

ANNUAL STATEMENT

For the Year Ended December 31, 2016

OF THE CONDITION AND AFFAIRS OF THE

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

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

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

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

Statutory Home Office: **One Tower Square, Hartford, CT, US 06183**
Main Administrative Office: **One Tower Square, Hartford, CT, US 06183 (860) 277-0111**
Mail Address: **One Tower Square, Hartford, CT, US 06183**
Primary Location of Books and Records: **385 Washington Street, St. Paul, MN, US 55102 (651) 310-7911**
Internet Website Address: **www.travelers.com**
Statutory Statement Contact: **Michael J. Doody (860) 277-3966**
Annual.Statement.Contact@travelers.com (860) 277-7002
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. BRIAN WILLIAM MacLEAN	Chairman, President & Chief Executive Officer	MARIA OLIVO	Executive Vice President, Strategic Development & Treasurer
2. JAY STEVEN BENET	Vice Chairman & Chief Financial Officer	KENNETH FRANKLIN SPENCE, III	Executive Vice President & General Counsel
3. WILLIAM HERBERT HEYMAN	Vice Chairman & Chief Investment Officer	DOUGLAS KEITH BELL	Senior Vice President, Accounting Policy
4. # AVROHOM YAAKOV KESS	Vice Chairman & Chief Legal Officer	DOUGLAS KENNETH RUSSELL	Senior Vice President & Corporate Controller
5. ANDY FRANCIS BESSETTE	Executive Vice President & Chief Administrative Officer	SCOTT WILLIAM RYNDA	Senior Vice President, Corporate Tax
6. BRUCE RICHARD JONES	Executive Vice President & Chief Risk Officer	RENÉE HELOU DAVIS	Vice President & Chief Corporate Actuary
7. # MADELYN JOSEPH LANKTON	Executive Vice President & Chief Information Officer, Enterprise Operations and eBusiness	# WENDY CONSTANCE SKJERVEN	Vice President, Corporate Secretary & Group General Counsel

DIRECTORS

JAY STEVEN BENET
WILLIAM HERBERT HEYMAN

BRIAN WILLIAM MacLEAN
KENNETH FRANKLIN SPENCE, III

GREGORY CHESHIRE TOCZYDLOWSKI

STATE OF MINNESOTA

COUNTY OF RAMSEY

}

ss:

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

Brian W MacLean

Wendy C. Skjervén

Douglas K. Russell

Brian W. MacLean

Wendy C. Skjervén

Douglas K. Russell

President

Secretary

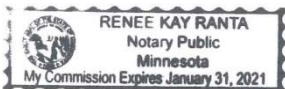
Controller

Subscribed and sworn to before me this

24th day of January, 2017

Renée Kay Ranta

Notary Public



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

My Commission Expires January 31, 2021

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).....	11,463,198,501	0	11,463,198,501	10,488,001,049
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,195,000	0	1,195,000	1,195,000
2.2 Common stocks.....	2,350,131,767	13,504,878	2,336,626,889	2,674,286,698
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	41,900,000
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	37,992,363	0	37,992,363	29,503,370
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	729,646,176	0	729,646,176	751,666,431
4.3 Properties held for sale (less \$.....0 encumbrances).....	18,151,427	0	18,151,427	0
5. Cash (\$.....24,587,570, Schedule E-Part 1), cash equivalents (\$.....3,998,085, Schedule E-Part 2) and short-term investments (\$.....654,156,701, Schedule DA).....	682,742,357	0	682,742,357	1,086,226,993
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).....	795,625,897	47,924,466	747,701,431	801,264,475
9. Receivables for securities.....	25,451,138	0	25,451,138	419,669
10. Securities lending reinvested collateral assets (Schedule DL).....	178,994,193	0	178,994,193	113,034,727
11. Aggregate write-ins for invested assets.....	(64,785)	0	(64,785)	(64,785)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,283,064,034	61,429,344	16,221,634,689	15,987,433,627
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	110,462,307	0	110,462,307	104,355,424
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	691,176,299	38,685,936	652,490,362	645,272,037
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....31,867,060 earned but unbilled premiums).....	1,140,925,098	6,027,912	1,134,897,186	1,063,079,407
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	17,335,167	1,488,163	15,847,005	19,832,974
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	35,762,529	0	35,762,529	72,017,484
16.2 Funds held by or deposited with reinsured companies.....	7,199,397	0	7,199,397	8,155,576
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.....	417,535,686	113,710,667	303,825,019	309,853,835
19. Guaranty funds receivable or on deposit.....	37,189	0	37,189	(21,086)
20. Electronic data processing equipment and software.....	113	0	113	263
21. Furniture and equipment, including health care delivery assets (\$.....0).....	15,530,937	15,530,937	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	83,770,063	7,254,354	76,515,709	87,617,094
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	18,802,798,819	244,127,313	18,558,671,505	18,297,596,634
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	18,802,798,819	244,127,313	18,558,671,505	18,297,596,634

DETAILS OF WRITE-INS

1101. Deferred gain/loss.....	(64,785)	0	(64,785)	(64,785)
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	(64,785)	0	(64,785)	(64,785)
2501. COLI supplemental benefits trust.....	20,262,170	0	20,262,170	20,309,261
2502. Real estate operating fund.....	23,330,747	5,533,581	17,797,166	18,731,400
2503. Amounts receivable under high deductible policies.....	15,794,176	1,702,116	14,092,060	18,194,841
2598. Summary of remaining write-ins for Line 25 from overflow page.....	24,382,970	18,657	24,364,313	30,381,592
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	83,770,063	7,254,354	76,515,709	87,617,094

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,498,180,997	7,422,324,562
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	280,829,710	288,297,531
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,789,419,482	1,742,046,642
4. Commissions payable, contingent commissions and other similar charges.....	169,365,070	159,324,402
5. Other expenses (excluding taxes, licenses and fees).....	164,897,962	161,306,934
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	91,822,432	86,454,234
7.1 Current federal and foreign income taxes (including \$.....(47,632,408) on realized capital gains (losses)).....	8,972,585	41,488,305
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 \$.....177,197,347 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	2,494,094,671	2,387,044,917
10. Advance premium.....	0	16,856
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	13,111,486	11,934,303
12. Ceded reinsurance premiums payable (net of ceding commissions).....	51,725,725	62,240,340
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	2,247,398	395,031
14. Amounts withheld or retained by company for account of others.....	28,140,980	28,602,229
15. Remittances and items not allocated.....	19,688,981	15,578,051
16. Provision for reinsurance (including \$.....4,236,833 certified) (Schedule F, Part 8).....	17,948,938	12,508,723
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	84,444,135	94,478,176
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	52,733,685	47,668,602
20. Derivatives.....	0	0
21. Payable for securities.....	3,696,852	11,186,850
22. Payable for securities lending.....	178,994,193	113,034,727
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.....	50,124,880	48,392,739
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	13,000,440,163	12,734,324,153
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	13,000,440,163	12,734,324,153
29. Aggregate write-ins for special surplus funds.....	17,537,357	18,969,506
30. Common capital stock.....	20,000,000	20,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	3,238,382,533	3,238,382,533
35. Unassigned funds (surplus).....	2,282,311,453	2,285,920,443
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	5,558,231,343	5,563,272,481
38. TOTAL (Page 2, Line 28, Col. 3).....	18,558,671,505	18,297,596,634

DETAILS OF WRITE-INS

2501. Other liabilities.....	43,120,000	43,120,000
2502. Investment real estate liability.....	23,265,986	23,101,705
2503. Retroactive reinsurance reserve assumed.....	300,786	302,877
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(16,561,893)	(18,131,843)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	50,124,880	48,392,739
2901. Special surplus from retroactive reinsurance.....	16,537,357	17,969,506
2902. Guaranty surplus fund.....	1,000,000	1,000,000
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	17,537,357	18,969,506
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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	5,385,615,536	5,186,232,028
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,806,244,242	2,440,696,028
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	631,013,121	607,329,839
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,659,688,242	1,597,733,756
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,096,945,606	4,645,759,623
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	288,669,930	540,472,404
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,121,667,398	639,569,988
10. Net realized capital gains (losses) less capital gains tax of \$.....12,667,202 (Exhibit of Capital Gains (Losses)).....	(5,033,151)	305,247,667
11. Net investment gain (loss) (Lines 9 + 10).....	1,116,634,247	944,817,655
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,719,856 amount charged off \$.....12,288,518).....	(9,568,661)	(10,183,698)
13. Finance and service charges not included in premiums.....	18,705,375	18,533,044
14. Aggregate write-ins for miscellaneous income.....	(498,026)	57,340
15. Total other income (Lines 12 through 14).....	8,638,688	8,406,687
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,413,942,865	1,493,696,746
17. Dividends to policyholders.....	10,679,857	8,523,590
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,403,263,007	1,485,173,156
19. Federal and foreign income taxes incurred.....	203,825,992	298,412,018
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,199,437,015	1,186,761,138
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,563,272,481	5,994,070,231
22. Net income (from Line 20).....	1,199,437,015	1,186,761,138
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....12,690,515.....	(339,525,361)	(255,675,706)
25. Change in net unrealized foreign exchange capital gain (loss).....	9,217,908	(41,719,732)
26. Change in net deferred income tax.....	(25,436,479)	5,392,589
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	14,705,994	(79,291,713)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(5,440,215)	17,735,675
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.....	(858,000,000)	(1,264,000,000)
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).....	(5,041,138)	(430,797,751)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	5,558,231,343	5,563,272,481
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. Profit and loss, miscellaneous.....	1,675,862	716,449
1402. Change in COLI cash values.....	457,340	489,023
1403. Other assets tri-party/tax credit bond income.....	71,762	98,368
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(2,702,990)	(1,246,499)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(498,026)	57,340
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.....	5,409,947,210	5,191,986,687
2. Net investment income.....	1,199,728,017	703,707,955
3. Miscellaneous income.....	8,638,688	8,406,687
4. Total (Lines 1 through 3).....	6,618,313,915	5,904,101,328
5. Benefit and loss related payments.....	2,700,644,495	2,481,735,330
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,224,983,430	2,314,843,905
8. Dividends paid to policyholders.....	9,502,675	8,118,488
9. Federal and foreign income taxes paid (recovered) net of \$.....9,570,128 tax on capital gains (losses).....	249,008,915	296,677,081
10. Total (Lines 5 through 9).....	5,184,139,514	5,101,374,805
11. Net cash from operations (Line 4 minus Line 10).....	1,434,174,401	802,726,523
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,709,082,449	2,459,930,304
12.2 Stocks.....	45,312,987	1,307,248,145
12.3 Mortgage loans.....	53,647,871	0
12.4 Real estate.....	4,125,233	69,098,240
12.5 Other invested assets.....	142,648,042	110,878,879
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(71,424)	(71,356)
12.7 Miscellaneous proceeds.....	0	14,342,516
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,954,745,157	3,961,426,728
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,710,771,900	2,592,060,849
13.2 Stocks.....	41,185,669	42,784,326
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	37,593,700	116,450,098
13.5 Other invested assets.....	122,470,709	106,677,096
13.6 Miscellaneous applications.....	98,480,932	37,172,545
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,010,502,911	2,895,144,914
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,055,757,754)	1,066,281,814
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.....	858,000,000	1,264,000,000
16.6 Other cash provided (applied).....	76,098,717	(40,381,038)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(781,901,283)	(1,304,381,038)
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).....	(403,484,636)	564,627,299
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	1,086,226,993	521,599,694
19.2 End of year (Line 18 plus Line 19.1).....	682,742,357	1,086,226,993
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	31,377,156	21,236,768
20.0002 Stock distributions from limited partnerships.....	8,068,790	278,479
20.0003 Interest payment received in securities.....	2,015,524	1,483,527
20.0004 Exchange of stock.....	882,531	23,021,690
20.0005 Bonds exchanged for stock.....	0	281,007

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

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	146,339,231	70,061,984	66,916,786	149,484,429
2. Allied lines.....	131,071,977	60,505,956	65,075,415	126,502,518
3. Farmowners multiple peril.....	42,085,312	20,217,318	20,851,122	41,451,508
4. Homeowners multiple peril.....	818,893,936	427,732,067	438,271,870	808,354,133
5. Commercial multiple peril.....	753,978,896	343,380,501	345,093,124	752,266,273
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	59,990,728	25,894,729	25,044,275	60,841,182
9. Inland marine.....	169,559,229	79,614,136	80,810,828	168,362,537
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(56)	(48)	(8)
11.2 Medical professional liability - claims-made.....	(1,934)	0	0	(1,934)
12. Earthquake.....	26,075,751	15,406,492	13,868,820	27,613,423
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.....	988,941,305	376,931,604	371,533,559	994,339,350
17.1 Other liability - occurrence.....	468,998,143	196,171,268	199,608,919	465,560,492
17.2 Other liability - claims-made.....	139,457,537	80,253,692	79,331,766	140,379,463
17.3 Excess workers' compensation.....	4,680,520	1,648,555	1,622,511	4,706,564
18.1 Products liability - occurrence.....	52,322,456	23,970,235	23,869,182	52,423,509
18.2 Products liability - claims-made.....	6,519,595	3,338,333	3,161,429	6,696,499
19.1, 19.2 Private passenger auto liability.....	648,148,085	221,609,614	272,054,702	597,702,996
19.3, 19.4 Commercial auto liability.....	411,346,024	177,800,472	183,945,632	405,200,865
21. Auto physical damage.....	532,612,880	189,928,323	224,905,970	497,635,232
22. Aircraft (all perils).....	16,605	0	1,897	14,708
23. Fidelity.....	12,666,620	7,994,728	8,549,473	12,111,874
24. Surety.....	6,973,988	1,211,830	918,168	7,267,651
26. Burglary and theft.....	1,688,091	970,808	972,999	1,685,900
27. Boiler and machinery.....	54,548,170	21,655,091	24,747,897	51,455,364
28. Credit.....	(34,029)	1,325	1,112	(33,816)
29. International.....	614,938	2,143	1,793	615,288
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	8,771,305	3,723,760	3,662,536	8,832,529
32. Reinsurance - nonproportional assumed liability.....	3,255,315	2,261,024	2,416,220	3,100,119
33. Reinsurance - nonproportional assumed financial lines.....	399,454	278,772	257,444	420,782
34. Aggregate write-ins for other lines of business.....	561,411	463,448	398,754	626,105
35. TOTALS.....	5,490,481,541	2,353,028,152	2,457,894,157	5,385,615,536

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	561,411	463,448	398,754	626,105
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).....	561,411	463,448	398,754	626,105

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

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	66,158,951	1,238,380	(480,544)	.0	66,916,786
2. Allied lines.....	63,572,373	1,503,786	(744)	.0	65,075,415
3. Farmowners multiple peril.....	20,996,850	(145,728)	0	.0	20,851,122
4. Homeowners multiple peril.....	438,273,780	(1,910)	0	.0	438,271,870
5. Commercial multiple peril.....	349,077,202	(87,360)	(3,896,718)	.0	345,093,124
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	25,989,558	281,548	(1,226,830)	.0	25,044,275
9. Inland marine.....	66,857,445	14,209,554	(256,171)	.0	80,810,828
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(48)	.0	.0	.0	(48)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	13,218,057	650,763	0	.0	13,868,820
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.....	399,486,900	(30,319)	(22,276,607)	(5,646,414)	371,533,559
17.1 Other liability - occurrence.....	204,104,145	(3,134,302)	(3,593,514)	2,232,589	199,608,919
17.2 Other liability - claims-made.....	63,754,644	15,505,808	71,314	.0	79,331,766
17.3 Excess workers' compensation.....	1,622,758	.0	(248)	.0	1,622,511
18.1 Products liability - occurrence.....	23,620,705	320,214	(310,867)	239,129	23,869,182
18.2 Products liability - claims-made.....	3,103,244	(52,378)	110,563	.0	3,161,429
19.1, 19.2 Private passenger auto liability.....	272,054,702	.0	.0	.0	272,054,702
19.3, 19.4 Commercial auto liability.....	184,438,998	672,086	(6,694)	(1,158,758)	183,945,632
21. Auto physical damage.....	224,789,804	116,167	.0	.0	224,905,970
22. Aircraft (all perils).....	1,897	.0	.0	.0	1,897
23. Fidelity.....	4,711,537	3,837,936	.0	.0	8,549,473
24. Surety.....	75,773	842,394	.0	.0	918,168
26. Burglary and theft.....	636,862	336,137	.0	.0	972,999
27. Boiler and machinery.....	19,336,549	5,411,348	.0	.0	24,747,897
28. Credit.....	1,112	.0	.0	.0	1,112
29. International.....	1,793	.0	.0	.0	1,793
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	2,807,932	854,604	.0	.0	3,662,536
32. Reinsurance - nonproportional assumed liability.....	2,393,687	22,534	.0	.0	2,416,220
33. Reinsurance - nonproportional assumed financial lines.....	257,444	.0	.0	.0	257,444
34. Aggregate write-ins for other lines of business.....	398,754	.0	.0	.0	398,754
35. TOTALS.....	2,451,743,409	42,351,262	(31,867,059)	(4,333,455)	2,457,894,157
36. Accrued retrospective premiums based on experience.....					4,333,455
37. Earned but unbilled premiums.....					31,867,059
38. Balance (sum of Lines 35 through 37).....					2,494,094,671

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	398,754	.0	.0	.0	398,754
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).....	398,754	.0	.0	.0	398,754

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

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

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	38,160,598	126,827,113	1,115	9,133,859	9,515,735	146,339,231
2. Allied lines.....	10,273,078	129,158,504	1,841	8,048,302	313,144	131,071,977
3. Farmowners multiple peril.....	.0	42,085,312	.0	.0	.0	42,085,312
4. Homeowners multiple peril.....	.0	818,893,936	.0	.0	.0	818,893,936
5. Commercial multiple peril.....	1,481,204	754,088,412	.0	1,481,204	109,516	753,978,896
6. Mortgage guaranty.....	.0	.0	.0	.0	.0	.0
8. Ocean marine.....	8,552,371	51,954,258	(4,943)	221,247	289,712	59,990,728
9. Inland marine.....	25,976,756	164,014,294	(15)	19,967,597	464,210	169,559,229
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	(1,934)	.0	.0	.0	(1,934)
12. Earthquake.....	411,580	25,764,552	.0	76,904	23,478	26,075,751
13. Group accident and health.....	.0	.0	567	567	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	(51,310)	(51,310)	.0	.0
16. Workers' compensation.....	610,135	988,941,305	688,438	1,298,573	.0	988,941,305
17.1 Other liability - occurrence.....	193,223,480	462,228,764	(311,966)	186,086,222	55,912	468,998,143
17.2 Other liability - claims-made.....	20,503,541	137,051,616	.0	17,782,247	315,373	139,457,537
17.3 Excess workers' compensation.....	.0	4,680,520	.0	.0	.0	4,680,520
18.1 Products liability - occurrence.....	33,191,434	31,419,821	(9,593)	11,462,670	816,536	52,322,456
18.2 Products liability - claims-made.....	268,668	6,310,549	.0	52,071	7,551	6,519,595
19.1, 19.2 Private passenger auto liability.....	.0	648,148,085	.0	.0	.0	648,148,085
19.3, 19.4 Commercial auto liability.....	75,144,033	395,023,224	618,818	58,704,214	735,836	411,346,024
21. Auto physical damage.....	21,467,980	528,981,431	279,802	18,051,635	64,698	532,612,880
22. Aircraft (all perils).....	.0	16,605	.0	.0	.0	16,605
23. Fidelity.....	3,501,747	12,542,252	.0	3,376,232	1,146	12,666,620
24. Surety.....	1,099,872	7,120,917	89,596	1,336,396	.0	6,973,988
26. Burglary and theft.....	163,276	1,597,485	.0	72,373	296	1,688,091
27. Boiler and machinery.....	1,804,613	52,912,290	.0	143,597	25,136	54,548,170
28. Credit.....	.0	(34,029)	(137,269)	(137,269)	.0	(34,029)
29. International.....	.0	614,268	1,463	794	.0	614,938
30. Warranty.....	.0	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	XXX	8,771,305	32,176	32,176	.0	8,771,305
32. Reinsurance - nonproportional assumed liability.....	XXX	3,255,315	13,299,815	13,299,815	.0	3,255,315
33. Reinsurance - nonproportional assumed financial lines.....	XXX	399,454	1,611,350	1,611,350	.0	399,454
34. Aggregate write-ins for other lines of business.....	118,491	561,411	.0	118,491	.0	561,411
35. TOTALS.....	435,952,856	5,403,327,036	16,109,885	352,169,957	12,738,280	5,490,481,541

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	118,491	561,411	.0	118,491	.0	561,411
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).....	118,491	561,411	.0	118,491	.0	561,411

(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.....	32,154,794	61,813,629	7,742,832	86,225,590	110,742,236	84,930,999	112,036,827	74.9
2. Allied lines.....	1,243,274	60,775,084	2,931,707	59,086,650	40,823,906	36,637,625	63,272,932	50.0
3. Farmowners multiple peril.....	0	20,147,075	10	20,147,065	11,567,548	12,189,070	19,525,544	47.1
4. Homeowners multiple peril.....	0	360,314,600	0	360,314,600	171,764,259	156,385,865	375,692,994	46.5
5. Commercial multiple peril.....	557,500	318,904,323	715,894	318,745,929	643,414,945	614,759,412	347,401,462	46.2
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	13,209,503	22,263,534	11,503,413	23,969,624	50,274,161	50,260,970	23,982,816	39.4
9. Inland marine.....	10,260,201	69,035,205	6,238,702	73,056,704	51,309,497	48,442,320	75,923,882	45.1
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	180,735	44,804	180,735	44,804	3,415,599	3,483,027	(22,624)	284,227.1
11.2 Medical professional liability - claims-made.....	2,201,042	398,197	2,216,391	382,849	11,230,306	12,502,954	(889,799)	46,018.0
12. Earthquake.....	8,954	3,346	0	12,301	170,989	740,217	(556,928)	(2.0)
13. Group accident and health.....	0	69,329	69,329	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	(103,520)	(103,520)	0	0	0	0	0.0
16. Workers' compensation.....	33,116,012	464,545,416	39,839,142	457,822,286	3,402,484,618	3,319,148,944	541,157,959	54.4
17.1 Other liability - occurrence.....	202,312,999	280,410,530	211,680,698	271,042,831	969,155,704	1,068,344,177	171,854,358	36.9
17.2 Other liability - claims-made.....	47,643,977	80,332,066	47,195,996	80,780,048	366,780,344	376,055,703	71,504,688	50.9
17.3 Excess workers' compensation.....	75,000	5,428,875	145,056	5,358,818	146,846,566	131,129,739	21,075,646	447.8
18.1 Products liability - occurrence.....	56,663,012	28,618,479	46,462,868	38,818,623	237,356,969	271,015,471	5,160,120	9.8
18.2 Products liability - claims-made.....	3,606,211	4,527,873	2,756,231	5,377,853	9,096,044	8,972,954	5,500,943	82.1
19.1, 19.2 Private passenger auto liability.....	0	343,287,215	0	343,287,215	493,690,618	428,988,800	407,989,033	68.3
19.3, 19.4 Commercial auto liability.....	73,911,737	216,961,274	58,449,932	232,423,080	532,910,610	537,859,286	227,474,403	56.1
21. Auto physical damage.....	11,123,187	309,363,897	8,526,032	311,961,052	56,124,561	54,628,012	313,457,602	63.0
22. Aircraft (all perils).....	28,995	(241,798)	(283,199)	70,396	1,880,928	1,945,993	5,330	36.2
23. Fidelity.....	4,069,722	9,805,078	3,676,171	10,198,629	14,813,884	22,914,114	2,098,399	17.3
24. Surety.....	1,977,863	894,745	2,501,465	371,143	14,524,901	16,723,625	(1,827,581)	(25.1)
26. Burglary and theft.....	11,101	(15,372)	0	(4,271)	1,570,899	2,127,646	(561,018)	(33.3)
27. Boiler and machinery.....	439,185	16,341,160	0	16,780,344	10,559,716	13,782,031	13,558,029	26.3
28. Credit.....	0	(20,051)	(16,068)	(3,983)	1,223,548	1,715,365	(495,800)	1,466.2
29. International.....	0	571,964	192,729	379,235	2,342,839	2,043,800	678,274	110.2
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	2,982,440	341,899	2,640,541	13,613,550	12,501,079	3,753,012	42.5
32. Reinsurance - nonproportional assumed liability.....	XXX	28,503,536	17,660,136	10,843,400	124,361,342	127,539,133	7,665,609	247.3
33. Reinsurance - nonproportional assumed financial lines.....	XXX	42,639	34,168	8,470	2,964,003	3,606,890	(634,417)	(150.8)
34. Aggregate write-ins for other lines of business.....	958,681	245,983	958,681	245,983	1,165,904	949,339	462,548	73.9
35. TOTALS.....	495,753,685	2,706,251,551	471,617,430	2,730,387,807	7,498,180,997	7,422,324,562	2,806,244,242	52.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	958,681	245,983	958,681	245,983	1,165,904	949,339	462,548	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).....	958,681	245,983	958,681	245,983	1,165,904	949,339	462,548	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.....	59,507,248	53,753,808	22,289,539	90,971,517	20,217,743	21,404,834	21,851,858	110,742,236	8,897,656
2. Allied lines.....	883,072	34,983,334	3,434,006	32,432,399	3,092,295	12,155,572	6,856,360	40,823,906	8,450,919
3. Farmowners multiple peril.....	0	6,588,098	0	6,588,098	(0)	4,999,929	20,479	11,567,548	3,322,211
4. Homeowners multiple peril.....	0	90,892,195	0	90,892,195	(0)	81,756,201	884,137	171,764,259	33,116,487
5. Commercial multiple peril.....	222,591	309,727,868	234,096	309,716,363	6,404,450	341,866,286	14,572,155	643,414,945	248,427,837
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	27,334,603	23,898,646	25,213,089	26,020,160	42,541,738	25,284,743	43,572,479	50,274,161	11,024,670
9. Inland marine.....	4,000,880	29,484,905	2,241,811	31,243,974	8,881,151	21,416,614	10,232,242	51,309,497	10,616,878
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	9,229,963	1,836,668	9,229,963	1,836,668	2,645,500	1,577,076	2,643,645	3,415,599	1,248,385
11.2 Medical professional liability - claims-made.....	12,808,515	19,542,999	25,956,748	6,394,765	2,396,558	8,289,890	5,850,907	11,230,306	2,088,107
12. Earthquake.....	0	0	0	0	249,489	(58,533)	19,967	170,989	160,898
13. Group accident and health.....	0	338,470	338,470	0	14,770	355,996	370,765	(a).....0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	1,196,169	1,196,169	0	166,047	1,436,800	1,602,847	(a).....0	0
16. Workers' compensation.....	443,371,912	1,778,990,688	501,511,751	1,720,850,849	221,859,714	1,744,135,738	284,361,683	3,402,484,618	539,005,129
17.1 Other liability - occurrence.....	236,404,616	301,286,311	276,327,672	261,363,254	551,639,783	719,801,222	563,648,555	969,155,704	383,652,496
17.2 Other liability - claims-made.....	34,050,233	127,273,000	32,133,922	129,189,311	92,985,791	242,977,709	98,372,467	366,780,344	121,024,463
17.3 Excess workers' compensation.....	1,250,000	66,696,471	2,863,253	65,083,218	37,850,056	82,356,767	38,443,475	146,846,566	11,506,271
18.1 Products liability - occurrence.....	102,290,964	40,614,379	43,137,435	99,767,907	123,861,717	129,329,544	115,602,199	237,356,969	204,172,114
18.2 Products liability - claims-made.....	2,257,716	2,050,076	2,343,526	1,964,266	2,499,592	5,805,415	1,173,229	9,096,044	8,289,253
19.1, 19.2 Private passenger auto liability.....	0	274,479,671	0	274,479,671	(1,496,968)	219,210,947	(1,496,968)	493,690,618	80,622,028
19.3, 19.4 Commercial auto liability.....	109,774,102	269,832,690	73,782,929	305,823,862	60,789,759	229,482,065	63,185,077	532,910,610	64,910,546
21. Auto physical damage.....	2,133,799	19,325,272	(4,555,544)	26,014,614	16,238,078	23,429,724	9,557,855	56,124,561	27,581,167
22. Aircraft (all perils).....	23,533,680	3,724,831	26,004,075	1,254,436	10,164,228	4,301,736	13,839,472	1,880,928	1,172,782
23. Fidelity.....	419,789	1,247,665	442,134	1,225,319	16,807,029	14,416,632	17,635,096	14,813,884	6,793,234
24. Surety.....	16,637,335	16,215,969	25,791,500	7,061,804	2,076,246	12,106,694	6,719,844	14,524,901	1,755,881
26. Burglary and theft.....	10,000	13,055	230	22,825	535,374	1,538,129	525,429	1,570,899	574,602
27. Boiler and machinery.....	105,000	4,775,701	57	4,880,644	148,203	6,058,502	527,633	10,559,716	2,954,211
28. Credit.....	0	2,092,642	1,676,900	415,742	0	4,055,123	3,247,317	1,223,548	(121,394)
29. International.....	0	1,658,351	741,980	916,371	0	3,638,337	2,211,869	2,342,839	153,293
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	25,018,971	15,920,163	9,098,808	XXX	11,342,035	6,827,293	13,613,550	995,018
32. Reinsurance - nonproportional assumed liability.....	XXX	256,424,360	179,384,566	77,039,794	XXX	193,876,181	146,554,632	124,361,342	6,376,267
33. Reinsurance - nonproportional assumed financial lines.....	XXX	4,668,711	3,793,389	875,321	XXX	10,457,830	8,369,149	2,964,003	218,932
34. Aggregate write-ins for other lines of business.....	398,509	103,181	398,509	103,181	4,123,327	1,062,723	4,123,327	1,165,904	429,141
35. TOTALS.....	1,086,624,526	3,768,735,155	1,271,832,341	3,583,527,340	1,226,691,670	4,179,868,461	1,491,906,474	7,498,180,997	1,789,419,482
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	398,509	103,181	398,509	103,181	4,123,327	1,062,723	4,123,327	1,165,904	429,141
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).....	398,509	103,181	398,509	103,181	4,123,327	1,062,723	4,123,327	1,165,904	429,141

10

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

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

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	10,177,446	0	0	10,177,446
1.2 Reinsurance assumed.....	315,488,833	0	0	315,488,833
1.3 Reinsurance ceded.....	10,867,263	0	0	10,867,263
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	314,799,016	0	0	314,799,016
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	63,023,670	0	63,023,670
2.2 Reinsurance assumed, excluding contingent.....	0	715,560,106	0	715,560,106
2.3 Reinsurance ceded, excluding contingent.....	0	54,052,014	0	54,052,014
2.4 Contingent - direct.....	0	2,551,872	0	2,551,872
2.5 Contingent - reinsurance assumed.....	0	54,184,134	0	54,184,134
2.6 Contingent - reinsurance ceded.....	0	825,732	0	825,732
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	780,442,036	0	780,442,036
3. Allowances to manager and agents.....	0	824,682	0	824,682
4. Advertising.....	34,112	23,168,941	0	23,203,053
5. Boards, bureaus and associations.....	1,273,166	20,355,171	16,857	21,645,194
6. Surveys and underwriting reports.....	96	21,908,012	0	21,908,108
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	197,399,697	386,684,679	8,502,560	592,586,936
8.2 Payroll taxes.....	13,776,139	24,186,261	318,998	38,281,398
9. Employee relations and welfare.....	34,649,330	50,197,099	778,805	85,625,234
10. Insurance.....	21,381,646	4,278,513	6,914	25,667,073
11. Directors' fees.....	0	13,200	0	13,200
12. Travel and travel items.....	9,107,394	16,960,842	127,104	26,195,340
13. Rent and rent items.....	10,148,846	22,882,702	(1,573,195)	31,458,353
14. Equipment.....	1,921,595	9,195,830	875,959	11,993,384
15. Cost or depreciation of EDP equipment and software.....	5,466,025	71,762,268	140,916	77,369,209
16. Printing and stationery.....	681,813	2,307,514	27,369	3,016,696
17. Postage, telephone and telegraph, exchange and express.....	1,971,620	25,091,521	50,550	27,113,691
18. Legal and auditing.....	8,113,476	7,920,564	430,969	16,465,009
19. Totals (Lines 3 to 18).....	305,924,955	687,737,799	9,703,806	1,003,366,560
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....663,118.....	0	143,253,988	0	143,253,988
20.2 Insurance department licenses and fees.....	0	11,380,705	0	11,380,705
20.3 Gross guaranty association assessments.....	0	30,983	0	30,983
20.4 All other (excluding federal and foreign income and real estate).....	0	857,073	0	857,073
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	155,522,750	0	155,522,750
21. Real estate expenses.....	0	0	67,930,800	67,930,800
22. Real estate taxes.....	0	0	1,019,234	1,019,234
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	10,289,150	35,985,657	1,060,306	47,335,113
25. Total expenses incurred.....	631,013,121	1,659,688,242	79,714,146	(a).....2,370,415,508
26. Less unpaid expenses - current year.....	1,789,419,482	421,512,182	4,573,282	2,215,504,946
27. Add unpaid expenses - prior year.....	1,742,046,642	403,108,814	3,976,757	2,149,132,213
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).....	583,640,281	1,641,284,874	79,117,621	2,304,042,775

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	16,924,825	93,953,195	1,225,304	112,103,324
2402. Service reimbursements.....	(2,372,364)	(25,055,793)	0	(27,428,157)
2403. Cost of computer software developed for internal use.....	(4,263,311)	(32,911,744)	(164,998)	(37,340,054)
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).....	10,289,150	35,985,657	1,060,306	47,335,113

(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).....20,753,833	.....21,193,851
1.1 Bonds exempt from U.S. tax.....	(a).....163,301,601	.....168,203,827
1.2 Other bonds (unaffiliated).....	(a).....176,344,820	.....177,309,777
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....88,501	.....88,501
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....20,904,622	.....20,880,407
2.21 Common stocks of affiliates.....	.....594,813,719	.....594,813,719
3. Mortgage loans.....	(c).....876,561	.....701,248
4. Real estate.....	(d).....146,060,853	.....146,060,853
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....3,826,342	.....3,825,550
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....99,788,306	.....99,788,306
9. Aggregate write-ins for investment income.....	.....711,394	.....711,394
10. Total gross investment income.....	.....1,227,470,552	.....1,233,577,435
11. Investment expenses.....		(g).....79,714,146
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....(227)
14. Depreciation on real estate and other invested assets.....		(i).....31,754,292
15. Aggregate write-ins for deductions from investment income.....		.....441,826
16. Total deductions (Lines 11 through 15).....		.....111,910,037
17. Net investment income (Line 10 minus Line 16).....		.....1,121,667,398

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....714,794	.....714,794
0902. Miscellaneous income.....	.....13,385	.....13,385
0903. Property and wind plans.....	.....(16,785)	.....(16,785)
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).....	.....711,394	.....711,394
1501. Management fees.....		.....441,826
1502. ....		.....0
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).....		.....441,826

- (a) Includes \$.....7,069,612 accrual of discount less \$.....60,357,838 amortization of premium and less \$.....7,547,188 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 \$.....6,528,994 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....98,097 accrual of discount less \$.....10,772 amortization of premium and less \$.....400 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....31,754,292 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.....	.....(719,153)	.....0	.....(719,153)	.....419,010	.....0
1.1 Bonds exempt from U.S. tax.....	.....(72,426)	.....0	.....(72,426)	.....18,635	.....0
1.2 Other bonds (unaffiliated).....	.....13,583,373	.....(11,359,606)	.....2,223,766	.....23,650,723	.....(739,853)
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).....	.....6,910,849	.....(5,988,781)	.....922,067	.....34,954,274	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(375,272,507)	.....0
3. Mortgage loans.....	.....11,747,871	.....0	.....11,747,871	.....0	.....0
4. Real estate.....	.....2,905,989	.....0	.....2,905,989	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....482	.....(71,906)	.....(71,424)	.....19,336	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....(768,285)	.....(9,074,271)	.....(9,842,556)	.....(10,624,318)	.....(89,583)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....539,917	.....539,917	.....0	.....10,047,343
10. Total capital gains (losses).....	.....33,588,699	.....(25,954,648)	.....7,634,051	.....(326,834,846)	.....9,217,908

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....530,681	.....530,681	.....0	.....10,047,343
0902. Real gain LTBD impair recovery.....	.....0	.....9,236	.....9,236	.....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	.....539,917	.....539,917	.....0	.....10,047,343

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

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.....	13,504,878	11,299,762	(2,205,116)
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).....	47,924,466	43,164,000	(4,760,466)
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).....	61,429,344	54,463,762	(6,965,582)
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.....	38,685,936	41,018,077	2,332,140
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,027,912	6,080,699	52,787
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,488,163	1,966,762	478,600
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.....	113,710,667	145,808,845	32,098,178
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.....	15,530,937	4,519,419	(11,011,518)
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.....	7,254,354	4,975,743	(2,278,611)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	244,127,313	258,833,308	14,705,994
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	244,127,313	258,833,308	14,705,994

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.....	1,702,116	2,264,892	562,776
2502. Other assets nonadmitted.....	18,657	471,516	452,859
2503. Real estate operating fund.....	5,533,581	2,239,336	(3,294,245)
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).....	7,254,354	4,975,743	(2,278,611)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The Company 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. St. Paul Fire and Marine Insurance Company state basis	XXX	XXX	XXX	\$ 1,199,437,015	\$ 1,186,761,138
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>\$ 1,199,437,015</u>	<u>\$ 1,186,761,138</u>
 <u>Surplus</u>					
5. St. Paul Fire and Marine Insurance Company state basis	XXX	XXX	XXX	\$ 5,558,231,343	\$ 5,563,272,481
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>\$ 5,558,231,343</u>	<u>\$ 5,563,272,481</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.

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

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

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

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

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

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

Loan-backed and structured securities are amortized using the retrospective method, except for securities that have incurred a decline in fair value that is other-than-temporary which are amortized using the prospective method. The effective yield used to determine amortization is calculated based on actual historical and projected future cash flows, which are obtained from a nationally recognized securities data provider.

Common stock investments in subsidiaries and affiliated entities are based on the net worth of the entity, determined in accordance with statutory accounting valuation methods. Dividends received from subsidiaries are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains 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 utilizes anticipated investment income as a factor in the premium deficiency calculation.

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

NOTES TO FINANCIAL STATEMENTS

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

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

A. Statutory Purchase Method:

Not applicable.

B. Statutory Merger:

On January 1, 2016, St. Paul Fire and Casualty Insurance Company (Fire and Casualty), a Wisconsin domiciled insurance entity was merged with and into the Company. In accordance with SSAP No. 68, *Business Combinations and Goodwill*, the statutory merger method was utilized in merging the two entities, of which the Company was the surviving entity. The Company cancelled and retired all of the issued and outstanding common stock of Fire and Casualty.

Details of the results of operations for the previously separate entities for the year ending December 31, 2015 were as follows:

	<u>The Company</u>	<u>Fire and Casualty</u>
Net underwriting gain	\$ 540,472,405	\$ -
Net investment gain	944,621,350	596,305
Other income	8,406,747	(61)
Less - Dividends to policyholders	8,523,590	-
Net income after capital gains tax and before all other federal and foreign income taxes	1,484,976,912	596,244
Federal and foreign income taxes incurred	298,369,269	42,749
Net income	<u>\$ 1,186,607,643</u>	<u>\$ 553,495</u>

No adjustments were made to the Company's policyholders' surplus as a result of the merger.

C. Impairment Loss:

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

1. Not applicable.

2. Not applicable.

3. Not applicable.

4. Age Analysis of Mortgage Loans

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
b. Prior Year							
1. Recorded Investment							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 41,900,000	\$ -	\$ 41,900,000
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	-	-	-	-	-	-	-

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. No Allowance for Credit Losses	-	-	-	-	-	-	-
b. Prior Year							
1. With Allowance for Credit Losses	-	-	-	-	-	-	-
2. No Allowance for Credit Losses	-	-	-	-	41,900,000	-	41,900,000

6. Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 10,475,000	\$ -	\$ 10,475,000
2. Interest Income Recognized	-	-	-	-	701,248	-	701,248
3. Recorded Investment on a Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	876,560	-	876,560
b. Prior Year							
1. Average Recorded Investment	-	-	-	-	41,900,000	-	41,900,000
2. Interest Income Recognized	-	-	-	-	2,132,784	-	2,132,784
3. Recorded Investment on a Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	2,132,784	-	2,132,784

7. Not applicable.

8. Not applicable.

9. Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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

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

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

NOTES TO FINANCIAL STATEMENTS

2. The following table provides aggregated information on structured securities classified on the basis used for the recognized 2016 other-than-temporary impairments:

	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Other-than-temporary impairment recognized in loss</u>	<u>Fair value</u>
(OTTI recognized in the quarter ending March 31, 2016)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending June 30, 2016)			
Present value of cash flows is less than amortized cost	\$ 13,246,538	\$ 191,971	\$ 13,359,821
(OTTI recognized in the quarter ending September 30, 2016)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending December 31, 2016)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
Annual Aggregate Total		<u>\$ 191,971</u>	

3. Loan-backed and structured securities with other-than-temporary impairments recognized in 2016 are as follows:

<u>CUSIP</u>	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Present value of projected cash flows</u>	<u>Other-than- temporary impairment recognized in loss</u>	<u>Amortized cost basis after other- than-temporary impairment</u>	<u>Fair Value</u>	<u>Impairment Quarter</u>
36298BAG5	\$ 13,246,358	\$ 13,054,567	\$ 191,971	\$ 13,054,567	\$ 13,359,821	Q2 - 2016
Total:			<u>\$ 191,971</u>			

4. The gross unrealized investment losses and related fair value for impaired securities for which an other-than-temporary impairment has not been recognized as a realized loss were as follows:

a. The aggregate amount of unrealized losses:		
1. Less than 12 Months	\$	3,611,825
2. 12 Months or Longer	\$	167,374
b. The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 Months	\$	326,630,128
2. 12 Months or Longer	\$	20,056,312

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:

- The Company requires collateral equal to at least 102% of the market value of the loaned security plus accrued interest. The Company accepts only cash as collateral for securities on loan and restricts the manner in which that cash is invested to U.S. Treasury securities and U.S. Treasury repurchase agreements.
- Not applicable.
- Not applicable.
- Not applicable.
- Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$ 178,994,193	\$ 178,994,193

- Not applicable.
- Not applicable.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate:

- (1) On January 29, 2016, the Company sold land located at 1901 West 14th Street, Tempe, AZ. The land was sold to BF Regent, LLC. No gain or loss was recognized on this sale.
- (2) On February 23, 2016, the Company sold property located at 6100-6240 and 6270 Claude Way East, Inver Grove Heights, MN. The real estate was sold to Wipaire Real Estate Holdings, LLC. A gain of \$2,953,749 was recognized on this sale.
- (3) During the year, the Company signed a purchase and sale agreement to sell property located at 6061 South Willow Drive, Greenwood Village, CO. This transaction is expected to close in the first quarter of 2017.
- (4) During the year, the Company signed a broker agreement to begin marketing property at 7210 NW Evergreen Parkway, Hillsboro, OR. The Company expects to sell the property in the second quarter of 2017.
- (5) During the year, the Company signed a purchase and sale agreement to sell land at 1520 Broadmoor Blvd., Buford GA. This transaction is expected to close within a year.
- (6) During the year, the Company signed a broker agreement to begin marketing property at 1520 Broadmoor Blvd., Buford GA. The Company expects to sell the property within a year.

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

Not applicable.

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	178,994,193	-	-	-	178,994,193	113,034,727	65,959,466	-	178,994,193	1.0%	1.0%
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	1,478,396,309	-	-	-	1,478,396,309	1,452,426,751	25,969,558	-	1,478,396,309	7.9%	8.0%
k. On deposit with other regulatory bodies	2,667,311	-	-	-	2,667,311	2,198,335	468,976	-	2,667,311	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	29,920,273	-	-	-	29,920,273	48,790,713	(18,870,440)	-	29,920,273	0.2%	0.2%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 1,689,978,086	\$ -	\$ -	\$ -	\$ 1,689,978,086	\$ 1,616,450,526	\$ 73,527,560	\$ -	\$ 1,689,978,086	9.0%	9.1%

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Bonds - Reinsurance	\$ 27,225,104	\$ -	\$ -	\$ -	\$ 27,225,104	\$ 27,405,911	\$ (180,807)	\$ 27,225,104	0.1%	0.1%
Bonds - Letter of Credit	2,695,169	-	-	-	2,695,169	21,384,802	(18,689,633)	2,695,169	0.0%	0.0%
Total (c)	\$ 29,920,273	\$ -	\$ -	\$ -	\$ 29,920,273	\$ 48,790,713	\$ (18,870,440)	\$ 29,920,273	0.2%	0.2%

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

(c) Total line for columns 1 through 7 should equal 5H(1)m columns 1 through 7 respectively and total line for columns 8 through 10 should equal 5H(1)m columns 9 through 11 respectively

3. Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted) *	4 % of BACV to Total Admitted Assets **
a. Cash	\$ 178,994,193	\$ 178,994,193	1.0%	1.0%
b. Schedule D, Part 1	-	-	0.0%	0.0%
c. Schedule D, Part 2, Section 1	-	-	0.0%	0.0%
d. Schedule D, Part 2, Section 2	-	-	0.0%	0.0%
e. Schedule B	-	-	0.0%	0.0%
f. Schedule A	-	-	0.0%	0.0%
g. Schedule BA, Part 1	-	-	0.0%	0.0%
h. Schedule DL, Part 1	-	-	0.0%	0.0%
i. Other	-	-	0.0%	0.0%
j. Total Collateral Assets	\$ 178,994,193	\$ 178,994,193	1.0%	1.0%

* Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	\$ 178,994,193	1.4%

* Column 1 divided by Liability Page, Line 26 (Column 1)

I. Working Capital Finance Investments:

Not applicable.

J. Offsetting and Netting of Assets and Liabilities:

Not applicable.

K. Structured Notes:

Not applicable.

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	1	1	\$ 8	\$ 9	\$ 1,725,528	\$ 1,875,299
(2) Bonds – FV	-	-	-	-	-	-
(3) LB&SS – AC	-	-	-	-	-	-
(4) LB&SS – FV	-	-	-	-	-	-
(5) Preferred Stock – AC	-	-	-	-	-	-
(6) Preferred Stock – FV	-	-	-	-	-	-
(7) Total	1	1	\$ 8	\$ 9	\$ 1,725,528	\$ 1,875,299

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 \$9,074,271 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.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

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

	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a. Gross deferred tax assets	\$ 445,513,490	\$ 149,688,339	\$ 595,201,829
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	445,513,490	149,688,339	595,201,829
d. Deferred tax assets nonadmitted	94,614,400	19,096,267	113,710,667
e. Subtotal net admitted deferred tax assets	350,899,090	130,592,072	481,491,162
f. Deferred tax liabilities	49,644,655	128,021,488	177,666,143
g. Net admitted deferred tax asset/(liability)	<u>\$ 301,254,435</u>	<u>\$ 2,570,584</u>	<u>\$ 303,825,019</u>

	<u>December 31, 2015</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 466,691,353	\$ 85,408,689	\$ 552,100,042
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	466,691,353	85,408,689	552,100,042
d. Deferred tax assets nonadmitted	115,449,251	30,359,594	145,808,845
e. Subtotal net admitted deferred tax assets	351,242,102	55,049,095	406,291,197
f. Deferred tax liabilities	46,853,876	49,583,486	96,437,362
g. Net admitted deferred tax asset/(liability)	<u>\$ 304,388,226</u>	<u>\$ 5,465,609</u>	<u>\$ 309,853,835</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ (21,177,863)	\$ 64,279,650	\$ 43,101,787
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	(21,177,863)	64,279,650	43,101,787
d. Deferred tax assets nonadmitted	(20,834,851)	(11,263,327)	(32,098,178)
e. Subtotal net admitted deferred tax assets	(343,012)	75,542,977	75,199,965
f. Deferred tax liabilities	2,790,779	78,438,002	81,228,781
g. Net admitted deferred tax asset/(liability)	<u>\$ (3,133,791)</u>	<u>\$ (2,895,025)</u>	<u>\$ (6,028,816)</u>

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.	\$ 277,521,848	\$ 2,570,584	\$ 280,092,432
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)	23,732,587	-	23,732,587
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	23,732,587	-	23,732,587
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	788,160,932
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.	49,644,655	128,021,488	177,666,143
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total 2(a) + 2(b) + 2(c)	<u>350,899,090</u>	<u>130,592,072</u>	<u>481,491,162</u>
Deferred tax liabilities netted against deferred tax assets	49,644,655	128,021,488	177,666,143
Total	<u>\$ 301,254,435</u>	<u>\$ 2,570,584</u>	<u>\$ 303,825,019</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.	\$ 252,470,205	\$ 3,629,204	\$ 256,099,409
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below).	51,947,682	1,836,405	53,784,087
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	51,947,682	1,836,405	53,784,087
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	790,429,008

NOTES TO FINANCIAL STATEMENTS

c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities.	46,824,215	49,583,486	96,407,701
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>351,242,102</u>	<u>55,049,095</u>	<u>406,291,197</u>
Deferred tax liabilities netted against deferred tax assets	<u>46,853,876</u>	<u>49,583,486</u>	<u>96,437,362</u>
Total	<u>\$ 304,388,226</u>	<u>\$ 5,465,609</u>	<u>\$ 309,853,835</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.	\$ 25,051,643	\$ (1,058,620)	\$ 23,993,023
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).	(28,215,095)	(1,836,405)	(30,051,500)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(28,215,095)	(1,836,405)	(30,051,500)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(2,268,076)
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.	2,820,440	78,438,002	81,258,442
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>(343,012)</u>	<u>75,542,977</u>	<u>75,199,965</u>
Deferred tax liabilities netted against deferred tax assets	<u>2,790,779</u>	<u>78,438,002</u>	<u>81,228,781</u>
Total	<u>\$ (3,133,791)</u>	<u>\$ (2,895,025)</u>	<u>\$ (6,028,816)</u>
	<u>2016</u>	<u>2015</u>	
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	499%	512%	
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 5,254,406,211	\$ 5,269,526,718	
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)	\$ 445,513,490	\$ 149,688,339	
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)	\$ 350,899,090	\$ 130,592,072	
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)	\$ 466,691,353	\$ 85,408,689	
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%	
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	\$ 351,242,102	\$ 55,049,095	
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%	

NOTES TO FINANCIAL STATEMENTS

	<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ (21,177,863)	\$ 64,279,650
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)	\$ (343,012)	\$ 75,542,977
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
b. Does the Company's tax-planning strategies include the use of reinsurance?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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

As of December 31, 2016, the Company had undistributed earnings of \$37,369 in certain foreign subsidiaries. The Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future.

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
1. Current Income Tax:			
Federal	\$ 206,859,300	\$ 299,317,706	\$ (92,458,406)
Foreign	<u>(3,033,308)</u>	<u>(905,688)</u>	<u>(2,127,620)</u>
Subtotal	203,825,992	298,412,018	(94,586,026)
Federal income taxes on net capital gains	<u>12,667,202</u>	<u>3,157,867</u>	<u>9,509,335</u>
Federal and foreign income taxes incurred	<u>\$ 216,493,194</u>	<u>\$ 301,569,885</u>	<u>\$ (85,076,691)</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	\$ 167,696,282	\$ 176,863,994	\$ (9,167,712)
Unearned premium reserve	174,586,629	167,094,326	7,492,303
Fixed assets	26,245,579	29,871,482	(3,625,903)
Net operating loss carry-forward	-	1,288,603	(1,288,603)
Nonadmitted assets	35,483,291	34,021,849	1,461,442
Other	<u>41,501,709</u>	<u>57,551,099</u>	<u>(16,049,390)</u>
Total ordinary deferred tax assets	\$ 445,513,490	\$ 466,691,353	\$ (21,177,863)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>94,614,400</u>	<u>115,449,251</u>	<u>(20,834,851)</u>
Admitted ordinary deferred tax assets	<u>\$ 350,899,090</u>	<u>\$ 351,242,102</u>	<u>\$ (343,012)</u>
<u>Capital:</u>			
Investments	<u>\$ 149,688,339</u>	<u>\$ 85,408,689</u>	<u>\$ 64,279,650</u>
Total capital deferred tax assets	\$ 149,688,339	\$ 85,408,689	\$ 64,279,650
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>19,096,267</u>	<u>30,359,594</u>	<u>(11,263,327)</u>
Admitted capital deferred tax assets	<u>\$ 130,592,072</u>	<u>\$ 55,049,095</u>	<u>\$ 75,542,977</u>
Total admitted deferred tax assets:	<u>\$ 481,491,162</u>	<u>\$ 406,291,197</u>	<u>\$ 75,199,965</u>

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
<u>Ordinary:</u>			
Investments	\$ 35,027,225	\$ 26,238,211	\$ 8,789,014
Fixed assets	3,425,902	13,364,759	(9,938,857)
Foreign tax credit redetermination	5,413,844	-	5,413,844
Other	<u>5,777,684</u>	<u>7,250,906</u>	<u>(1,473,222)</u>
Total ordinary deferred tax liabilities	<u>\$ 49,644,655</u>	<u>\$ 46,853,876</u>	<u>\$ 2,790,779</u>
<u>Capital:</u>			
Investments	<u>\$ 128,021,488</u>	<u>\$ 49,583,486</u>	<u>\$ 78,438,002</u>
Total capital deferred tax liabilities	<u>\$ 128,021,488</u>	<u>\$ 49,583,486</u>	<u>\$ 78,438,002</u>
Total deferred tax liabilities:	<u>\$ 177,666,143</u>	<u>\$ 96,437,362</u>	<u>\$ 81,228,781</u>

4. Net admitted deferred tax asset/(liability) \$ 303,825,019 \$ 309,853,835 \$ (6,028,816)

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.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
Total deferred tax assets	\$ 595,201,829	\$ 552,100,042	\$ 43,101,787
Total deferred tax liabilities	177,666,143	96,437,362	81,228,781
Net deferred tax asset/(liability)	<u>\$ 417,535,686</u>	<u>\$ 455,662,680</u>	(38,126,994)
Tax effect of unrealized gains (losses)			<u>12,690,515</u>
Change in net deferred income tax			<u>\$ (25,436,479)</u>

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

Rate Reconciliation:

	<u>December 31, 2016</u>
Pretax net income (loss)	\$1,415,930,209
Taxes at statutory rate	495,575,573
Increase (decrease) attributable to:	
Nontaxable investment income	(261,198,010)
Other	7,552,110
	<u>\$ 241,929,673</u>
Federal and foreign taxes incurred	\$ 216,493,194
Change in net deferred taxes	25,436,479
Total statutory income tax	<u>\$ 241,929,673</u>
Effective tax rate	17.1%

- E. 1. The Company has no net operating loss carry-forward available for tax purposes.
2. The Company has \$218,494,120, \$303,134,325, and \$81,256,671 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.

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

- A-C. (1) In December 2016, the Company purchased \$185.5 million of securities from its affiliate, Travelers Casualty and Surety Company of America (TCSA).
- (2) The Company received distributions totaling \$1.275 billion from its wholly-owned subsidiary, United States Fidelity and Guaranty Company (USF&G) during 2015. These distributions were recorded as a return of capital of \$907.7 million which reduced its cost basis in USF&G by this same amount and a net realized capital gain of \$367.3 million.
- (3) In December 2015, the Company purchased \$100.0 million of securities from its affiliate, TCSA.

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

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

- (1) The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
- (2) TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 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 \$52,733,685 and \$47,668,602 payable to affiliates, respectively. Substantially all of the accounts between and among the Company and its affiliates are settled at least monthly through the TRVMMLP or in cash.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Uncollected premiums and agents' balances in course of collection	\$ 334,686,689	\$ 327,101,175
Amounts recoverable from reinsurers	34,144,834	71,624,532
Reinsurance payable on paid losses and LAE	280,722,876	288,366,497

These balances were settled net through the intercompany settlement process during January 2017 and January 2016, respectively.

- E. The Company is party to various guarantees with affiliates. See Note 14G for additional detail.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements, 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 TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

- L. 1. The Company directly owns Northbrook Holdings, Inc. (Northbrook), a downstream noninsurance holding company. Northbrook directly owns Discover Property & Casualty Insurance Company (DPCIC), a Connecticut domiciled insurance company, and St. Paul Protective Insurance Company (SPPIC), a Connecticut domiciled insurer.

2. The carrying value of the Company's investment in Northbrook was \$285,836,892 at December 31, 2016.

3. The Company has not obtained an audit of Northbrook's financial statements.

4. The Company has limited the carrying value of its investment in Northbrook to the value contained in the statutory audited financial statements of DPCIC and SPPIC, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities*.

5. Northbrook does not have any material assets other than the ownership of its insurance subsidiaries. Northbrook does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

- M. The tables below provide information on subsidiary, controlled and affiliated (SCA) investments, excluding investments in U.S. insurance SCA entities.

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				
Total SSAP No. 97 8b(ii) Entities	XXX	\$ -	\$ -	\$ -
c. SSAP No. 97 8b(iii) Entities				
8527512 Canada Inc.	22.48%	\$ 117,932,058	\$ 117,932,058	\$ -
Northbrook Holdings, Inc.	100.00%	285,836,892	285,836,892	-
MMI Capital Trust I	100.00%	3,852,121	-	3,852,121
English Turn Fidelity Realty, Inc.	100.00%	3,425,246	-	3,425,246
USF&G Capital I	100.00%	3,093,000	-	3,093,000
USF&G Capital III	100.00%	3,093,000	-	3,093,000
English Turn Realty Management, Inc.	100.00%	40,511	-	40,511
Yonkers Financial Corp.	100.00%	1,000	-	1,000
Travelers Special Services Limited	100.00%	-	-	-
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 417,273,828	\$ 403,768,950	\$ 13,504,878
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	\$ 417,273,828	\$ 403,768,950	\$ 13,504,878
f. Aggregate Total	XXX	\$ 417,273,828	\$ 403,768,950	\$ 13,504,878

NOTES TO FINANCIAL STATEMENTS

2. NAIC Filing Response Information:

	Type of NAIC Filing	Date of Filing to the NAIC	12/31/2015 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
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						
8527512 Canada Inc.	S2	7/26/2016	\$ 109,359,224	Y	N	
Northbrook Holdings, Inc.	S2	7/27/2016	290,420,454	Y	N	
MMI Capital Trust I*			-			
English Turn Fidelity Realty Inc.*			-			
USF&G Capital I*			-			
USF&G Capital III*			-			
English Turn Realty Management Inc.*			-			
Yonkers Financial Corp.*			-			
Travelers Special Services LTD*			-			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ 399,779,678	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	\$ 399,779,678	XXX	XXX	XXX
f. Aggregate Total	XXX	XXX	\$ 399,779,678	XXX	XXX	XXX

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

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

N. Not applicable.

11. DEBT

Not applicable.

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

A-D. Defined Benefit Plans:

Not applicable.

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 \$20,562,390 and \$31,228,384 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 \$712,931 and \$1,328,317 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 \$24,262,703 and \$23,168,316 for 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

The Company has 200,000 shares of common capital stock authorized, issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$793 million and extraordinary dividends of \$65 million for a total of \$858 million in 2016, to its parent company, TRV. In 2015, the Company paid ordinary dividends of \$472 million and extraordinary dividends of \$792 million for a total of \$1.264 billion to TRV.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by the Company to shareholders without prior approval of the Insurance Commissioner of the State of Connecticut is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2017 without prior approval is \$1,199,437,000.

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 \$1,080,907,248.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

At December 31, 2016, the Company had commitments to fund investments of \$331.6 million.

B. Assessments:

1. The Company has accrued liabilities of \$60.1 million for guaranty fund and other insurance-related assessments and related recoverables of \$731 thousand 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	\$ (21,086)
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	(317,597)
Premium tax offset refund	320,615
c. Increases current year:	
Premium tax offset accrued	<u>61,293</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2016	<u>\$ 37,189</u>

C. Gain Contingencies:

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

NOTES TO 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	\$ 825,000

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

0-25 Claims
X

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

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

1. a. In the ordinary course of selling businesses to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business being sold, covenants and obligations of the Company and, in certain cases, obligations arising from certain liabilities and the imposition of additional taxes due to either a change in the tax law or an adverse interpretation of the tax law. Such indemnification provisions generally are applicable from the closing date to the expiration of the relevant statutes of limitations, although, in some cases, there may be agreed upon term limitations or no term limitations. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.
- b. The Company has a contingent obligation for a guarantee related to certain insurance policy obligations of a former insurance subsidiary. The maximum amount of the Company's obligation related to the guarantee was \$480 million at December 31, 2016, all of which is indemnified by a third party.
- c. The Company has an interest in an unaffiliated real estate joint venture. Effective October 21, 2011 through August 12, 2014, the real estate joint venture assumed a mortgage secured by property it owns. The Company entered into a separate payment guarantee with the lender for the mortgage and provided several indemnifications, including indemnifications for environmental liabilities should the lender be held responsible. The maximum principal for the mortgage is \$45 million and is secured by the property. The other indemnifications for the mortgage, including an environmental guarantee, are not limited. The Company, along with a third party joint venture investor, were joint and severally liable for these indemnities and guarantees. Concurrent with assuming the mortgage, the Company entered into a contribution agreement with the third party joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required. On August 12, 2014, the Company sold all but 1% of its invested interest in the real estate joint venture to an outside party and the respective guarantees and contribution agreement were terminated prospectively. As part of the sale, the outside party replaced the Company as guarantor with the lender. The company entered into a separate contribution agreement with the outside party for reimbursement based on their respective equity ownership in the Joint Venture.
- d. The Company has an invested interest in an unaffiliated real estate joint venture. Effective May 27, 2010, the real estate joint venture assumed a mortgage secured by property it owns. On November 22, 2013, the joint venture assumed a second mortgage secured by the same property. The Company entered into a separate payment guarantee with the lender for each mortgage and provided several indemnifications for each mortgage, including indemnifications for environmental liabilities should the lender be held responsible. The combined maximum principal for the mortgages is \$105 million and is secured by the property. The other indemnifications for each mortgage, including the environmental guarantees, are not limited. The Company, along with a third party joint venture investor, is joint and severally liable for these indemnities and guarantees. Concurrently with assuming each mortgage, the Company entered into a contribution agreement with the third party joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required.
- e. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50 million. On July 1, 2010, St. Paul (Bermuda) Ltd., St. Paul Re (Bermuda) Ltd. and Travelers (Bermuda) Limited were amalgamated into one Bermuda company under the name Travelers (Bermuda) Limited. The guarantee was amended on June 30, 2010 to limit the Company's guarantee to only those obligations of St. Paul (Bermuda) Ltd. that existed prior to the amalgamation. The Company also waived certain rights in the amended guarantee until all creditors of St. Paul Re (Bermuda) Ltd and Travelers (Bermuda) Limited at the time of the amalgamation have been paid in full.
- f. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
- g. Effective September 30, 1997, the Company entered into an unconditional guaranty that Travelers Constitution State Insurance Company, a wholly-owned subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.
- h. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard Surety Company (Seaboard), of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice. On January 2, 2009, Seaboard was merged into TCSA. The terms of the guarantee remain in effect.

NOTES TO FINANCIAL STATEMENTS

- i. Effective December 10, 1993, the Company has guaranteed the performance by Travelers Insurance Company Limited (Travelers Limited), an affiliate incorporated in England, of all Travelers Limited's obligations arising out of its insurance or reinsurance contracts. Effective March 1, 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice. Effective December 31, 2007, pursuant to the order of English Court, made on December 31, 2007, under Part VII of the Financial Services & Markets Act, obligations relating to certain business as of December 31, 2007, were transferred to Unionamerica Insurance Company Limited (Unionamerica), an affiliate of Travelers Limited. This resulted in those obligations no longer being covered by the guarantees. The guarantees will remain in force, however, for the obligations arising out of insurance or reinsurance contracts not transferred to Unionamerica and for business subsequently written by Travelers Limited. In December 2008, Unionamerica was sold to an unaffiliated entity.
- j. The Company guaranteed the timely payment of Discover Reinsurance Company's (Discover Re) obligations with respect to all insurance policies and reinsurance policies issued by Discover Re. On October 1, 2007, Discover Re was merged into Indemnity. The merger resulted in the automatic termination of the guarantee with respect to any future claims. However, the Company continues to guarantee to Indemnity all obligations of Discover Re incurred before the termination date.
- k. In a guarantee agreement dated February 9, 2009, the Company has guaranteed certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary. The guarantee is not limited in amount and expires once all obligations have been met.
- l. The Company is the owner of all the beneficial interests represented by common securities of three business trusts. The trusts exist for the sole purpose of issuing capital securities and common securities and investing the proceeds thereof in deferrable interest junior subordinated debentures, which are held by TRV. The Company fully, irrevocably and unconditionally guaranteed all of the trusts obligations under the capital securities including principal of \$254 million and interest. The Company and TRV are both jointly and severally responsible for the payment obligation of the subordinated debentures.

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

NOTES TO FINANCIAL STATEMENTS

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
h. Seaboard Surety Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividend to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
i. Travelers Insurance Company Limited	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividend to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
j. Discover Reinsurance Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividend to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
k. Certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount	Assets - Line 2.2 Common Stock	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
l. Trust obligations of three wholly-owned subsidiaries	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary	Assets - Line 2.2 Common Stock	See below – subject to the same maximum	The Company has assessed the performance risk as low under these guarantees
Subordinated debentures by its parent to the respective trusts	Fair value initial recognition for debenture guarantees was \$24,000,000	Surplus - Line 35. Dividend to stockholders	\$ 254,000,000	The Company has assessed the performance risk as low under these guarantees. TRV is current in all debenture obligations. The AM Best current financial strength rating is "a-".

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

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

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

- The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 27.
- In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 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.

NOTES TO FINANCIAL STATEMENTS

15. LEASES

A. Lessee Leasing Arrangements:

Not applicable.

B. Lessor Leases:

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$425,349,489 and \$406,074,393 as of December 31, 2016 and 2015, respectively. On December 31, 2016, the Company has future minimum annual lease payments receivable under non-cancelable leasing arrangements as follows:

Year Ending <u>December 31</u>	<u>Operating Leases</u>
2017	\$ 87,276,734
2018	74,323,047
2019	61,830,578
2020	45,989,525
2021	33,657,663
2022 and later years	<u>45,447,633</u>
Total	<u>\$ 348,525,180</u>

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

The Company has unfunded commitments to private equity limited partnerships and real estate partnerships in which it invests. The off-balance-sheet risk of these financial instruments was \$331.6 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. See Schedule D – Part 1 for identification and description of securities on loan.

C. Wash Sales:

Not applicable.

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

Not applicable.

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

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

20. FAIR VALUE MEASUREMENTS

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

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

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>
<u>Bonds</u>				
Industrial and miscellaneous	\$ -	\$ 225,770,026	\$ -	\$ 225,770,026
<u>Common stock</u>				
Industrial and miscellaneous	386,102,508	-	2,157,284	388,259,792
Total securities at fair value	\$ 386,102,508	\$ 225,770,026	\$ 2,157,284	\$ 614,029,818

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 at fair value using significant unobservable inputs (Level 3):

<u>Description</u>	<u>Beginning Balance at 1/1/2016</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Total gains & (losses) included in Net Income</u>	<u>Total gains & (losses) included in Surplus</u>	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Ending Balance at 12/31/2016</u>
Bonds	\$ -	\$ 3,668,000	\$ -	\$ 1,589,935	\$ -	\$ -	\$ -	\$ (4,262,500)	\$ (995,435)	\$ -
Common stock	2,270,363	-	-	-	(113,079)	-	-	-	-	2,157,284
Total	\$ 2,270,363	\$ 3,668,000	\$ -	\$ 1,589,935	\$ (113,079)	\$ -	\$ -	\$ (4,262,500)	\$ (995,435)	\$ 2,157,284

Bonds transferred into Level 3 due to the absence of observable market data at the end of the period.

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.

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

5. Not applicable.

- B. Not applicable.

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

(At December 31, 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>						
Cash equivalents	\$ 3,998,085	\$ 3,998,085	\$ -	\$ 3,998,085	\$ -	\$ -
Short term bonds	654,155,786	654,156,701	157,989,652	496,166,134	-	-
Long term bonds	11,601,498,734	11,463,198,501	614,367,303	10,975,504,213	11,627,218	-
Preferred stock	1,816,400	1,195,000	1,816,400	-	-	-
Common stock	388,259,792	388,259,792	386,102,508	-	2,157,284	-

(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>						
Cash equivalents	\$ 3,098,324	\$ 3,098,324	\$ -	\$ 3,098,324	\$ -	\$ -
Short term bonds	1,052,028,033	1,052,027,970	365,399,335	686,628,698	-	-
Long term bonds	10,786,343,162	10,488,001,049	597,029,860	10,158,595,607	30,717,695	-
Preferred stock	1,741,800	1,195,000	1,741,800	-	-	-
Common stock	348,441,978	348,441,978	346,171,615	-	2,270,363	-
Mortgage loans	-	41,900,000	-	-	-	41,900,000

- 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	\$ 515	\$ 601	\$ 77	\$ 116	\$ 917
Part 1B	370	111	45	38	50,851
Part 1C	1,619	(6,784)	1,515	1,378	14,195
Part 1D	82,999	76,430	79,826	73,875	1,031,451
Part 1E	12,696	5,838	4,947	3,466	69,922
Part 1F - Section 1	3	67	145	634	3,491
Part 1F - Section 2	(6)	3,503	196	401	8,834
Part 1G	306	(9)	111	628	16,387
Part 1H - Section 1	21,611	16,900	10,656	20,538	485,826
Part 1H - Section 2	11,415	4,052	2,728	6,397	44,851
Part 1M	-	-	-	5	573
Part 1N	16	(15)	73	54	6,935
Part 1O	(3)	357	833	2,587	106,849
Part 1P	-	113	123	156	1,885
Part 1R - Section 1	4,794	7,360	10,280	4,628	205,947
Part 1R - Section 2	389	98	90	284	3,710

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	\$ (33)	\$ (65)	\$ (14)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(1,074)	(1,060)	(218)	(10,399)	-	(268)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(710)	-	-	-	-	-	-	-	-
Other Liability - CM	(108)	(1,648)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(142)	-	-	-	-	-	-	-	-
Reinsurance B	(499)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

1. Description of State Transferable and Non-transferable Tax Credits	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Petros Wyoming Fund Series 2014	WY	\$ 431,842	\$ 420,652

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	\$ 431,842	\$ -
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	\$ 5,925,490	\$ 6,262,673	\$ 7,205,984	\$ 262,929
Structured securities	800,905	503,013	1,117,462	-
Total	<u>\$ 6,726,395</u>	<u>\$ 6,765,686</u>	<u>\$ 8,323,446</u>	<u>\$ 262,929</u>

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

NOTES TO FINANCIAL STATEMENTS

St. Paul Mercury Insurance Company	41-0881659	813,218,753
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:

The unsecured aggregate recoverables for ceded losses, LAE and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2016, that exceeded 3% of the Company's surplus as regards policyholders were as follows:

NONE

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

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,454,006,778	\$ 306,401,899	\$ 172,497,880	\$ 21,537,707	\$ 2,281,508,898	\$ 284,864,192
All Other	<u>11,700,912</u>	<u>1,460,950</u>	<u>4,699,467</u>	<u>586,765</u>	<u>7,001,445</u>	<u>874,185</u>
Total	<u>\$ 2,465,707,690</u>	<u>\$ 307,862,849</u>	<u>\$ 177,197,347</u>	<u>\$ 22,124,472</u>	<u>\$ 2,288,510,343</u>	<u>\$ 285,738,377</u>

Direct Unearned Premium Reserve \$ 205,584,328

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$57,315,331 at December 31, 2016. This balance represents the Company's 24.79% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 3,085,186	\$ 55,562,423	\$ 1,332,278	\$ 57,315,331
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 3,085,186</u>	<u>\$ 55,562,423</u>	<u>\$ 1,332,278</u>	<u>\$ 57,315,331</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,330,260	\$ 50,408,936
(2) Adjustments - Prior Year(s)	(876,054)	44,056,637
(3) Adjustments - Current Year	-	(489,548)
(4) Current Total	<u>\$ 1,454,206</u>	<u>\$ 93,976,025</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$ 51,333,026
(2) Adjustments - Prior Year(s)	235,152	9,027,736
(3) Adjustments - Current Year	-	42,168
(4) Current Total	<u>\$ 2,826,968</u>	<u>\$ 60,402,930</u>

NOTES TO FINANCIAL STATEMENTS

c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,151,328	\$ 76,033,383
(2) Current Year	<u>2,091</u>	<u>1,188,115</u>
(3) Current Total	<u>\$ 1,153,419</u>	<u>\$ 77,221,498</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ (924,090)
(2) Adjustments - Prior Year(s)	1,111,206	35,028,901
(3) Adjustments - Current Year	<u>-</u>	<u>(531,716)</u>
(4) Current Year Restricted Surplus	<u>1,253,156</u>	<u>15,284,200</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ 119,606</u>	<u>\$ 18,288,895</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)	\$ 1,338,660	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	27,335,725
XL Reinsurance America Inc. (20583)	-	19,550,123
TIG Insurance Company (25534)	-	18,532,200
Swiss Reinsurance America Corporation (25364)	-	6,852,222
Westport Insurance Corporation (39845)	-	4,019,782
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	3,321,860
General Reinsurance Corporation (22039)	-	2,960,472
Excalibur Reinsurance Corp. (39675)	-	2,615,354
Various	<u>115,546</u>	<u>8,788,287</u>
Total	<u>\$ 1,454,206</u>	<u>\$ 93,976,025</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)	\$ 4,114	\$ -
XL Reinsurance America Inc. (20583)	146,630	266
Westport Insurance Corporation (39845)	57,343	-
Various	<u>27,394</u>	<u>32</u>
Total	<u>\$ 235,481</u>	<u>\$ 298</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
Excalibur Reinsurance Corp. (39675)	\$ 275,033	\$ 275,033	\$ -
Total	<u>\$ 275,033</u>	<u>\$ 275,033</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

As of December 31, 2016, the Company had one assumed reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2001 and has a deposit balance of \$191,595 at year-end. Due to the immaterial nature of the deposit balance the Company accounts for it at the estimated ultimate remaining payments on an undiscounted basis.

As of December 31, 2016, the Company had one ceded reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2002 and has a balance of \$192,897 at year-end. Due to the immaterial nature of this balance the Company accounts for its estimated ultimate remaining recoverable on an undiscounted basis.

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

Not applicable.

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

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. Accrued retrospective premiums (Page 2, Line 15.3) have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts. Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and 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.

NOTES TO FINANCIAL STATEMENTS

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium		\$ 17,335,167
2. Unsecured amount		4,165,151
3. Less: Nonadmitted amount (10%)		416,515
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted		<u>1,071,647</u>
5. Admitted amount (1) - (3) - (4)		<u>\$ 15,847,005</u>

F. Not applicable.

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 \$114,403,000, 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 receivable of \$88,108,647 from affiliates as a result of its intercompany reinsurance transactions which settled in January 2017.

NOTES TO FINANCIAL STATEMENTS**27. STRUCTURED SETTLEMENTS**

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is contingently liable as the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims. In the event that the life insurance company fails to make the required annuity payments, the Company would be required to make such payments if and to the extent the purchased annuities are not covered by state guaranty associations.

The following data represents the Company's proportionate share of structured settlement annuities purchased by members of the TRV Pool (see Note 26):

A.	Loss Reserves <u>Eliminated by Annuities</u> \$ 711,000,331	Unrecorded Loss <u>Contingencies</u> \$ 711,000,331	
B.	<u>Life Insurance Company and Location</u> Fidelity & Guaranty Life Insurance Company, Baltimore, MD MetLife Insurance Company USA, Charlotte, NC Symetra Life Insurance Company, Bellevue, WA Genworth Life and Annuity Insurance Company, Richmond, VA All other companies	Licensed in Company's <u>State of Domicile</u> Yes Yes Yes Yes	Statement <u>Value of Annuities</u> \$ 208,309,785 72,901,697 53,307,414 52,872,874 323,608,561

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 \$1,397,665,880 and the amount billed and outstanding on paid claims was \$13,881,015. 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.

NOTES TO FINANCIAL STATEMENTS

The December 31, 2016 liabilities of the Company included \$464,154,718 and \$26,347,250 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>	Tabular Discount Included in <u>Schedule P, Part 1 *</u>	
		<u>Case</u>	<u>IBNR</u>
1.	Workers' Compensation	\$ 80,598,236	\$ 126,632,889
2.	Other Liability-Occurrence	<u>2,824,326</u>	<u>38,706,118</u>
3.	Total	<u>\$ 83,422,562</u>	<u>\$ 165,339,007</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

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

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

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

The Company continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not subject to aggregate limits on coverage. In these instances, policyholders also may assert that each individual bodily injury claim should be treated as a separate occurrence under the policy. It is difficult to predict whether these policyholders will be successful on both issues. To the extent both issues are resolved in a policyholder's favor and other Company defenses are not successful, the Company's coverage obligations under the policies at issue would be materially increased and bounded only by the applicable per-occurrence limits and the number of asbestos bodily injury claims against the policyholders. Although the Company has seen a 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 \$128.4 million decrease to the Company's direct asbestos reserves and a \$113.0 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:	\$ 633,480,217	\$ 608,110,768	\$ 590,135,346	\$ 576,136,691	\$ 448,992,953
b. Incurred losses and LAE:	31,805,569	43,109,810	62,646,561	74,766,640	71,470,561
c. Calendar year payments for losses and LAE:	<u>57,175,018</u>	<u>61,085,232</u>	<u>76,645,216</u>	<u>201,910,378</u>	<u>196,938,543</u>
d. Ending reserves:	<u>\$ 608,110,768</u>	<u>\$ 590,135,346</u>	<u>\$ 576,136,691</u>	<u>\$ 448,992,953</u>	<u>\$ 323,524,971</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:	\$ 55,266,612	\$ 55,717,147	\$ 53,423,520	\$ 46,171,365	\$ 41,046,181
b. Incurred losses and LAE:	8,106,330	3,991,190	1,311,639	1,834,460	16,435,770
c. Calendar year payments for losses and LAE:	<u>7,655,795</u>	<u>6,284,817</u>	<u>8,563,794</u>	<u>6,959,644</u>	<u>8,821,232</u>
d. Ending reserves:	<u>\$ 55,717,147</u>	<u>\$ 53,423,520</u>	<u>\$ 46,171,365</u>	<u>\$ 41,046,181</u>	<u>\$ 48,660,719</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:	\$ 604,170,939	\$ 586,587,373	\$ 579,994,405	\$ 581,793,027	\$ 445,604,988
b. Incurred losses and LAE:	40,903,500	47,101,000	61,975,000	54,538,000	55,678,340
c. Calendar year payments for losses and LAE:	<u>58,487,066</u>	<u>53,693,968</u>	<u>60,176,378</u>	<u>190,726,039</u>	<u>175,266,260</u>
d. Ending reserves:	<u>\$ 586,587,373</u>	<u>\$ 579,994,405</u>	<u>\$ 581,793,027</u>	<u>\$ 445,604,988</u>	<u>\$ 326,017,068</u>

NOTES TO FINANCIAL STATEMENTS**B. Ending loss and LAE reserves for unreported claims included in Part A above:**

1. Direct Basis:	\$ 222,986,715
2. Assumed Reinsurance Basis:	\$ 19,679,576
3. Net of Ceded Reinsurance Basis:	\$ 213,172,221

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

1. Direct Basis:	\$ 164,326,004
2. Assumed Reinsurance Basis:	\$ 3,092,221
3. Net of Ceded Reinsurance Basis	\$ 149,863,855

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

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

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

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage and relevant judicial interpretations. In addition, the Company considers the many variables presented, such as: the nature of the alleged activities of the policyholder at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of the alleged environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. Conventional actuarial methods are not used to estimate these reserves.

In its review of environmental reserves, the Company considers: past settlement payments; changing judicial and legislative trends; its reserves for the costs of litigating environmental coverage matters; the potential for policyholders with smaller exposures to be named in new clean-up actions for both on- and off-site waste disposal activities; the potential for adverse development; the potential for additional new claims beyond previous expectations; and the potential higher costs for new settlements.

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.

<u>1. Direct Basis – Environmental:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 71,742,234	\$ 70,297,232	\$ 67,790,175	\$ 68,101,295	\$ 75,584,615
b. Incurred losses and LAE:	19,621,285	17,338,126	22,509,320	20,042,715	21,517,721
c. Calendar year payments for losses and LAE:	<u>21,066,287</u>	<u>19,845,183</u>	<u>22,198,200</u>	<u>12,559,395</u>	<u>15,272,869</u>
d. Ending reserves:	<u>\$ 70,297,232</u>	<u>\$ 67,790,175</u>	<u>\$ 68,101,295</u>	<u>\$ 75,584,615</u>	<u>\$ 81,829,467</u>
<u>2. Assumed Reinsurance Basis- Environmental:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 14,191,704	\$ 17,085,485	\$ 15,888,864	\$ 15,290,083	\$ 14,068,515
b. Incurred losses and LAE:	4,920,815	386,723	793,280	37,185	49,580
c. Calendar year payments for losses and LAE:	<u>2,027,034</u>	<u>1,583,344</u>	<u>1,392,061</u>	<u>1,258,753</u>	<u>1,068,060</u>
d. Ending reserves:	<u>\$ 17,085,485</u>	<u>\$ 15,888,864</u>	<u>\$ 15,290,083</u>	<u>\$ 14,068,515</u>	<u>\$ 13,050,035</u>
<u>3. 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:	\$ 84,619,903	\$ 86,129,276	\$ 81,573,460	\$ 82,290,608	\$ 86,562,091
b. Incurred losses and LAE:	22,311,000	16,039,129	21,567,300	17,848,800	20,327,801
c. Calendar year payments for losses and LAE:	<u>20,801,627</u>	<u>20,594,945</u>	<u>20,850,152</u>	<u>13,577,317</u>	<u>14,862,974</u>
d. Ending reserves:	<u>\$ 86,129,276</u>	<u>\$ 81,573,460</u>	<u>\$ 82,290,608</u>	<u>\$ 86,562,091</u>	<u>\$ 92,026,918</u>

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

1. Direct Basis:	\$ 81,188,471
2. Assumed Reinsurance Basis:	\$ 7,356,637
3. Net of Ceded Reinsurance Basis	\$ 86,371,570

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

1. Direct Basis:	\$ 31,505,364
2. Assumed Reinsurance Basis:	\$ 33,276
3. Net of Ceded Reinsurance Basis	\$ 30,792,430

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

NOTES TO FINANCIAL STATEMENTS

that which is anticipated, the emergence of a greater number of asbestos claims than anticipated as a result of extended life expectancies resulting from medical advances and lifestyle improvements, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of disputes pertaining to the amount of available coverage for asbestos and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company, future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims and the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers. In addition, uncertainties arise from the insolvency or bankruptcy of policyholders and other defendants. It is also not possible to predict changes in the legal, regulatory and legislative environment and their impact on the future development of asbestos and environmental claims. This environment could be affected by changes in applicable legislation and future court and regulatory decisions and interpretations, including the outcome of legal challenges to legislative and/or judicial reforms establishing medical criteria for the pursuit of asbestos claims. It is also difficult to predict the ultimate outcome of complex coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the Company's current 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?
Insurance Department of Connecticut
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of 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
St. Paul Fire and Casualty Insurance Company	40967	WI

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0.000%
- 7.22 State the nationality(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 350 Market Street, LLC
- 12.12 Number of parcels involved 1
- 12.13 Total book/adjusted carrying value \$ 17,517,579
- 12.2 If yes, provide explanation
Holds a 254 room hotel in St. Paul, MN.
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	Imperial Chemical Inds Plc	Failure to comply with contract.	1,890,000
0	Farm Credit System	Failure to comply with contract.	100,000
0	Riyad Bank	Failure to comply with contract.	968,000
104000854	American National Bank	Failure to comply with contract.	517,000
096010415	Bremer Bank, National Association	Failure to comply with contract.	50,000
092901683	First Interstate Bank	Failure to comply with contract.	40,000
051403041	First National Bank	Failure to comply with contract.	100,000
101114109	First Option Bank	Failure to comply with contract.	16,000
081918425	First State Community Bank	Failure to comply with contract.	4,000
073902151	First Whitney Bank and Trust	Failure to comply with contract.	80,000
091208138	Kensington Bank	Failure to comply with contract.	50,000
062106256	Merchants Bank	Failure to comply with contract.	12,500
091913216	Peoples Bank of Commerce	Failure to comply with contract.	31,250
096001013	Sunrise Banks, National Association	Failure to comply with contract.	30,000

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [X]
21.2	If yes, state the amount thereof at December 31 of the current year:	
21.21	Rented from others	\$ 0
21.22	Borrowed from others	\$ 0
21.23	Leased from others	\$ 0
21.24	Other	\$ 0
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes [] No [X]
22.2	If answer is yes:	
22.21	Amount paid as losses or risk adjustment	\$ 0
22.22	Amount paid as expenses	\$ 0
22.23	Other amounts paid	\$ 0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [] No [X]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ 0

INVESTMENT

24.01	Were all of 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). <u>This company is a party to a security lending agreement. See Note 17.</u>							
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes [X] No [] N/A []						
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$ 178,994,193						
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:	\$ 178,994,193						
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 178,994,193						
24.103	Total payable for securities lending reported on the liability page:	\$ 178,994,193						
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	\$ 1,478,396,309						
25.29	On deposit with other regulatory bodies	\$ 2,667,311						
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ 29,920,272						
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:							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">1 Nature of Restriction</th> <th style="width: 33%;">2 Description</th> <th style="width: 33%;">3 Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 0</td> </tr> </tbody> </table>	1 Nature of Restriction	2 Description	3 Amount			\$ 0	
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? If no, attach a description with this statement.	Yes [] No [] N/A [X]						
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 <i>Financial Condition Examiners Handbook</i> ?	Yes [X] No []						

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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
The Bank of New York Mellon	225 Liberty Street, New York, NY 10007

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
CIBC Mellon	320 Bay Street Toronto, ON M5H 4A6	Custodial account for Canadian Branch
Citigroup Inc.	390 Greenwich Street New York, NY 10013	Brokerage account

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

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

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

28.05 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
CBRE Clarion Securities	U
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 [X]

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 [X]

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
106256	CBRE Clarion Securities		SEC file # 801-49083	NO
	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 [X]

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the 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	12,121,353,287	12,259,652,606	138,299,319
30.2	Preferred Stocks	1,195,000	1,816,400	621,400
30.3	Totals	12,122,548,287	12,261,469,006	138,920,719

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []
 32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 11,939,819

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	\$ <u>5,819,129</u>

34.1 Amount of payments for legal expenses, if any? \$ 19,829,096

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
	\$ <u>0</u>

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 429,573

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
	\$ <u>0</u>

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$	\$	0	0
2.2	Premium Denominator	\$	\$	5,385,615,536	5,186,232,028
2.3	Premium Ratio (2.1/2.2)			0.000	0.000
2.4	Reserve Numerator	\$	\$	0	0
2.5	Reserve Denominator	\$	\$	12,062,524,860	11,839,713,652
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		\$		83,828,658
3.22	Non-participating policies		\$		5,406,652,882
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 [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [X] No []
- 11.2 If yes, give full information
The company guarantees the policies of a former subsidiary. See Note 14G(1b).
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | |
|---|----|------------|
| 12.11 Unpaid losses | \$ | 12,328,341 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | 2,175,590 |
- 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? \$ 18,669,082
- 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	\$	1,453,008,366		
	12.62	Collateral and other funds	\$	497,033,433		
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):				\$ 12,426,008	
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	0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	0
	* Disclose type of coverage:					
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. 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).....	2,997,728,938	2,951,106,153	3,013,330,809	3,151,157,459	3,069,348,162
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,073,079,390	1,010,426,853	996,647,088	993,277,349	975,025,177
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,731,784,059	1,706,691,307	1,723,018,639	1,759,326,481	1,782,645,978
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	25,427,976	34,804,183	30,652,851	39,891,681	49,768,570
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	27,369,414	32,306,113	35,357,135	31,585,343	28,693,632
6. Total (Line 35).....	5,855,389,777	5,735,334,609	5,799,006,523	5,975,238,313	5,905,481,519
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,720,411,732	2,580,895,960	2,495,619,434	2,470,753,554	2,388,099,149
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,007,347,160	932,113,566	900,044,124	898,283,987	874,738,537
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,729,513,647	1,699,614,097	1,700,904,162	1,728,058,827	1,707,924,026
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	20,782,928	25,697,550	11,346,630	19,964,817	22,564,931
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	12,426,074	13,797,121	15,438,694	14,329,028	13,103,483
12. Total (Line 35).....	5,490,481,541	5,252,118,293	5,123,353,043	5,131,390,213	5,006,430,125
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	288,669,930	540,472,404	463,627,636	431,778,213	13,179,388
14. Net investment gain (loss) (Line 11).....	1,116,634,247	944,817,655	725,498,043	670,968,747	676,289,799
15. Total other income (Line 15).....	8,638,688	8,406,687	5,191,642	32,725,251	18,267,704
16. Dividends to policyholders (Line 17).....	10,679,857	8,523,590	7,800,320	7,213,935	9,976,096
17. Federal and foreign income taxes incurred (Line 19).....	203,825,992	298,412,018	252,839,473	244,350,932	102,999,600
18. Net income (Line 20).....	1,199,437,015	1,186,761,138	933,677,528	883,907,343	594,761,195
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	18,558,671,505	18,297,596,634	18,917,210,617	18,566,316,320	18,761,764,152
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	652,490,362	645,272,037	632,108,579	568,875,618	524,716,770
20.2 Deferred and not yet due (Line 15.2).....	1,134,897,186	1,063,079,407	1,021,388,391	992,090,638	989,668,171
20.3 Accrued retrospective premiums (Line 15.3).....	15,847,005	19,832,974	20,790,245	23,588,341	28,316,222
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	13,000,440,163	12,734,324,153	12,923,140,386	12,651,619,036	12,761,100,471
22. Losses (Page 3, Line 1).....	7,498,180,997	7,422,324,562	7,493,585,203	7,648,975,444	7,710,930,540
23. Loss adjustment expenses (Page 3, Line 3).....	1,789,419,482	1,742,046,642	1,852,640,576	1,721,718,149	1,735,754,840
24. Unearned premiums (Page 3, Line 9).....	2,494,094,671	2,387,044,917	2,317,727,202	2,274,421,678	2,231,148,979
25. Capital paid up (Page 3, Lines 30 & 31).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,558,231,343	5,563,272,481	5,994,070,231	5,914,697,284	6,000,663,680
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,434,174,401	802,726,523	839,064,556	837,942,808	700,382,424
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,558,231,343	5,563,272,481	5,994,070,231	5,914,697,284	6,000,663,680
29. Authorized control level risk-based capital.....	1,053,557,422	1,026,383,100	1,043,218,567	1,024,986,820	1,014,134,142
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).....	70.7	65.6	62.6	64.2	65.6
31. Stocks (Lines 2.1 & 2.2).....	14.4	16.7	23.6	23.5	22.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.3	0.3	0.3	0.3
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.8	4.9	4.6	4.8	4.4
34. Cash, cash equivalents and short-term investments (Line 5).....	4.2	6.8	3.1	2.0	1.4
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	4.6	5.0	5.1	5.0	5.1
38. Receivables for securities (Line 9).....	0.2	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	1.1	0.7	0.8	0.2	0.4
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).....	1,961,871,975	2,353,281,162	3,439,726,128	3,436,557,783	3,435,485,261
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.....	49,172,636	50,105,990	49,439,397	51,225,520	68,274,435
48. Total of above lines 42 to 47.....	2,011,044,611	2,403,387,152	3,489,165,525	3,487,783,302	3,503,759,696
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).....	36.2	43.2	58.2	59.0	58.4

ST. PAUL FIRE AND MARINE 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).....	(339,525,361)	(255,675,706)	283,461,008	170,438,776	269,523,204
52. Dividends to stockholders (Line 35).....	(858,000,000)	(1,264,000,000)	(1,085,800,000)	(1,115,000,000)	(558,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(5,041,138)	(430,797,751)	79,372,948	(85,966,397)	287,059,927
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,844,265,454	1,764,341,011	1,685,590,205	1,678,550,282	1,790,892,173
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	555,777,300	500,462,255	519,815,243	516,541,701	586,506,658
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	751,964,076	716,141,651	767,254,624	843,342,508	1,040,060,643
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	18,469,793	18,556,823	25,318,844	9,498,051	25,808,788
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	31,528,614	53,661,154	63,774,481	78,663,124	43,792,752
59. Total (Line 35).....	3,202,005,237	3,053,162,893	3,061,753,397	3,126,595,666	3,487,061,015
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,435,338,405	1,326,108,567	1,262,944,341	1,263,611,086	1,298,321,809
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	530,338,027	457,150,925	462,010,226	467,343,734	529,025,202
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	740,027,958	700,582,780	728,374,096	788,111,916	947,303,509
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	11,191,005	9,974,426	16,288,426	2,928,241	16,217,669
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	13,492,411	18,139,971	30,185,563	20,539,084	9,793,387
65. Total (Line 35).....	2,730,387,807	2,511,956,669	2,499,802,652	2,542,534,061	2,800,661,577
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).....	52.1	47.1	46.2	48.8	56.3
68. Loss expenses incurred (Line 3).....	11.7	11.7	14.1	11.7	11.3
69. Other underwriting expenses incurred (Line 4).....	30.8	30.8	30.6	31.0	32.1
70. Net underwriting gain (loss) (Line 8).....	5.4	10.4	9.1	8.5	0.3
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.1	30.3	30.2	30.1	31.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	63.8	58.8	60.3	60.5	67.7
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).....	98.8	94.4	85.5	86.8	83.4
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(105,512)	(172,825)	(295,461)	(164,799)	(182,237)
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).....	(1.9)	(2.9)	(5.0)	(2.7)	(3.2)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(271,751)	(415,474)	(438,279)	(345,970)	(344,549)
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).....	(4.5)	(7.0)	(7.3)	(6.1)	(5.9)

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 [X] 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	322,368	79,239	66,700	10,093	24,796	208	(2,179)	324,324	XXX
2. 2007.....	5,328,847	547,168	4,781,679	2,188,318	209,610	227,024	16,253	219,655	4,793	126,125	2,404,342	XXX
3. 2008.....	5,340,661	544,190	4,796,471	2,713,860	283,982	239,852	16,584	257,546	3,766	129,086	2,906,926	XXX
4. 2009.....	5,250,125	435,234	4,814,891	2,456,383	197,240	220,141	11,723	251,064	2,891	136,432	2,715,734	XXX
5. 2010.....	5,192,968	397,758	4,795,209	2,675,008	152,236	235,711	10,647	255,977	2,338	139,893	3,001,475	XXX
6. 2011.....	5,359,698	387,005	4,972,693	3,222,971	216,242	246,500	12,943	267,896	2,508	147,033	3,505,674	XXX
7. 2012.....	5,478,791	421,243	5,057,547	3,027,964	468,135	231,777	23,692	282,688	4,220	134,991	3,046,382	XXX
8. 2013.....	5,527,850	448,167	5,079,683	2,200,816	155,444	184,220	7,172	260,457	6,468	114,707	2,476,408	XXX
9. 2014.....	5,502,349	422,784	5,079,565	1,971,783	128,011	149,151	6,693	244,257	6,143	105,371	2,224,344	XXX
10. 2015.....	5,566,373	380,141	5,186,232	1,681,676	85,712	91,043	3,819	239,279	4,894	96,112	1,917,572	XXX
11. 2016.....	5,745,445	359,829	5,385,616	1,189,481	42,691	35,250	1,359	210,176	792	61,954	1,390,065	XXX
12. Totals.....	XXX	XXX	XXX	23,650,627	2,018,542	1,927,369	120,976	2,513,790	39,021	1,189,527	25,913,246	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,610,091	479,304	1,066,518	189,169	154,593	18,558	277,091	25,565	165,522	622	4,865	2,560,597	XXX
2. 2007.....	87,966	19,682	77,467	8,577	7,760	997	18,464	811	5,610	(4)	1,390	167,205	XXX
3. 2008.....	82,437	9,367	94,862	11,061	9,216	395	21,875	2,516	5,102	(4)	2,671	190,159	XXX
4. 2009.....	103,933	19,805	105,937	13,889	9,898	272	20,468	1,222	5,663	(6)	3,114	210,719	XXX
5. 2010.....	130,925	12,257	119,885	8,475	13,227	370	22,679	2,238	9,454	10	4,963	272,819	XXX
6. 2011.....	167,080	11,881	153,628	9,393	19,121	778	30,953	1,649	12,702	14	8,651	359,768	XXX
7. 2012.....	218,639	21,750	210,144	15,220	25,038	701	56,614	1,721	17,551	50	13,097	488,543	XXX
8. 2013.....	309,376	28,819	273,849	21,711	35,237	1,054	87,912	2,659	30,967	71	18,796	683,027	XXX
9. 2014.....	397,338	44,301	411,165	33,053	49,223	2,050	113,005	4,887	42,947	239	29,309	929,148	XXX
10. 2015.....	507,248	50,963	646,429	52,541	52,523	1,736	130,268	3,807	46,782	353	40,282	1,273,849	XXX
11. 2016.....	729,658	63,034	1,210,820	92,963	58,329	2,029	200,687	5,423	116,155	432	93,087	2,151,768	XXX
12. Totals.....	4,344,691	761,163	4,370,706	456,052	434,164	28,939	980,016	52,499	458,454	1,777	220,224	9,287,600	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,008,136	552,461
2. 2007.	2,832,264	260,718	2,571,546	53.1	47.6	53.8	0	0	24.79	137,175	30,030
3. 2008.	3,424,752	327,666	3,097,085	64.1	60.2	64.6	0	0	24.79	156,872	33,287
4. 2009.	3,173,487	247,033	2,926,453	60.4	56.8	60.8	0	0	24.79	176,176	34,543
5. 2010.	3,462,866	188,572	3,274,294	66.7	47.4	68.3	0	0	24.79	230,078	42,741
6. 2011.	4,120,850	255,408	3,865,442	76.9	66.0	77.7	0	0	24.79	299,433	60,335
7. 2012.	4,070,415	535,490	3,534,925	74.3	127.1	69.9	0	0	24.79	391,813	96,730
8. 2013.	3,382,833	223,398	3,159,435	61.2	49.8	62.2	0	0	24.79	532,695	150,331
9. 2014.	3,378,869	225,377	3,153,492	61.4	53.3	62.1	0	0	24.79	731,149	197,999
10. 2015.	3,395,246	203,825	3,191,421	61.0	53.6	61.5	0	0	24.79	1,050,172	223,677
11. 2016.	3,750,555	208,723	3,541,832	65.3	58.0	65.8	0	0	24.79	1,784,481	367,287
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,498,181	1,789,419

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.....	7,896,200	7,597,266	7,336,526	7,122,142	7,047,765	6,959,396	6,893,899	6,764,340	6,739,798	6,725,410	(14,389)	(38,930)
2. 2007.....	2,635,516	2,582,289	2,523,847	2,515,891	2,448,032	2,408,431	2,383,782	2,372,139	2,364,020	2,357,863	(6,156)	(14,275)
3. 2008.....	XXX	3,011,040	3,036,985	3,017,535	2,944,545	2,906,318	2,893,483	2,864,838	2,851,118	2,845,456	(5,662)	(19,383)
4. 2009.....	XXX	XXX	2,816,746	2,803,689	2,780,671	2,752,169	2,721,273	2,704,825	2,701,478	2,680,515	(20,963)	(24,309)
5. 2010.....	XXX	XXX	XXX	2,983,104	3,076,907	3,057,673	3,039,368	3,027,060	3,025,460	3,020,639	(4,820)	(6,420)
6. 2011.....	XXX	XXX	XXX	XXX	3,640,306	3,664,367	3,660,451	3,626,680	3,627,172	3,598,235	(28,937)	(28,445)
7. 2012.....	XXX	XXX	XXX	XXX	XXX	3,336,989	3,328,286	3,287,182	3,251,680	3,249,381	(2,300)	(37,802)
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	2,951,685	2,929,704	2,896,028	2,885,600	(10,429)	(44,104)
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,942,948	2,890,137	2,884,865	(5,271)	(58,083)
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,930,417	2,923,831	(6,586)	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,232,357	XXX	XXX
12. Totals.....											(105,512)	(271,751)

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	1,182,372	1,905,447	2,478,578	2,857,021	3,168,712	3,416,094	3,671,051	3,885,991	4,185,727	XXX	XXX
2. 2007.....	877,768	1,398,663	1,683,795	1,877,953	2,004,298	2,080,009	2,123,760	2,148,784	2,171,261	2,189,479	XXX	XXX
3. 2008.....	XXX	1,141,047	1,751,615	2,073,465	2,292,087	2,446,067	2,538,190	2,591,553	2,625,846	2,653,146	XXX	XXX
4. 2009.....	XXX	XXX	1,066,632	1,652,222	1,953,508	2,159,449	2,299,486	2,376,499	2,434,029	2,467,561	XXX	XXX
5. 2010.....	XXX	XXX	XXX	1,190,279	1,844,927	2,188,802	2,425,337	2,589,848	2,687,189	2,747,836	XXX	XXX
6. 2011.....	XXX	XXX	XXX	XXX	1,635,104	2,377,494	2,734,452	2,973,377	3,144,852	3,240,286	XXX	XXX
7. 2012.....	XXX	XXX	XXX	XXX	XXX	1,343,509	2,049,479	2,368,034	2,615,137	2,767,915	XXX	XXX
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	1,100,974	1,677,893	1,997,250	2,222,420	XXX	XXX
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,095,648	1,661,352	1,986,230	XXX	XXX
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,081,017	1,683,187	XXX	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,180,681	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.....	4,476,493	3,583,296	3,021,990	2,541,740	2,233,157	2,005,170	1,836,403	1,579,800	1,436,557	1,207,640
2. 2007.....	1,133,369	702,783	492,427	373,727	269,860	199,132	156,516	129,544	111,848	92,215
3. 2008.....	XXX	1,202,732	738,914	524,605	343,047	252,322	203,199	150,650	124,011	108,656
4. 2009.....	XXX	XXX	1,132,653	668,337	468,547	326,110	233,745	176,811	149,547	117,823
5. 2010.....	XXX	XXX	XXX	1,093,599	690,550	449,770	304,803	215,033	172,953	139,249
6. 2011.....	XXX	XXX	XXX	XXX	1,205,678	708,392	489,500	323,903	240,976	181,946
7. 2012.....	XXX	XXX	XXX	XXX	XXX	1,230,015	743,187	489,011	332,681	258,873
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	1,146,018	720,819	477,082	345,938
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,224,076	721,428	496,515
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,197,989	730,703
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,327,952

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

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL.....L.....		837,878	747,401	155	3,455,374	(3,426,033)	36,050,404	770	0
2. Alaska.....AK.....L.....		164,630	270,905	0	113,228	(793,192)	5,398,051	15	0
3. Arizona.....AZ.....L.....		336,637	2,057,345	0	7,134,889	7,620,268	31,995,395	130	0
4. Arkansas.....AR.....L.....		1,241,390	1,294,650	0	599,626	14,867,791	27,471,269	1,036	0
5. California.....CA.....L.....		25,386,225	29,289,589	0	40,021,666	(4,478,073)	171,070,681	24,931	0
6. Colorado.....CO.....L.....		12,360,651	13,995,895	0	8,093,374	(1,486,708)	47,582,145	13,672	0
7. Connecticut.....CT.....L.....		552,332	725,910	0	2,575,207	(3,446,700)	29,190,750	440	0
8. Delaware.....DE.....L.....		870,676	857,419	0	270,647	(662,868)	5,135,934	623	0
9. District of Columbia.....DC.....L.....		381,923	419,663	0	632,143	1,286,417	10,295,301	76	0
10. Florida.....FL.....L.....		16,476,577	17,209,664	100,284	7,594,326	3,625,441	72,090,048	7,708	0
11. Georgia.....GA.....L.....		1,568,518	1,631,152	51	1,602,320	(7,301,952)	36,919,370	1,348	0
12. Hawaii.....HI.....L.....		51,011	105,973	0	1,129,400	(1,615,794)	3,612,706	1	0
13. Idaho.....ID.....L.....		53,645	68,259	0	29,959	(509,912)	1,823,640	30	0
14. Illinois.....IL.....L.....		2,578,632	2,760,472	0	21,644,932	(16,838,871)	101,432,970	1,782	0
15. Indiana.....IN.....L.....		456,116	621,480	0	10,735,108	2,055,999	16,040,120	137	0
16. Iowa.....IA.....L.....		333,964	416,257	0	6,820,254	(6,394,372)	19,987,152	122	0
17. Kansas.....KS.....L.....		7,919,563	8,700,823	0	4,876,607	(1,439,086)	23,886,354	5,130	0
18. Kentucky.....KY.....L.....		1,059,366	1,352,568	4	1,939,645	(1,555,637)	13,488,170	609	0
19. Louisiana.....LA.....L.....		14,124,617	15,106,051	0	14,470,779	22,582,550	67,468,017	8,439	0
20. Maine.....ME.....L.....		77,021	115,622	0	65,920	(610,871)	2,212,500	54	0
21. Maryland.....MD.....L.....		544,844	1,208,711	0	2,784,887	(2,934,628)	37,528,118	202	0
22. Massachusetts.....MA.....L.....		701,223	933,527	0	23,798,173	(10,880,032)	47,352,477	913	0
23. Michigan.....MI.....L.....		2,117,250	2,365,189	6	1,699,322	(4,071,953)	42,435,022	1,136	0
24. Minnesota.....MN.....L.....		1,412,885	1,348,826	0	7,625,773	(2,413,698)	61,822,966	748	0
25. Mississippi.....MS.....L.....		2,972,929	3,447,629	0	4,588,516	4,812,346	16,834,115	2,714	0
26. Missouri.....MO.....L.....		682,080	638,448	0	3,634,964	(4,904,830)	31,555,965	498	0
27. Montana.....MT.....L.....		2,840,599	3,088,083	0	1,799,551	77,585	6,458,034	3,813	0
28. Nebraska.....NE.....L.....		292,534	301,154	0	390,346	(337,949)	15,634,374	153	0
29. Nevada.....NV.....L.....		877,987	1,183,979	0	1,632,682	288,531	18,257,937	766	786
30. New Hampshire.....NH.....L.....		783,780	711,827	0	643,156	(1,296,057)	9,371,781	943	0
31. New Jersey.....NJ.....L.....		1,025,028	1,148,223	0	3,901,460	(12,317,547)	46,783,897	867	0
32. New Mexico.....NM.....L.....		15,924,098	18,019,367	0	17,275,837	14,128,419	36,038,804	15,754	0
33. New York.....NY.....L.....		35,758,092	42,301,807	0	20,900,857	(1,090,422)	204,380,323	28,069	0
34. North Carolina.....NC.....L.....		482,811	456,785	4	7,772,226	1,489,947	19,487,683	223	0
35. North Dakota.....ND.....L.....		14,343,395	14,489,072	0	7,766,493	5,776,393	18,898,708	4,289	0
36. Ohio.....OH.....L.....		5,797,737	6,735,843	7	5,310,899	(3,716,223)	29,476,999	2,653	0
37. Oklahoma.....OK.....L.....		13,768,873	15,267,460	0	17,799,198	8,665,749	36,665,062	633	0
38. Oregon.....OR.....L.....		446,634	490,016	0	1,415,370	(584,363)	7,717,306	335	0
39. Pennsylvania.....PA.....L.....		11,251,560	12,371,605	0	14,877,742	(8,458,042)	87,366,098	7,479	0
40. Rhode Island.....RI.....L.....		108,031	136,074	0	25,291,544	13,704,616	4,276,335	137	0
41. South Carolina.....SC.....L.....		189,802	203,726	0	1,148,747	(1,057,632)	12,075,310	121	0
42. South Dakota.....SD.....L.....		240,445	231,949	0	327,161	(1,091,840)	8,967,510	196	0
43. Tennessee.....TN.....L.....		1,198,800	1,458,676	19	988,852	(514,396)	33,267,628	770	0
44. Texas.....TX.....L.....		98,788,614	104,480,050	0	69,693,857	57,410,679	286,862,208	88,449	0
45. Utah.....UT.....L.....		2,345,001	2,262,919	0	3,110,433	(1,831,673)	9,224,488	3,318	0
46. Vermont.....VT.....L.....		62,597	105,100	0	937,271	(184,709)	3,130,280	59	0
47. Virginia.....VA.....L.....		5,111,489	5,019,082	0	1,140,976	(4,647,912)	29,223,000	5,019	0
48. Washington.....WA.....L.....		594,072	1,662,700	0	25,780,893	24,821,498	30,745,163	487	0
49. West Virginia.....WV.....L.....		12,210,852	12,595,145	0	4,251,931	9,739,371	24,272,904	5,002	0
50. Wisconsin.....WI.....L.....		540,945	617,635	367	3,382,610	(841,624)	61,766,497	74	0
51. Wyoming.....WY.....L.....		11,555,713	13,189,856	0	5,548,256	4,130,575	20,923,134	10,990	0
52. American Samoa.....AS.....N.....		0	0	0	0	0	0	0	0
53. Guam.....GU.....L.....		3,216	3,213	0	0	(709)	5,297	0	0
54. Puerto Rico.....PR.....L.....		73,948	87,919	0	130,732	(218,444)	1,377,088	0	0
55. US Virgin Islands.....VI.....L.....		36,389	36,366	0	5,270	9,641	264,866	0	0
56. Northern Mariana Islands.....MP.....N.....		0	0	0	0	0	0	0	0
57. Canada.....CAN.....L.....		102,127,378	103,607,552	0	74,132,168	105,864,279	279,558,561	0	0
58. Aggregate Other Alien.....OT.....XXX.....		1,909,850	2,073,993	0	460,129	(4,452,038)	10,159,279	0	0
59. Totals.....(a).....54.....		435,952,856	472,026,606	100,897	495,753,685	184,551,303	2,313,316,196	253,860	786

DETAILS OF WRITE-INS

58001. BMU Bermuda.....XXX.....		1,308,264	1,510,006	0	14,708	(4,892)	0	0	0
58002. CYM Cayman Islands.....XXX.....		264,772	238,583	0	0	0	0	0	0
58003. SGP Singapore.....XXX.....		197,354	157,334	0	3,397	(20,593)	171,665	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page.....XXX.....		139,460	168,070	0	442,024	(4,426,553)	9,987,614	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....XXX.....		1,909,850	2,073,993	0	460,129	(4,452,038)	10,159,279	0	0

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

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

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

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

1. Fire; 2. Allied lines; 3. Farmowners multiple peril; 4. Homeowners multiple peril; 5. Commercial multiple peril; 12. Earthquake; 26. Burglary and theft; 27. Boiler and machinery-Location of property insured; 8. Ocean marine-Location where contract of insurance is negotiated, except builders risks which are allocated on locations of risk; 9. Inland marine-Address of insured or state of principal exposure, Bridges and tunnels-Location of property; 10. Financial guaranty; 13. Group accident and health; 15. Other accident and health; 28. Credit-Location of insured; 11. Medical malpractice; 16. Workers' compensation; 17. Other liability; 18 Products liability-Location of risk; 19. Auto liability; 21. Auto physical damage-Location of principal garage of insured; 22. Aircraft (all perils)-Location of airport from which insured aircraft principally operate; 23. Fidelity-Forgery-Location of insured, Public and federal official-Location of official, All other fidelity-Location of employer; 24. Surety-Contract-Location of project; All other: Location of obligee; With respect to international commercial insurance policies (1) for U.S. based insureds with ancillary international operations, or (2) that are placed as part of a controlled master program, allocation is to the situs of the contract, which is typically the headquarter state or principal business location of the first named insured. Exceptions to this include monoline marine or other insurance policies that are designed to insure specifically identified international exposures.

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

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. 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			

Notes:

* Denotes affiliated insurer

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

2016 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	58
Cash Flow	5	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	58
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	58
Exhibit of Net Investment Income	12	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	59
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2J-Auto Physical Damage	59
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2K-Fidelity, Surety	59
Five-Year Historical Data	17	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	59
General Interrogatories	15	Schedule P-Part 2M-International	59
Jurat Page	1	Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property	60
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability	60
Notes To Financial Statements	14	Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines	60
Overflow Page For Write-ins	100	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	61
Schedule A-Part 1	E01	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	61
Schedule A-Part 2	E02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	61
Schedule A-Part 3	E03	Schedule P-Part 2T-Warranty	61
Schedule A-Verification Between Years	SI02	Schedule P-Part 3A-Homeowners/Farmowners	62
Schedule B-Part 1	E04	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	62
Schedule B-Part 2	E05	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	62
Schedule B-Part 3	E06	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	62
Schedule B-Verification Between Years	SI02	Schedule P-Part 3E-Commercial Multiple Peril	62
Schedule BA-Part 1	E07	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	63
Schedule BA-Part 2	E08	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	63
Schedule BA-Part 3	E09	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	63
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	63
Schedule D-Part 1	E10	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	63
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	64
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3J-Auto Physical Damage	64
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3K-Fidelity/Surety	64
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	64
Schedule D-Part 3	E13	Schedule P-Part 3M-International	64
Schedule D-Part 4	E14	Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property	65
Schedule D-Part 5	E15	Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability	65
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	66
Schedule D-Summary By Country	SI04	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	66
Schedule D-Verification Between Years	SI03	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	66
Schedule DA-Part 1	E17	Schedule P-Part 3T-Warranty	66
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4A-Homeowners/Farmowners	67
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	67
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	67
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	67
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4E-Commercial Multiple Peril	67
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	68
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	68
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	68
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	68
Schedule DB-Part D-Section 1	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	68
Schedule DB-Part D-Section 2	E23	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	69
Schedule DB-Verification	SI14	Schedule P-Part 4J-Auto Physical Damage	69
Schedule DL-Part 1	E24	Schedule P-Part 4K-Fidelity/Surety	69
Schedule DL-Part 2	E25	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	69
Schedule E-Part 1-Cash	E26	Schedule P-Part 4M-International	69
Schedule E-Part 2-Cash Equivalents	E27	Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property	70
Schedule E-Part 3-Special Deposits	E28	Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability	70
Schedule E-Verification Between Years	SI15	Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule F-Part 1	20	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	71
Schedule F-Part 2	21	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	71
Schedule F-Part 3	22	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	71
Schedule F-Part 4	23	Schedule P-Part 4T-Warranty	71
Schedule F-Part 5	24	Schedule P-Part 5A-Homeowners/Farmowners	72
Schedule F-Part 6-Section 1	25	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	73
Schedule F-Part 6-Section 2	26	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	74
Schedule F-Part 7	27	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	75
Schedule F-Part 8	28	Schedule P-Part 5E-Commercial Multiple Peril	76
Schedule F-Part 9	29	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	78
Schedule H-Accident and Health Exhibit-Part 1	30	Schedule P-Part 5F-Medical Professional Liability-Occurrence	77
Schedule H-Part 2, Part 3 and Part 4	31	Schedule P-Part 5H-Other Liability-Claims-Made	80
Schedule H-Part 5-Health Claims	32	Schedule P-Part 5H-Other Liability-Occurrence	79
Schedule P-Part 1-Summary	33	Schedule P-Part 5R-Products Liability-Claims-Made	82
Schedule P-Part 1A-Homeowners/Farmowners	35	Schedule P-Part 5R-Products Liability-Occurrence	81
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	36	Schedule P-Part 5T-Warranty	83
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	37	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	84
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	38	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	84
Schedule P-Part 1E-Commercial Multiple Peril	39	Schedule P-Part 6E-Commercial Multiple Peril	85
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	40	Schedule P-Part 6H-Other Liability-Claims-Made	86
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	41	Schedule P-Part 6H-Other Liability-Occurrence	85
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	42	Schedule P-Part 6M-International	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	43	Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property	87
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	44	Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability	87
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45	Schedule P-Part 6R-Products Liability-Claims-Made	88
Schedule P-Part 1J-Auto Physical Damage	46	Schedule P-Part 6R-Products Liability-Occurrence	88
Schedule P-Part 1K-Fidelity/Surety	47	Schedule P-Part 7A-Primary Loss Sensitive Contracts	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	48	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	91
Schedule P-Part 1M-International	49	Schedule P Interrogatories	93
Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property	50	Schedule T-Exhibit of Premiums Written	94
Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability	51	Schedule T-Part 2-Interstate Compact	95
Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines	52	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	53	Schedule Y-Detail of Insurance Holding Company System	97
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	54	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	98
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	55	Statement of Income	4
Schedule P-Part 1T-Warranty	56	Summary Investment Schedule	SI01
Schedule P-Part 2, Part 3 and Part 4 - Summary	34	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P-Part 2A-Homeowners/Farmowners	57	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	57	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	57	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	57	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2E-Commercial Multiple Peril	57	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	58	Underwriting and Investment Exhibit Part 3	11
Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made	58		