



ANNUAL STATEMENT
For the Year Ended December 31, 2016
OF THE CONDITION AND AFFAIRS OF
THE STANDARD
FIRE INSURANCE COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 19070 Employer's ID Number 06-6033509
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, JULY 6, 1905 COMMENCED BUSINESS, MARCH 26, 1910

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

Table with 4 columns: Name, Title, Name, Title. Lists officers including Brian William MacLean, Jay Steven Benet, William Herbert Heyman, Avrohom YAAKOV KESS, Andy Francis Besette, Bruce Richard Jones, Madelyn Joseph Lankton, Maria Olivo, Kenneth Franklin Spence, Douglas Keith Bell, Douglas Kenneth Russell, Scott William Rynda, Renée Helou Davis, and Wendy Constance Skjerven.

DIRECTORS

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

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

Subscribed and sworn to before me this

24th day of January, 2017

Notary Public signature and My Commission Expires September 30, 2017



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,148,467,152	0	2,148,467,152	2,166,159,571
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	518,857,015	418,608	518,438,407	529,116,555
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 (\$.....0, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....148,575,877, Schedule DA).....	148,575,877	0	148,575,877	53,726,288
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).....	328,722,344	19,559,312	309,163,031	316,754,994
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,144,622,388	19,977,920	3,124,644,468	3,065,757,409
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	22,453,586	0	22,453,586	23,690,854
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	66,786,810	7,247,646	59,539,164	59,520,658
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....6,205,721 earned but unbilled premiums).....	222,637,914	1,176,890	221,461,024	207,465,245
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	3,384,518	290,549	3,093,969	3,872,190
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	127,152,859	0	127,152,859	98,795,217
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	75,748,192	18,917,746	56,830,446	59,004,073
19. Guaranty funds receivable or on deposit.....	935,447	0	935,447	987,290
20. Electronic data processing equipment and software.....	12,918,388	0	12,918,388	10,816,211
21. Furniture and equipment, including health care delivery assets (\$.....0).....	29,302	29,302	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.....	34,991,599	0	34,991,599	40,271,543
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	15,455,688	348,447	15,107,241	13,743,899
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,727,116,693	47,988,501	3,679,128,192	3,583,924,589
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	3,727,116,693	47,988,501	3,679,128,192	3,583,924,589

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 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Other assets.....	8,037,558	0	8,037,558	4,234,075
2502. Amounts receivable under high deductible policies.....	3,083,655	308,459	2,775,196	3,595,026
2503. State surcharges receivable.....	2,197,148	0	2,197,148	2,191,762
2598. Summary of remaining write-ins for Line 25 from overflow page.....	2,137,326	39,988	2,097,338	3,723,036
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	15,455,688	348,447	15,107,241	13,743,899

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,415,616,384	1,401,881,722
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	54,808,338	56,300,680
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	333,016,199	323,055,032
4. Commissions payable, contingent commissions and other similar charges.....	32,636,203	30,678,975
5. Other expenses (excluding taxes, licenses and fees).....	31,427,265	30,658,632
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	17,597,442	16,751,688
7.1 Current federal and foreign income taxes (including \$.....(67,500,803) on realized capital gains (losses)).....	3,278,013	1,833,160
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....1,136,026,452 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).....	479,120,323	457,925,236
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	2,559,887	2,330,054
12. Ceded reinsurance premiums payable (net of ceding commissions).....	96,571,257	78,002,027
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.....	2,500,238	2,331,979
15. Remittances and items not allocated.....	128,365	136,496
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.....	11,237,909	0
22. Payable for securities lending.....	0	0
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.....	(3,191,332)	(3,504,500)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,477,306,490	2,398,381,180
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,477,306,490	2,398,381,180
29. Aggregate write-ins for special surplus funds.....	3,228,754	3,508,367
30. Common capital stock.....	5,000,000	5,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	623,472,070	623,472,070
35. Unassigned funds (surplus).....	570,120,879	553,562,972
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	1,201,821,702	1,185,543,409
38. TOTAL (Page 2, Line 28, Col. 3).....	3,679,128,192	3,583,924,589

DETAILS OF WRITE-INS

2501. Retroactive reinsurance reserve assumed.....	58,726	59,134
2502. Retroactive reinsurance reserve ceded.....	(3,250,058)	(3,563,634)
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	(3,191,332)	(3,504,500)
2901. Special surplus from retroactive reinsurance.....	3,228,754	3,508,367
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	3,228,754	3,508,367
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 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,032,959,503	990,111,724
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	533,944,875	466,157,877
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	120,868,793	115,424,507
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	316,980,284	304,964,903
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	971,793,953	886,547,287
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	61,165,551	103,564,436
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	183,263,015	169,614,339
10. Net realized capital gains (losses) less capital gains tax of \$.....(29,141) (Exhibit of Capital Gains (Losses)).....	966,932	(6,667,543)
11. Net investment gain (loss) (Lines 9 + 10).....	184,229,947	162,946,796
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....531,025 amount charged off \$.....2,399,210).....	(1,868,186)	(1,988,265)
13. Finance and service charges not included in premiums.....	3,652,038	3,618,392
14. Aggregate write-ins for miscellaneous income.....	(1,543,164)	(1,215,441)
15. Total other income (Lines 12 through 14).....	240,688	414,685
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	245,636,185	266,925,917
17. Dividends to policyholders.....	2,085,136	1,664,146
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).....	243,551,050	265,261,771
19. Federal and foreign income taxes incurred.....	41,161,790	60,416,460
20. Net income (Line 18 minus Line 19) (to Line 22).....	202,389,260	204,845,311
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,185,543,409	1,215,172,062
22. Net income (from Line 20).....	202,389,260	204,845,311
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....162,236.....	(6,995,488)	12,304,387
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(11,443,323)	2,434,496
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	16,327,845	787,152
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.....	(184,000,000)	(250,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	16,278,293	(29,628,653)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,201,821,702	1,185,543,409
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 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Other assets tri-party/tax credit bond income.....	70,369	157,339
1402. Fines and penalties of regulatory authorities.....	(18,400)	(53,490)
1403. Retroactive reinsurance gain/loss.....	(170,973)	(187,208)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,424,159)	(1,132,083)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(1,543,164)	(1,215,441)
3701.	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	1,059,982,728	1,021,932,568
2. Net investment income.....	194,566,574	181,799,099
3. Miscellaneous income.....	240,688	414,685
4. Total (Lines 1 through 3).....	1,254,789,991	1,204,146,353
5. Benefit and loss related payments.....	550,060,197	495,039,896
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	424,348,986	440,843,418
8. Dividends paid to policyholders.....	1,855,302	1,585,054
9. Federal and foreign income taxes paid (recovered) net of \$.....(192,550) tax on capital gains (losses).....	39,687,795	74,107,798
10. Total (Lines 5 through 9).....	1,015,952,280	1,011,576,166
11. Net cash from operations (Line 4 minus Line 10).....	238,837,710	192,570,187
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	412,156,320	438,692,026
12.2 Stocks.....	0	23,357
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	38,833,904	23,073,562
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	11,237,909	1,823,346
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	462,228,133	463,612,291
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	400,960,140	378,403,810
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	23,834,894	46,773,409
13.6 Miscellaneous applications.....	0	11,473,801
13.7 Total investments acquired (Lines 13.1 to 13.6).....	424,795,034	436,651,020
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).....	37,433,099	26,961,271
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	184,000,000	250,000,000
16.6 Other cash provided (applied).....	2,578,780	(1,416,626)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(181,421,220)	(251,416,626)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	94,849,589	(31,885,168)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	53,726,288	85,611,456
19.2 End of year (Line 18 plus Line 19.1).....	148,575,877	53,726,288
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	4,058,750	1,482,000
20.0002 Tax credits received from certified capital company (CAPCO).....	0	16,209
20.0003 Interest payment received in securities.....	0	7,500

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.....	24,761,728	11,932,951	11,458,039	25,236,640
2.	Allied lines.....	25,216,908	11,649,926	12,549,708	24,317,126
3.	Farmowners multiple peril.....	8,216,737	3,947,229	4,070,973	8,092,993
4.	Homeowners multiple peril.....	159,880,865	83,510,416	85,568,207	157,823,074
5.	Commercial multiple peril.....	147,228,234	67,050,585	67,386,245	146,892,573
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	10,143,550	4,458,621	4,314,440	10,287,731
9.	Inland marine.....	32,022,153	14,994,398	15,205,440	31,811,112
10.	Financial guaranty.....	0	0	0	0
11.1	Medical professional liability - occurrence.....	0	(11)	(9)	(2)
11.2	Medical professional liability - claims-made.....	(378)	0	0	(378)
12.	Earthquake.....	5,030,272	2,965,746	2,677,323	5,318,695
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.....	193,080,917	73,592,132	72,538,218	194,134,831
17.1	Other liability - occurrence.....	90,245,551	37,705,737	38,427,359	89,523,929
17.2	Other liability - claims-made.....	26,757,960	15,307,919	15,262,037	26,803,842
17.3	Excess workers' compensation.....	913,825	321,864	316,779	918,910
18.1	Products liability - occurrence.....	6,134,406	2,769,579	2,662,195	6,241,790
18.2	Products liability - claims-made.....	1,232,072	619,577	596,619	1,255,029
19.1, 19.2	Private passenger auto liability.....	126,544,443	43,267,065	53,115,964	116,695,543
19.3, 19.4	Commercial auto liability.....	77,124,341	33,123,999	34,344,586	75,903,754
21.	Auto physical damage.....	103,278,343	36,713,232	43,555,805	96,435,770
22.	Aircraft (all perils).....	3,242	0	370	2,872
23.	Fidelity.....	2,448,749	1,547,121	1,657,818	2,338,052
24.	Surety.....	171,742	236,598	179,263	229,077
26.	Burglary and theft.....	311,893	179,982	181,484	310,392
27.	Boiler and machinery.....	10,330,596	4,092,076	4,684,174	9,738,498
28.	Credit.....	(6,644)	259	217	(6,602)
29.	International.....	120,061	418	350	120,129
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	1,712,510	727,027	715,074	1,724,463
32.	Reinsurance - nonproportional assumed liability.....	635,568	441,442	471,743	605,267
33.	Reinsurance - nonproportional assumed financial lines.....	77,989	54,427	50,263	82,153
34.	Aggregate write-ins for other lines of business.....	109,610	90,484	77,853	122,241
35.	TOTALS.....	1,053,727,243	451,300,798	472,068,537	1,032,959,503

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	109,610	90,484	77,853	122,241
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 through 3403 plus 3498) (Line 34 above).....	109,610	90,484	77,853	122,241

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	11,371,506	176,169	(89,636)	.0	11,458,039
2.	Allied lines.....	12,263,421	286,433	(145)	.0	12,549,708
3.	Farmowners multiple peril.....	4,099,425	(28,452)	0	.0	4,070,973
4.	Homeowners multiple peril.....	85,568,580	(373)	0	.0	85,568,207
5.	Commercial multiple peril.....	68,157,724	(17,056)	(754,423)	.0	67,386,245
6.	Mortgage guaranty.....	0	0	0	.0	0
8.	Ocean marine.....	4,500,206	50,227	(235,993)	.0	4,314,440
9.	Inland marine.....	12,496,235	2,758,615	(49,410)	.0	15,205,440
10.	Financial guaranty.....	0	0	0	.0	0
11.1	Medical professional liability - occurrence.....	(9)	0	0	.0	(9)
11.2	Medical professional liability - claims-made.....	0	0	0	.0	0
12.	Earthquake.....	2,550,515	126,808	0	.0	2,677,323
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.....	77,995,829	(5,919)	(4,349,285)	(1,102,406)	72,538,218
17.1	Other liability - occurrence.....	39,307,199	(614,134)	(701,598)	435,891	38,427,359
17.2	Other liability - claims-made.....	12,224,056	3,024,057	13,923	.0	15,262,037
17.3	Excess workers' compensation.....	316,827	0	(48)	.0	316,779
18.1	Products liability - occurrence.....	2,662,524	13,677	(60,694)	46,688	2,662,195
18.2	Products liability - claims-made.....	585,305	(10,273)	21,586	.0	596,619
19.1, 19.2	Private passenger auto liability.....	53,115,964	0	0	.0	53,115,964
19.3, 19.4	Commercial auto liability.....	34,562,574	8,249	0	(226,236)	34,344,586
21.	Auto physical damage.....	43,554,910	896	0	.0	43,555,805
22.	Aircraft (all perils).....	370	0	0	.0	370
23.	Fidelity.....	908,516	749,302	0	.0	1,657,818
24.	Surety.....	14,794	164,469	0	.0	179,263
26.	Burglary and theft.....	115,929	65,554	0	.0	181,484
27.	Boiler and machinery.....	3,634,438	1,049,737	0	.0	4,684,174
28.	Credit.....	217	0	0	.0	217
29.	International.....	350	0	0	.0	350
30.	Warranty.....	0	0	0	.0	0
31.	Reinsurance - nonproportional assumed property.....	548,221	166,853	0	.0	715,074
32.	Reinsurance - nonproportional assumed liability.....	467,343	4,400	0	.0	471,743
33.	Reinsurance - nonproportional assumed financial lines.....	50,263	0	0	.0	50,263
34.	Aggregate write-ins for other lines of business.....	77,853	0	0	.0	77,853
35.	TOTALS.....	471,151,087	7,969,236	(6,205,721)	(846,064)	472,068,537
36.	Accrued retrospective premiums based on experience.....					846,064
37.	Earned but unbilled premiums.....					6,205,721
38.	Balance (sum of Lines 35 through 37).....					479,120,323

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	77,853	0	0	.0	77,853
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 through 3403 plus 3498) (Line 34 above).....	77,853	0	0	.0	77,853

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	19,332,596	24,761,728	2,587,651	21,920,246	0	24,761,728
2. Allied lines.....	20,197,718	25,216,908	7,511,213	27,708,931	0	25,216,908
3. Farmowners multiple peril.....	0	8,216,737	0	0	0	8,216,737
4. Homeowners multiple peril.....	393,264,360	159,880,865	1,356,666	394,621,026	0	159,880,865
5. Commercial multiple peril.....	49,680	147,228,234	0	49,680	0	147,228,234
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	32,774,700	10,143,550	0	32,774,700	0	10,143,550
9. Inland marine.....	10,514,395	32,022,153	0	10,514,395	0	32,022,153
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	(378)	0	0	0	(378)
12. Earthquake.....	3,440,665	5,030,272	0	3,440,665	0	5,030,272
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.....	171,039,144	193,080,917	0	171,039,144	0	193,080,917
17.1 Other liability - occurrence.....	15,398,897	90,245,551	29,603	15,428,499	0	90,245,551
17.2 Other liability - claims-made.....	0	26,757,960	0	0	0	26,757,960
17.3 Excess workers' compensation.....	0	913,825	0	0	0	913,825
18.1 Products liability - occurrence.....	0	6,134,406	0	0	0	6,134,406
18.2 Products liability - claims-made.....	0	1,232,072	0	0	0	1,232,072
19.1, 19.2 Private passenger auto liability.....	845,179,592	126,544,443	249,697,538	1,094,877,130	0	126,544,443
19.3, 19.4 Commercial auto liability.....	0	77,124,341	0	0	0	77,124,341
21. Auto physical damage.....	504,838,084	103,278,343	191,615,080	696,453,164	0	103,278,343
22. Aircraft (all perils).....	0	3,242	0	0	0	3,242
23. Fidelity.....	0	2,448,749	0	0	0	2,448,749
24. Surety.....	1,827	171,742	0	1,827	0	171,742
26. Burglary and theft.....	18,435	311,893	17,379	35,814	0	311,893
27. Boiler and machinery.....	0	10,330,596	0	0	0	10,330,596
28. Credit.....	0	(6,644)	0	0	0	(6,644)
29. International.....	0	120,061	0	0	0	120,061
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,712,510	0	0	0	1,712,510
32. Reinsurance - nonproportional assumed liability.....	XXX	635,568	0	0	0	635,568
33. Reinsurance - nonproportional assumed financial lines.....	XXX	77,989	0	0	0	77,989
34. Aggregate write-ins for other lines of business.....	0	109,610	0	0	0	109,610
35. TOTALS.....	2,016,050,092	1,053,727,243	452,815,130	2,468,865,222	0	1,053,727,243

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	109,610	0	0	0	109,610
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 through 3403 plus 3498) (Line 34 above).....	0	109,610	0	0	0	109,610

(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.....	8,500,691	13,448,488	9,928,408	12,020,771	12,133,601	11,470,078	12,684,294	50.3
2. Allied lines.....	39,430,259	17,369,346	45,263,527	11,536,079	7,784,443	6,497,234	12,823,288	52.7
3. Farmowners multiple peril.....	0	3,933,513	0	3,933,513	2,258,448	2,379,794	3,812,168	47.1
4. Homeowners multiple peril.....	151,517,395	70,694,532	151,864,099	70,347,828	33,535,257	30,532,779	73,350,306	46.5
5. Commercial multiple peril.....	513,977	62,231,960	513,977	62,231,960	125,629,260	119,939,325	67,921,895	46.2
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	15,582,156	4,344,646	15,582,156	4,344,646	8,937,884	8,675,015	4,607,515	44.8
9. Inland marine.....	4,340,337	13,479,087	4,340,337	13,479,087	9,724,885	8,919,721	14,284,251	44.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	8,748	0	8,748	666,499	679,664	(4,417)	284,981.9
11.2 Medical professional liability - claims-made.....	0	74,747	0	74,747	2,107,091	2,351,786	(169,947)	45,017.9
12. Earthquake.....	408	653	408	653	(11,432)	29,437	(40,216)	(0.8)
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.....	83,347,334	89,385,231	83,347,334	89,385,231	664,251,656	647,973,044	105,663,843	54.4
17.1 Other liability - occurrence.....	15,725,069	52,734,774	15,735,099	52,724,745	184,383,228	203,734,971	33,373,001	37.3
17.2 Other liability - claims-made.....	0	15,601,215	0	15,601,215	69,357,557	72,146,557	12,812,215	47.8
17.3 Excess workers' compensation.....	0	1,046,256	0	1,046,256	28,670,326	25,601,772	4,114,809	447.8
18.1 Products liability - occurrence.....	111,744	5,186,133	111,744	5,186,133	31,121,461	36,406,665	(99,072)	(1.6)
18.2 Products liability - claims-made.....	0	884,022	0	884,022	1,531,416	1,467,096	948,342	75.6
19.1, 19.2 Private passenger auto liability.....	337,506,915	192,534,639	463,018,153	67,023,401	96,388,164	83,755,781	79,655,785	68.3
19.3, 19.4 Commercial auto liability.....	0	42,147,890	0	42,147,890	94,409,531	95,209,107	41,348,313	54.5
21. Auto physical damage.....	312,362,766	210,410,774	462,430,523	60,343,016	7,929,653	6,675,082	61,597,587	63.9
22. Aircraft (all perils).....	0	13,744	0	13,744	360,411	373,115	1,041	36.2
23. Fidelity.....	0	1,928,168	0	1,928,168	2,865,533	4,293,562	500,139	21.4
24. Surety.....	0	72,462	0	72,462	2,072,436	2,625,067	(480,169)	(209.6)
26. Burglary and theft.....	300	733	4,033	(3,001)	295,193	342,623	(50,431)	(16.2)
27. Boiler and machinery.....	0	3,190,448	0	3,190,448	2,027,503	2,279,509	2,938,443	30.2
28. Credit.....	0	(778)	0	(778)	238,886	334,908	(96,800)	1,466.2
29. International.....	0	74,042	0	74,042	457,416	399,031	132,426	110.2
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	515,539	0	515,539	2,624,421	2,418,168	721,792	41.9
32. Reinsurance - nonproportional assumed liability.....	XXX	2,049,968	0	2,049,968	23,061,001	23,482,941	1,628,028	269.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,654	0	1,654	577,024	702,541	(123,864)	(150.8)
34. Aggregate write-ins for other lines of business.....	0	48,026	0	48,026	227,631	185,349	90,308	73.9
35. TOTALS.....	968,939,351	803,410,660	1,252,139,798	520,210,213	1,415,616,384	1,401,881,722	533,944,875	51.7

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	48,026	0	48,026	227,631	185,349	90,308	73.9
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	48,026	0	48,026	227,631	185,349	90,308	73.9

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	2,888,528	9,696,863	3,226,336	9,359,054	2,150,603	2,876,156	2,252,212	12,133,601	835,843
2. Allied lines.....	10,205,900	6,501,195	10,374,993	6,332,102	2,608,940	4,779,625	5,936,224	7,784,443	1,623,488
3. Farmowners multiple peril.....	0	1,286,260	0	1,286,260	0	972,188	0	2,258,448	648,629
4. Homeowners multiple peril.....	44,999,561	17,892,635	45,146,402	17,745,794	41,666,261	15,826,755	41,703,553	33,535,257	6,465,664
5. Commercial multiple peril.....	1,257,786	60,469,028	1,257,786	60,469,028	587,203	65,160,233	587,203	125,629,260	48,492,613
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	5,060,347	4,485,842	5,060,347	4,485,842	823,070	4,452,042	823,070	8,937,884	1,885,059
9. Inland marine.....	135,913	5,749,421	135,913	5,749,421	677,120	3,975,465	677,120	9,724,885	942,266
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	358,591	0	358,591	0	307,908	0	666,499	243,110
11.2 Medical professional liability - claims-made.....	0	1,248,514	0	1,248,514	0	858,577	0	2,107,091	341,040
12. Earthquake.....	0	0	0	0	0	(11,432)	0	(11,432)	17,192
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.....	292,699,435	335,978,948	292,699,435	335,978,948	203,853,756	328,272,709	203,853,756	664,251,656	105,223,015
17.1 Other liability - occurrence.....	10,266,879	49,492,616	10,278,760	49,480,735	14,682,298	134,925,846	14,705,651	184,383,228	71,243,431
17.2 Other liability - claims-made.....	0	24,425,301	0	24,425,301	4	44,932,257	4	69,357,557	21,977,215
17.3 Excess workers' compensation.....	0	12,706,849	0	12,706,849	14,454	15,963,477	14,454	28,670,326	2,246,485
18.1 Products liability - occurrence.....	913,574	7,341,901	913,574	7,341,901	3,139,391	23,779,560	3,139,391	31,121,461	34,039,357
18.2 Products liability - claims-made.....	0	400,257	0	400,257	0	1,131,159	0	1,531,416	1,276,537
19.1, 19.2 Private passenger auto liability.....	273,084,640	116,221,014	335,716,239	53,589,415	245,827,945	42,798,749	245,827,945	96,388,164	15,740,646
19.3, 19.4 Commercial auto liability.....	0	52,029,826	0	52,029,826	763	42,379,705	763	94,409,531	11,223,276
21. Auto physical damage.....	14,952,748	10,001,577	21,212,853	3,741,473	(4,173,638)	4,188,180	(4,173,638)	7,929,653	4,598,403
22. Aircraft (all perils).....	0	244,356	0	244,356	462	116,055	462	360,411	227,393
23. Fidelity.....	0	239,231	0	239,231	68	2,626,302	68	2,865,533	1,266,226
24. Surety.....	0	1,378,613	0	1,378,613	142	693,823	142	2,072,436	343,394
26. Burglary and theft.....	12	4,081	1,589	2,504	56	292,754	121	295,193	110,105
27. Boiler and machinery.....	0	932,397	0	932,397	0	1,095,107	0	2,027,503	437,977
28. Credit.....	0	81,169	0	81,169	0	157,716	0	238,886	(23,701)
29. International.....	0	178,912	0	178,912	0	278,504	0	457,416	29,929
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,776,451	0	1,776,451	XXX	847,969	0	2,624,421	193,032
32. Reinsurance - nonproportional assumed liability.....	XXX	14,051,387	0	14,051,387	XXX	9,009,614	0	23,061,001	1,242,046
33. Reinsurance - nonproportional assumed financial lines.....	XXX	170,898	0	170,898	XXX	406,126	0	577,024	42,744
34. Aggregate write-ins for other lines of business.....	0	20,145	0	20,145	0	207,486	0	227,631	83,786
35. TOTALS.....	656,465,323	735,364,278	726,024,227	665,805,373	511,858,898	753,300,614	515,348,501	1,415,616,384	333,016,199
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	20,145	0	20,145	0	207,486	0	227,631	83,786
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 through 3403 plus 3498) (Line 34 above).....	0	20,145	0	20,145	0	207,486	0	227,631	83,786

10

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

THE STANDARD FIRE INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	66,763,838	0	0	66,763,838
1.2 Reinsurance assumed.....	65,792,017	0	0	65,792,017
1.3 Reinsurance ceded.....	72,359,183	0	0	72,359,183
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	60,196,673	0	0	60,196,673
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	248,856,019	0	248,856,019
2.2 Reinsurance assumed, excluding contingent.....	0	204,023,992	0	204,023,992
2.3 Reinsurance ceded, excluding contingent.....	0	313,662,488	0	313,662,488
2.4 Contingent - direct.....	0	27,126,949	0	27,126,949
2.5 Contingent - reinsurance assumed.....	0	10,564,787	0	10,564,787
2.6 Contingent - reinsurance ceded.....	0	27,126,949	0	27,126,949
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	149,782,309	0	149,782,309
3. Allowances to manager and agents.....	0	159,882	0	159,882
4. Advertising.....	6,660	4,516,026	0	4,522,686
5. Boards, bureaus and associations.....	247,219	3,950,260	919	4,198,398
6. Surveys and underwriting reports.....	19	4,249,413	0	4,249,432
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	37,725,878	73,377,624	1,178,418	112,281,920
8.2 Payroll taxes.....	2,689,655	4,722,126	45,526	7,457,307
9. Employee relations and welfare.....	6,628,284	9,460,543	106,327	16,195,154
10. Insurance.....	4,098,805	831,311	901	4,931,017
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,756,819	3,225,948	16,561	4,999,328
13. Rent and rent items.....	1,981,461	4,169,329	54,015	6,204,805
14. Equipment.....	374,839	1,857,677	5,819	2,238,335
15. Cost or depreciation of EDP equipment and software.....	1,067,187	13,881,320	19,723	14,968,230
16. Printing and stationery.....	128,619	388,771	3,140	520,530
17. Postage, telephone and telegraph, exchange and express.....	384,834	4,811,425	5,581	5,201,840
18. Legal and auditing.....	1,577,287	1,428,098	59,530	3,064,915
19. Totals (Lines 3 to 18).....	58,667,566	131,029,753	1,496,460	191,193,779
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....129,467.....	0	27,137,825	0	27,137,825
20.2 Insurance department licenses and fees.....	0	2,221,969	0	2,221,969
20.3 Gross guaranty association assessments.....	0	6,049	0	6,049
20.4 All other (excluding federal and foreign income and real estate).....	0	167,335	0	167,335
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	29,533,179	0	29,533,179
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	2,004,554	6,635,043	144,186	8,783,783
25. Total expenses incurred.....	120,868,793	316,980,284	1,640,646	(a).....439,489,722
26. Less unpaid expenses - current year.....	333,016,199	81,047,068	613,842	414,677,109
27. Add unpaid expenses - prior year.....	323,055,032	77,559,986	529,309	401,144,327
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).....	110,907,626	313,493,202	1,556,113	425,956,940

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	3,300,103	17,907,720	167,784	21,375,607
2402. Service reimbursements.....	(463,180)	(4,891,893)	0	(5,355,074)
2403. Cost of computer software developed for internal use.....	(832,369)	(6,380,783)	(23,598)	(7,236,750)
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	2,004,554	6,635,043	144,186	8,783,783

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....1,376,193	.....1,405,100
1.1 Bonds exempt from U.S. tax.....	(a).....41,489,381	.....40,200,391
1.2 Other bonds (unaffiliated).....	(a).....32,069,200	.....32,092,015
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....68,000,000	.....68,000,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....756,416	.....756,416
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....41,114,441	.....41,114,441
9. Aggregate write-ins for investment income.....	.....1,408,908	.....1,408,908
10. Total gross investment income.....	.....186,214,539	.....184,977,271
11. Investment expenses.....		(g).....1,640,646
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....73,609
16. Total deductions (Lines 11 through 15).....		.....1,714,256
17. Net investment income (Line 10 minus Line 16).....		.....183,263,015

DETAILS OF WRITE-INS

0901. Property and wind plans.....	1,408,908	1,408,908
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	1,408,908	1,408,908
1501. Management fees.....		23,129
1502. Miscellaneous Expenses.....		50,481
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....		73,609

- (a) Includes \$.....1,121,482 accrual of discount less \$.....10,797,087 amortization of premium and less \$.....273,232 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	(310,833)	0	(310,833)	0	0
1.1 Bonds exempt from U.S. tax.....	3,958	0	3,958	0	0
1.2 Other bonds (unaffiliated).....	1,433,272	0	1,433,272	2,052,969	0
1.3 Bonds of affiliates.....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated).....	0	0	0	0	0
2.11 Preferred stocks of affiliates.....	0	0	0	0	0
2.2 Common stocks (unaffiliated).....	0	0	0	(3,970)	0
2.21 Common stocks of affiliates.....	0	0	0	(10,434,705)	0
3. Mortgage loans.....	0	0	0	0	0
4. Real estate.....	0	0	0	0	0
5. Contract loans.....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments.....	0	0	0	0	0
7. Derivative instruments.....	0	0	0	0	0
8. Other invested assets.....	0	(188,606)	(188,606)	1,552,453	0
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	1,126,397	(188,606)	937,791	(6,833,252)	0

DETAILS OF WRITE-INS

0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	418,608	179,135	(239,473)
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).....	19,559,312	25,908,666	6,349,354
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).....	19,977,920	26,087,801	6,109,881
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,247,646	7,638,870	391,224
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,176,890	1,187,196	10,306
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	290,549	383,991	93,442
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.....	18,917,746	28,349,678	9,431,932
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.....	29,302	5,489	(23,814)
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.....	348,447	663,321	314,874
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	47,988,501	64,316,345	16,327,845
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	47,988,501	64,316,345	16,327,845

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 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Amounts receivable under high deductible policies.....	308,459	399,532	91,073
2502. Other assets nonadmitted.....	39,988	263,789	223,800
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	348,447	663,321	314,874

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

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

<u>Net Income</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2016</u>	<u>2015</u>
1. The Standard Fire Insurance Company state basis	XXX	XXX	XXX	\$ 202,389,260	\$ 204,845,311
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)	XXX	XXX	XXX	<u>\$ 202,389,260</u>	<u>\$ 204,845,311</u>
<u>Surplus</u>					
5. The Standard Fire Insurance Company state basis	XXX	XXX	XXX	\$ 1,201,821,702	\$ 1,185,543,409
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)	XXX	XXX	XXX	<u>\$ 1,201,821,702</u>	<u>\$ 1,185,543,409</u>

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy:

Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned funds, a component of surplus as regards policyholders (policyholders' surplus). The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables.

The provision for federal income taxes is comprised of two components: current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities. Gross deferred tax assets are reduced by a statutory valuation allowance adjustment if, based on the weight of available evidence, it is more likely than not that some portion or all of the gross deferred tax assets will not be realized.

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) or by a third party organization.

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'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).

The Company has investments in limited partnerships that generate certain state tax credits which are used to state premium taxes. These investments are amortized as the tax credits are utilized. See Note 5G for additional detail.

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

NOTES TO FINANCIAL STATEMENTS

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

D. Going Concern:

Not applicable.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company had no material changes in accounting principles or material corrections of errors during 2016.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

1. The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities are revalued quarterly using the constant effective yield method which includes an adjustment for estimated principal prepayments, if any. The effective yield used to determine amortization for these securities is recalculated and adjusted periodically based upon actual historical and/or projected future cash flows. The Company changes from the retrospective to prospective method for valuing the securities when an other-than-temporary impairment has been recorded.

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

When unit prices published by the SVO are not available, the Company uses a nationally recognized pricing service, as well as broker quotes in determining the fair value of its loan-backed securities.

2. Not applicable.

3. The Company had no loan-backed or structured securities with other-than-temporary impairments recognized in 2016.

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	\$ 1,110,052
2. 12 Months or Longer	\$ 148

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

1. Less than 12 Months	\$ 26,575,029
2. 12 Months or Longer	\$ 37,430

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.

At December 31, 2016, the Company had no loaned securities outstanding.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

NOTES TO FINANCIAL STATEMENTS

6. Not applicable.

7. Not applicable.

F. Real Estate:

Not applicable.

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

The Company has investments in certain state sponsored LIHTC properties. The state sponsored LIHTC property investments primarily generate premium tax credits which allow the Company to offset premium taxes in Georgia and are projected to be available through 2021. As of December 31, 2016, there were no unfunded commitments related to these LIHTC investments.

During each of the years ended December 31, 2016 and 2015, \$205,452 of tax benefits related to LIHTC were recognized. The balance of the investments in LIHTC at December 31, 2016 and 2015 was \$569,127 and \$687,838, respectively.

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

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

H. Restricted Assets:

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	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 Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
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	168,275,856	-	-	-	168,275,856	168,533,911	(258,055)	-	168,275,856	4.5%	4.6%
k. On deposit with other regulatory bodies	6,945,277	-	-	-	6,945,277	6,957,337	(12,060)	-	6,945,277	0.2%	0.2%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0.0%	0.0%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 175,221,133	\$ -	\$ -	\$ -	\$ 175,221,133	\$ 175,491,248	\$ (270,115)	\$ -	\$ 175,221,133	4.7%	4.8%

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

(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Not applicable.

3. Not applicable.

4. Not applicable.

I. Working Capital Finance Investments:

Not applicable.

J. Offsetting and Netting of Assets and Liabilities:

Not applicable.

K. Structured Notes:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

L. 5* Securities:

Investment	Number of 5* Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds – AC	3	3	\$ 2,004,992	\$ 2,354,292	\$ 2,057,639	\$ 2,441,161
(2) Bonds – FV	-	-	-	-	-	-
(3) LB&SS – AC	-	-	-	-	-	-
(4) LB&SS – FV	-	-	-	-	-	-
(5) Preferred Stock – AC	-	-	-	-	-	-
(6) Preferred Stock – FV	-	-	-	-	-	-
(7) Total	3	3	\$ 2,004,992	\$ 2,354,292	\$ 2,057,639	\$ 2,441,161

AC – Amortized Cost

FV – Fair Value

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures, partnerships, and limited liability companies are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$188,606 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, 2016, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

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

		December 31, 2016		
		Ordinary	Capital	Total
1. a.	Gross deferred tax assets	\$ 77,310,537	\$ 11,211,714	\$ 88,522,251
b.	Statutory valuation allowance adjustment	-	-	-
c.	Adjusted gross deferred tax assets	77,310,537	11,211,714	88,522,251
d.	Deferred tax assets nonadmitted	15,297,815	3,619,931	18,917,746
e.	Subtotal net admitted deferred tax assets	62,012,722	7,591,783	69,604,505
f.	Deferred tax liabilities	6,544,275	6,229,784	12,774,059
g.	Net admitted deferred tax asset/(liability)	\$ 55,468,447	\$ 1,361,999	\$ 56,830,446
		December 31, 2015		
		Ordinary	Capital	Total
a.	Gross deferred tax assets	\$ 85,384,935	\$ 15,443,064	\$ 100,827,999
b.	Statutory valuation allowance adjustment	-	-	-
c.	Adjusted gross deferred tax assets	85,384,935	15,443,064	100,827,999
d.	Deferred tax assets nonadmitted	23,571,023	4,778,655	28,349,678
e.	Subtotal net admitted deferred tax assets	61,813,912	10,664,409	72,478,321
f.	Deferred tax liabilities	6,642,211	6,832,037	13,474,248
g.	Net admitted deferred tax asset/(liability)	\$ 55,171,701	\$ 3,832,372	\$ 59,004,073
		Change		
		Ordinary	Capital	Total
a.	Gross deferred tax assets	\$ (8,074,398)	\$ (4,231,350)	\$ (12,305,748)
b.	Statutory valuation allowance adjustment	-	-	-
c.	Adjusted gross deferred tax assets	(8,074,398)	(4,231,350)	(12,305,748)
d.	Deferred tax assets nonadmitted	(8,273,208)	(1,158,724)	(9,431,932)
e.	Subtotal net admitted deferred tax assets	198,810	(3,072,626)	(2,873,816)
f.	Deferred tax liabilities	(97,936)	(602,253)	(700,189)
g.	Net admitted deferred tax asset/(liability)	\$ 296,746	\$ (2,470,373)	\$ (2,173,627)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 51,436,141	\$ 1,361,999	\$ 52,798,140
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)	4,032,306	-	4,032,306
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	4,032,306	-	4,032,306
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	169,810,930
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.	6,544,275	6,229,784	12,774,059
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>62,012,722</u>	<u>7,591,783</u>	<u>69,604,505</u>
Deferred tax liabilities netted against deferred tax assets	<u>6,544,275</u>	<u>6,229,784</u>	<u>12,774,059</u>
Total	<u>\$ 55,468,447</u>	<u>\$ 1,361,999</u>	<u>\$ 56,830,446</u>

	<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.	\$ 50,888,936	\$ 3,063,380	\$ 53,952,316
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).	4,282,765	768,992	5,051,757
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	4,282,765	768,992	5,051,757
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	167,358,469
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.	6,642,211	6,832,037	13,474,248
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>61,813,912</u>	<u>10,664,409</u>	<u>72,478,321</u>
Deferred tax liabilities netted against deferred tax assets	<u>6,642,211</u>	<u>6,832,037</u>	<u>13,474,248</u>
Total	<u>\$ 55,171,701</u>	<u>\$ 3,832,372</u>	<u>\$ 59,004,073</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 547,205	\$ (1,701,381)	\$ (1,154,176)
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).	(250,459)	(768,992)	(1,019,451)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(250,459)	(768,992)	(1,019,451)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	2,452,461
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.	(97,936)	(602,253)	(700,189)
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>198,810</u>	<u>(3,072,626)</u>	<u>(2,873,816)</u>
Deferred tax liabilities netted against deferred tax assets	<u>(97,936)</u>	<u>(602,253)</u>	<u>(700,189)</u>
Total	<u>\$ 296,746</u>	<u>\$ (2,470,373)</u>	<u>\$ (2,173,627)</u>

	<u>2016</u>	<u>2015</u>
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	518%	518%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 1,132,072,868	\$ 1,115,723,127

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies:

	<u>December 31, 2016</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ 77,310,537	\$ 11,211,714
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)	\$ 62,012,722	\$ 7,591,783
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>December 31, 2015</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ 85,384,935	\$ 15,443,064
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)	\$ 61,813,912	\$ 10,664,409
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ (8,074,398)	\$ (4,231,350)
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)	\$ 198,810	\$ (3,072,626)
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:

Not applicable.

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
1. Current Income Tax:			
Federal	\$ 41,106,477	\$ 60,307,976	\$ (19,201,499)
Foreign	55,313	108,484	(53,171)
Subtotal	41,161,790	60,416,460	(19,254,670)
Federal income taxes on net capital gains	(29,141)	(133,284)	104,143
Federal and foreign income taxes incurred	<u>\$ 41,132,649</u>	<u>\$ 60,283,176</u>	<u>\$ (19,150,527)</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, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 31,445,776	\$ 33,067,534	\$ (1,621,758)
Unearned premium reserve	33,538,421	32,054,765	1,483,656
Investments	11,733	5,592,276	(5,580,543)
Nonadmitted assets	10,004,000	12,463,610	(2,459,610)
Other	2,310,607	2,206,750	103,857
Total ordinary deferred tax assets	<u>\$ 77,310,537</u>	<u>\$ 85,384,935</u>	<u>\$ (8,074,398)</u>
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	15,297,815	23,571,023	(8,273,208)
Admitted ordinary deferred tax assets	<u>\$ 62,012,722</u>	<u>\$ 61,813,912</u>	<u>\$ 198,810</u>

NOTES TO FINANCIAL STATEMENTS

<u>Capital:</u>			
Investments	\$ 11,211,714	\$ 15,443,064	\$ (4,231,350)
Total capital deferred tax assets	\$ 11,211,714	\$ 15,443,064	\$ (4,231,350)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	3,619,931	4,778,655	(1,158,724)
Admitted capital deferred tax assets	\$ 7,591,783	\$ 10,664,409	\$ (3,072,626)
Total admitted deferred tax assets:	\$ 69,604,505	\$ 72,478,321	\$ (2,873,816)

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

	December 31, 2016	December 31, 2015	Change
<u>Ordinary:</u>			
Investments	\$ 3,875,023	\$ 5,361,211	\$ (1,486,188)
Fixed assets	2,373,609	1,027,007	1,346,602
Other	295,643	253,993	41,650
Total ordinary deferred tax liabilities	\$ 6,544,275	\$ 6,642,211	\$ (97,936)

<u>Capital:</u>			
Investments	\$ 6,229,784	\$ 6,832,037	\$ (602,253)
Total capital deferred tax liabilities	\$ 6,229,784	\$ 6,832,037	\$ (602,253)
Total deferred tax liabilities:	\$ 12,774,059	\$ 13,474,248	\$ (700,189)

4. Net admitted deferred tax asset/(liability) \$ 56,830,446 \$ 59,004,073 \$ (2,173,627)

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:

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	\$ 88,522,251	\$ 100,827,999	\$ (12,305,748)
Total deferred tax liabilities	12,774,059	13,474,248	(700,189)
Net deferred tax asset/(liability)	\$ 75,748,192	\$ 87,353,751	(11,605,559)
Tax effect of unrealized gains (losses)			162,236
Change in net deferred income tax			\$ (11,443,323)

- 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:	
	December 31, 2016
Pretax net income (loss)	\$ 243,521,909
Taxes at statutory rate	85,232,668
Increase (decrease) attributable to:	
Nontaxable investment income	(36,174,940)
Other	3,518,244
	\$ 52,575,972
Federal and foreign taxes incurred	\$ 41,132,649
Change in net deferred taxes	11,443,323
Total statutory income tax	\$ 52,575,972
Effective tax rate	21.6%

- E. 1. The Company has no net operating loss carry-forward available for tax purposes.
2. The Company has \$42,256,180, \$53,018,251, and \$14,679,393 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 (IRS) under Section 6603 of the IRS 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 IRS levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

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

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

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

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

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

- (1) The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
 - (2) TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2016 and 2015, the TRVMMLP totaled \$4.95 billion and \$4.75 billion, respectively.
- D. (1) At December 31, 2016 and 2015, the Company had \$34,991,599 and \$40,271,543 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.
- (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, 2016</u>	<u>December 31, 2015</u>
Amounts recoverable from reinsurers	\$ 127,152,859	\$ 98,795,217
Reinsurance payable on paid losses and LAE	54,808,338	56,300,680
Ceded reinsurance premiums payable	86,962,822	66,648,435

These balances were settled net through the intercompany settlement process during January 2017 and January 2016, 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, are as follows:

<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. Not applicable.
- 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.

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8b(i) Entities):

<u>SCA Entity</u>	<u>Percentage Of SCA Ownership</u>	<u>Gross Amount</u>	<u>Admitted Amount</u>	<u>Nonadmitted Amount</u>
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Travelers Texas MGA, Inc.	100.00%	<u>\$ 418,608</u>	\$ -	<u>\$ 418,608</u>
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 418,608	\$ -	\$ 418,608
c. SSAP No. 97 8b(iii) Entities				
Total SSAP No. 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	\$ 418,608	\$ -	\$ 418,608
f. Aggregate Total	XXX	\$ 418,608	\$ -	\$ 418,608

NOTES TO FINANCIAL STATEMENTS

2. NAIC Filing Response Information:

	Type of NAIC Filing	Date of Filing to the NAIC	12/31/15 NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code
<u>SCA Entity</u>						
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
<u>Travelers Texas MGA, Inc.*</u>						
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	XXX	\$ -	XXX	XXX	XXX
f. Aggregate Total	XXX	XXX	\$ -	XXX	XXX	XXX

*Management of the Company intends to complete a Sub-1 filing during 2017.

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 the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$4,014,601 and \$6,097,030 for 2016 and 2015, respectively.

2. Postretirement Benefit Plan:

The Company participates in a postretirement health and life insurance benefit plan sponsored by TRV for employees of the Company and its property-casualty affiliates that satisfy certain age and service requirements and for certain retirees. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of postretirement benefit expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the postretirement benefit expense was \$139,193 and \$259,341 for 2016 and 2015, respectively.

3. 401(k) Savings Plan:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$4,737,051 and \$4,523,382 for 2016 and 2015, respectively.

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

The Company has 20,000 shares of common capital stock authorized, issued and outstanding with a par value of \$250 per share.

The Company paid ordinary dividends of \$147 million and extraordinary dividends of \$37 million for a total of \$184 million in 2016, to its parent company, TIGHI. In 2015, the Company paid ordinary dividends of \$161 million and extraordinary dividends of \$89 million for a total of \$250 million to TIGHI.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by 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 the dividends to shareholders that can be made during 2017 without prior approval is \$202,389,000.

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 2016. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$354,213,697.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS**A. Contingent Commitments:**

At December 31, 2016, the Company had commitments to fund investments of \$42.1 million.

B. Assessments:

1. The Company has accrued liabilities of \$11.7 million for guaranty fund and other insurance-related assessments and related recoverables of \$1.1 million at December 31, 2016. 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, 2015	\$ 987,290
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	256,532
Premium tax offset refund	71,344
c. Increases current year:	
Premium tax offset accrued	<u>276,033</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2016	<u>\$ 935,447</u>

C. Gain Contingencies:

On August 17, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company v. American Re-Insurance Company, et al.*, the trial court granted summary judgment for United States Fidelity and Guaranty Company (USF&G) and denied summary judgment for the reinsurers. The Court of Appeals largely affirmed the entry of summary judgment, but remanded two discrete issues for trial. Thereafter, the reinsurers filed a motion with the trial court to change venue, and the trial court denied the motion.

On November 7, 2016, USF&G agreed to a settlement with one of the three defendants then remaining in this dispute. USF&G received payment under the settlement in the fourth quarter of 2016 and, as a result, recognized a \$126 million pre-tax (\$82 million after-tax) benefit in earnings in the fourth quarter. The reinsurance recoverable balance related to this case was reduced from approximately \$238 million to approximately \$31 million.

On December 22, 2016, the Appellate Court, First Department affirmed the denial of the reinsurers' motion to change venue and a trial is set to proceed on May 1, 2017 with regard to the remaining two defendants – both of which are subsidiaries of the same company. At December 31, 2016, the claim related to the remaining defendants totaled \$69 million, comprising \$31 million of a reinsurance recoverable plus interest amounting to \$38 million as of that date. Interest will continue to accrue at an annual rate of 9% until the amounts owed by the remaining defendants are paid, though the reinsurers still party to the case contested that interest is owed in a brief filed on June 6, 2016.

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 remaining \$31 million awarded by the court represents the amounts owed to and reported by the Company under the terms of the disputed reinsurance contract. The Company's respective Pool participation share of the interest that would be received as part of any judgment ultimately entered in favor of USF&G is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly has not been recognized in the Company's statutory financial statements.

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 203,273

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

0-25 Claims
X

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

NOTES TO FINANCIAL STATEMENTS

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, 2016, 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 \$42.1 million at December 31, 2016.

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. The Company has no loaned securities outstanding at December 31, 2016.

C. Wash Sales:

Not applicable.

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

Not applicable.

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

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

20. FAIR VALUE MEASUREMENTS

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

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

NOTES TO FINANCIAL STATEMENTS

- A. 1. Securities measured and reported at fair value as of December 31, 2016:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ -	\$ 1,547,465	\$ 5,684,306	\$ 7,231,771
Common stock				
Industrial and miscellaneous	2,361	-	-	2,361
Total securities at fair value	\$ 2,361	\$ 1,547,465	\$ 5,684,306	\$ 7,234,132

At December 31, 2016, the Company also holds Level 3 nonredeemable preferred stock measured and reported at its fair value of \$0.

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

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

<u>Description</u>	<u>Beginning Balance at 1/1/2016</u>	<u>Transfers in to Level 3</u>	<u>Transfers out of Level 3</u>	<u>Total gains & (losses) included in Net Income</u>	<u>Total gains & (losses) included in Surplus</u>	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Ending Balance at 12/31/2016</u>
Bonds	\$ 64,206,990	\$ 3,811,198	\$ (47,503,213)	\$ (8,816)	\$ 1,665,534	\$ 6,578,564	\$ -	\$ -	\$ (23,065,951)	\$ 5,684,306

Due to market fluctuations during the year, securities previously held at cost changed to being held at fair value. These securities were deemed Level 3 securities, resulting in transfers into Level 3.

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

3. Market fluctuations cause securities to change from being held at cost to fair value or vice versa. In addition, securities transfer between levels based on the availability of observable market data. The Company recognizes these transfers at the end of the period.
4. Bonds and preferred stock are carried at fair value in accordance with NAIC guidelines. These securities are generally priced by the SVO or by a third party organization.

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

5. Not applicable.

- B. Not applicable.

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

(At December 31, 2016)	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Practicable (Carrying Value)</u>
<u>Description</u>						
Short term bonds	\$ 148,575,877	\$ 148,575,877	\$ 35,938,589	\$ 112,637,288	\$ -	\$ -
Long term bonds	2,172,167,955	2,148,467,152	75,519,560	2,014,236,583	82,411,812	-
Preferred stock	-	-	-	-	-	-
Common stock	2,361	2,361	2,361	-	-	-

(At December 31, 2015)	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Practicable (Carrying Value)</u>
<u>Description</u>						
Short term bonds	\$ 53,726,288	\$ 53,726,288	\$ 18,669,944	\$ 35,056,344	\$ -	\$ -
Long term bonds	2,230,879,019	2,166,159,571	60,635,840	2,087,538,214	82,704,965	-
Preferred stock	-	-	-	-	-	-
Common stock	6,331	6,331	6,331	-	-	-

- D. Not applicable.

21. OTHER ITEMS

- A. Unusual or Infrequent Items:

Not applicable.

- B. Troubled Debt Restructuring – Debtors:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures:

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

2016 Schedule P:

The 2006 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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002 & Prior</u>
Part 1A	\$ 101	\$ 117	\$ 15	\$ 23	\$ 179
Part 1B	72	22	9	7	9,928
Part 1C	216	238	250	219	2,745
Part 1D	16,189	14,920	15,585	14,423	201,381
Part 1E	2,479	1,140	966	676	13,650
Part 1F - Section 1	1	12	28	124	682
Part 1F - Section 2	(1)	684	33	70	1,589
Part 1G	59	(2)	28	114	3,167
Part 1H - Section 1	4,095	3,233	2,079	3,731	94,498
Part 1H - Section 2	2,053	758	530	1,188	8,628
Part 1M	-	-	-	1	112
Part 1N	-	-	6	5	1,336
Part 1O	-	70	163	505	19,639
Part 1P	-	22	24	30	366
Part 1R - Section 1	857	671	853	786	36,694
Part 1R - Section 2	10	21	26	22	599

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	\$ (6)	\$ (13)	\$ (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(210)	(207)	(43)	(2,030)	-	(52)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(139)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(322)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(28)	-	-	-	-	-	-	-	-
Reinsurance B	(97)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

<u>Description of State Transferable and Non-transferable Tax Credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Enhanced Capital Tennessee Tax Credit	TN	\$ 976,550	\$ 972,009

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

3. Not applicable.

4. State Tax Credits Admitted and Nonadmitted:

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	\$ 976,550	\$ -
Non-transferable	-	-

F. Subprime Mortgage Related Risk Exposure:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 1,898,125	\$ 1,885,715	\$ 1,940,744	\$ 22,391

G. Insurance-Linked Securities (ILS) Contracts:

Not applicable.

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 16, 2017.

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, 2016, 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):

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,702,841,368
Travelers Casualty and Surety Company	06-6033504	9,634,411,017
The Phoenix Insurance Company	06-0303275	2,358,362,358
The Standard Fire Insurance Company	06-6033509	2,283,367,417
United States Fidelity and Guaranty Company	52-0515280	2,081,748,700
Travelers Casualty Insurance Company of America	06-0876835	1,287,722,951
Farmington Casualty Company	06-1067463	698,073,243
The Travelers Indemnity Company of Connecticut	06-0336212	648,669,497
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	646,096,873
The Charter Oak Fire Insurance Company	06-0291290	603,282,332
Northland Insurance Company	41-6009967	575,497,193
St. Paul Surplus Lines Insurance Company	41-1230819	415,011,125
The Travelers Indemnity Company of America	58-6020487	364,983,569
St. Paul Protective Insurance Company	36-2542404	273,578,477
Northfield Insurance Company	41-0983992	245,233,840
Travelers Commercial Casualty Company	95-3634110	221,673,864
Travelers Casualty Company of Connecticut	06-1286266	221,653,662
Travelers Commercial Insurance Company	06-1286268	221,653,662
St. Paul Mercury Insurance Company	41-0881659	189,150,380
Travelers Property Casualty Company of America	36-2719165	184,242,820
Travelers Property Casualty Insurance Company	06-1286274	141,481,054
The Travelers Casualty Company	41-1435765	136,765,020
Travelers Constitution State Insurance Company	41-1435766	136,765,020
Travelers Excess and Surplus Lines Company	06-1203698	127,415,495
The Travelers Home and Marine Insurance Company	35-1838079	127,332,947
Travelers Personal Security Insurance Company	06-1286264	127,332,947
Travelers Personal Insurance Company	36-3703200	127,332,947
TravCo Insurance Company	35-1838077	127,332,947
Discover Property & Casualty Insurance Company	36-2999370	67,310,104
Discover Specialty Insurance Company	52-1925132	66,027,490
Northland Casualty Company	94-6051964	66,024,482
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	47,264,256
American Equity Specialty Insurance Company	86-0868106	47,160,340
St. Paul Guardian Insurance Company	41-0963301	47,160,340
Total		<u>\$ 36,249,959,737</u>

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

Company	F.E.I.N.	Amount
Travelers Property Casualty Company of America	36-2719165	\$ 11,901,006,544
St. Paul Fire and Marine Insurance Company	41-0406690	3,407,722,815
The Travelers Indemnity Company of America	58-6020487	3,086,596,540
The Charter Oak Fire Insurance Company	06-0291290	3,000,158,077
Travelers Casualty and Surety Company	06-6033504	2,942,906,627
The Travelers Indemnity Company of Connecticut	06-0336212	2,869,361,947
The Standard Fire Insurance Company	06-6033509	2,681,976,950
The Phoenix Insurance Company	06-0303275	2,384,593,903
The Travelers Home and Marine Insurance Company	35-1838079	2,146,163,540
Travelers Casualty Insurance Company of America	06-0876835	1,755,302,419
United States Fidelity and Guaranty Company	52-0515280	1,636,246,092
St. Paul Mercury Insurance Company	41-0881659	813,218,753

NOTES TO FINANCIAL STATEMENTS

Farmington Casualty Company	06-1067463	697,706,517
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	614,427,852
Northland Insurance Company	41-6009967	598,767,548
Travelers Property Casualty Insurance Company	06-1286274	505,972,017
Travelers Commercial Insurance Company	06-1286268	501,040,197
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	402,341,761
TravCo Insurance Company	35-1838077	268,766,044
St. Paul Protective Insurance Company	36-2542404	256,332,094
Discover Property & Casualty Insurance Company	36-2999370	238,109,646
Northfield Insurance Company	41-0983992	218,049,607
Travelers Excess and Surplus Lines Company	06-1203698	202,703,536
Travelers Personal Security Insurance Company	06-1286264	193,519,885
St. Paul Surplus Lines Insurance Company	41-1230819	191,218,616
Travelers Personal Insurance Company	36-3703200	187,967,350
St. Paul Guardian Insurance Company	41-0963301	114,874,125
Travelers Commercial Casualty Company	95-3634110	83,090,773
Travelers Casualty Company of Connecticut	06-1286266	62,129,903
Northland Casualty Company	94-6051964	14,144,603
The Travelers Casualty Company	41-1435765	4,680,924
Discover Specialty Insurance Company	52-1925132	3,658,174
Travelers Constitution State Insurance Company	41-1435766	2,354,448
American Equity Specialty Insurance Company	86-0868106	142,796
Total		<u>\$ 43,987,252,623</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	\$ 479,120,323	\$ 59,821,912	\$ 1,136,026,452	\$ 141,841,769	\$ (656,906,129)	\$ (82,019,857)
All Other	<u>210,207,472</u>	<u>26,246,043</u>	-	-	<u>210,207,472</u>	<u>26,246,043</u>
Total	<u>\$ 689,327,795</u>	<u>\$ 86,067,955</u>	<u>\$ 1,136,026,452</u>	<u>\$ 141,841,769</u>	<u>\$ (446,698,657)</u>	<u>\$ (55,773,814)</u>

Direct Unearned Premium Reserve \$ 925,818,981

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$10,762,564 at December 31, 2016. This balance represents the Company's 4.84% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 27,393,738	\$ 10,762,564	\$ 27,393,738	\$ 10,762,564
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 27,393,738</u>	<u>\$ 10,762,564</u>	<u>\$ 27,393,738</u>	<u>\$ 10,762,564</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 454,960	\$ 8,970,099
(2) Adjustments - Prior Year(s)	(171,041)	8,592,514
(3) Adjustments - Current Year	-	(102,933)
(4) Current Total	<u>\$ 283,919</u>	<u>\$ 17,459,680</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 506,026	\$ 9,150,518
(2) Adjustments - Prior Year(s)	45,911	1,762,575
(3) Adjustments - Current Year	-	8,233
(4) Current Total	<u>\$ 551,937</u>	<u>\$ 10,921,326</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 224,786	\$ 13,998,979
(2) Current Year	408	210,643
(3) Current Total	<u>\$ 225,194</u>	<u>\$ 14,209,622</u>

NOTES TO FINANCIAL STATEMENTS

d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 51,066	\$ (180,419)
(2) Adjustments - Prior Year(s)	216,952	6,829,939
(3) Adjustments - Current Year	-	(111,166)
(4) Current Year Restricted Surplus	<u>244,666</u>	<u>2,984,088</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ 23,352</u>	<u>\$ 3,554,266</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 261,360	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	4,448,827
XL Reinsurance America Inc. (20583)	-	3,816,966
TIG Insurance Company (25534)	-	3,618,227
Swiss Reinsurance America Corporation (25364)	-	1,337,828
Westport Insurance Corporation (39845)	-	784,822
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	648,560
General Reinsurance Corporation (22039)	-	578,002
Excalibur Reinsurance Corp. (39675)	-	510,622
Various	<u>22,559</u>	<u>1,715,826</u>
Total	<u>\$ 283,919</u>	<u>\$ 17,459,680</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due
Renaissance Reinsurance U.S. Inc. (10357)	\$ 760	\$ -
XL Reinsurance America Inc. (20583)	28,628	52
Westport Insurance Corporation (39845)	11,195	-
Various	<u>5,348</u>	<u>6</u>
Total	<u>\$ 45,931</u>	<u>\$ 58</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
Excalibur Reinsurance Corp. (39675)	\$ 53,697	\$ 53,697	\$ -
Total	<u>\$ 53,697</u>	<u>\$ 53,697</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 LAE 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	\$ 3,384,518
2. Unsecured amount	813,204
3. Less: Nonadmitted amount (10%)	81,320
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>209,229</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 3,093,969</u>

F. Not applicable.

NOTES TO FINANCIAL STATEMENTS**25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

During the period from January 1, 2016 to December 31, 2016, the prior year-end total loss and LAE reserves developed favorably by \$23,066,000, resulting from better than expected loss and defense and cost containment development primarily in the workers' compensation, other liability – occurrence (excluding asbestos and environmental), other liability – claims made and special property lines. This favorable development was partially offset by unfavorable development in the personal auto liability and commercial multiple peril lines and for asbestos and environmental reserves in the products liability – occurrence and other liability – occurrence lines. Lower estimates for adjusting and other expenses also contributed to the total favorable development.

The improvement was driven primarily by better than expected loss experience in (i) the workers' compensation line for accident years 2009, 2013 and 2015 as well as "Prior" accident year (ii) the other liability – occurrence line for both primary and excess coverages for accident years 2011 through 2015 as well as accident years 2007 and prior, (iii) the other liability – claims made line for accident years 2011 and prior, and (iv) the special property line driven by non-weather related losses primarily for accident year 2014. These improvements were partially offset by (i) unfavorable development in the personal auto liability line driven by worse than expected loss experience for bodily injury coverages for the 2015 accident year, (ii) unfavorable development in the commercial multiple peril line resulting from a refinement of IBNR from mono-line property coverages to commercial multiple peril for non-weather related losses, primarily impacting accident year 2015 and (iii) unfavorable development for asbestos and environmental reserves in the products liability – occurrence and other liability – occurrence lines for "Prior" accident year. Lastly, the improvement in adjusting and other expense reserves was driven by the allocation of adjusting and other expense reserves by year as disclosed in the Schedule P Interrogatories of the Company.

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

26. INTERCOMPANY POOLING ARRANGEMENTS

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

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

<u>TRV Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation %</u>
St. Paul Fire and Marine Insurance Company	24767	24.79
The Travelers Indemnity Company	25658	23.29
Travelers Casualty and Surety Company	19038	20.36
The Phoenix Insurance Company	25623	5.00
The Standard Fire Insurance Company	19070	4.84
United States Fidelity and Guaranty Company	25887	4.41
Travelers Casualty Insurance Company of America	19046	2.73
Farmington Casualty Company	41483	1.48
The Automobile Insurance Company of Hartford, Connecticut	19062	1.37
The Travelers Indemnity Company of Connecticut	25682	1.37
The Charter Oak Fire Insurance Company	25615	1.27
Northland Insurance Company	24015	1.22
St. Paul Surplus Lines Insurance Company	30481	0.88
The Travelers Indemnity Company of America	25666	0.77
St. Paul Protective Insurance Company	19224	0.58
Northfield Insurance Company	27987	0.52
Travelers Casualty Company of Connecticut	36170	0.47
Travelers Commercial Casualty Company	40282	0.47
Travelers Commercial Insurance Company	36137	0.47
St. Paul Mercury Insurance Company	24791	0.40
Travelers Property Casualty Company of America	25674	0.36
Travelers Property Casualty Insurance Company	36161	0.30
The Travelers Casualty Company	41769	0.29
Travelers Constitution State Insurance Company	41750	0.29
TravCo Insurance Company	28188	0.27
Travelers Excess and Surplus Lines Company	29696	0.27
The Travelers Home and Marine Insurance Company	27998	0.27
Travelers Personal Insurance Company	38130	0.27
Travelers Personal Security Insurance Company	36145	0.27
Discover Property & Casualty Insurance Company	36463	0.14
Discover Specialty Insurance Company	10213	0.14
Northland Casualty Company	24031	0.14
American Equity Specialty Insurance Company	10819	0.10
Fidelity and Guaranty Insurance Underwriters, Inc.	25879	0.10
St. Paul Guardian Insurance Company	24775	0.10

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

As of December 31, 2016 the Company had a net payable of \$14,618,301 to affiliates as a result of its intercompany pooling transactions which settled in January 2017.

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.

NOTES TO FINANCIAL STATEMENTS

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> \$ 138,815,716	Unrecorded Loss <u>Contingencies</u> \$ 138,815,716	
B.	<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
	Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$ 40,670,405
	MetLife Insurance Company USA, Charlotte, NC	Yes	14,233,329
	Symetra Life Insurance Company, Bellevue, WA	Yes	10,407,740
	Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	10,322,901
	All other companies		63,181,341

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

1. Liability carried for premium deficiency reserves	\$ 0
2. Date of the most recent evaluation of this liability	December 31, 2016
3. Was anticipated investment income utilized in the calculation?	Yes

31. HIGH DEDUCTIBLES

At December 31, 2016, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$272,880,309 and the amount billed and outstanding on paid claims was \$2,710,130. 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, 2016 liabilities of the Company included \$90,621,575 and \$5,144,037 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, 2016 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	\$ 15,736,002	\$ 24,723,807
2. Other Liability-Occurrence	551,421	7,556,982
3. Total	<u>\$ 16,287,423</u>	<u>\$ 32,280,789</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

NOTES TO FINANCIAL STATEMENTS

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

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

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

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

The Company continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not 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 reduction 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 2009, Travelers Property Casualty Corp. (TPC) and PPG Industries, Inc. (PPG), along with approximately 30 other insurers of PPG agreed in principle to settle asbestos-related coverage litigation under insurance policies issued to PPG (the Agreement). The Agreement was incorporated into the Modified Third Amended Plan of Reorganization (Amended Plan) proposed as part of the Pittsburgh Corning Corp. (which is 50% owned by PPG) bankruptcy proceeding. In January 2016, the remaining objections to the Amended Plan were dismissed and in the second quarter of 2016, TPC fully satisfied its obligation under the Agreement by making payments totaling \$524 million, of which \$518 million was related to asbestos reserves. The Company's allocable share of the payments resulted in a \$25.1 million decrease to the Company's direct asbestos reserves and a \$22.1 million decrease to the Company's net of ceded reinsurance asbestos reserves. The Company's obligations under the Agreement were included in its claim and claim adjustment expense reserves at December 31, 2015.

1. <u>Direct Basis – Asbestos:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 123,680,687	\$ 118,727,555	\$ 115,218,033	\$ 112,484,936	\$ 87,661,390
b. Incurred losses and LAE:	6,209,720	8,416,760	12,231,116	14,597,440	13,953,914
c. Calendar year payments for losses and LAE:	<u>11,162,852</u>	<u>11,926,282</u>	<u>14,964,213</u>	<u>39,420,986</u>	<u>38,450,284</u>
d. Ending reserves:	<u>\$ 118,727,555</u>	<u>\$ 115,218,033</u>	<u>\$ 112,484,936</u>	<u>\$ 87,661,390</u>	<u>\$ 63,165,020</u>
2. <u>Assumed Reinsurance Basis- Asbestos:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 10,790,254	\$ 10,878,217	\$ 10,430,409	\$ 9,014,498	\$ 8,013,857
b. Incurred losses and LAE:	1,582,680	779,240	256,084	358,160	3,208,920
c. Calendar year payments for losses and LAE:	<u>1,494,717</u>	<u>1,227,048</u>	<u>1,671,995</u>	<u>1,358,801</u>	<u>1,722,257</u>
d. Ending reserves:	<u>\$ 10,878,217</u>	<u>\$ 10,430,409</u>	<u>\$ 9,014,498</u>	<u>\$ 8,013,857</u>	<u>\$ 9,500,520</u>
3. <u>Net of Ceded Reinsurance Basis- Asbestos:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 117,958,344	\$ 114,525,328	\$ 113,238,117	\$ 113,589,280	\$ 86,999,925
b. Incurred losses and LAE:	7,986,000	9,196,000	12,100,000	10,648,000	10,870,640
c. Calendar year payments for losses and LAE:	<u>11,419,016</u>	<u>10,483,211</u>	<u>11,748,837</u>	<u>37,237,355</u>	<u>34,218,987</u>
d. Ending reserves:	<u>\$ 114,525,328</u>	<u>\$ 113,238,117</u>	<u>\$ 113,589,280</u>	<u>\$ 86,999,925</u>	<u>\$ 63,651,578</u>

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

1. Direct Basis:	\$ 43,535,930
2. Assumed Reinsurance Basis:	\$ 3,842,240
3. Net of Ceded Reinsurance Basis:	\$ 41,619,748

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

1. Direct Basis:	\$ 32,083,011
2. Assumed Reinsurance Basis:	\$ 603,725
3. Net of Ceded Reinsurance Basis:	\$ 29,259,422

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.

NOTES TO FINANCIAL STATEMENTS

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.

The majority of the net environmental reserve is carried in a bulk reserve and included 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 14,006,955	\$ 13,724,833	\$ 13,235,355	\$ 13,296,098	\$ 14,757,141
b. Incurred losses and LAE:	3,830,860	3,385,096	4,394,720	3,913,140	4,201,120
c. Calendar year payments for losses and LAE:	<u>4,112,982</u>	<u>3,874,574</u>	<u>4,333,977</u>	<u>2,452,097</u>	<u>2,981,875</u>
d. Ending reserves:	<u>\$ 13,724,833</u>	<u>\$ 13,235,355</u>	<u>\$ 13,296,098</u>	<u>\$ 14,757,141</u>	<u>\$ 15,976,386</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 2,770,788	\$ 3,335,770	\$ 3,102,142	\$ 2,985,236	\$ 2,746,737
b. Incurred losses and LAE:	960,740	75,504	154,880	7,260	9,680
c. Calendar year payments for losses and LAE:	<u>395,758</u>	<u>309,132</u>	<u>271,786</u>	<u>245,759</u>	<u>208,528</u>
d. Ending reserves:	<u>\$ 3,335,770</u>	<u>\$ 3,102,142</u>	<u>\$ 2,985,236</u>	<u>\$ 2,746,737</u>	<u>\$ 2,547,889</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 16,521,191	\$ 16,815,881	\$ 15,926,404	\$ 16,066,420	\$ 16,900,385
b. Incurred losses and LAE:	4,356,000	3,131,480	4,210,800	3,484,800	3,968,800
c. Calendar year payments for losses and LAE:	<u>4,061,310</u>	<u>4,020,957</u>	<u>4,070,784</u>	<u>2,650,835</u>	<u>2,901,848</u>
d. Ending reserves:	<u>\$ 16,815,881</u>	<u>\$ 15,926,404</u>	<u>\$ 16,066,420</u>	<u>\$ 16,900,385</u>	<u>\$ 17,967,337</u>

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

1. Direct Basis:	\$ 15,851,239
2. Assumed Reinsurance Basis:	\$ 1,436,310
3. Net of Ceded Reinsurance Basis	\$ 16,863,187

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

1. Direct Basis:	\$ 6,151,108
2. Assumed Reinsurance Basis:	\$ 6,497
3. Net of Ceded Reinsurance Basis	\$ 6,011,914

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.

NOTES TO FINANCIAL STATEMENTS

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

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2016 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2016, 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 STANDARD FIRE INSURANCE COMPANY	06-6033509
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE TRAVELERS CASUALTY COMPANY	41-1435765
BMR SPORTS PROPERTIES, INC.	52-1852190	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CAMPERDOWN CORPORATION	41-1762781	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 MARINE INSURANCE COMPANY	41-0406690	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS MGA, INC.	75-2676034
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
TCI GLOBAL SERVICES, INC.	52-1965525	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT	06-0848755	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290	TRAVELERS TEXAS MGA, INC.	27-4469564
THE PHOENIX INSURANCE COMPANY	06-0303275	UNITED STATES FIDELITY AND GUARANTY COMPANY	52-0515280
THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
		YONKERS FINANCING CORPORATION	20-3033027

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Connecticut
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2014
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2014
- 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). _____ 04/26/2016
- 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 the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	0	

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes, _____ 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main St., Hartford, CT 06103
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Renée H. Davis, FCAS, MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company Standard Fire Properties, LLC, Oregon Evergreen Investors I, LLC
- 12.12 Number of parcels involved 64
- 12.13 Total book/adjusted carrying value \$ 48,344,475
- 12.2 If yes, provide explanation
Standard Fire Properties, LLC - Holds ground leases. Oregon Evergreen Investors I, LLC - Owns 75% of Lone Rock Timber I LLC and 90% of Lone Rock Timber II LLC, which owns timber land.
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
On February 3, 2016, the Board of Directors of The Travelers Companies, Inc. ("Travelers") adopted amendments to Travelers Code of Business Conduct and Ethics (the "Code"). The purpose of the amendments was to globalize the current Code and update the Code with respect to business and regulatory developments as well as to provide additional guidance and greater detail with respect to various matters, including with respect to raising ethical concerns/reporting obligations, conflicts of interest, separate policies and violations.
- This summary of the amendments to the Code is qualified in its entirety by reference to the full text of the Code, as amended.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0			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 No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers \$ 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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

- 24.01 Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
This company is a party to a security lending agreement. See Note 17.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 168,275,856
- 25.29 On deposit with other regulatory bodies \$ 6,945,277
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$ 0

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
The Travelers Indemnity Company	A

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes No

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
	The Travelers Indemnity Company		Not a registered investment advisor	DS

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/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 Holding	4 Date of Valuation
		0	

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	2,297,043,029	2,320,743,832	23,700,803
30.2	Preferred Stocks	0	0	0
30.3	Totals	2,297,043,029	2,320,743,832	23,700,803

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

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

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

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

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

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes 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? \$ 2,331,033

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC	\$ 1,136,127

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

34.1 Amount of payments for legal expenses, if any? \$ 3,871,433

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? \$ 83,870

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	\$	\$	1,032,959,503	990,111,724
2.3	Premium Ratio (2.1/2.2)			0.000	0.000
2.4	Reserve Numerator	\$	\$	0	0
2.5	Reserve Denominator	\$	\$	2,282,561,244	2,239,162,670
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		\$		16,366,709
3.22	Non-participating policies		\$		1,037,360,534
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?			Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?			Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				0.000%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.		\$		0
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?			Yes []	No []
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation			Yes []	No []
5.22	As a direct expense of the exchange			Yes []	No []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?			Yes []	No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <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>				

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 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?
The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
The Company's all region aggregate catastrophe treaty does not contain a reinstatement provision but does allow for recoveries under multiple event loss scenarios. The Company's northeast region catastrophe treaty applies per occurrence and provides for one reinstatement. Additionally, the Company buys property catastrophe cat bonds for designated perils covering the northeast region. Those bonds apply per occurrence but do not have a reinstatement provision. The Company believes that its reinsurance programs along with the Company's surplus are adequate to cover its exposures in a catastrophic event.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 9
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 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 | \$ | 2,406,986 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | 424,762 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 3,644,952
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []

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

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%	
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	\$					283,685,377	
	12.62	Collateral and other funds	\$					97,020,315	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):								
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 reporting entity 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
16.12	Products	\$	0	\$	0	\$	0	\$	0
16.13	Automobile	\$	0	\$	0	\$	0	\$	0
16.14	Other*	\$	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 2016	2 2015	3 2014	4 2013	5 2012
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).....	1,803,377,910	1,438,334,475	1,103,810,848	899,345,772	947,523,776
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	950,694,512	734,662,264	550,072,988	644,290,175	681,514,991
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	763,248,630	797,556,436	855,242,132	896,713,991	945,914,871
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,845,345	3,291,118	1,582,951	3,276,323	3,769,152
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,426,067	2,693,750	3,014,251	2,797,600	2,558,324
6. Total (Line 35).....	3,522,592,465	2,976,538,043	2,513,723,170	2,446,423,861	2,581,281,114
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).....	522,033,136	494,490,394	474,568,411	467,749,200	450,004,159
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	190,621,297	175,212,704	168,769,081	166,847,054	160,531,839
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	335,803,224	330,038,474	329,237,588	334,082,825	329,853,886
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,843,518	3,290,378	1,581,961	3,275,583	3,768,762
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,426,067	2,693,750	3,014,251	2,797,600	2,558,324
12. Total (Line 35).....	1,053,727,243	1,005,725,700	977,171,291	974,752,262	946,716,970
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	61,165,551	103,564,436	88,368,999	82,204,099	934,015
14. Net investment gain (loss) (Line 11).....	184,229,947	162,946,796	180,239,877	150,396,706	143,152,532
15. Total other income (Line 15).....	240,688	414,685	17,821,528	38,808,657	8,770,343
16. Dividends to policyholders (Line 17).....	2,085,136	1,664,146	1,522,935	1,408,449	1,947,733
17. Federal and foreign income taxes incurred (Line 19).....	41,161,790	60,416,460	56,751,989	52,132,050	20,210,770
18. Net income (Line 20).....	202,389,260	204,845,311	228,155,481	217,868,963	130,698,386
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,679,128,192	3,583,924,589	3,627,132,137	3,605,293,999	3,440,165,126
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	59,539,164	59,520,658	57,426,329	53,720,056	50,406,074
20.2 Deferred and not yet due (Line 15.2).....	221,461,024	207,465,245	199,299,615	193,577,206	193,030,546
20.3 Accrued retrospective premiums (Line 15.3).....	3,093,969	3,872,190	4,059,088	4,605,388	5,528,460
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,477,306,490	2,398,381,180	2,411,960,075	2,370,513,049	2,382,408,789
22. Losses (Page 3, Line 1).....	1,415,616,384	1,401,881,722	1,412,561,206	1,437,412,417	1,448,840,779
23. Loss adjustment expenses (Page 3, Line 3).....	333,016,199	323,055,032	343,946,222	316,384,099	314,961,683
24. Unearned premiums (Page 3, Line 9).....	479,120,323	457,925,236	441,634,042	431,608,160	420,982,192
25. Capital paid up (Page 3, Lines 30 & 31).....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	1,201,821,702	1,185,543,409	1,215,172,062	1,234,780,950	1,057,756,337
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	238,837,710	192,570,187	263,349,016	229,653,409	167,097,218
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,201,821,702	1,185,543,409	1,215,172,062	1,234,780,950	1,057,756,337
29. Authorized control level risk-based capital.....	221,166,295	215,396,209	215,448,457	207,071,922	214,152,432
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).....	68.8	70.7	71.2	73.5	76.5
31. Stocks (Lines 2.1 & 2.2).....	16.6	17.3	16.7	16.5	16.4
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.1
34. Cash, cash equivalents and short-term investments (Line 5).....	4.8	1.8	2.7	2.4	0.3
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).....	9.9	10.3	9.4	7.5	6.5
38. Receivables for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.0	0.0	0.1	0.1	0.2
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	518,854,654	529,289,359	523,463,117	519,080,414	485,962,096
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	49,221,536	49,239,516	51,100,427	28,974,492	30,058,906
48. Total of above lines 42 to 47.....	568,076,190	578,528,875	574,563,544	548,054,906	516,021,002
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).....	47.3	48.8	47.3	44.4	48.8

THE STANDARD FIRE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2016	2015	2014	2013	2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(6,995,488)	12,304,387	20,573,436	45,620,568	34,777,344
52. Dividends to stockholders (Line 35).....	(184,000,000)	(250,000,000)	(266,800,000)	(81,000,000)	(99,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	16,278,293	(29,628,653)	(19,608,888)	177,024,613	47,890,094
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).....	836,294,717	635,798,394	506,718,670	538,099,695	565,302,753
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	619,343,842	422,538,997	322,473,060	1,331,602,615	518,597,321
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	312,022,371	332,085,935	342,515,306	439,890,155	550,360,840
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,121,919	1,921,249	3,143,130	568,879	3,136,294
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,567,161	3,520,246	5,865,699	3,974,088	1,870,433
59. Total (Line 35).....	1,772,350,010	1,395,864,821	1,180,715,865	2,314,135,432	1,639,267,642
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).....	274,082,387	251,654,515	237,675,702	239,817,049	244,565,773
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	97,376,605	83,648,277	84,403,929	84,470,232	94,866,810
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	144,062,140	136,093,073	140,785,702	153,115,391	183,794,909
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,121,919	1,921,249	3,143,130	568,879	3,136,294
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,567,161	3,520,246	5,865,699	3,974,088	1,870,433
65. Total (Line 35).....	520,210,213	476,837,361	471,874,161	481,945,639	528,234,219
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).....	51.7	47.1	46.2	48.9	57.2
68. Loss expenses incurred (Line 3).....	11.7	11.7	14.3	12.0	11.2
69. Other underwriting expenses incurred (Line 4).....	30.7	30.8	30.4	30.6	31.5
70. Net underwriting gain (loss) (Line 8).....	5.9	10.5	9.1	8.5	0.1
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.1	30.3	28.2	26.2	30.4
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	63.4	58.7	60.5	60.9	68.4
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).....	87.7	84.8	80.4	78.9	89.5
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(21,330)	(32,097)	(53,783)	(23,598)	(28,150)
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).....	(1.8)	(2.6)	(4.4)	(2.2)	(2.8)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(53,892)	(77,051)	(73,993)	(52,567)	(50,922)
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).....	(4.4)	(6.2)	(7.0)	(5.2)	(4.3)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported-Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	62,395	15,463	12,700	1,938	4,825	41	(426)	62,479	XXX
2. 2007.....	986,494	100,751	885,743	406,033	39,445	40,109	3,173	42,773	936	21,928	445,360	XXX
3. 2008.....	989,915	98,107	891,808	508,082	52,324	43,524	3,238	50,114	735	22,841	545,423	XXX
4. 2009.....	976,462	78,757	897,705	456,957	30,330	40,426	2,288	48,816	565	24,502	513,015	XXX
5. 2010.....	970,225	71,245	898,980	505,181	28,962	44,091	2,079	49,634	456	25,481	567,409	XXX
6. 2011.....	1,005,642	69,411	936,231	611,070	40,325	45,825	2,527	51,594	490	27,553	665,148	XXX
7. 2012.....	1,032,787	76,416	956,371	579,153	90,765	43,678	4,626	53,669	824	25,842	580,286	XXX
8. 2013.....	1,045,014	82,502	962,512	412,780	25,056	35,077	1,400	49,555	1,263	21,838	469,693	XXX
9. 2014.....	1,044,683	77,629	967,055	376,167	24,709	28,506	1,307	46,946	1,199	20,300	424,403	XXX
10. 2015.....	1,060,722	70,610	990,112	322,284	16,696	17,550	746	46,065	956	18,603	367,503	XXX
11. 2016.....	1,100,117	67,158	1,032,960	229,655	8,120	6,789	265	40,651	155	12,049	268,556	XXX
12. Totals.....	XXX	XXX	XXX	4,469,757	372,194	358,275	23,586	484,642	7,619	220,512	4,909,276	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.....	308,954	92,770	205,068	36,183	29,244	3,621	52,823	4,666	32,001	121	861	490,728	XXX
2. 2007.....	15,509	3,470	14,550	1,572	1,359	195	3,384	72	874	(1)	239	30,370	XXX
3. 2008.....	15,901	1,815	17,897	2,110	1,724	77	3,978	320	889	(1)	479	36,067	XXX
4. 2009.....	18,532	3,867	19,678	2,496	1,718	53	3,717	228	907	(1)	567	37,911	XXX
5. 2010.....	23,384	2,363	22,732	1,541	2,316	72	4,183	183	1,406	2	911	49,860	XXX
6. 2011.....	28,851	1,670	29,022	1,638	3,302	152	5,560	149	1,944	3	1,599	65,067	XXX
7. 2012.....	39,134	3,786	40,266	2,841	4,492	137	10,133	208	3,069	10	2,459	90,112	XXX
8. 2013.....	54,079	5,060	52,489	4,080	6,398	206	16,299	301	4,747	14	3,455	124,353	XXX
9. 2014.....	73,827	7,829	78,768	6,456	9,132	400	20,809	823	7,517	47	5,477	174,498	XXX
10. 2015.....	96,185	9,924	124,336	9,877	10,039	339	24,099	658	8,469	69	7,574	242,261	XXX
11. 2016.....	134,410	10,408	229,365	15,566	11,048	396	38,002	962	21,996	84	17,577	407,405	XXX
12. Totals.....	808,767	142,962	834,171	84,360	80,774	5,648	182,988	8,570	83,820	347	41,198	1,748,633	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	385,069	105,660
2. 2007.	524,592	48,862	475,730	53.2	48.5	53.7	0	0	4.84	25,018	5,352
3. 2008.	642,109	60,618	581,490	64.9	61.8	65.2	0	0	4.84	29,872	6,195
4. 2009.	590,752	39,826	550,927	60.5	50.6	61.4	0	0	4.84	31,848	6,064
5. 2010.	652,927	35,659	617,268	67.3	50.1	68.7	0	0	4.84	42,212	7,647
6. 2011.	777,169	46,953	730,215	77.3	67.6	78.0	0	0	4.84	54,566	10,502
7. 2012.	773,594	103,196	670,398	74.9	135.0	70.1	0	0	4.84	72,773	17,339
8. 2013.	631,425	37,379	594,046	60.4	45.3	61.7	0	0	4.84	97,429	26,924
9. 2014.	641,672	42,771	598,901	61.4	55.1	61.9	0	0	4.84	138,310	36,188
10. 2015.	649,028	39,264	609,764	61.2	55.6	61.6	0	0	4.84	200,719	41,542
11. 2016.	711,917	35,956	675,961	64.7	53.5	65.4	0	0	4.84	337,801	69,604
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,415,616	333,016

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior.....	1,475,117	1,421,749	1,377,929	1,338,374	1,327,328	1,311,097	1,300,893	1,273,817	1,270,203	1,267,515	(2,688)	(6,302)
2. 2007.....	487,880	475,973	463,442	463,104	451,764	444,108	440,213	438,087	436,468	434,344	(2,124)	(3,743)
3. 2008.....	XXX	558,755	564,078	561,081	548,647	542,584	540,722	535,198	533,159	532,638	(520)	(2,560)
4. 2009.....	XXX	XXX	524,302	520,907	519,487	515,340	510,730	508,563	507,199	503,311	(3,888)	(5,252)
5. 2010.....	XXX	XXX	XXX	559,073	577,973	575,789	572,216	570,444	569,441	568,527	(914)	(1,917)
6. 2011.....	XXX	XXX	XXX	XXX	683,062	689,704	690,920	686,437	685,029	679,292	(5,737)	(7,146)
7. 2012.....	XXX	XXX	XXX	XXX	XXX	631,408	630,738	623,490	617,731	616,529	(1,201)	(6,961)
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	555,433	552,046	545,584	543,177	(2,406)	(8,869)
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	559,209	550,381	548,065	(2,316)	(11,144)
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	558,371	558,836	466	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	616,605	XXX	XXX
12. Totals.....											(21,330)	(53,892)

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior.....	000	222,526	355,701	462,437	532,015	588,261	635,133	682,145	722,860	780,554	XXX	XXX
2. 2007.....	166,363	259,589	311,336	347,530	371,354	384,624	392,568	396,886	400,570	403,524	XXX	XXX
3. 2008.....	XXX	215,818	328,784	389,808	430,359	458,476	475,448	484,689	490,598	496,044	XXX	XXX
4. 2009.....	XXX	XXX	202,392	312,300	369,157	407,866	433,982	448,173	458,904	464,764	XXX	XXX
5. 2010.....	XXX	XXX	XXX	227,780	351,033	414,911	459,796	489,351	507,364	518,232	XXX	XXX
6. 2011.....	XXX	XXX	XXX	XXX	313,869	453,031	520,135	565,049	596,434	614,043	XXX	XXX
7. 2012.....	XXX	XXX	XXX	XXX	XXX	258,859	392,788	452,695	499,158	527,441	XXX	XXX
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	209,645	318,312	379,035	421,401	XXX	XXX
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	210,757	317,333	378,656	XXX	XXX
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	208,232	322,393	XXX	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	228,059	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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior.....	841,773	676,162	573,895	483,915	428,605	383,647	352,858	301,917	275,867	232,420
2. 2007.....	213,652	133,419	91,285	70,179	50,471	37,437	29,562	24,655	21,372	17,397
3. 2008.....	XXX	224,001	138,201	98,183	64,328	47,630	38,639	28,566	23,240	20,517
4. 2009.....	XXX	XXX	212,246	123,204	87,449	60,742	43,886	34,022	27,885	21,947
5. 2010.....	XXX	XXX	XXX	205,775	129,796	84,918	57,787	41,267	32,587	26,634
6. 2011.....	XXX	XXX	XXX	XXX	225,771	132,818	91,723	62,285	46,075	34,437
7. 2012.....	XXX	XXX	XXX	XXX	XXX	232,806	139,343	91,020	62,582	49,118
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	220,625	136,748	90,361	66,077
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	233,404	137,705	94,306
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	229,545	139,922
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	253,735

THE STANDARD FIRE INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	48,687,092	43,945,458	2,328	21,549,365	28,186,544	23,662,496	424,373	0
2. Alaska.....AK	L	0	0	0	5,436	(16,289)	462,849	0	0
3. Arizona.....AZ	L	8,422,508	8,373,445	0	3,024,071	2,776,544	14,762,746	20,446	0
4. Arkansas.....AR	L	4,520,546	4,835,227	0	3,484,725	3,159,210	8,443,282	20,565	0
5. California.....CA	L	84,592,250	128,282,476	0	91,954,693	84,619,253	93,833,651	1,403,845	0
6. Colorado.....CO	L	104,130,335	90,862,902	2,593	56,138,484	72,203,291	39,255,370	511,578	0
7. Connecticut.....CT	L	174,638,438	163,665,732	10,795	80,080,536	109,240,226	113,705,777	1,472,277	0
8. Delaware.....DE	L	4,574,244	4,849,441	42	3,180,077	4,770,737	6,529,182	19,645	0
9. District of Columbia.....DC	L	24,506,984	24,145,935	15,232	8,791,527	10,330,136	11,025,581	173,597	0
10. Florida.....FL	L	257,774,177	211,920,761	0	100,016,425	150,877,396	103,830,273	615,297	0
11. Georgia.....GA	L	14,176,310	16,016,013	2,571	7,050,249	6,646,148	11,192,176	96,819	0
12. Hawaii.....HI	L	1,260,835	615,624	0	68,864	164,022	1,702,666	270	0
13. Idaho.....ID	L	11,526,343	9,553,437	0	5,791,308	7,937,136	4,316,100	110,953	0
14. Illinois.....IL	L	85,761,089	76,676,938	35,189	41,419,012	55,200,196	49,853,277	579,783	0
15. Indiana.....IN	L	49,744,596	44,567,965	4,520	24,384,856	31,769,309	22,223,799	351,588	0
16. Iowa.....IA	L	12,498,874	10,654,227	15,194	4,964,551	7,240,311	7,965,036	58,418	0
17. Kansas.....KS	L	38,385,095	32,796,398	0	18,105,325	22,204,728	13,434,649	256,170	0
18. Kentucky.....KY	L	38,221,965	33,965,245	30	14,368,796	19,973,593	16,953,629	240,717	0
19. Louisiana.....LA	L	21,513,934	22,210,589	587	6,203,001	7,212,949	13,424,754	97,511	0
20. Maine.....ME	L	19,452,566	17,391,080	7	9,048,021	10,292,754	13,735,550	242,795	0
21. Maryland.....MD	L	110,622,857	114,044,400	48,794	41,284,420	43,633,472	41,941,259	414,197	0
22. Massachusetts.....MA	L	146,530,300	105,860,033	0	39,221,558	48,084,815	21,305,607	1,430,977	0
23. Michigan.....MI	L	4,637,935	4,504,657	0	2,355,588	648,104	51,699,279	7,832	0
24. Minnesota.....MN	L	82,327,166	72,551,573	1,012	36,183,162	44,252,487	42,691,334	550,859	0
25. Mississippi.....MS	L	15,872,053	14,545,005	2,447	7,512,627	9,434,705	9,149,212	104,089	0
26. Missouri.....MO	L	79,266,497	71,250,311	0	39,192,104	51,380,387	34,294,793	524,603	0
27. Montana.....MT	L	12,582,618	10,170,571	0	6,179,064	7,329,529	4,427,100	86,595	0
28. Nebraska.....NE	L	14,117,095	12,324,346	10,407	7,709,373	9,031,199	5,685,822	51,979	0
29. Nevada.....NV	L	35,207,986	29,303,052	0	16,539,208	23,128,120	13,938,879	231,421	0
30. New Hampshire.....NH	L	12,952,712	11,077,036	4,616	4,468,192	5,928,555	3,681,095	93,441	0
31. New Jersey.....NJ	L	2,941,200	3,043,570	0	9,121,477	7,020,276	15,130,750	23,823	0
32. New Mexico.....NM	L	15,142,203	14,192,345	3,062	8,280,938	11,550,328	18,319,338	92,983	0
33. New York.....NY	L	12,941,985	13,330,079	15,242	26,483,134	23,621,942	28,355,419	126,645	0
34. North Carolina.....NC	L	68,000,573	70,832,126	8,254	36,584,495	36,265,020	43,675,668	713,380	0
35. North Dakota.....ND	L	101,792	109,371	0	59,532	(99,275)	75,132	930	0
36. Ohio.....OH	L	73,980,305	67,711,937	0	37,590,271	46,644,267	26,472,355	798,198	0
37. Oklahoma.....OK	L	37,055,323	35,674,260	105,538	19,374,341	21,685,036	27,560,271	89,370	0
38. Oregon.....OR	L	30,922,862	24,959,516	0	15,254,062	21,748,492	18,395,977	236,957	0
39. Pennsylvania.....PA	L	21,712,581	21,737,675	0	8,435,229	8,825,660	31,833,223	182,121	0
40. Rhode Island.....RI	L	4,863,922	5,168,032	0	2,579,534	1,178,327	3,106,122	45,020	0
41. South Carolina.....SC	L	28,500,113	29,948,921	0	14,266,772	14,028,051	17,130,506	281,247	0
42. South Dakota.....SD	L	1,681,998	1,874,558	1,164	358,911	769,373	1,615,001	1,982	0
43. Tennessee.....TN	L	24,244,815	26,341,408	0	8,597,076	8,716,066	6,870,579	133,154	0
44. Texas.....TX	L	22,268,741	22,365,532	8,713	13,764,767	19,666,434	61,334,034	95,002	0
45. Utah.....UT	L	21,678,183	18,676,949	22,688	10,844,791	14,859,256	11,922,560	153,827	0
46. Vermont.....VT	L	13,673,559	13,050,530	240	6,634,077	8,821,748	6,820,648	177,375	0
47. Virginia.....VA	L	42,635,534	44,572,828	2,948	18,204,084	17,952,601	17,648,090	212,794	0
48. Washington.....WA	L	45,262,893	33,475,955	0	16,820,299	23,965,129	12,560,792	258,401	0
49. West Virginia.....WV	L	2,844,403	4,477,560	4,266	1,775,811	2,095,884	4,137,164	4,561	0
50. Wisconsin.....WI	L	26,901,084	24,735,025	43,730	13,501,623	16,676,553	16,175,628	203,873	0
51. Wyoming.....WY	L	190,626	194,765	0	133,509	78,588	57,741	924	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	L	0	0	0	0	0	0	0	0
55. US Virgin Islands.....VI	L	0	0	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a) ..53		2,016,050,092	1,867,432,818	372,208	968,939,351	1,183,709,323	1,168,324,221	14,025,208	0

DETAILS OF WRITE-INS

58001.....	XXX	0	0	0	0	0	0	0	0
58002.....	XXX	0	0	0	0	0	0	0	0
58003.....	XXX	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

Location of property: 1 Fire, 2 Allied lines, 3 Farmowners, 4 Homeowners, 5 CMP, 12 Earthquake, 25 Glass, 26 Burglary and theft, 27 Boiler and machinery, 28 credit; Location of risk: 11 Medical malpractice, 14 Group A&H, 17 Other liability, 18 Products Liability; Location of garage: 19 Auto liability, 21 Auto physical damage, 8 Ocean marine - Where policy is negotiated and placed; 9 Inland marine - Where located; 10 Financial guaranty - Location of principal; 15 Other A&H - Insured's residence; 16 Workers' compensation - Location of employee's workplace; 23 Fidelity - Location of insured's principal office; 22 Aircraft - Location of airport from which insured's aircraft operates; 24 Surety - 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	... .. Windamere III, LLC (99%)	Minnesota	41-2007089
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. Windamere, LLC (90.2%)	Minnesota	41-1926305
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... Camperdown Corporation	Delaware	41-1762781
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... Aprilgrange Limited	United Kingdom	
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... F&G U.K. Underwriters Limited	United Kingdom	
... .. Travelers Constitution State Insurance Company (41750) *	Connecticut	41-1435766	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... Travelers Syndicate Management Limited	United Kingdom	
... .. Discover Property & Casualty Insurance Company (36463) *	Connecticut	36-2999370	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. St. Paul Protective Insurance Company (19224) *	Connecticut	36-2542404	... St. Paul Surety Europe Limited	United Kingdom	
... .. Discover Specialty Insurance Company (10213) *	Connecticut	52-1925132	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... Travelers London Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Management Limited	United Kingdom	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... .. Travelers Professional Risks Limited	United Kingdom	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Lone Rock Timber Investments II, LLC (90%)	Delaware	32-0447309
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Travelers (Bermuda) Limited *	Bermuda	AA-3194119
... .. USF&G Capital I	Delaware	52-1953822	... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. USF&G Capital III	Delaware	52-2044075	... .. TPC Investments Inc.	Connecticut	06-1534005
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. Travelers Special Services Limited	United Kingdom		... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Travelers MGA, Inc.	Texas	75-2676034
... .. English Turn Fidelity Realty, Inc.	Minnesota	52-1466734	... .. 8527512 Canada Inc. (77.52%)	Canada	
... .. English Turn LLC (99%)	Minnesota	59-2635727	... .. The Dominion of Canada General Insurance Company *	Canada	AA-1560270
... .. Fidelity English Turn Club LLC (99%)	Minnesota	59-2709441	... .. Travelers Insurance Company of Canada *	Canada	AA-1560039
... .. English Turn LLC (1%)	Minnesota	59-2635727	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. English Turn Realty Management, Inc.	Minnesota	52-1715225	... .. Travelers Global, Inc.	Delaware	47-2215437
... .. Fidelity English Turn Club LLC (1%)	Minnesota	59-2709441	... .. Travelers Brazil Holding, LLC	Delaware	47-2215437
... .. 8527512 Canada Inc. (22.48%)	Canada		... .. Travelers Brazil Acquisition LLC	Delaware	47-2215437
... .. The Dominion of Canada General Insurance Company *	Canada	AA-1560270	... .. J. Malucelli Participações em Seguros e Resseguros S.A. (“Holdco”) (49.5%)	Brazil	
... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480	... .. J. Malucelli Resseguradora S.A. *	Brazil	AA-2230021
... .. Symmetry Growth Capital II, LLC	Minnesota	76-0753165	... .. J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil	
... .. Upper Lake Growth Capital, LLC (99.1%)	Minnesota	41-1927945	... .. J. Malucelli Seguradora S.A. *	Brazil	AA-2230002
... .. Vesbridge Partners, LP (88.4%)	Minnesota	20-1222630	... .. J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil	
... .. Windamere II, LLC (98.9%)	Minnesota	41-1963936	... .. J. Malucelli Latam S.A. (49.5%)	Brazil	

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**

..... JMalucelli Travelers Seguros S.A. (51%) *	Colombia	AA-2330036	..... Travelers Marine, LLC	Delaware	06-0566050
..... Travelers Participações em Seguros Brasil S.A. (95%)	Brazil				
..... Travelers Seguros Brasil S.A. *	Brazil	AA-2230022			
..... 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			
..... 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	AA-1120023			
..... 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			
..... TravCo Insurance Company (28188) *	Connecticut	35-1838077			
..... TINDY Foreign, Inc	Delaware	20-4403403			
..... Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110			
..... Travelers Distribution Alliance, Inc.	Delaware	62-1657094			
..... Travelers TLD, LLC	Delaware	06-0566050			
..... Tiercel, LLC	Delaware	06-0566050			
..... Redstart, LLC	Delaware	06-0566050			
..... The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079			
..... The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592			

96.1

Notes:

* Denotes affiliated insurer

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

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