642	1,852,640,576	1,721,718,149	1,735,754,840	1,779,413,979
24. Unearned premiums (Page 3, Line 9).....	2,387,044,917	2,317,727,202	2,274,421,678	2,231,148,979	2,190,352,385
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).....	5,563,272,481	5,994,070,231	5,914,697,284	6,000,663,680	5,713,603,754
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	802,506,688	839,064,556	837,942,808	700,382,424	628,258,981
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,563,272,481	5,994,070,231	5,914,697,284	6,000,663,680	5,713,603,754
29. Authorized control level risk-based capital.....	1,026,383,100	1,043,218,567	1,024,986,820	1,014,134,142	1,011,750,646
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).....	65.5	62.6	64.2	65.6	66.8
31. Stocks (Lines 2.1 & 2.2).....	16.8	23.6	23.5	22.9	22.1
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).....	4.9	4.6	4.8	4.4	4.4
34. Cash, cash equivalents and short-term investments (Line 5).....	6.8	3.1	2.0	1.4	1.1
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	5.0	5.1	5.0	5.1	5.3
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.7	0.8	0.2	0.4	0.1
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).....	2,353,281,162	3,439,726,128	3,436,557,783	3,435,485,261	3,277,723,135
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.....	50,105,990	49,439,397	51,225,520	68,274,435	59,774,333
48. Total of above lines 42 to 47.....	2,403,387,152	3,489,165,525	3,487,783,302	3,503,759,696	3,337,497,468
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).....	43.2	58.2	59.0	58.4	58.4

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(255,549,071)	283,461,008	170,438,776	269,523,204	15,054,022
52. Dividends to stockholders (Line 35).....	(1,264,000,000)	(1,085,800,000)	(1,115,000,000)	(558,000,000)	(500,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(430,797,750)	79,372,948	(85,966,397)	287,059,927	(107,264,529)
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).....	1,762,917,026	1,685,590,205	1,678,550,282	1,790,892,173	1,753,470,284
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	500,462,442	519,815,243	516,541,701	586,506,658	646,716,236
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	716,141,651	767,254,624	843,342,508	1,040,060,643	1,261,386,044
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	18,556,823	25,318,844	9,498,051	25,808,788	38,051,143
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	53,661,154	63,774,481	78,663,124	43,792,752	71,152,254
59. Total (Line 35).....	3,051,739,095	3,061,753,397	3,126,595,666	3,487,061,015	3,770,775,961
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).....	1,326,108,567	1,262,944,341	1,263,611,086	1,298,321,809	1,180,457,617
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	457,150,925	462,010,226	467,343,734	529,025,202	565,649,894
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	700,582,780	728,374,096	788,111,916	947,303,509	1,157,765,580
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	9,974,426	16,288,426	2,928,241	16,217,669	16,929,170
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	18,139,971	30,185,563	20,539,084	9,793,387	15,839,145
65. Total (Line 35).....	2,511,956,669	2,499,802,652	2,542,534,061	2,800,661,577	2,936,641,406
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).....	47.1	46.2	48.8	56.3	63.8
68. Loss expenses incurred (Line 3).....	11.7	14.1	11.7	11.3	12.3
69. Other underwriting expenses incurred (Line 4).....	30.8	30.6	31.0	32.1	32.0
70. Net underwriting gain (loss) (Line 8).....	10.4	9.1	8.5	0.3	(8.1)
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).....	30.3	30.2	30.1	31.5	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).....	58.8	60.3	60.5	67.7	76.1
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).....	94.4	85.5	86.8	83.4	86.2
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(172,825)	(295,461)	(164,799)	(182,237)	(134,238)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.9)	(5.0)	(2.7)	(3.2)	(2.3)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(415,474)	(438,279)	(345,970)	(344,549)	(479,176)
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).....	(7.0)	(7.3)	(6.1)	(5.9)	(7.3)

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	202,125	58,341	70,348	14,354	168,028	6,725	(11,419)	361,079	XXX
2. 2006.....	5,229,553	631,131	4,598,422	2,035,554	250,632	207,410	19,826	203,968	6,172	107,678	2,170,303	XXX
3. 2007.....	5,328,847	547,168	4,781,679	2,170,952	206,686	222,403	15,409	219,140	4,789	126,538	2,385,612	XXX
4. 2008.....	5,340,661	544,190	4,796,471	2,688,993	280,862	233,828	16,113	256,738	3,764	127,691	2,878,820	XXX
5. 2009.....	5,250,125	435,234	4,814,891	2,417,988	186,839	214,222	11,342	250,140	2,888	116,654	2,681,281	XXX
6. 2010.....	5,192,968	397,758	4,795,209	2,617,955	145,786	225,317	10,298	255,769	2,317	138,791	2,940,641	XXX
7. 2011.....	5,359,698	387,005	4,972,693	3,139,366	211,634	229,385	12,264	268,491	2,459	144,389	3,410,885	XXX
8. 2012.....	5,478,791	421,243	5,057,547	2,882,698	449,712	203,820	21,669	279,847	4,194	131,151	2,890,789	XXX
9. 2013.....	5,527,850	448,167	5,079,683	1,998,536	140,098	144,423	5,611	255,031	6,435	106,713	2,245,846	XXX
10. 2014.....	5,502,349	422,784	5,079,565	1,666,967	101,685	100,653	4,583	234,254	6,093	91,813	1,889,513	XXX
11. 2015.....	5,566,373	380,141	5,186,232	1,083,169	41,627	40,908	1,434	199,480	4,666	53,730	1,275,831	XXX
12. Totals.....	XXX	XXX	XXX	22,904,304	2,073,901	1,892,716	132,903	2,590,887	50,502	1,133,729	25,130,600	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.....	1,638,094	494,468	1,257,994	242,979	158,029	21,090	268,460	20,830	167,474	(354)	4,039	2,711,039	XXX
2. 2006.....	76,940	19,105	99,591	18,611	6,839	727	17,280	1,368	3,418	(44)	1,978	164,301	XXX
3. 2007.....	89,611	19,081	105,250	16,009	10,092	1,282	18,567	1,554	5,534	4	2,817	191,124	XXX
4. 2008.....	97,330	9,914	110,176	14,571	12,078	621	26,536	3,475	6,717	(41)	5,467	224,297	XXX
5. 2009.....	130,977	27,489	141,657	20,492	13,257	689	24,748	2,650	8,187	(11)	6,097	267,515	XXX
6. 2010.....	164,172	18,850	149,647	9,370	18,134	410	30,156	4,095	11,379	11	6,958	340,751	XXX
7. 2011.....	231,067	17,782	201,992	12,862	26,417	764	46,255	2,657	16,951	4	14,265	488,613	XXX
8. 2012.....	293,616	28,057	274,873	22,711	37,707	1,065	74,077	2,866	26,607	(2)	25,176	652,183	XXX
9. 2013.....	404,998	35,088	387,459	26,164	49,614	977	110,778	3,828	42,199	(194)	36,243	929,186	XXX
10. 2014.....	502,725	50,316	624,312	54,316	53,498	1,957	146,479	4,900	51,292	183	44,434	1,266,633	XXX
11. 2015.....	653,054	56,208	1,093,522	92,286	55,838	2,094	189,401	6,240	93,321	(423)	85,498	1,928,730	XXX
12. Totals.....	4,282,583	776,357	4,446,472	530,373	441,502	31,676	952,737	54,463	433,078	(867)	232,972	9,164,371	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	2,158,642	552,397
2. 2006.	2,651,000	316,397	2,334,603	50.7	50.1	50.8	0	0	24.79	138,814	25,486
3. 2007.	2,841,550	264,813	2,576,736	53.3	48.4	53.9	0	0	24.79	159,771	31,353
4. 2008.	3,432,395	329,278	3,103,117	64.3	60.5	64.7	0	0	24.79	183,020	41,277
5. 2009.	3,201,175	252,379	2,948,796	61.0	58.0	61.2	0	0	24.79	224,652	42,863
6. 2010.	3,472,530	191,137	3,281,392	66.9	48.1	68.4	0	0	24.79	285,598	55,153
7. 2011.	4,159,923	260,425	3,899,498	77.6	67.3	78.4	0	0	24.79	402,415	86,197
8. 2012.	4,073,245	530,272	3,542,973	74.3	125.9	70.1	0	0	24.79	517,720	134,463
9. 2013.	3,393,038	218,007	3,175,032	61.4	48.6	62.5	0	0	24.79	731,205	197,981
10. 2014.	3,380,179	224,033	3,156,146	61.4	53.0	62.1	0	0	24.79	1,022,404	244,229
11. 2015.	3,408,693	204,132	3,204,561	61.2	53.7	61.8	0	0	24.79	1,598,082	330,648
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,422,325	1,742,047

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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior.....	7,964,559	7,877,723	7,704,655	7,500,574	7,327,359	7,282,840	7,218,510	7,168,932	7,056,308	7,046,696	(9,612)	(122,236)
2. 2006.....	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	2,140,559	(14,929)	(31,865)
3. 2007.....	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	2,364,020	(8,119)	(19,762)
4. 2008.....	XXX	XXX	3,011,040	3,036,985	3,017,535	2,944,545	2,906,318	2,893,483	2,864,838	2,851,118	(13,721)	(42,366)
5. 2009.....	XXX	XXX	XXX	2,816,746	2,803,689	2,780,671	2,752,169	2,721,273	2,704,825	2,701,478	(3,347)	(19,796)
6. 2010.....	XXX	XXX	XXX	XXX	2,983,104	3,076,907	3,057,673	3,039,368	3,027,060	3,025,460	(1,600)	(13,909)
7. 2011.....	XXX	XXX	XXX	XXX	XXX	3,640,306	3,664,367	3,660,451	3,626,680	3,627,172	492	(33,278)
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	3,336,989	3,328,286	3,287,182	3,251,680	(35,502)	(76,606)
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,951,685	2,929,704	2,896,028	(33,675)	(55,657)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,942,948	2,890,137	(52,812)	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,930,417	XXX	XXX
12. Totals.....											(172,825)	(415,474)

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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior.....	.000	1,186,270	2,124,588	2,675,679	3,120,998	3,438,741	3,706,173	3,923,794	4,161,165	4,360,941	XXX	XXX
2. 2006.....	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	1,972,506	XXX	XXX
3. 2007.....	XXX	877,768	1,398,663	1,683,795	1,877,953	2,004,298	2,080,009	2,123,760	2,148,784	2,171,261	XXX	XXX
4. 2008.....	XXX	XXX	1,141,047	1,751,615	2,073,465	2,292,087	2,446,067	2,538,190	2,591,553	2,625,846	XXX	XXX
5. 2009.....	XXX	XXX	XXX	1,066,632	1,652,222	1,953,508	2,159,449	2,299,486	2,376,499	2,434,029	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	1,190,279	1,844,927	2,188,802	2,425,337	2,589,848	2,687,189	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,635,104	2,377,494	2,734,452	2,973,377	3,144,852	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,343,509	2,049,479	2,368,034	2,615,137	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,100,974	1,677,893	1,997,250	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,095,648	1,661,352	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,081,017	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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior.....	4,304,993	3,695,230	3,071,949	2,658,644	2,275,368	2,027,418	1,836,294	1,694,701	1,454,525	1,335,009
2. 2006.....	1,195,115	781,264	511,348	363,346	266,373	205,739	168,875	141,702	125,275	101,548
3. 2007.....	XXX	1,133,369	702,783	492,427	373,727	269,860	199,132	156,516	129,544	111,848
4. 2008.....	XXX	XXX	1,202,732	738,914	524,605	343,047	252,322	203,199	150,650	124,011
5. 2009.....	XXX	XXX	XXX	1,132,653	668,337	468,547	326,110	233,745	176,811	149,547
6. 2010.....	XXX	XXX	XXX	XXX	1,093,599	690,550	449,770	304,803	215,033	172,953
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,205,678	708,392	489,500	323,903	240,976
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,230,015	743,187	489,011	332,681
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,146,018	720,819	477,082
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,224,076	721,428
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,197,989

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	1,008,696	1,613,332	84	7,194,017	(2,405,948)	42,931,811	1,032	38,828
2. Alaska.....AK	L	685,899	1,507,301	0	539,036	(114,157)	6,304,471	76	(151)
3. Arizona.....AZ	L	3,153,604	3,429,299	0	1,622,142	(2,698,677)	31,510,016	2,453	(228)
4. Arkansas.....AR	L	1,450,336	1,710,977	0	2,863,434	1,423,800	13,203,105	1,276	0
5. California.....CA	L	33,760,948	41,229,266	0	55,627,070	20,157,032	215,570,421	35,698	3,626
6. Colorado.....CO	L	16,686,067	17,745,290	3	3,676,564	459,934	57,162,227	18,292	0
7. Connecticut.....CT	L	1,220,764	2,408,212	98	1,254,014	(3,239,877)	35,212,657	1,274	0
8. Delaware.....DE	L	821,430	937,048	0	318,040	235,739	5,978,579	635	0
9. District of Columbia.....DC	L	515,825	739,334	0	1,063,581	(1,602,772)	9,641,027	180	0
10. Florida.....FL	L	20,907,879	27,012,798	89,894	14,215,415	9,295,769	76,058,933	12,403	22,654
11. Georgia.....GA	L	1,286,936	2,803,090	46	4,470,834	(206,067)	37,902,053	1,258	320
12. Hawaii.....HI	L	245,216	570,804	0	354,823	1,373,146	6,357,900	21	(1,229)
13. Idaho.....ID	L	165,602	257,455	0	81,895	(393,279)	2,363,510	205	0
14. Illinois.....IL	L	3,804,874	8,781,468	0	17,399,482	(610,212)	139,916,773	2,611	9,155
15. Indiana.....IN	L	1,444,539	2,752,171	46	1,006,760	529,476	24,719,229	592	0
16. Iowa.....IA	L	804,709	1,298,324	0	1,783,117	9,720,787	33,201,778	238	0
17. Kansas.....KS	L	10,698,819	11,835,065	9	4,468,690	(1,752,245)	30,202,048	7,003	(1,015)
18. Kentucky.....KY	L	1,834,372	1,794,358	55	263,513	(4,852,745)	16,983,451	1,182	(4,948)
19. Louisiana.....LA	L	18,151,102	19,781,427	0	13,202,927	8,376,529	59,356,246	11,532	6,543
20. Maine.....ME	L	146,845	202,388	4	682,415	(53,575)	2,889,291	138	0
21. Maryland.....MD	L	1,978,786	2,488,577	129	4,666,550	2,471,327	43,247,632	1,366	(107)
22. Massachusetts.....MA	L	1,701,509	3,893,044	0	2,768,162	(12,808,547)	82,030,682	3,865	(301)
23. Michigan.....MI	L	3,422,542	4,319,953	32	3,342,475	(22,368,970)	48,206,297	2,142	0
24. Minnesota.....MN	L	1,746,787	2,597,657	0	3,872,459	(1,989,564)	71,862,437	989	9,372
25. Mississippi.....MS	L	4,130,143	4,946,428	0	18,986,754	10,931,462	16,610,285	3,908	0
26. Missouri.....MO	L	828,336	1,950,439	0	10,084,725	909,001	40,095,759	740	(674)
27. Montana.....MT	L	4,274,044	4,375,639	0	3,107,569	2,257,351	8,180,000	5,689	0
28. Nebraska.....NE	L	420,411	702,687	0	2,997,464	816,255	16,362,668	238	0
29. Nevada.....NV	L	1,418,571	1,710,563	0	4,543,975	71,543	19,602,089	1,328	0
30. New Hampshire.....NH	L	787,550	837,074	0	275,776	(19,016)	11,310,994	970	4,051
31. New Jersey.....NJ	L	2,081,988	4,467,024	0	36,560,711	(7,585,329)	63,002,904	2,268	37,464
32. New Mexico.....NM	L	24,238,918	25,643,225	17	18,816,240	12,915,263	39,186,222	23,025	0
33. New York.....NY	L	43,718,715	47,088,325	4	61,019,190	7,617,996	226,371,602	31,117	178,495
34. North Carolina.....NC	L	647,092	1,411,081	113	3,437,328	(2,465,134)	25,769,961	446	3,395
35. North Dakota.....ND	L	18,443,627	19,190,419	0	7,555,893	6,157,298	20,888,808	4,670	0
36. Ohio.....OH	L	10,058,379	11,956,796	130	12,169,919	(5,284,631)	38,504,121	5,089	540
37. Oklahoma.....OK	L	16,777,710	18,503,448	36	8,488,338	15,881,405	45,798,511	708	0
38. Oregon.....OR	L	705,406	1,111,803	0	935,965	393,325	9,717,040	759	0
39. Pennsylvania.....PA	L	17,483,177	20,823,193	40	23,199,463	25,720,214	110,701,882	11,878	438
40. Rhode Island.....RI	L	273,302	533,651	0	658,120	22,757	15,863,263	419	0
41. South Carolina.....SC	L	438,007	825,351	2	1,500,582	(2,356,302)	14,281,689	422	(1,470)
42. South Dakota.....SD	L	437,640	486,626	0	596,410	(132,017)	10,386,511	347	0
43. Tennessee.....TN	L	1,764,339	2,542,651	7	1,842,572	(2,739,326)	34,770,876	1,367	1,623
44. Texas.....TX	L	126,452,348	135,422,937	5	68,048,398	39,296,518	299,145,386	114,544	1,733
45. Utah.....UT	L	2,804,928	3,382,526	0	2,151,829	(738,629)	14,166,594	4,270	0
46. Vermont.....VT	L	174,418	376,824	0	692,804	360,963	4,252,261	191	0
47. Virginia.....VA	L	5,166,211	6,401,261	5,049	2,713,852	(711,941)	35,011,888	5,782	0
48. Washington.....WA	L	2,355,965	3,163,376	0	2,492,692	(202,645)	31,704,558	2,315	20,126
49. West Virginia.....WV	L	13,916,381	13,088,218	1,214	2,803,470	2,308,286	18,785,465	5,597	0
50. Wisconsin.....WI	L	1,516,727	2,749,815	226	17,560,115	5,204,411	43,759,087	328	0
51. Wyoming.....WY	L	16,443,700	17,685,598	0	5,374,018	4,760,653	22,340,815	13,915	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	3,186	3,261	0	0	(1,295)	6,006	0	0
54. Puerto Rico.....PR	L	172,190	153,598	0	122,000	(217,480)	1,726,264	2	0
55. US Virgin Islands.....VI	L	34,919	59,636	0	686,739	505,489	260,496	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	L	105,967,945	123,662,684	0	78,861,702	53,142,651	247,826,451	0	0
58. Aggregate Other Alien.....OT	XXX	2,472,552	2,785,502	0	4,116,623	424,008	15,069,095	0	0
59. Totals.....	(a) 54	554,052,913	639,750,299	97,245	549,138,653	166,190,008	2,594,272,123	348,794	328,240

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	1,609,432	1,534,370	0	122,952	(3,497,600)	19,600	0	0
58002. Other Alien Combined.....	XXX	385,276	752,256	0	1,253,960	3,679,167	11,699,408	0	0
58003. CYM Cayman Islands.....	XXX	191,162	191,182	0	0	(647)	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	286,682	307,695	0	2,739,711	243,089	3,350,087	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	2,472,552	2,785,502	0	4,116,623	424,008	15,069,095	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; With respect to international commercial insurance policies (1) for U.S. based insureds with ancillary international operations, or (2) that are placed as part of a controlled master program, allocation is to the situs of the contract, which is typically the headquarter state or principal business location of the first named insured. Exceptions to this include monoline marine or other insurance policies that are designed to insure specifically identified international exposures.

**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
... .. SPFM 101 Lincoln Centre LLC	Delaware	41-0406690	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. USF&G Capital I	Delaware	52-1953822	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. USF&G Capital III	Delaware	52-2044075	... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Lone Rock Timber Investments II, LLC (90%)	Delaware	32-0447309
... .. Travelers Special Services Limited	United Kingdom		... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. 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	98-1246060
... .. 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	98-1246060	... .. Travelers Global, Inc.	Delaware	47-2215437
... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480	... .. Travelers Brazil Holding, LLC	Delaware	47-2215437

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	47-2215437	...	TravCo Insurance Company (28188) *	Connecticut	35-1838077
...	J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (49.5%)	Brazil		...	TINDY Foreign, Inc	Delaware	20-4403403
...	J. Malucelli Resseguradora S.A. *	Brazil		...	Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
...	J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		...	Travelers Distribution Alliance, Inc.	Delaware	62-1657094
...	J. Malucelli Seguradora S.A. *	Brazil		...	Travelers TLD, LLC	Delaware	06-0566050
...	J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		...	Tiercel, LLC	Delaware	06-0566050
...	J. Malucelli Latam S.A. (49.5%)	Brazil		...	Redstart, LLC	Delaware	06-0566050
...	JMalucelli Travelers Seguros S.A. (51%) *	Colombia		...	The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
...	Travelers Participações em Seguros Brasil S.A. (95%)	Brazil		...	The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
...	Travelers Seguros Brasil S.A. *	Brazil		...	Travelers Marine, LLC	Delaware	06-0566050
...	Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835				
...	Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266				
...	Travelers Casualty UK Investments LLC	Delaware	06-6033504				
...	Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268				
...	Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698				
...	Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040				
...	Travelers MGA, Inc.	Texas	75-2676034				
...	The Travelers Indemnity Company (25658) *	Connecticut	06-0566050				
...	Arch Street North LLC	Delaware	06-0566050				
...	The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290				
...	Travelers Real Estate, LLC	Delaware	06-0566050				
...	First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141				
...	Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361				
...	Select Insurance Company (22233) *	Texas	75-6013697				
...	Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom					
...	Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830				
...	Crystal Brook, LLC	Delaware	06-0566050				
...	Durham Holding, LLC	Delaware	06-0566050				
...	Sutton Holdco, LLC	Delaware	06-0566050				
...	Cadet Limited, LLC	Delaware	06-0566050				
...	Arrowhead Company, LLC	Delaware	06-0566050				
...	Eastern Asset, LLC	Delaware	06-0566050				
...	Jupiter Holdings, Inc.	Minnesota	41-1769846				
...	American Equity Insurance Company (43117) *	Arizona	86-0703220				
...	American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106				
...	Northland Insurance Company (24015) *	Connecticut	41-6009967				
...	Northfield Insurance Company (27987) *	Iowa	41-0983992				
...	Northland Casualty Company (24031) *	Connecticut	94-6051964				
...	Travelers Indemnity U.K. Investments LLC	Connecticut	06-0566050				
...	TPC U.K. Investments LLC	Delaware	06-0566050				
...	The Phoenix Insurance Company (25623) *	Connecticut	06-0303275				
...	The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487				
...	The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212				
...	Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165				
...	American Marine Management Services, Inc. (47.5%)	New York	13-2743602				
...	Constitution State Services, LLC	Delaware	06-1501229				
...	Phoenix UK Investments LLC	Delaware	06-0303275				
...	The Premier Insurance Company of Massachusetts (12850) *	Connecticut	04-3175569				

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Notes:

* Denotes affiliated insurer

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

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