

ANNUAL STATEMENT
For the Year Ended December 31, 2015
OF THE CONDITION AND AFFAIRS OF THE
TRAVELERS CASUALTY AND
SURETY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 19038 Employer's ID Number 06-6033504
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MAY 1, 1883 COMMENCED BUSINESS, MAY 1, 1907

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

Table with 4 columns: Name, Title, Name, Title. Lists 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, III, Douglas Keith Bell, Douglas Kenneth Russell, Scott William Rynda, Renée 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 CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

Handwritten signatures of Brian W. MacLean, Wendy C. Skjerven, and Douglas K. Russell. Printed names and titles: Brian W. MacLean (President), Wendy C. Skjerven (Secretary), Douglas K. Russell (Controller).

Subscribed and sworn to before me this

21st day of January, 2016
Sandie M. Bachman Notary Public
My Commission Expires September 30, 2017



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	9,063,055,201	0	9,063,055,201	9,111,770,819
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	33,881,628	0	33,881,628	35,258,420
2.2 Common stocks.....	3,849,922,102	0	3,849,922,102	3,980,119,261
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....(248,243), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....531,266,995, Schedule DA).....	531,018,752	0	531,018,752	542,127,304
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).....	849,242,816	30,337,878	818,904,938	821,285,892
9. Receivables for securities.....	16,957,500	0	16,957,500	3,010
10. Securities lending reinvested collateral assets (Schedule DL).....	51,976,646	0	51,976,646	41,508,769
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	14,396,054,645	30,337,878	14,365,716,766	14,532,073,474
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	98,982,209	0	98,982,209	98,361,970
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	547,399,365	32,133,761	515,265,605	500,587,004
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....22,691,650 earned but unbilled premiums).....	877,719,773	4,994,072	872,725,701	838,376,067
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	17,904,100	1,615,300	16,288,800	17,075,005
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	24,786,695	0	24,786,695	28,307,456
16.2 Funds held by or deposited with reinsured companies.....	1,364,069	0	1,364,069	1,715,599
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.....	318,204,768	73,518,340	244,686,428	251,095,855
19. Guaranty funds receivable or on deposit.....	1,045,603	0	1,045,603	755,475
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	79,646,386	0	79,646,386	88,413,166
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	55,170,540	2,067,932	53,102,607	79,416,808
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	16,418,278,153	144,667,282	16,273,610,870	16,436,177,879
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	16,418,278,153	144,667,282	16,273,610,870	16,436,177,879

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Equities and deposits in pools and associations.....	16,342,823	0	16,342,823	18,416,476
2502. Amounts receivable under high deductible policies.....	16,803,556	1,680,677	15,122,879	14,049,530
2503. Suspense, undistributed payments.....	10,992,395	0	10,992,395	33,550,431
2598. Summary of remaining write-ins for Line 25 from overflow page.....	11,031,766	387,255	10,644,511	13,400,371
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	55,170,540	2,067,932	53,102,607	79,416,808

TRAVELERS CASUALTY AND SURETY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	5,897,171,874	5,942,096,316
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	240,862,404	231,284,457
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,358,967,040	1,446,848,160
4. Commissions payable, contingent commissions and other similar charges.....	129,054,531	125,645,958
5. Other expenses (excluding taxes, licenses and fees).....	128,809,884	132,032,887
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	70,467,848	68,480,762
7.1 Current federal and foreign income taxes (including \$.....(87,843,622) on realized capital gains (losses)).....	15,759,121	37,483,155
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....124,252 and interest thereon \$.....12,869.....	137,121	176,784
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....180,103,546 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).....	1,926,313,596	1,857,782,869
10. Advance premium.....	1,350	1,000
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	9,801,630	9,468,920
12. Ceded reinsurance premiums payable (net of ceding commissions).....	47,760,150	51,667,599
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	10,882,085	15,254,693
15. Remittances and items not allocated.....	3,271,329	3,500,778
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Derivatives.....	0	0
21. Payable for securities.....	20,229,215	20,220,078
22. Payable for securities lending.....	51,976,646	41,508,769
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.....	(14,121,585)	(16,745,832)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	9,897,344,239	9,966,707,354
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	9,897,344,239	9,966,707,354
29. Aggregate write-ins for special surplus funds.....	14,758,336	17,115,501
30. Common capital stock.....	25,000,000	25,000,000
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.....	2,629,824,585	2,629,824,585
35. Unassigned funds (surplus).....	3,706,683,711	3,797,530,439
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).....	6,376,266,631	6,469,470,525
38. TOTALS (Page 2, Line 28, Col. 3).....	16,273,610,870	16,436,177,879

DETAILS OF WRITE-INS

2501. Special reserve fund.....	500,000	500,000
2502. Retroactive reinsurance reserve assumed.....	248,753	455,182
2503. Escheat liability.....	120,485	(79,496)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(14,990,823)	(17,621,519)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	(14,121,585)	(16,745,832)
2901. Special surplus from retroactive reinsurance.....	14,758,336	17,115,501
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	14,758,336	17,115,501
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

TRAVELERS CASUALTY AND SURETY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,165,014,675	4,068,612,855
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,960,945,116	1,880,451,920
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	485,546,073	580,769,869
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,294,624,769	1,263,281,396
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,741,115,958	3,724,503,185
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	423,898,716	344,109,669
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,057,552,140	1,002,350,305
10. Net realized capital gains (losses) less capital gains tax of \$.....5,763,359 (Exhibit of Capital Gains (Losses)).....	(10,017,565)	3,064,980
11. Net investment gain (loss) (Lines 9 + 10).....	1,047,534,575	1,005,415,285
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,283,074 amount charged off \$.....10,646,934).....	(8,363,860)	(9,228,334)
13. Finance and service charges not included in premiums.....	15,221,169	15,837,298
14. Aggregate write-ins for miscellaneous income.....	(1,403,034)	(2,038,055)
15. Total other income (Lines 12 through 14).....	5,454,275	4,570,909
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,476,887,567	1,354,095,863
17. Dividends to policyholders.....	7,000,415	6,406,394
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).....	1,469,887,152	1,347,689,469
19. Federal and foreign income taxes incurred.....	210,722,686	206,396,923
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,259,164,465	1,141,292,545
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	6,469,470,525	6,558,646,505
22. Net income (from Line 20).....	1,259,164,465	1,141,292,545
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(19,663,769).....	(169,056,996)	271,962,986
25. Change in net unrealized foreign exchange capital gain (loss).....	(7,958,526)	(11,315,585)
26. Change in net deferred income tax.....	(20,605,219)	(22,470,651)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	13,252,382	36,639,853
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	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.....	(1,168,000,000)	(1,505,400,000)
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	114,871
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(93,203,894)	(89,175,981)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	6,376,266,631	6,469,470,525
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. Fines and penalties of regulatory authorities.....	(225,499)	(212,720)
1402. Profit and loss, miscellaneous.....	(390,024)	(707,839)
1403. Retroactive reinsurance gain/loss.....	(787,511)	(1,117,496)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(1,403,034)	(2,038,055)
3701. Prior period adjustment.....	0	114,871
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	114,871

TRAVELERS CASUALTY AND SURETY COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,180,356,592	4,043,082,129
2. Net investment income.....	1,102,913,958	1,058,821,176
3. Miscellaneous income.....	5,454,275	4,570,909
4. Total (Lines 1 through 3).....	5,288,724,825	5,106,474,214
5. Benefit and loss related payments.....	1,992,419,321	1,972,527,586
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,865,703,203	1,727,248,653
8. Dividends paid to policyholders.....	6,667,705	6,502,635
9. Federal and foreign income taxes paid (recovered) net of \$.....8,114,354 tax on capital gains (losses).....	238,210,079	200,986,778
10. Total (Lines 5 through 9).....	4,103,000,309	3,907,265,651
11. Net cash from operations (Line 4 minus Line 10).....	1,185,724,516	1,199,208,563
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,290,113,427	2,024,633,159
12.2 Stocks.....	1,081,631	1,158,447
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	91,330,982	94,975,516
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(18)	0
12.7 Miscellaneous proceeds.....	(8,225,181)	2,858,792
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,374,300,842	2,123,625,915
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,289,281,509	1,787,994,204
13.2 Stocks.....	0	12,263,141
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	141,597,786	120,988,339
13.6 Miscellaneous applications.....	27,422,367	11,726,906
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,458,301,662	1,932,972,590
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).....	(84,000,820)	190,653,325
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.....	(39,684)	(37,056)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	1,168,000,000	1,505,400,000
16.6 Other cash provided (applied).....	55,207,436	7,984,827
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,112,832,248)	(1,497,452,229)
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).....	(11,108,552)	(107,590,341)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	542,127,304	649,717,644
19.2 End of year (Line 18 plus Line 19.1).....	531,018,752	542,127,304
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	17,338,312	3,270,000
20.0002 Stock distribution from limited partnerships.....	5,797,898	3,565,663
20.0003 Interest received in securities.....	701,735	740,064
20.0004 Bonds exchanged for stock.....	196,846	0
20.0005 Prior period return of capital.....	0	1,600,000

TRAVELERS CASUALTY AND SURETY 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.....	107,497,770	51,246,678	50,197,290	108,547,158
2. Allied lines.....	97,141,171	48,947,140	49,006,714	97,081,596
3. Farmowners multiple peril.....	34,361,152	15,869,214	16,604,461	33,625,905
4. Homeowners multiple peril.....	652,915,213	349,727,697	351,295,881	651,347,029
5. Commercial multiple peril.....	617,267,787	280,136,227	282,055,766	615,348,249
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	45,120,901	20,294,976	18,755,685	46,660,192
9. Inland marine.....	134,814,907	63,735,200	63,075,610	135,474,497
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(33)	(259)	(46)	(245)
11.2 Medical professional liability - claims-made.....	(30,073)	0	0	(30,073)
12. Earthquake.....	23,450,699	12,305,812	12,475,742	23,280,769
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.....	805,594,212	299,768,631	309,573,515	795,789,329
17.1 Other liability - occurrence.....	363,691,928	153,407,923	158,613,387	358,486,464
17.2 Other liability - claims-made.....	114,927,398	65,889,780	64,394,467	116,422,712
17.3 Excess workers' compensation.....	3,875,232	1,385,765	1,353,956	3,907,041
18.1 Products liability - occurrence.....	28,092,205	12,308,511	11,650,542	28,750,174
18.2 Products liability - claims-made.....	5,309,847	2,451,359	2,606,318	5,154,888
19.1, 19.2 Private passenger auto liability.....	447,922,437	156,064,652	182,007,734	421,979,354
19.3, 19.4 Commercial auto liability.....	310,745,859	133,190,557	139,339,799	304,596,617
21. Auto physical damage.....	372,816,127	135,534,147	154,438,306	353,911,968
22. Aircraft (all perils).....	23,985	0	0	23,985
23. Fidelity.....	10,021,929	6,699,136	6,508,136	10,212,928
24. Surety.....	2,792,685	270,001	995,275	2,067,412
26. Burglary and theft.....	1,331,115	724,899	757,116	1,298,898
27. Boiler and machinery.....	38,654,625	16,968,974	17,213,773	38,409,826
28. Credit.....	471	1,311	1,088	694
29. International.....	464,324	2,914	1,760	465,479
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	7,588,034	3,313,627	3,058,320	7,843,340
32. Reinsurance - nonproportional assumed liability.....	3,358,206	1,947,570	1,856,976	3,448,801
33. Reinsurance - nonproportional assumed financial lines.....	385,320	201,626	228,955	357,991
34. Aggregate write-ins for other lines of business.....	561,173	371,153	380,629	551,697
35. TOTALS.....	4,230,696,607	1,832,765,224	1,898,447,156	4,165,014,675

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	561,173	371,153	380,629	551,697
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).....	561,173	371,153	380,629	551,697

TRAVELERS CASUALTY AND SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	49,737,442	836,505	(376,657)	.0	50,197,290
2. Allied lines.....	47,827,449	1,179,672	(407)	.0	49,006,714
3. Farmowners multiple peril.....	16,770,173	(165,711)	0	.0	16,604,461
4. Homeowners multiple peril.....	351,299,274	(3,393)	0	.0	351,295,881
5. Commercial multiple peril.....	286,036,411	(131,757)	(3,848,888)	.0	282,055,766
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	19,396,598	522,987	(1,163,899)	.0	18,755,685
9. Inland marine.....	52,836,212	10,564,079	(324,682)	.0	63,075,610
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(46)	.0	.0	.0	(46)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	12,070,424	405,318	0	.0	12,475,742
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.....	328,996,231	51,045	(13,629,840)	(5,843,921)	309,573,515
17.1 Other liability - occurrence.....	162,811,219	(2,793,925)	(3,121,184)	1,717,276	158,613,387
17.2 Other liability - claims-made.....	53,421,803	10,915,473	57,191	.0	64,394,467
17.3 Excess workers' compensation.....	1,355,382	.0	(1,425)	.0	1,353,956
18.1 Products liability - occurrence.....	11,845,694	24,923	(395,798)	175,724	11,650,542
18.2 Products liability - claims-made.....	2,604,489	(112,111)	113,939	.0	2,606,318
19.1, 19.2 Private passenger auto liability.....	182,007,734	.0	.0	.0	182,007,734
19.3, 19.4 Commercial auto liability.....	140,293,466	270,202	.0	(1,223,869)	139,339,799
21. Auto physical damage.....	154,417,440	20,867	.0	.0	154,438,306
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	3,989,288	2,518,848	.0	.0	6,508,136
24. Surety.....	90,337	904,938	.0	.0	995,275
26. Burglary and theft.....	533,222	223,894	.0	.0	757,116
27. Boiler and machinery.....	14,801,000	2,412,773	.0	.0	17,213,773
28. Credit.....	1,088	.0	.0	.0	1,088
29. International.....	1,760	.0	.0	.0	1,760
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	2,064,177	994,143	.0	.0	3,058,320
32. Reinsurance - nonproportional assumed liability.....	1,832,708	24,268	.0	.0	1,856,976
33. Reinsurance - nonproportional assumed financial lines.....	228,955	.0	.0	.0	228,955
34. Aggregate write-ins for other lines of business.....	380,629	.0	.0	.0	380,629
35. TOTALS.....	1,897,650,559	28,663,038	(22,691,650)	(5,174,789)	1,898,447,156
36. Accrued retrospective premiums based on experience.....					5,174,789
37. Earned but unbilled premiums.....					22,691,650
38. Balance (sum of Lines 35 through 37).....					1,926,313,596

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	380,629	.0	.0	.0	380,629
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).....	380,629	.0	.0	.0	380,629

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

TRAVELERS CASUALTY AND SURETY 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.....	2,952,809	107,497,770	1,499,902	4,452,711	0	107,497,770
2. Allied lines.....	1,332,125	97,141,171	4,589,420	5,921,545	0	97,141,171
3. Farmowners multiple peril.....	0	34,361,152	0	0	0	34,361,152
4. Homeowners multiple peril.....	29,188,258	652,915,213	1,229,936	30,418,194	0	652,915,213
5. Commercial multiple peril.....	34,513	617,267,787	0	34,513	0	617,267,787
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	2,112	45,120,901	0	2,112	0	45,120,901
9. Inland marine.....	219,964	134,814,907	0	219,964	0	134,814,907
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(33)	0	0	0	(33)
11.2 Medical professional liability - claims-made.....	0	(30,073)	0	0	0	(30,073)
12. Earthquake.....	37,765	23,450,699	0	37,765	0	23,450,699
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	237,990,326	805,594,212	(5,216)	237,985,111	0	805,594,212
17.1 Other liability - occurrence.....	1,112,744	363,691,928	(325,838)	786,906	0	363,691,928
17.2 Other liability - claims-made.....	1,304,034	114,927,398	0	1,304,034	0	114,927,398
17.3 Excess workers' compensation.....	0	3,875,232	0	0	0	3,875,232
18.1 Products liability - occurrence.....	449,521	28,092,205	0	449,521	0	28,092,205
18.2 Products liability - claims-made.....	0	5,309,847	0	0	0	5,309,847
19.1, 19.2 Private passenger auto liability.....	0	447,922,437	0	0	0	447,922,437
19.3, 19.4 Commercial auto liability.....	0	310,745,859	0	0	0	310,745,859
21. Auto physical damage.....	0	372,816,127	0	0	0	372,816,127
22. Aircraft (all perils).....	0	23,985	0	0	0	23,985
23. Fidelity.....	116,623	10,021,929	0	116,623	0	10,021,929
24. Surety.....	44,050,637	2,792,685	440,978	44,491,615	0	2,792,685
26. Burglary and theft.....	62,871	1,331,115	13,183	76,054	0	1,331,115
27. Boiler and machinery.....	0	38,654,625	0	0	0	38,654,625
28. Credit.....	0	471	0	0	0	471
29. International.....	0	464,324	0	0	0	464,324
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	7,588,034	0	0	0	7,588,034
32. Reinsurance - nonproportional assumed liability.....	XXX	3,358,206	3,975	3,975	0	3,358,206
33. Reinsurance - nonproportional assumed financial lines.....	XXX	385,320	0	0	0	385,320
34. Aggregate write-ins for other lines of business.....	0	561,173	0	0	0	561,173
35. TOTALS.....	318,854,301	4,230,696,607	7,446,341	326,300,642	0	4,230,696,607

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	561,173	0	0	0	561,173
3402.	0	0	0	0	0	0
3403.	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	561,173	0	0	0	561,173

(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.....	1,381,146	48,186,924	2,291,556	47,276,515	48,250,162	39,885,192	55,641,484	51.3
2. Allied lines.....	353,310	44,878,441	3,869,877	41,361,873	27,331,338	40,684,894	28,008,317	28.9
3. Farmowners multiple peril.....	0	12,622,200	0	12,622,200	10,010,870	11,209,009	11,424,060	34.0
4. Homeowners multiple peril.....	11,153,259	271,039,622	11,444,554	270,748,327	128,439,540	140,049,135	259,138,732	39.8
5. Commercial multiple peril.....	3,614,219	257,613,966	3,614,219	257,613,966	504,538,152	521,288,398	240,863,720	39.1
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	18,878,661	0	18,878,661	36,492,417	38,727,754	16,643,324	35.7
9. Inland marine.....	47,232	58,354,190	47,232	58,354,190	37,521,799	50,985,630	44,890,359	33.1
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	889,129	0	889,129	2,859,083	4,161,466	(413,254)	168,379.5
11.2 Medical professional liability - claims-made.....	0	30,547	0	30,547	9,893,049	10,742,627	(819,031)	2,723.5
12. Earthquake.....	47	29,144	47	29,144	123,830	1,084,245	(931,272)	(4.0)
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	147,412,511	364,807,610	147,946,213	364,273,908	2,725,770,923	2,639,520,040	450,524,791	56.6
17.1 Other liability - occurrence.....	42,809,953	154,579,105	42,846,501	154,542,557	857,033,880	892,361,741	119,214,695	33.3
17.2 Other liability - claims-made.....	147	86,846,768	147	86,846,768	303,492,542	318,351,833	71,987,477	61.8
17.3 Excess workers' compensation.....	5,512,644	3,921,973	5,512,644	3,921,973	107,696,712	104,131,094	7,487,591	191.6
18.1 Products liability - occurrence.....	7,227,372	28,970,199	7,245,061	28,952,510	153,148,697	171,117,401	10,983,806	38.2
18.2 Products liability - claims-made.....	0	1,087,983	0	1,087,983	6,171,504	6,518,148	741,338	14.4
19.1, 19.2 Private passenger auto liability.....	9,724,789	243,489,389	9,724,789	243,489,389	352,328,033	355,972,713	239,844,709	56.8
19.3, 19.4 Commercial auto liability.....	356,930	174,578,033	356,930	174,578,033	400,507,731	402,730,015	172,355,748	56.6
21. Auto physical damage.....	(2,449)	204,496,085	(2,449)	204,496,085	28,079,476	18,829,430	213,746,130	60.4
22. Aircraft (all perils).....	43,283	60,385	74,923	28,745	1,569,549	1,756,496	(158,202)	(659.6)
23. Fidelity.....	(92,637)	6,170,960	(111,140)	6,189,463	18,061,347	25,949,472	(1,698,662)	(16.6)
24. Surety.....	377,832	746,740	279,367	845,205	11,042,639	15,159,673	(3,271,830)	(158.3)
26. Burglary and theft.....	129	360,882	3,009	358,002	1,441,281	1,335,244	464,040	35.7
27. Boiler and machinery.....	0	12,598,798	0	12,598,798	9,589,008	8,115,059	14,072,747	36.6
28. Credit.....	0	(3,876)	0	(3,876)	1,408,827	1,401,145	3,806	548.4
29. International.....	0	846,798	0	846,798	1,678,570	1,793,738	731,631	157.2
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	2,885,658	5,627	2,880,031	10,172,294	7,059,944	5,992,381	76.4
32. Reinsurance - nonproportional assumed liability.....	XXX	18,823,517	7,072,662	11,750,855	98,783,610	107,523,413	3,011,051	87.3
33. Reinsurance - nonproportional assumed financial lines.....	XXX	177,423	0	177,423	2,955,318	2,951,044	181,697	50.8
34. Aggregate write-ins for other lines of business.....	0	204,359	0	204,359	779,691	700,321	283,730	51.4
35. TOTALS.....	229,919,716	2,018,171,611	242,221,768	2,005,869,559	5,897,171,874	5,942,096,316	1,960,945,117	47.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	204,359	0	204,359	779,691	700,321	283,730	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).....	0	204,359	0	204,359	779,691	700,321	283,730	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.....	598,368	30,518,046	781,296	30,335,118	42,645	17,965,731	93,332	48,250,162	3,202,466
2. Allied lines.....	139,247	21,220,472	409,488	20,950,231	69,788	6,550,001	238,682	27,331,338	8,314,116
3. Farmowners multiple peril.....	0	4,517,191	0	4,517,191	0	5,493,678	0	10,010,870	2,775,334
4. Homeowners multiple peril.....	6,535,365	73,959,640	6,678,877	73,816,128	2,503,883	54,653,665	2,534,135	128,439,540	23,212,633
5. Commercial multiple peril.....	4,163,878	265,336,050	4,255,534	265,244,394	4,526,395	239,293,758	4,526,395	504,538,152	201,094,729
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	21,294	18,964,963	21,360	18,964,896	140	17,527,521	140	36,492,417	8,172,816
9. Inland marine.....	0	26,106,378	0	26,106,378	14,362	11,415,420	14,362	37,521,799	4,611,134
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	1,776,692	0	1,776,692	466,676	1,082,391	466,676	2,859,083	866,700
11.2 Medical professional liability - claims-made.....	0	4,932,694	0	4,932,694	0	4,960,355	0	9,893,049	1,638,207
12. Earthquake.....	0	126,634	0	126,634	(20)	(2,804)	(20)	123,830	81,599
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation.....	765,736,859	1,406,439,616	770,942,755	1,401,233,720	425,304,656	1,324,537,203	425,304,656	2,725,770,923	408,145,964
17.1 Other liability - occurrence.....	67,327,051	199,416,805	67,716,313	199,027,543	502,210,534	658,022,476	502,226,673	857,033,880	301,696,096
17.2 Other liability - claims-made.....	2,117,855	105,916,145	2,117,855	105,916,145	1,912,369	197,576,397	1,912,369	303,492,542	105,532,422
17.3 Excess workers' compensation.....	67,432,121	54,749,281	67,432,121	54,749,281	48,033,241	52,947,430	48,033,241	107,696,712	6,545,460
18.1 Products liability - occurrence.....	27,599,635	34,168,011	28,125,384	33,642,263	70,580,825	119,506,434	70,580,825	153,148,697	146,952,572
18.2 Products liability - claims-made.....	0	1,422,884	0	1,422,884	0	4,748,619	0	6,171,504	4,731,273
19.1, 19.2 Private passenger auto liability.....	338,872,899	203,314,350	338,872,899	203,314,350	2,040,706	149,013,683	2,040,706	352,328,033	50,392,941
19.3, 19.4 Commercial auto liability.....	25,228,840	199,859,779	25,228,840	199,859,779	878,096	200,647,952	878,096	400,507,731	41,577,949
21. Auto physical damage.....	16,847	12,740,483	16,847	12,740,483	73	15,338,993	73	28,079,476	19,927,970
22. Aircraft (all perils).....	1,236,227	1,797,404	1,968,653	1,064,978	1,603	504,570	1,603	1,569,549	1,001,666
23. Fidelity.....	40,499	1,977,002	40,499	1,977,002	8,230	16,084,345	8,230	18,061,347	7,180,020
24. Surety.....	6,827,453	6,852,321	7,565,316	6,114,458	10,789,917	4,928,180	10,789,917	11,042,639	2,042,080
26. Burglary and theft.....	208	1,971	375	1,804	(3,927)	1,439,598	(3,806)	1,441,281	499,912
27. Boiler and machinery.....	0	5,640,680	0	5,640,680	0	3,948,328	0	9,589,008	1,806,263
28. Credit.....	0	360,919	0	360,919	0	1,047,909	0	1,408,827	(108,382)
29. International.....	0	689,195	0	689,195	0	989,375	0	1,678,570	161,923
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	7,145,748	18,835	7,126,913	XXX	3,045,381	0	10,172,294	934,166
32. Reinsurance - nonproportional assumed liability.....	XXX	97,420,201	37,999,174	59,421,028	XXX	39,362,582	0	98,783,610	5,373,353
33. Reinsurance - nonproportional assumed financial lines.....	XXX	844,528	56	844,472	XXX	2,110,847	0	2,955,318	269,533
34. Aggregate write-ins for other lines of business.....	0	101,939	0	101,939	0	677,752	0	779,691	334,127
35. TOTALS.....	1,313,894,646	2,788,318,024	1,360,192,476	2,742,020,194	1,069,380,193	3,155,417,773	1,069,646,286	5,897,171,874	1,358,967,040
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	101,939	0	101,939	0	677,752	0	779,691	334,127
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	101,939	0	101,939	0	677,752	0	779,691	334,127

10

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

TRAVELERS CASUALTY AND SURETY 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.....	106,858,933	0	0	106,858,933
1.2 Reinsurance assumed.....	254,979,336	0	0	254,979,336
1.3 Reinsurance ceded.....	108,330,045	0	0	108,330,045
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	253,508,224	0	0	253,508,224
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	36,664,373	0	36,664,373
2.2 Reinsurance assumed, excluding contingent.....	0	559,098,158	0	559,098,158
2.3 Reinsurance ceded, excluding contingent.....	0	38,278,895	0	38,278,895
2.4 Contingent - direct.....	0	2,598,190	0	2,598,190
2.5 Contingent - reinsurance assumed.....	0	40,336,994	0	40,336,994
2.6 Contingent - reinsurance ceded.....	0	2,598,190	0	2,598,190
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	597,820,630	0	597,820,630
3. Allowances to manager and agents.....	0	693,344	0	693,344
4. Advertising.....	32,532	23,248,172	785	23,281,489
5. Boards, bureaus and associations.....	1,003,932	17,106,304	3,360	18,113,596
6. Surveys and underwriting reports.....	73	16,376,813	0	16,376,886
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	140,002,498	299,910,907	4,158,552	444,071,957
8.2 Payroll taxes.....	10,190,495	19,837,530	162,714	30,190,739
9. Employee relations and welfare.....	24,246,914	47,104,664	391,112	71,742,690
10. Insurance.....	18,813,781	3,647,032	1,801	22,462,614
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	7,411,528	14,750,204	62,226	22,223,958
13. Rent and rent items.....	7,500,377	18,248,851	82,166	25,831,394
14. Equipment.....	1,428,390	7,985,099	32,093	9,445,582
15. Cost or depreciation of EDP equipment and software.....	4,400,652	59,171,513	53,493	63,625,658
16. Printing and stationery.....	535,791	1,704,965	11,115	2,251,871
17. Postage, telephone and telegraph, exchange and express.....	2,357,973	18,078,198	12,984	20,449,155
18. Legal and auditing.....	6,428,868	6,678,526	228,497	13,335,891
19. Totals (Lines 3 to 18).....	224,353,804	554,542,122	5,200,898	784,096,824
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....430,852.....	0	107,375,352	0	107,375,352
20.2 Insurance department licenses and fees.....	0	7,907,873	0	7,907,873
20.3 Gross guaranty association assessments.....	0	44,524	0	44,524
20.4 All other (excluding federal and foreign income and real estate).....	0	3,313,414	0	3,313,414
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	118,641,163	0	118,641,163
21. Real estate expenses.....	0	0	10,387	10,387
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	7,684,046	23,620,853	598,425	31,903,324
25. Total expenses incurred.....	485,546,074	1,294,624,768	5,809,710	(a) 1,785,980,552
26. Less unpaid expenses - current year.....	1,358,967,040	326,264,736	2,067,526	1,687,299,302
27. Add unpaid expenses - prior year.....	1,446,848,160	323,625,850	2,533,757	1,773,007,767
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).....	573,427,194	1,291,985,882	6,275,941	1,871,689,016

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	11,643,276	68,393,746	628,370	80,665,392
2402. Service reimbursements.....	(1,819,055)	(21,533,245)	0	(23,352,300)
2403. Cost of computer software developed for internal use.....	(2,140,175)	(23,239,648)	(29,945)	(25,409,768)
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	7,684,046	23,620,853	598,425	31,903,324

(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).....10,104,941	.....11,045,529
1.1 Bonds exempt from U.S. tax.....	(a).....170,910,539	.....171,686,124
1.2 Other bonds (unaffiliated).....	(a).....145,634,070	.....144,544,014
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....2,493,118	.....2,493,118
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....300,751	.....300,751
2.21 Common stocks of affiliates.....	.....641,745,831	.....641,745,831
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,234,840	.....1,228,961
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....84,496,231	.....84,496,231
9. Aggregate write-ins for investment income.....	.....5,987,884	.....5,987,884
10. Total gross investment income.....	.....1,062,908,205	.....1,063,528,444
11. Investment expenses.....		(g).....5,809,711
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....105,422
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....61,171
16. Total deductions (Lines 11 through 15).....		.....5,976,304
17. Net investment income (Line 10 minus Line 16).....		.....1,057,552,140

DETAILS OF WRITE-INS

0901. Foreign tax withholding.....	.....4,495,529	.....4,495,529
0902. Property and wind plans.....	.....1,007,422	.....1,007,422
0903. Securities lending income.....	.....389,286	.....389,286
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....95,648	.....95,648
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....5,987,884	.....5,987,884
1501. Management fees.....		.....61,171
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....61,171

- (a) Includes \$.....9,389,509 accrual of discount less \$.....53,111,195 amortization of premium and less \$.....7,183,261 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....18 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....13,771,518	.....0	.....13,771,518	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....2,403,733	.....0	.....2,403,733	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....5,692,745	.....(3,620,326)	.....2,072,419	.....(22,914,574)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....(120,000)	.....(120,000)	.....(1,256,792)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....56,919	.....(630,440)	.....(573,521)	.....382,009	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(134,918,761)	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....(18)	.....0	.....(18)	.....0	.....0
7. Derivative instruments.....	.....(8,234,337)	.....0	.....(8,234,337)	.....3,544,007	.....0
8. Other invested assets.....	.....(4,955,817)	.....(8,410,564)	.....(13,366,381)	.....(33,556,656)	.....(8,041,192)
9. Aggregate write-ins for capital gains (losses).....	.....19	.....(207,639)	.....(207,620)	.....0	.....82,666
10. Total capital gains (losses).....	.....8,734,763	.....(12,988,969)	.....(4,254,206)	.....(188,720,767)	.....(7,958,526)

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(207,639)	.....(207,639)	.....0	.....82,666
0902. Miscellaneous.....	.....19	.....0	.....19	.....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).....	.....19	.....(207,639)	.....(207,620)	.....0	.....82,666

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	30,337,878	38,461,527	8,123,649
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).....	30,337,878	38,461,527	8,123,649
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.....	32,133,761	32,404,185	270,425
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	4,994,072	4,285,729	(708,342)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,615,300	1,013,537	(601,763)
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.....	73,518,340	68,050,363	(5,467,977)
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	2,067,932	13,704,322	11,636,390
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	144,667,282	157,919,664	13,252,382
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	144,667,282	157,919,664	13,252,382

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Amounts receivable under high deductible policies.....	1,680,677	1,561,221	(119,456)
2502. Other assets nonadmitted.....	387,255	12,143,101	11,755,846
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,067,932	13,704,322	11,636,390

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices:

Travelers Casualty and Surety Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The Company has not applied for and does not believe that it employs any statutory accounting practices that would be considered a permitted practice in its financial statements.

<u>Net Income</u>	<u>State of Domicile</u>	<u>2015</u>	<u>2014</u>
1. Travelers Casualty and Surety Company state basis	CT	\$ 1,259,164,465	\$ 1,141,292,545
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>\$ 1,259,164,465</u>	<u>\$ 1,141,292,545</u>
 <u>Surplus</u>			
5. Travelers Casualty and Surety Company state basis	CT	\$ 6,376,266,631	\$ 6,469,470,525
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>\$ 6,376,266,631</u>	<u>\$ 6,469,470,525</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. Goodwill is recognized in accordance with SSAP No. 68, *Business Combinations and Goodwill*, and amortized to unrealized capital losses over a period not to exceed 10 years.

The provision for federal income taxes is comprised of two components: current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities.

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

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

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

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

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 or (losses).

The Company also exercises 100% control over Travelers Lloyds of Texas Insurance Company, an unincorporated association, reported on Schedule BA based on the underlying statutory equity of its financial statements.

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 or (losses).

For accounting policy in regards to derivative instruments, see Note 8.

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

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

NOTES TO FINANCIAL STATEMENTS

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:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

- The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities are revalued quarterly using the constant effective yield method which includes an adjustment for estimated principal 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.

- 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	\$ -	\$ -	\$ -
(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	\$ 840,834	\$ 253,745	\$ 731,326
Annual Aggregate Total:		<u>\$ 253,745</u>	

- 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
36242DKV4	\$ 840,834	\$ 587,089	\$ 253,745	\$ 587,089	\$ 731,326	Q4 - 2015
Total:			<u>\$ 253,745</u>			

NOTES TO FINANCIAL STATEMENTS

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	\$	1,760,525
	2. 12 Months or Longer	\$	124,086
b. The aggregate related fair value of securities with unrealized losses:			
	1. Less than 12 Months	\$	141,970,699
	2. 12 Months or Longer	\$	7,959,291

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> 30 Days or Less	<u>Amortized Cost</u> \$ 51,976,646	<u>Fair Value</u> \$ 51,976,646
--	--	------------------------------------

6. Not applicable.

7. Not applicable.

F. Real Estate:

Not applicable.

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

Not applicable.

H. Restricted Assets:

1. Restricted Assets (Including Pledged)

	Gross Restricted								Percentage	
	Current Year									
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	51,976,646	-	-	-	51,976,646	41,508,769	10,467,877	51,976,646	0.3%	0.3%
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	661,644,298	-	-	-	661,644,298	680,763,256	(19,118,958)	661,644,298	4.0%	4.1%
k. On deposit with other regulatory bodies	38,248,710	-	-	-	38,248,710	14,651,409	23,597,301	38,248,710	0.2%	0.2%

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	23,707,322	-	-	-	23,707,322	19,705,925	4,001,397	23,707,322	0.1%	0.1%
n. Other restricted assets	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 775,576,976	\$ -	\$ -	\$ -	\$ 775,576,976	\$ 756,629,359	\$ 18,947,617	\$ 775,576,976	4.7%	4.8%

(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	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
Bonds - Reinsurance	\$ 15,702,088	\$ -	\$ -	\$ -	\$ 15,702,088	\$ 15,709,378	\$ (7,290)	\$ 15,702,088	0.1%	0.1%
Bonds - Futures	8,005,234	-	-	-	8,005,234	3,996,547	4,008,687	8,005,234	0.0%	0.0%
Total	\$ 23,707,322	\$ -	\$ -	\$ -	\$ 23,707,322	\$ 19,705,925	\$ 4,001,397	\$ 23,707,322	0.1%	0.1%

(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 or (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 \$8,410,564 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

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

B. At December 31, 2015, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

From time to time, the Company enters into U.S. Treasury note futures contracts to modify the effective duration of specific assets within the investment portfolio. U.S. Treasury futures contracts require a daily mark-to-market and settlement with the broker. The Company does not hold or issue derivative instruments for trading purposes.

To hedge the Company's overall risk exposure to changes in interest rates, the Company enters into short positions in financial futures contracts which offset asset price changes resulting from changes in market interest rates. These transactions are economic hedges of exposure and, because these derivative instruments have not been designated as accounting hedges, the contracts are reported at fair value. The open derivative contracts are settled daily at fair value with the changes in fair value reported as unrealized capital gain (loss). Upon closing of contracts the unrealized capital gain or (loss) is reported as a realized capital gain (loss).

The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

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

	<u>December 31, 2015</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a. Gross deferred tax assets	\$ 315,945,019	\$ 63,818,271	\$ 379,763,290
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	<u>315,945,019</u>	<u>63,818,271</u>	<u>379,763,290</u>
d. Deferred tax assets nonadmitted	<u>18,374,642</u>	<u>55,143,698</u>	<u>73,518,340</u>
e. Subtotal net admitted deferred tax assets	297,570,377	8,674,573	306,244,950
f. Deferred tax liabilities	<u>60,077,629</u>	<u>1,480,893</u>	<u>61,558,522</u>
g. Net admitted deferred tax asset/(liability)	<u>\$ 237,492,748</u>	<u>\$ 7,193,680</u>	<u>\$ 244,686,428</u>

	<u>December 31, 2014</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 338,179,945	\$ 43,616,719	\$ 381,796,664
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	<u>338,179,945</u>	<u>43,616,719</u>	<u>381,796,664</u>
d. Deferred tax assets nonadmitted	<u>37,613,931</u>	<u>30,436,432</u>	<u>68,050,363</u>
e. Subtotal net admitted deferred tax assets	300,566,014	13,180,287	313,746,301
f. Deferred tax liabilities	<u>53,006,669</u>	<u>9,643,777</u>	<u>62,650,446</u>
g. Net admitted deferred tax asset/(liability)	<u>\$ 247,559,345</u>	<u>\$ 3,536,510</u>	<u>\$ 251,095,855</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ (22,234,926)	\$ 20,201,552	\$ (2,033,374)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	<u>(22,234,926)</u>	<u>20,201,552</u>	<u>(2,033,374)</u>
d. Deferred tax assets nonadmitted	<u>(19,239,289)</u>	<u>24,707,266</u>	<u>5,467,977</u>
e. Subtotal net admitted deferred tax assets	(2,995,637)	(4,505,714)	(7,501,351)
f. Deferred tax liabilities	<u>7,070,960</u>	<u>(8,162,884)</u>	<u>(1,091,924)</u>
g. Net admitted deferred tax asset/(liability)	<u>\$ (10,066,597)</u>	<u>\$ 3,657,170</u>	<u>\$ (6,409,427)</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.	\$ 189,537,313	\$ 7,066,020	\$ 196,603,333
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)	47,955,435	127,660	48,083,095
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	47,955,435	127,660	48,083,095
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	919,737,030
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.	60,077,629	1,480,893	61,558,522
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total 2(a) + 2(b) + 2(c)	<u>297,570,377</u>	<u>8,674,573</u>	<u>306,244,950</u>
Deferred tax liabilities netted against deferred tax assets	<u>60,077,629</u>	<u>1,480,893</u>	<u>61,558,522</u>
Total	<u>\$ 237,492,748</u>	<u>\$ 7,193,680</u>	<u>\$ 244,686,428</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.	\$ 207,332,019	\$ 3,280,158	\$ 210,612,177
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).	40,227,326	256,352	40,483,678
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	40,227,326	256,352	40,483,678
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	932,756,200
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.	53,006,669	9,643,777	62,650,446

NOTES TO FINANCIAL STATEMENTS

<p>d. Deferred tax assets admitted as the result of application of SSAP No. 101.</p>	<u>300,566,014</u>	<u>13,180,287</u>	<u>313,746,301</u>
Total (2(a) + 2(b)+ 2(c))	<u>300,566,014</u>	<u>13,180,287</u>	<u>313,746,301</u>
Deferred tax liabilities netted against deferred tax assets	<u>53,006,669</u>	<u>9,643,777</u>	<u>62,650,446</u>
Total	<u>\$ 247,559,345</u>	<u>\$ 3,536,510</u>	<u>\$ 251,095,855</u>
<div style="display: flex; justify-content: space-around; border-top: 1px solid black; margin-top: 10px;"> Change </div>			
<div style="display: flex; justify-content: space-around; border-bottom: 1px solid black; margin-bottom: 10px;"> Ordinary Capital Total </div>			
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ (17,794,706)	\$ 3,785,862	\$ (14,008,844)
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).	7,728,109	(128,692)	7,599,417
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	7,728,109	(128,692)	7,599,417
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(13,019,170)
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.	7,070,960	(8,162,884)	(1,091,924)
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>(2,995,637)</u>	<u>(4,505,714)</u>	<u>(7,501,351)</u>
Deferred tax liabilities netted against deferred tax assets	<u>7,070,960</u>	<u>(8,162,884)</u>	<u>(1,091,924)</u>
Total	<u>\$ (10,066,597)</u>	<u>\$ 3,657,170</u>	<u>\$ (6,409,427)</u>
<div style="display: flex; justify-content: space-around; border-top: 1px solid black; margin-top: 10px;"> 2015 2014 </div>			
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	587%	572%	
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	6,131,580,203	6,218,374,670	
4. Impact of Tax Planning Strategies:			
<div style="display: flex; justify-content: center; border-bottom: 1px solid black; margin-bottom: 10px;"> December 31, 2015 </div>			
<div style="display: flex; justify-content: space-around; border-bottom: 1px solid black; margin-bottom: 10px;"> Ordinary Capital </div>			
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)	315,945,019	63,818,271	
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)	297,570,377	8,674,573	
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%	
<div style="display: flex; justify-content: center; border-bottom: 1px solid black; margin-bottom: 10px;"> December 31, 2014 </div>			
<div style="display: flex; justify-content: space-around; border-bottom: 1px solid black; margin-bottom: 10px;"> Ordinary Capital </div>			
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)	338,179,945	43,616,719	
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)	300,566,014	13,180,287	
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%	
<div style="display: flex; justify-content: center; border-top: 1px solid black; margin-top: 10px;"> Change </div>			
<div style="display: flex; justify-content: space-around; border-bottom: 1px solid black; margin-bottom: 10px;"> Ordinary Capital </div>			
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)	(22,234,926)	20,201,552	

NOTES TO FINANCIAL STATEMENTS

2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	(2,995,637)	(4,505,714)
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

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

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

As of December 31, 2015, the Company had undistributed earnings of \$117,913,566 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	\$ 205,966,055	\$ 205,728,739	\$ 237,316
Foreign	<u>4,756,631</u>	<u>668,184</u>	<u>4,088,447</u>
Subtotal	210,722,686	206,396,923	4,325,763
Federal income taxes on net capital gains	<u>5,763,359</u>	<u>321,243</u>	<u>5,442,116</u>
Federal and foreign income taxes incurred	<u>\$ 216,486,045</u>	<u>\$ 206,718,166</u>	<u>\$ 9,767,879</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	\$ 139,101,073	\$ 151,554,343	\$ (12,453,270)
Unearned premium reserve	134,842,045	130,044,871	4,797,174
Nonadmitted assets	24,902,130	27,339,709	(2,437,579)
Other	<u>17,099,771</u>	<u>29,241,022</u>	<u>(12,141,251)</u>
Total ordinary deferred tax assets	\$ 315,945,019	\$ 338,179,945	\$ (22,234,926)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>18,374,642</u>	<u>37,613,931</u>	<u>(19,239,289)</u>
Admitted ordinary deferred tax assets	<u>\$ 297,570,377</u>	<u>\$ 300,566,014</u>	<u>\$ (2,995,637)</u>
<u>Capital:</u>			
Investments	\$ 63,818,271	\$ 43,616,719	\$ 20,201,552
Total capital deferred tax assets	\$ 63,818,271	\$ 43,616,719	\$ 20,201,552
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>55,143,698</u>	<u>30,436,432</u>	<u>24,707,266</u>
Admitted capital deferred tax assets	<u>\$ 8,674,573</u>	<u>\$ 13,180,287</u>	<u>\$ (4,505,714)</u>
Total admitted deferred tax assets:	<u>\$ 306,244,950</u>	<u>\$ 313,746,301</u>	<u>\$ (7,501,351)</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	\$ 59,836,108	\$ 52,726,225	\$ 7,109,883
Other	<u>241,521</u>	<u>280,444</u>	<u>(38,923)</u>
Total ordinary deferred tax liabilities	\$ 60,077,629	\$ 53,006,669	\$ 7,070,960
<u>Capital:</u>			
Investments	\$ 1,480,893	\$ 9,643,777	\$ (8,162,884)
Total capital deferred tax liabilities	\$ 1,480,893	\$ 9,643,777	\$ (8,162,884)
Total deferred tax liabilities:	<u>\$ 61,558,522</u>	<u>\$ 62,650,446</u>	<u>\$ (1,091,924)</u>
4. Net admitted deferred tax asset/(liability)	<u>\$ 244,686,428</u>	<u>\$ 251,095,855</u>	<u>\$ (6,409,427)</u>

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

6. Deferred income taxes do not include a benefit 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.

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	\$ 379,763,290	\$ 381,796,664	\$ (2,033,374)
Total deferred tax liabilities	<u>61,558,522</u>	<u>62,650,446</u>	<u>(1,091,924)</u>
Net deferred tax asset/(liability)	<u>\$ 318,204,768</u>	<u>\$ 319,146,218</u>	<u>(941,450)</u>
Deferred tax change in cumulative effect			<u>(19,663,769)</u>
Change in net deferred income tax			<u>\$ (20,605,219)</u>

NOTES TO FINANCIAL STATEMENTS

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

Rate Reconciliation:	
	<u>December 31, 2015</u>
Pretax net income (loss)	\$1,475,650,511
Taxes at statutory rate	516,477,679
Increase (decrease) attributable to:	
Nontaxable investment income	(279,288,812)
Other	<u>(97,603)</u>
	<u>\$ 237,091,264</u>
Federal and foreign taxes incurred	\$ 216,486,045
Change in net deferred taxes	<u>20,605,219</u>
Total statutory income tax	<u>\$ 237,091,264</u>
Effective tax rate	16.1%

- E. 1. The Company has no net operating loss carryforward available for tax purposes.
2. The Company has \$208,397,722, \$198,909,485, and \$37,647,197 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) Through December 31, 2015, the Company sold \$518.9 million of securities to the Travelers Money Market Liquidity Pool (TRVMMLP) as follows:

(in millions)	<u>Proceeds</u>
January 27, 2015	\$ 30.0
February 24, 2015	46.6
March 3, 2015	23.7
March 20, 2015	81.6
April 17, 2015	12.6
June 19, 2015	81.2
August 24, 2015	82.4
August 27, 2015	10.1
September 25, 2015	90.0
November 23, 2015	36.7
December 22, 2015	24.0

- (2) In December 2015, the Company purchased \$450.0 million of securities from its affiliate, United States Fidelity and Guaranty Company (USF&G).
- (3) In November and December 2014, the Company sold \$194.0 million and \$167.8 million, respectively, of securities to the TRVMMLP.

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 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 \$79,646,386 and \$88,413,166 receivable from 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	\$ 264,885,328	\$ 259,016,754
Amounts recoverable from reinsurers	24,786,695	28,307,456
Reinsurance payable on paid losses and LAE	236,835,093	227,746,907

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

- E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets or liabilities.
- 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 Travelers Insurance Group Holdings Inc. (TIGHI), an indirect subsidiary of TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.
- H. Not applicable.
- I. The Company owns 100% of Travelers Casualty and Surety Company of America (TCSA), whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in TCSA at TCSA's statutory equity. The statement value of TCSA's assets and liabilities as of December 31, 2015 was \$4.18 billion and \$2.08 billion, respectively. TCSA's net income was \$470.0 million for the year ended December 31, 2015.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.
- 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	Date of	Type of	NAIC	NAIC	Valuation Method
<u>Investment</u>	<u>Gross</u>	<u>Nonadmitted</u>	<u>Admitted</u>	<u>Filing</u>	<u>NAIC Filing</u>	<u>Response</u>	<u>Valuation</u>	<u>Disallowed,</u>
	<u>Amount</u>	<u>Amount</u>	<u>Asset</u>	<u>to NAIC</u>	<u>NAIC Filing</u>	<u>(yes/no)</u>	<u>(Amount)</u>	<u>Resubmission</u>
			<u>Amount</u>					<u>Required</u>
								<u>(yes/no)</u>
8527512 Canada Inc.	\$ 402,988,666	\$ -	\$ 402,988,666	8/17/2015	Sub II	yes	\$ 402,988,666	no
Travelers Insurance Company of Canada	353,924,964	-	353,924,964	8/19/2015	Sub II	yes	353,924,364	no
Total:	\$ 756,913,630	-	\$ 756,913,630	XXX	XXX	XXX	\$ 756,913,030	XXX

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.

- 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.
- 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

NOTES TO FINANCIAL STATEMENTS

expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$25,647,838 and \$19,982,402 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 \$1,090,946 and \$670,685 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 \$19,028,113 and \$18,343,724 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 1,000 shares of common capital stock authorized, issued and outstanding with a par value of \$25,000 per share.

The Company paid ordinary dividends of \$500 million and extraordinary dividends of \$668 million for a total of \$1.168 billion in 2015, to its parent company, TIGHI. In 2014, the Company paid ordinary dividends of \$1.164 billion and extraordinary dividends of \$341 million for a total \$1.505 billion to TIGHI.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by 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 \$1,259,164,000.

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 \$2,116,425,143.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

At December 31, 2015, the Company had commitments to fund investments of \$730.5 million.

B. Assessments:

1. The Company has accrued liabilities of \$49.0 million for guaranty fund and other insurance-related assessments and related recoverables of \$1.7 million 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	\$ 755,475
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	177,319
Premium tax offset refund	-
c. Increases current year:	
Premium tax offset accrued	<u>467,447</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2015	<u>\$ 1,045,603</u>

C. Gain Contingencies:

On August 17, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company v. American Re-Insurance Company, et al.*, the trial court granted summary judgment for 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

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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:

Not applicable.

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

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

In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 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

Not applicable.

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 \$730.5 million at December 31, 2015.

In prior years, the Company underwrote financial guarantee insurance representing the Company's participation in the Municipal Bond Insurance Association's (MBIA) guarantee of municipal bond obligations. See Note 36 for additional discussion.

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

A. Transfers of Receivables Reported as Sales:

Not applicable.

B. Transfer and Servicing of Financial Assets:

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

C. Wash Sales:

Not applicable.

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

Not applicable.

19. DIRECT 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.

NOTES TO FINANCIAL STATEMENTS

- 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	\$ -	\$ 131,820,093	\$ -	\$ 131,820,093
Preferred stock				
Redeemable	-	29,968,750	-	29,968,750
Non-redeemable	136,000	2,616,878	-	2,752,878
Total preferred stock	136,000	32,585,628	-	32,721,628
Common stock				
Industrial and miscellaneous	6,983,400	-	-	6,983,400
Total securities at fair value	<u>\$ 7,119,400</u>	<u>\$ 164,405,721</u>	<u>\$ -</u>	<u>\$ 171,525,121</u>

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

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

2. Not applicable.
3. Not applicable.
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.

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.

<u>(At December 31, 2015)</u> <u>Description</u>	<u>Aggregate</u> <u>Fair Value</u>	<u>Admitted</u> <u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not</u> <u>Practicable</u> <u>(Carrying</u> <u>Value)</u>
Short term bonds	\$ 531,267,923	\$ 531,266,995	\$ 183,898,622	\$ 347,369,301	\$ -	\$ -
Long term bonds	9,370,067,925	9,063,055,201	316,658,237	9,044,981,159	8,428,529	-
Preferred stock	34,371,628	33,881,628	136,000	34,235,628	-	-
Common stock	6,983,400	6,983,400	6,983,400	-	-	-

<u>(At December 31, 2014)</u> <u>Description</u>	<u>Aggregate</u> <u>Fair Value</u>	<u>Admitted</u> <u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not</u> <u>Practicable</u> <u>(Carrying</u> <u>Value)</u>
Short term bonds	\$ 541,934,038	\$ 541,934,038	\$ 138,197,241	\$ 403,262,750	\$ 474,047	\$ -
Long term bonds	9,565,813,182	9,111,770,819	419,435,287	9,142,212,483	4,165,412	-
Preferred stock	35,813,420	35,258,420	3,485,500	32,327,920	-	-
Common stock	2,261,798	2,261,798	2,261,798	-	-	-

D. Not applicable.

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.

NOTES TO FINANCIAL STATEMENTS

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	<u>Accident Years</u>				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 & Prior</u>
Part 1A	\$ 496	\$ 106	\$ 84	\$ 234	\$ 748
Part 1B	198	75	43	51	44,891
Part 1C	2,947	3,185	1,836	980	10,227
Part 1D	71,434	67,563	72,090	64,838	846,652
Part 1E	6,867	5,378	4,216	3,313	58,653
Part 1F - Section 1	50	115	503	1,598	1,214
Part 1F - Section 2	135	2,788	319	484	7,399
Part 1G	(18)	120	487	314	13,134
Part 1H - Section 1	14,058	11,849	20,101	12,985	479,237
Part 1H - Section 2	4,113	2,110	6,333	3,336	35,019
Part 1M	-	-	4	-	484
Part 1N	2	27	13	137	5,289
Part 1O	293	685	2,136	3,712	83,942
Part 1P	93	101	128	266	1,460
Part 1R - Section 1	3,558	4,627	3,978	5,378	160,788
Part 1R - Section 2	97	121	107	149	2,247

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	\$ (63)	\$ (45)	\$ (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(945)	(936)	(225)	(8,806)	-	(235)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(287)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(1,909)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(94)	-	-	-	-	-	-	-	-
Reinsurance B	(957)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

Not applicable.

F. Subprime Mortgage Related Risk Exposure:

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

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

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

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

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

Direct exposure through other investments:

	<u>Actual Cost</u>	<u>Book/Adjusted Carrying Value (excluding interest)</u>	<u>Fair Value</u>	<u>Other-Than-Temporary Impairment Losses Recognized</u>
Residential mortgage-backed securities	\$ 40,633,860	\$ 38,621,815	\$ 48,210,379	\$ 16,455,775

G. Insurance-Linked Securities:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**22. EVENTS SUBSEQUENT**

The Company had no material subsequent events through February 15, 2016.

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

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Discover Specialty Insurance Company	52-1925132	8,335,548
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:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 1,926,313,596	\$ 262,933,305	\$ 180,103,546	\$ 24,583,339	\$ 1,746,210,050	\$ 238,349,966
All Other	<u>7,834,709</u>	<u>1,069,403</u>	-	-	<u>7,834,709</u>	<u>1,069,403</u>
Total	<u>\$ 1,934,148,305</u>	<u>\$ 264,002,708</u>	<u>\$ 180,103,546</u>	<u>\$ 24,583,339</u>	<u>\$ 1,754,044,759</u>	<u>\$ 239,419,369</u>

Direct Unearned Premium Reserve \$ 172,268,836

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$43,534,964 at December 31, 2015. This balance represents the Company's 20.36% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 2,799,912	\$ 43,534,964	\$ 2,799,912	\$ 43,534,964
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 2,799,912</u>	<u>\$ 43,534,964</u>	<u>\$ 2,799,912</u>	<u>\$ 43,534,964</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 1,913,840	\$ 98,813,722
(2) Adjustments - Prior Year(s)	(535,820)	36,872,375
(3) Adjustments - Current Year	<u>(183,682)</u>	<u>(725,799)</u>
(4) Current Total	<u>\$ 1,194,338</u>	<u>\$ 134,960,298</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,128,656	\$ 87,560,276
(2) Adjustments - Prior Year(s)	192,579	7,433,985
(3) Adjustments - Current Year	<u>550</u>	<u>19,882</u>
(4) Current Total	<u>\$ 2,321,785</u>	<u>\$ 95,014,143</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 922,838	\$ 118,064,578
(2) Current Year	<u>22,748</u>	<u>1,904,896</u>
(3) Current Total	<u>\$ 945,586</u>	<u>\$ 119,969,474</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 214,816	\$ 11,253,446
(2) Adjustments - Prior Year(s)	728,399	29,438,390
(3) Adjustments - Current Year	<u>184,232</u>	<u>(745,681)</u>
(4) Current Year Restricted Surplus	<u>1,127,447</u>	<u>13,630,888</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 26,315,267</u>

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 1,099,440	\$ -
General Reinsurance Corporation (22039)	-	63,511,432
Renaissance Reinsurance U.S. Inc. (10357)	-	18,722,155
XL Reinsurance America Inc. (20583)	-	16,056,495
TIG Insurance Company (25534)	-	15,271,376
Swiss Reinsurance America Corporation (25364)	-	5,751,154
Westport Insurance Corporation (39845)	-	3,473,254
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	2,728,240
Excalibur Reinsurance Corp. (39675)	-	2,222,046
Various	<u>94,898</u>	<u>7,224,146</u>
Total	<u>\$ 1,194,338</u>	<u>\$ 134,960,298</u>

NOTES TO FINANCIAL STATEMENTS

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)	\$ 136,611	\$ -
Westport Insurance Corporation (39845)	37,977	-
General Reinsurance Corporation (22039)	34,461	34,461
Renaissance Reinsurance U.S. Inc. (10357)	12,049	-
Swiss Reinsurance America Corporation (25364)	2,552	2,552
Various	18,249	486
Total	<u>\$ 241,899</u>	<u>\$ 37,499</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
Excalibur Reinsurance Corp. (39675)	\$ 232,926	\$ 232,513	\$ -
Total	<u>\$ 232,926</u>	<u>\$ 232,513</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

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

Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation:

Not applicable.

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	\$17,904,100
2. Unsecured amount	4,396,420
3. Less: Nonadmitted amount (10%)	439,642
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>1,175,658</u>
5. Admitted amount (1) - (3) - (4)	<u>\$16,288,800</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 \$134,096,000, 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.

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.

NOTES TO FINANCIAL STATEMENTS**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 \$52,836,930 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 <u>Eliminated by Annuities</u> \$ 600,833,368	Unrecorded Loss <u>Contingencies</u> \$ 600,833,368	
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	\$ 176,868,332
	MetLife Insurance Company USA, Charlotte, NC	Yes	63,691,982
	Genworth Life Insurance Company, Richmond, VA	Yes	45,019,851
	Symetra Life Insurance Company, Bellevue, WA	Yes	42,669,950
	Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	41,351,200
	All other companies		231,232,053

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

NOTES TO FINANCIAL STATEMENTS**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 \$1,090,039,259 and the amount billed and outstanding on paid claims was \$11,073,942. 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 \$371,441,811 and \$22,279,618 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	\$ 73,502,858	\$ 91,020,140
2.	Other Liability-Occurrence	<u>2,269,326</u>	<u>32,749,671</u>
3.	Total	<u>\$ 75,772,184</u>	<u>\$ 123,769,811</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

- B. Non-tabular reserves have not been discounted.
C. No changes in the rates or other key assumptions used to discount prior accident year reserves have been made.

33. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 20.36%.

- 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.

NOTES TO FINANCIAL STATEMENTS

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 \$102.3 million decrease to the Company's direct asbestos reserves and a \$97.2 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:	\$ 557,326,199	\$ 520,276,612	\$ 499,440,712	\$ 484,677,517	\$ 473,180,438
b. Incurred losses and LAE:	28,504,000	26,121,880	35,406,040	51,451,553	61,405,760
c. Calendar year payments for losses and LAE:	<u>65,553,587</u>	<u>46,957,780</u>	<u>50,169,235</u>	<u>62,948,632</u>	<u>165,828,775</u>
d. Ending reserves:	<u>\$ 520,276,612</u>	<u>\$ 499,440,712</u>	<u>\$ 484,677,517</u>	<u>\$ 473,180,438</u>	<u>\$ 368,757,423</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:	\$ 41,069,026	\$ 45,390,408	\$ 45,760,432	\$ 43,876,679	\$ 37,920,491
b. Incurred losses and LAE:	11,198,000	6,657,720	3,277,960	1,077,247	1,506,640
c. Calendar year payments for losses and LAE:	<u>6,876,618</u>	<u>6,287,696</u>	<u>5,161,713</u>	<u>7,033,435</u>	<u>5,715,949</u>
d. Ending reserves:	<u>\$ 45,390,408</u>	<u>\$ 45,760,432</u>	<u>\$ 43,876,679</u>	<u>\$ 37,920,491</u>	<u>\$ 33,711,182</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:	\$ 518,318,717	\$ 496,204,934	\$ 481,763,570	\$ 476,348,773	\$ 477,825,979
b. Incurred losses and LAE:	35,630,000	33,594,000	38,684,000	50,900,000	44,792,000
c. Calendar year payments for losses and LAE:	<u>57,743,783</u>	<u>48,035,364</u>	<u>44,098,797</u>	<u>49,422,794</u>	<u>156,643,089</u>
d. Ending reserves:	<u>\$ 496,204,934</u>	<u>\$ 481,763,570</u>	<u>\$ 476,348,773</u>	<u>\$ 477,825,979</u>	<u>\$ 365,974,890</u>

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

1. Direct Basis:	\$ 285,612,380
2. Assumed Reinsurance Basis:	\$ 9,577,692
3. Net of Ceded Reinsurance Basis:	\$ 271,849,381

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

1. Direct Basis:	\$ 133,806,008
2. Assumed Reinsurance Basis:	\$ 525,196
3. Net of Ceded Reinsurance Basis:	\$ 127,950,373

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

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

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

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage and relevant judicial interpretations. In addition, the Company considers the many variables presented, such as: the nature of the alleged activities of the policyholder at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of the alleged environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. Conventional actuarial 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.

NOTES TO FINANCIAL STATEMENTS

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:	\$ 61,355,831	\$ 58,921,818	\$ 57,735,040	\$ 55,675,997	\$ 55,931,519
b. Incurred losses and LAE:	13,437,600	16,114,940	14,239,784	18,486,880	16,461,060
c. Calendar year payments for losses and LAE:	<u>15,871,613</u>	<u>17,301,718</u>	<u>16,298,827</u>	<u>18,231,358</u>	<u>10,315,018</u>
d. Ending reserves:	<u>\$ 58,921,818</u>	<u>\$ 57,735,040</u>	<u>\$ 55,675,997</u>	<u>\$ 55,931,519</u>	<u>\$ 62,077,561</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:	\$ 10,721,729	\$ 11,655,631	\$ 14,032,290	\$ 13,049,507	\$ 12,557,729
b. Incurred losses and LAE:	2,850,400	4,041,460	317,616	651,520	30,540
c. Calendar year payments for losses and LAE:	<u>1,916,498</u>	<u>1,664,801</u>	<u>1,300,399</u>	<u>1,143,298</u>	<u>1,033,814</u>
d. Ending reserves:	<u>\$ 11,655,631</u>	<u>\$ 14,032,290</u>	<u>\$ 13,049,507</u>	<u>\$ 12,557,729</u>	<u>\$ 11,554,455</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:	\$ 71,366,480	\$ 69,498,234	\$ 70,737,880	\$ 66,996,194	\$ 67,585,187
b. Incurred losses and LAE:	15,473,600	18,324,000	13,172,920	17,713,200	14,659,200
c. Calendar year payments for losses and LAE:	<u>17,341,846</u>	<u>17,084,354</u>	<u>16,914,606</u>	<u>17,124,207</u>	<u>11,151,036</u>
d. Ending reserves:	<u>\$ 69,498,234</u>	<u>\$ 70,737,880</u>	<u>\$ 66,996,194</u>	<u>\$ 67,585,187</u>	<u>\$ 71,093,351</u>

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

1. Direct Basis:	\$ 61,432,319
2. Assumed Reinsurance Basis:	\$ 7,286,505
3. Net of Ceded Reinsurance Basis	\$ 66,724,858

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

1. Direct Basis:	\$ 20,026,349
2. Assumed Reinsurance Basis:	\$ (1,652)
3. Net of Ceded Reinsurance Basis	\$ 19,413,553

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.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

In prior years, the Company underwrote financial guaranty insurance representing the Company's participation in the Municipal Bond Insurance Association's (MBIA) guarantee of municipal bond obligations. The Company has no net exposure for the guarantee of principal and interest for such securities as the Company's participation in MBIA has been reinsured. The gross amount of such financial guarantees was \$4.6 million and \$15.9 million at December 31, 2015 and 2014, respectively.

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: 05/01/2015
- 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). 03/14/2011
- 3.4 By what department or departments? Connecticut
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 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 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | 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 | 2 |
|-------------|----------------|
| Nationality | 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 | 2 | 3 | 4 | 5 | 6 |
|----------------|------------------------|-----|-----|------|-----|
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | 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 an exemptions to the prohibited non-audit services provided by the certified independent public account 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 complied 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 [X]
- 12.11 Name of real estate holding company _____
- 12.12 Number of parcels involved _____ 0
- 12.13 Total book/adjusted carrying value _____ \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0			0

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers \$ 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 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 No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 51,976,646

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 51,976,646

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 51,976,646

24.103 Total payable for securities lending reported on the liability page: \$ 51,976,646

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 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 \$ 661,644,298

25.29 On deposit with other regulatory bodies \$ 38,248,710

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 23,707,322

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
		\$ <u>0</u>

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

27.2 If yes, state the amount thereof at December of the current year: \$ 0

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

28.01 For 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

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)
Citigroup Inc.	390 Greenwich Street, New York, NY 10013	Brokerage account
Citibank Futures	1 S Wacker, 10th Fl, Chicago, IL 60606	Futures 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

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		

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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	9,594,322,196	9,901,335,851	307,013,655
30.2	Preferred Stocks	33,881,628	34,371,628	490,000
30.3	Totals	9,628,203,823	9,935,707,478	307,503,655

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 [] No [X]

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a 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:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 10,337,883

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	\$ 4,688,260

34.1 Amount of payments for legal expenses, if any? \$ 16,774,212

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? \$ 328,199

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	\$	4,165,014,675	4,068,612,855
2.3	Premium Ratio (2.1/2.2)		0.000	0.000
2.4	Reserve Numerator	\$	0	0
2.5	Reserve Denominator	\$	9,423,314,913	9,478,011,803
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	\$		69,402,334
3.22	Non-participating policies	\$		4,161,294,273
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?			N/A []
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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: <u>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.</u>		
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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, (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 (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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
11.2	If yes, give full information		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:		
	12.11 Unpaid losses	\$	12,997,213
	12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	2,293,625
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?	\$	19,687,259
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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	\$								1,229,977,441
12.62	Collateral and other funds	\$								376,680,820
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$								9,830,497
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 Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium 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).....	2,320,654,584	2,248,065,421	2,213,236,613	2,115,082,683	1,982,938,179
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	747,759,827	721,930,050	712,117,413	686,830,304	689,948,334
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,418,798,482	1,425,544,642	1,440,915,444	1,434,302,675	1,429,697,906
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	58,448,820	75,443,022	68,844,953	59,688,338	74,349,065
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	11,335,535	12,673,282	11,780,388	10,776,087	9,993,931
6. Total (Line 35).....	4,556,997,249	4,483,656,417	4,446,894,811	4,306,680,086	4,186,927,415
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).....	2,080,129,012	1,996,324,967	1,967,639,199	1,892,992,700	1,813,004,334
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	737,051,789	709,945,969	701,860,747	675,295,092	676,540,557
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,388,343,664	1,384,974,646	1,405,356,678	1,387,567,175	1,380,308,941
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	13,840,582	7,244,365	14,368,775	16,443,386	19,835,911
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	11,331,560	12,679,783	11,768,415	10,761,876	9,991,984
12. Total (Line 35).....	4,230,696,607	4,111,169,728	4,100,993,814	3,983,060,229	3,899,681,727
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	423,898,716	344,109,669	318,176,312	(23,695,352)	(360,385,589)
14. Net investment gain (loss) (Line 11).....	1,047,534,575	1,005,415,285	1,003,603,134	683,340,632	947,940,069
15. Total other income (Line 15).....	5,454,275	4,570,909	24,612,174	11,174,717	4,623,181
16. Dividends to policyholders (Line 17).....	7,000,415	6,406,394	5,924,797	8,193,357	7,095,251
17. Federal and foreign income taxes incurred (Line 19).....	210,722,686	206,396,923	174,896,472	52,210,868	(35,179,283)
18. Net income (Line 20).....	1,259,164,465	1,141,292,545	1,165,570,351	610,415,771	620,261,692
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	16,273,610,870	16,436,177,879	16,464,401,449	15,137,117,645	14,784,708,655
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	515,265,605	500,587,004	467,516,760	419,688,184	389,431,029
20.2 Deferred and not yet due (Line 15.2).....	872,725,701	838,376,067	814,304,115	812,004,529	773,827,233
20.3 Accrued retrospective premiums (Line 15.3).....	16,288,800	17,075,005	19,373,079	23,256,082	37,905,920
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	9,897,344,239	9,966,707,354	9,905,754,944	9,987,600,111	9,887,488,781
22. Losses (Page 3, Line 1).....	5,897,171,874	5,942,096,316	6,046,635,704	6,094,710,385	6,058,955,030
23. Loss adjustment expenses (Page 3, Line 3).....	1,358,967,040	1,446,848,160	1,330,905,016	1,324,921,462	1,359,625,794
24. Unearned premiums (Page 3, Line 9).....	1,926,313,596	1,857,782,869	1,815,607,881	1,770,908,557	1,735,663,932
25. Capital paid up (Page 3, Lines 30 & 31).....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	6,376,266,631	6,469,470,525	6,558,646,505	5,149,517,534	4,897,219,874
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,185,724,516	1,199,208,563	1,086,027,102	824,914,943	736,431,467
Risk-Based Capital Analysis					
28. Total adjusted capital.....	6,376,266,631	6,469,470,525	6,558,646,505	5,149,517,534	4,897,219,874
29. Authorized control level risk-based capital.....	1,044,341,455	1,086,440,078	1,077,967,939	1,026,098,949	1,000,372,928
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).....	63.1	62.7	64.3	67.7	68.8
31. Stocks (Lines 2.1 & 2.2).....	27.0	27.6	25.6	23.9	22.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	3.7	3.7	4.4	1.5	1.4
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	5.7	5.7	5.4	6.2	6.5
38. Receivable for securities (Line 9).....	0.1	0.0	0.0	0.0	0.2
39. Securities lending reinvested collateral assets (Line 10).....	0.4	0.3	0.2	0.7	0.2
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	3,842,938,702	3,977,857,463	3,706,828,158	3,146,888,726	2,930,839,753
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.....	14,944,037	15,955,896	16,896,748	18,229,302	17,679,986
48. Total of above lines 42 to 47.....	3,857,882,739	3,993,813,359	3,723,724,906	3,165,118,028	2,948,519,739
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).....	60.5	61.7	56.8	61.5	60.2

TRAVELERS CASUALTY AND SURETY COMPANY

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).....	(169,056,996)	271,962,986	(212,505,539)	265,290,115	(120,236,498)
52. Dividends to stockholders (Line 35).....	(1,168,000,000)	(1,505,400,000)	0	(620,000,000)	(1,088,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(93,203,894)	(89,175,981)	1,409,128,972	252,297,660	(542,542,273)
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).....	1,272,245,080	1,245,514,653	1,256,258,585	1,268,474,433	1,259,719,875
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	358,085,080	361,865,570	364,490,320	405,462,100	435,411,432
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	587,624,393	611,992,634	657,685,502	797,530,933	973,261,218
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	8,250,176	13,767,889	2,533,721	15,637,505	18,463,726
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	21,886,598	30,658,549	21,806,829	18,591,575	19,730,193
59. Total (Line 35).....	2,248,091,327	2,263,799,294	2,302,774,957	2,505,696,545	2,706,586,444
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).....	1,058,612,796	999,809,359	1,008,817,173	1,028,793,209	946,909,065
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	351,875,808	355,054,543	355,333,455	399,067,823	426,548,325
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	572,490,697	592,230,763	644,096,975	773,153,792	945,612,001
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	8,081,949	13,221,925	2,393,053	13,193,170	13,794,770
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	14,808,309	24,674,718	16,717,446	7,868,185	12,661,215
65. Total (Line 35).....	2,005,869,559	1,984,991,308	2,027,358,102	2,222,076,179	2,345,525,377
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	48.9	57.2	64.9
68. Loss expenses incurred (Line 3).....	11.7	14.3	12.0	11.2	12.0
69. Other underwriting expenses incurred (Line 4).....	31.1	31.0	31.3	32.3	32.5
70. Net underwriting gain (loss) (Line 8).....	10.2	8.5	7.9	(0.6)	(9.3)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.5	30.6	30.3	31.7	32.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	58.7	60.5	60.9	68.3	76.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	66.4	63.5	62.5	77.3	79.6
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).....	(135,013)	(226,248)	(99,269)	(118,406)	(64,567)
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).....	(2.1)	(3.5)	(1.9)	(2.4)	(1.2)
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).....	(324,124)	(311,265)	(221,129)	(214,211)	(335,724)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(4.9)	(6.0)	(4.5)	(3.9)	(5.4)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	163,150	48,315	56,415	11,863	138,113	5,691	(9,379)	291,809	XXX
2. 2006.....	4,125,256	543,228	3,582,028	1,609,056	203,019	157,426	16,588	167,932	6,020	79,787	1,708,786	XXX
3. 2007.....	4,200,247	473,682	3,726,565	1,697,136	164,931	165,914	13,079	180,837	5,241	92,583	1,860,636	XXX
4. 2008.....	4,231,003	478,922	3,752,081	2,116,199	217,754	178,618	13,306	210,978	3,882	96,170	2,270,852	XXX
5. 2009.....	4,178,352	401,466	3,776,886	1,900,599	126,528	166,357	9,999	205,784	3,518	86,871	2,132,695	XXX
6. 2010.....	4,159,986	377,737	3,782,249	2,081,832	116,867	177,795	8,479	209,565	2,763	106,288	2,341,085	XXX
7. 2011.....	4,293,975	355,024	3,938,950	2,504,853	166,020	180,229	10,095	217,937	2,330	113,753	2,724,575	XXX
8. 2012.....	4,400,792	377,119	4,023,673	2,322,361	367,021	162,240	17,816	224,182	4,055	105,568	2,319,890	XXX
9. 2013.....	4,448,168	398,665	4,049,504	1,577,112	93,926	115,964	4,697	204,732	5,811	85,360	1,793,375	XXX
10. 2014.....	4,449,743	381,130	4,068,613	1,341,378	83,665	80,974	3,791	190,461	5,837	74,380	1,519,520	XXX
11. 2015.....	4,514,224	349,209	4,165,015	878,317	34,541	33,369	1,196	162,206	4,236	43,858	1,033,920	XXX
12. Totals.....	XXX	XXX	XXX	18,191,994	1,622,588	1,475,303	110,908	2,112,726	49,385	875,239	19,997,142	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.....	1,330,602	409,928	1,017,725	197,805	128,114	17,806	215,194	15,460	136,426	153	3,144	2,186,909	XXX
2. 2006.....	62,118	15,691	80,674	15,363	5,444	597	12,896	650	2,723	(36)	1,528	131,590	XXX
3. 2007.....	67,900	14,538	84,238	13,525	7,509	1,053	14,690	95	3,785	3	2,114	148,909	XXX
4. 2008.....	78,489	8,078	87,159	12,096	9,409	510	19,993	1,684	4,826	(34)	4,138	177,543	XXX
5. 2009.....	92,811	17,612	112,083	16,353	9,711	566	18,379	1,968	5,712	(9)	4,618	202,204	XXX
6. 2010.....	124,598	15,355	117,846	7,766	13,283	337	23,104	1,539	7,741	20	5,432	261,555	XXX
7. 2011.....	167,864	9,660	162,946	10,924	19,312	628	35,428	404	12,326	3	11,047	376,257	XXX
8. 2012.....	229,222	22,797	221,203	17,874	28,616	874	54,372	2,088	19,403	(1)	19,911	509,184	XXX
9. 2013.....	307,375	27,153	315,744	23,766	38,489	807	83,709	2,829	30,312	(148)	28,005	721,222	XXX
10. 2014.....	399,124	41,403	507,922	46,887	42,287	1,733	115,220	5,079	37,325	221	35,187	1,006,556	XXX
11. 2015.....	511,192	47,059	887,467	77,495	44,241	1,753	149,988	5,519	73,808	660	67,950	1,534,210	XXX
12. Totals.....	3,371,295	629,275	3,595,006	439,854	346,415	26,664	742,975	37,314	334,386	831	183,075	7,256,139	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	1,740,594	446,315
2. 2006.	2,098,268	257,892	1,840,376	50.9	47.5	51.4	0	0	20.36	111,738	19,852
3. 2007.	2,222,009	212,464	2,009,545	52.9	44.9	53.9	0	0	20.36	124,075	24,834
4. 2008.	2,705,671	257,276	2,448,395	63.9	53.7	65.3	0	0	20.36	145,474	32,068
5. 2009.	2,511,435	176,536	2,334,899	60.1	44.0	61.8	0	0	20.36	170,928	31,276
6. 2010.	2,755,766	153,126	2,602,640	66.2	40.5	68.8	0	0	20.36	219,323	42,232
7. 2011.	3,300,895	200,063	3,100,832	76.9	56.4	78.7	0	0	20.36	310,226	66,031
8. 2012.	3,261,598	432,524	2,829,073	74.1	114.7	70.3	0	0	20.36	409,753	99,430
9. 2013.	2,673,438	158,841	2,514,596	60.1	39.8	62.1	0	0	20.36	572,200	149,022
10. 2014.	2,714,692	188,615	2,526,076	61.0	49.5	62.1	0	0	20.36	818,756	187,800
11. 2015.	2,740,589	172,459	2,568,130	60.7	49.4	61.7	0	0	20.36	1,274,104	260,105
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	5,897,172	1,358,967

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.....	6,258,645	6,198,919	6,077,860	5,930,669	5,792,994	5,768,801	5,716,921	5,686,310	5,583,260	5,580,709	(2,551)	(105,601)
2. 2006.....	1,992,173	1,925,409	1,821,969	1,784,829	1,756,112	1,733,836	1,717,440	1,705,125	1,694,271	1,681,630	(12,641)	(23,496)
3. 2007.....	XXX	2,051,783	2,002,234	1,949,520	1,948,097	1,900,397	1,868,191	1,851,804	1,842,866	1,836,052	(6,813)	(15,752)
4. 2008.....	XXX	XXX	2,350,465	2,372,856	2,360,250	2,307,943	2,282,438	2,274,606	2,251,369	2,242,790	(8,579)	(31,817)
5. 2009.....	XXX	XXX	XXX	2,205,536	2,191,255	2,185,279	2,167,834	2,148,446	2,139,327	2,133,591	(5,735)	(14,854)
6. 2010.....	XXX	XXX	XXX	XXX	2,351,803	2,431,308	2,422,120	2,407,089	2,399,640	2,395,416	(4,224)	(11,673)
7. 2011.....	XXX	XXX	XXX	XXX	XXX	2,873,377	2,901,317	2,906,431	2,887,576	2,881,652	(5,924)	(24,779)
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	2,656,088	2,653,270	2,622,777	2,598,553	(24,224)	(54,717)
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,336,495	2,322,243	2,295,058	(27,184)	(41,437)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,352,376	2,315,239	(37,137)	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,348,849	XXX	XXX
12. Totals.....											(135,013)	(324,124)

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	927,372	1,673,033	2,097,454	2,444,402	2,690,240	2,892,510	3,068,004	3,253,613	3,413,000	XXX	XXX
2. 2006.....	640,912	991,713	1,182,131	1,317,926	1,419,976	1,466,824	1,501,161	1,522,840	1,534,992	1,546,875	XXX	XXX
3. 2007.....	XXX	699,824	1,091,990	1,309,671	1,461,922	1,562,142	1,617,963	1,651,380	1,669,544	1,685,041	XXX	XXX
4. 2008.....	XXX	XXX	907,861	1,383,067	1,639,772	1,810,354	1,928,630	2,000,024	2,038,899	2,063,756	XXX	XXX
5. 2009.....	XXX	XXX	XXX	851,385	1,313,723	1,552,899	1,715,735	1,825,593	1,885,292	1,930,430	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	958,183	1,476,658	1,745,368	1,934,181	2,058,508	2,134,282	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,320,323	1,905,723	2,188,004	2,376,944	2,508,968	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,088,918	1,652,306	1,904,311	2,099,764	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	881,895	1,339,014	1,594,454	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	886,573	1,334,896	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	875,950	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.....	3,406,283	2,928,222	2,448,830	2,130,213	1,825,250	1,639,164	1,479,670	1,371,280	1,169,191	1,079,086
2. 2006.....	933,341	612,789	395,521	283,942	210,394	163,810	134,181	113,057	100,853	81,381
3. 2007.....	XXX	898,210	561,242	383,998	295,215	212,312	157,485	124,352	103,715	89,904
4. 2008.....	XXX	XXX	942,287	581,359	413,019	270,605	200,358	162,540	120,163	97,762
5. 2009.....	XXX	XXX	XXX	892,835	518,269	367,865	255,515	184,611	143,118	117,303
6. 2010.....	XXX	XXX	XXX	XXX	865,615	546,000	357,216	243,086	173,594	137,078
7. 2011.....	XXX	XXX	XXX	XXX	XXX	949,731	558,713	385,843	262,008	193,821
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	979,322	586,162	382,885	263,258
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	928,087	575,246	380,116
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	981,841	579,270
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	965,604

TRAVELERS CASUALTY AND SURETY 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	3,729,734	3,559,058	7,419	3,399,183	5,639,651	47,027,111	3,926	0
2. Alaska.....AK	L	391,841	433,752	0	82,627	83,041	541,870	44	0
3. Arizona.....AZ	L	5,377,522	5,378,774	460	1,606,076	471,821	12,224,610	4,347	0
4. Arkansas.....AR	L	3,622,979	3,644,872	21,590	4,643	145,510	9,466,000	3,240	0
5. California.....CA	L	11,045,977	10,509,215	0	16,551,790	1,089,743	105,470,182	12,273	0
6. Colorado.....CO	L	1,358,227	1,236,638	204	657,254	629,543	8,547,432	1,505	0
7. Connecticut.....CT	L	13,319,466	13,642,432	38,770	11,484,948	40,063,548	230,995,090	18,114	0
8. Delaware.....DE	L	279,779	197,561	291	156,081	1,516,153	22,537,800	223	0
9. District of Columbia.....DC	L	2,068,531	3,179,761	0	858,627	2,817,696	18,524,911	1,657	0
10. Florida.....FL	L	19,515,620	18,443,229	92,745	10,061,322	6,065,457	109,405,120	12,785	0
11. Georgia.....GA	L	6,686,993	8,010,975	18,509	3,819,295	2,462,782	39,375,705	14,846	0
12. Hawaii.....HI	L	1,905,184	937,069	0	358,364	312,730	1,562,899	202	0
13. Idaho.....ID	L	1,064,932	1,031,308	11,221	961,098	227,706	4,218,123	1,516	0
14. Illinois.....IL	L	22,085,705	21,220,780	80,621	8,948,341	16,973,664	57,713,706	17,506	0
15. Indiana.....IN	L	3,488,037	3,298,849	9,100	1,580,703	667,429	9,998,541	1,598	0
16. Iowa.....IA	L	3,580,776	3,452,048	170,830	2,282,193	2,439,692	11,961,434	1,523	0
17. Kansas.....KS	L	6,808,071	7,269,803	5,014	2,964,234	3,306,055	18,997,685	4,473	0
18. Kentucky.....KY	L	1,690,176	1,828,021	0	1,546,281	(333,494)	21,819,021	1,185	0
19. Louisiana.....LA	L	8,136,703	8,895,019	4,914	3,097,924	(1,692,916)	43,124,183	5,242	0
20. Maine.....ME	L	537,498	549,877	420	772,981	154,633	13,807,237	612	0
21. Maryland.....MD	L	5,424,614	7,174,079	6,989	5,417,337	16,537,536	81,518,478	4,103	0
22. Massachusetts.....MA	L	11,332,763	12,239,150	39,695	11,096,207	7,007,640	120,013,777	36,267	0
23. Michigan.....MI	L	5,997,945	6,621,785	104,192	15,821,575	5,256,082	232,962,020	3,869	0
24. Minnesota.....MN	L	7,844,083	7,952,366	173,323	4,590,546	5,947,292	34,545,678	4,612	0
25. Mississippi.....MS	L	4,358,109	4,843,184	8,808	2,642,156	3,882,081	12,370,806	4,148	0
26. Missouri.....MO	L	3,873,621	3,651,033	0	5,498,639	3,347,683	29,396,288	3,910	0
27. Montana.....MT	L	420,720	441,132	755	491,181	(222,210)	1,618,223	561	0
28. Nebraska.....NE	L	955,096	862,768	786	1,313,655	2,351,422	12,802,868	564	0
29. Nevada.....NV	L	1,465,508	1,636,727	0	748,613	871,829	3,213,020	1,416	0
30. New Hampshire.....NH	L	684,095	880,544	1,366	1,479,649	4,209,165	19,049,069	881	0
31. New Jersey.....NJ	L	1,711,570	3,189,300	51,081	6,558,914	(1,721,686)	181,060,039	2,033	0
32. New Mexico.....NM	L	1,082,742	1,090,245	696	737,603	537,001	3,798,510	1,031	0
33. New York.....NY	L	23,205,270	24,664,028	33,838	31,214,201	22,495,349	232,461,140	60,810	0
34. North Carolina.....NC	L	7,593,287	7,896,107	22,245	2,916,903	2,649,118	35,349,235	13,933	0
35. North Dakota.....ND	L	83,343	77,059	780	(1,645)	(9,367)	124,899	21	0
36. Ohio.....OH	L	648,369	614,065	1,139	4,832,670	(14,516,188)	63,616,529	330	0
37. Oklahoma.....OK	L	1,262,661	1,240,498	1,191	186,446	3,194,046	15,207,278	54	0
38. Oregon.....OR	L	6,332,859	6,225,354	4,904	1,876,708	2,396,711	8,322,754	7,900	0
39. Pennsylvania.....PA	L	12,305,212	14,984,621	98,455	17,948,838	8,800,899	195,070,098	8,557	0
40. Rhode Island.....RI	L	718,352	837,586	10,184	3,968,720	4,074,501	30,223,571	1,113	0
41. South Carolina.....SC	L	2,634,632	2,979,801	425	7,317,211	4,949,297	13,527,475	2,902	0
42. South Dakota.....SD	L	272,694	206,518	1,599	146,322	178,873	1,079,714	221	0
43. Tennessee.....TN	L	12,289,090	12,736,257	36,758	6,632,386	7,389,763	57,043,474	9,882	0
44. Texas.....TX	L	49,846,287	52,714,298	67,387	8,405,935	5,766,547	99,842,911	45,837	0
45. Utah.....UT	L	1,746,380	1,730,205	9,760	526,074	699,270	4,584,549	2,716	0
46. Vermont.....VT	L	863,294	916,670	1,140	1,036,158	311,214	5,001,396	1,012	0
47. Virginia.....VA	L	24,692,537	25,599,061	12,581	10,029,706	14,419,690	51,976,444	176,524	0
48. Washington.....WA	L	854,169	890,280	441	770,671	112,976	9,336,828	1,402	0
49. West Virginia.....WV	L	2,439,840	2,073,908	18	1,496,010	(180,285)	6,413,160	983	0
50. Wisconsin.....WI	L	6,019,512	5,833,082	19,465	3,627,686	3,069,697	33,015,574	1,484	0
51. Wyoming.....WY	L	64,324	60,315	243	14,574	22,006	240,270	54	0
52. American Samoa.....AS	N	250	669	0	0	0	0	0	0
53. Guam.....GU	L	79,581	63,877	0	0	0	0	9	0
54. Puerto Rico.....PR	L	2,119,490	3,327,392	0	(810,903)	5,618	1,015,107	54	0
55. US Virgin Islands.....VI	L	221,408	305,603	0	195,000	0	155,000	1	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	716,842	1,084,585	0	0	(428,572)	0	0	0
59. Totals.....	(a) ..54	318,854,301	334,363,191	1,172,352	229,919,716	196,445,439	2,383,274,840	506,014	0

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	1,106,077	1,084,192	0	0	(428,572)	0	0	0
58002. BRB Barbados.....	XXX	4,308	3,726	0	0	0	0	0	0
58003. CHE Switzerland.....	XXX	197	434	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	(393,740)	(3,767)	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	716,842	1,084,585	0	0	(428,572)	0	0	0

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

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

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

Location of property: 1 Fire, 2 Allied lines, 3 Farmowners, 4 Homeowners, 5 CMP, 12 Earthquake, 25 Glass, 26 Burglary and theft, 27 Boiler and machinery, 28 credit; Location of risk: 11 Medical malpractice, 14 Group A&H, 17 Other liability, 18 Products Liability; Location of garage: 19 Auto liability, 21 Auto physical damage, 8 Ocean marine - Where policy is negotiated and placed; 9 Inland marine - Where located; 10 Financial guaranty - Location of principal; 15 Other A&H - Insured's residence; 16 Workers' compensation - Location of employee's workplace; 23 Fidelity - Location of insured's principal office; 22 Aircraft - Location of airport from which insured's aircraft operates; 24 Surety - Contract: Location of Project; All Other: Location of Obligor; 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				

Notes:

* Denotes affiliated insurer

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

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