

ANNUAL STATEMENT
For the Year Ended December 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
UNITED STATES FIDELITY AND
GUARANTY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 25887 Employer's ID Number 52-0515280
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MARCH 19, 1896 COMMENCED BUSINESS, AUGUST 1, 1896

Statutory Home Office: One Tower Square, Hartford, CT, US 06183
Main Administrative Office: One Tower Square, Hartford, CT, US 06183 (860) 277-0111
Mail Address: One Tower Square, Hartford, CT, US 06183
Primary Location of Books and Records: 385 Washington Street, St. Paul, MN, US 55102 (651) 310-7911
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(E-Mail Address) (Fax Number)

OFFICERS

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

DIRECTORS

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

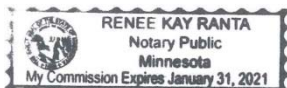
STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

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

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

Subscribed and sworn to before me this

24th day of January, 2017
Renee Kay Ranta Notary Public
My Commission Expires January 31, 2021



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,709,877,757	0	2,709,877,757	2,988,177,972
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	109,196,743	0	109,196,743	105,534,206
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....121,705, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....26,379,349, Schedule DA).....	26,501,054	0	26,501,054	53,667,458
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).....	2	0	2	16,144
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	9,421,917	0	9,421,917	13,241,102
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,854,997,473	0	2,854,997,473	3,160,636,882
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	30,525,127	0	30,525,127	34,538,191
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	123,529,680	6,603,744	116,925,936	111,957,364
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....5,654,387 earned but unbilled premiums).....	202,858,099	1,072,331	201,785,768	189,033,416
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	3,083,828	264,736	2,819,092	3,528,173
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	9,485,894	0	9,485,894	(7,588,144)
16.2 Funds held by or deposited with reinsured companies.....	178,682	0	178,682	389,089
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	30,902,923
18.2 Net deferred tax asset.....	24,733,816	0	24,733,816	24,180,626
19. Guaranty funds receivable or on deposit.....	196,524	0	196,524	252,106
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	79,397	79,397	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	6,539,498
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	10,718,606	281,054	10,437,551	10,954,746
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,260,387,125	8,301,262	3,252,085,863	3,565,324,870
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	3,260,387,125	8,301,262	3,252,085,863	3,565,324,870

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Equities and deposits in pools and associations.....	3,355,748	0	3,355,748	4,545,708
2502. Other assets.....	2,562,680	0	2,562,680	1,117,462
2503. Amounts receivable under high deductible policies.....	2,809,694	281,054	2,528,640	3,275,634
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,990,484	0	1,990,484	2,015,943
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	10,718,606	281,054	10,437,551	10,954,746

UNITED STATES FIDELITY AND GUARANTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,289,848,813	1,277,334,379
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	54,573,388	54,781,300
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	303,430,050	294,353,863
4. Commissions payable, contingent commissions and other similar charges.....	29,736,706	27,953,364
5. Other expenses (excluding taxes, licenses and fees).....	28,579,376	28,044,231
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	16,034,033	15,263,418
7.1 Current federal and foreign income taxes (including \$.....21,965,574 on realized capital gains (losses)).....	4,085,782	0
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 \$.....3,425,008 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).....	436,553,848	417,241,796
10. Advance premium.....	678,732	678,732
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	2,332,459	2,123,045
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,754,793	10,344,905
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	2,813,735	2,660,424
15. Remittances and items not allocated.....	221,531	(55,921)
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	8,781,396	0
20. Derivatives.....	0	0
21. Payable for securities.....	0	0
22. Payable for securities lending.....	9,421,917	13,241,102
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.....	12,956,075	12,439,778
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,208,802,630	2,156,404,414
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,208,802,630	2,156,404,414
29. Aggregate write-ins for special surplus funds.....	2,941,902	3,196,673
30. Common capital stock.....	35,214,075	35,214,075
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.....	236,805,261	236,805,261
35. Unassigned funds (surplus).....	768,321,994	1,133,704,446
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	1,043,283,232	1,408,920,456
38. TOTAL (Page 2, Line 28, Col. 3).....	3,252,085,863	3,565,324,870

DETAILS OF WRITE-INS

2501. Investment real estate liability.....	14,998,793	14,767,841
2502. Escheat liability.....	865,086	865,086
2503. Retroactive reinsurance reserve assumed.....	53,508	53,880
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(2,961,313)	(3,247,030)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	12,956,075	12,439,778
2901. Special surplus from retroactive reinsurance.....	2,941,902	3,196,673
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	2,941,902	3,196,673
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

UNITED STATES FIDELITY AND GUARANTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	941,187,169	902,146,114
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	486,507,624	424,743,024
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	110,130,446	105,169,847
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	288,818,804	277,870,908
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	885,456,874	807,783,779
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	55,730,295	94,362,334
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	107,239,703	164,074,810
10. Net realized capital gains (losses) less capital gains tax of \$.....2,574,285 (Exhibit of Capital Gains (Losses)).....	5,554,164	41,867,901
11. Net investment gain (loss) (Lines 9 + 10).....	112,793,867	205,942,711
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....483,847 amount charged off \$.....2,186,057).....	(1,702,210)	(1,811,622)
13. Finance and service charges not included in premiums.....	3,327,580	3,296,923
14. Aggregate write-ins for miscellaneous income.....	(302,206)	(282,874)
15. Total other income (Lines 12 through 14).....	1,323,163	1,202,427
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	169,847,326	301,507,472
17. Dividends to policyholders.....	1,899,886	1,516,298
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).....	167,947,440	299,991,174
19. Federal and foreign income taxes incurred.....	38,265,621	15,713,090
20. Net income (Line 18 minus Line 19) (to Line 22).....	129,681,819	284,278,084
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,408,920,456	2,466,231,987
22. Net income (from Line 20).....	129,681,819	284,278,084
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(66,520).....	3,576,428	(14,706,713)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	486,670	(51,631,832)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	617,860	(251,070)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from Protected Cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	(1,275,000,000)
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.....	(500,000,000)	0
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).....	(365,637,224)	(1,057,311,531)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,043,283,232	1,408,920,456
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. Fines and penalties of regulatory authorities.....	(16,766)	(48,692)
1402. Profit and loss, miscellaneous.....	(129,657)	(63,607)
1403. Retroactive reinsurance gain/loss.....	(155,784)	(170,576)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(302,206)	(282,874)
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.....	942,348,263	912,865,879
2. Net investment income.....	128,907,280	200,574,107
3. Miscellaneous income.....	1,323,163	1,202,427
4. Total (Lines 1 through 3).....	1,072,578,707	1,114,642,412
5. Benefit and loss related payments.....	491,064,733	410,427,957
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	386,640,201	401,578,871
8. Dividends paid to policyholders.....	1,690,472	1,444,233
9. Federal and foreign income taxes paid (recovered) net of \$.....2,457,721 tax on capital gains (losses).....	5,851,201	52,505,124
10. Total (Lines 5 through 9).....	885,246,607	865,956,185
11. Net cash from operations (Line 4 minus Line 10).....	187,332,100	248,686,227
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	724,478,968	1,388,954,909
12.2 Stocks.....	118,707	119,445
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	15,105	600,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	2
12.7 Miscellaneous proceeds.....	3,819,185	287,395
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	728,431,965	1,389,961,751
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	455,659,035	353,863,899
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	404,260	0
13.6 Miscellaneous applications.....	0	12,863,926
13.7 Total investments acquired (Lines 13.1 to 13.6).....	456,063,295	366,727,824
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).....	272,368,671	1,023,233,927
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	(1,275,000,000)
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.....	500,000,000	0
16.6 Other cash provided (applied).....	13,132,825	(29,099,655)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(486,867,175)	(1,304,099,655)
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).....	(27,166,404)	(32,179,501)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	53,667,458	85,846,959
19.2 End of year (Line 18 plus Line 19.1).....	26,501,054	53,667,458
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	8,494,900	3,582,540

UNITED STATES FIDELITY AND GUARANTY 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.....	22,561,822	10,872,792	10,440,072	22,994,542
2. Allied lines.....	22,976,563	10,614,912	11,434,755	22,156,720
3. Farmowners multiple peril.....	7,486,738	3,596,546	3,709,296	7,373,988
4. Homeowners multiple peril.....	145,676,574	76,091,102	77,966,073	143,801,603
5. Commercial multiple peril.....	134,148,039	61,093,611	61,399,450	133,842,200
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	9,242,367	4,062,504	3,931,133	9,373,738
9. Inland marine.....	29,177,210	13,662,251	13,854,544	28,984,918
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(10)	(9)	(1)
11.2 Medical professional liability - claims-made.....	(344)	0	0	(344)
12. Earthquake.....	4,583,367	2,702,260	2,439,461	4,846,167
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.....	175,927,033	67,053,988	66,093,707	176,887,315
17.1 Other liability - occurrence.....	82,227,868	34,355,847	35,013,358	81,570,357
17.2 Other liability - claims-made.....	24,380,703	13,947,917	13,906,112	24,422,509
17.3 Excess workers' compensation.....	832,638	293,269	288,635	837,271
18.1 Products liability - occurrence.....	5,589,408	2,523,521	2,425,678	5,687,251
18.2 Products liability - claims-made.....	1,122,611	564,531	543,614	1,143,529
19.1, 19.2 Private passenger auto liability.....	115,301,858	39,423,090	48,396,984	106,327,963
19.3, 19.4 Commercial auto liability.....	70,272,385	30,181,165	31,293,311	69,160,238
21. Auto physical damage.....	94,102,788	33,451,519	39,686,178	87,868,129
22. Aircraft (all perils).....	2,954	0	338	2,616
23. Fidelity.....	2,231,195	1,409,670	1,510,532	2,130,333
24. Surety.....	155,345	215,578	163,337	207,586
26. Burglary and theft.....	284,183	163,992	165,360	282,816
27. Boiler and machinery.....	9,412,795	3,728,523	4,268,019	8,873,300
28. Credit.....	(6,054)	236	198	(6,016)
29. International.....	109,394	381	319	109,456
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	1,560,365	662,436	651,544	1,571,257
32. Reinsurance - nonproportional assumed liability.....	579,102	402,223	429,832	551,493
33. Reinsurance - nonproportional assumed financial lines.....	71,061	49,592	45,798	74,855
34. Aggregate write-ins for other lines of business.....	99,872	82,445	70,936	111,380
35. TOTALS.....	960,109,841	411,205,892	430,128,564	941,187,169

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	99,872	82,445	70,936	111,380
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).....	99,872	82,445	70,936	111,380

UNITED STATES FIDELITY AND GUARANTY 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.....	10,361,228	160,517	(81,673)	.0	10,440,072
2. Allied lines.....	11,173,902	260,985	(132)	.0	11,434,755
3. Farmowners multiple peril.....	3,735,220	(25,924)	0	.0	3,709,296
4. Homeowners multiple peril.....	77,966,413	(340)	0	.0	77,966,073
5. Commercial multiple peril.....	62,102,389	(15,541)	(687,397)	.0	61,399,450
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	4,100,395	45,764	(215,026)	.0	3,931,133
9. Inland marine.....	11,386,033	2,513,531	(45,020)	.0	13,854,544
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(9)	.0	.0	.0	(9)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	2,323,919	115,542	0	.0	2,439,461
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.....	71,066,447	(5,394)	(3,962,882)	(1,004,465)	66,093,707
17.1 Other liability - occurrence.....	35,815,030	(559,572)	(639,266)	397,165	35,013,358
17.2 Other liability - claims-made.....	11,138,035	2,755,391	12,686	.0	13,906,112
17.3 Excess workers' compensation.....	288,680	.0	(44)	.0	288,635
18.1 Products liability - occurrence.....	2,425,978	12,462	(55,301)	42,540	2,425,678
18.2 Products liability - claims-made.....	533,305	(9,360)	19,669	.0	543,614
19.1, 19.2 Private passenger auto liability.....	48,396,984	.0	.0	.0	48,396,984
19.3, 19.4 Commercial auto liability.....	31,491,932	7,516	.0	(206,137)	31,293,311
21. Auto physical damage.....	39,685,362	816	.0	.0	39,686,178
22. Aircraft (all perils).....	338	.0	.0	.0	338
23. Fidelity.....	827,800	682,732	.0	.0	1,510,532
24. Surety.....	13,480	149,857	.0	.0	163,337
26. Burglary and theft.....	105,630	59,730	.0	.0	165,360
27. Boiler and machinery.....	3,311,543	956,475	.0	.0	4,268,019
28. Credit.....	198	.0	.0	.0	198
29. International.....	319	.0	.0	.0	319
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	499,515	152,029	.0	.0	651,544
32. Reinsurance - nonproportional assumed liability.....	425,823	4,009	.0	.0	429,832
33. Reinsurance - nonproportional assumed financial lines.....	45,798	.0	.0	.0	45,798
34. Aggregate write-ins for other lines of business.....	70,936	.0	.0	.0	70,936
35. TOTALS.....	429,292,622	7,261,225	(5,654,387)	(770,897)	430,128,564
36. Accrued retrospective premiums based on experience.....					770,897
37. Earned but unbilled premiums.....					5,654,387
38. Balance (sum of Lines 35 through 37).....					436,553,848

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	70,936	.0	.0	.0	70,936
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).....	70,936	.0	.0	.0	70,936

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

**UNITED STATES FIDELITY AND GUARANTY COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	22,561,822	(77,627)	(77,627)	0	22,561,822
2. Allied lines.....	0	22,976,563	0	0	0	22,976,563
3. Farmowners multiple peril.....	0	7,486,738	0	0	0	7,486,738
4. Homeowners multiple peril.....	0	145,676,574	0	0	0	145,676,574
5. Commercial multiple peril.....	0	134,148,039	0	0	0	134,148,039
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	9,242,367	(791)	(791)	0	9,242,367
9. Inland marine.....	0	29,177,210	0	0	0	29,177,210
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	(344)	0	0	0	(344)
12. Earthquake.....	0	4,583,367	0	0	0	4,583,367
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	117,643	169,558,681	9,324	(6,241,386)	0	175,927,033
17.1 Other liability - occurrence.....	0	82,227,868	(364,104)	(364,104)	0	82,227,868
17.2 Other liability - claims-made.....	0	24,380,703	0	0	0	24,380,703
17.3 Excess workers' compensation.....	0	832,638	0	0	0	832,638
18.1 Products liability - occurrence.....	0	5,589,408	0	0	0	5,589,408
18.2 Products liability - claims-made.....	0	1,122,611	0	0	0	1,122,611
19.1, 19.2 Private passenger auto liability.....	0	115,301,858	0	0	0	115,301,858
19.3, 19.4 Commercial auto liability.....	(1,342)	70,272,385	0	(1,342)	0	70,272,385
21. Auto physical damage.....	185	94,102,788	0	185	0	94,102,788
22. Aircraft (all perils).....	0	2,954	(2,405)	(2,405)	0	2,954
23. Fidelity.....	2,699	2,231,195	0	2,699	0	2,231,195
24. Surety.....	484,867	168,566	0	498,088	0	155,345
26. Burglary and theft.....	0	284,183	0	0	0	284,183
27. Boiler and machinery.....	0	9,412,795	0	0	0	9,412,795
28. Credit.....	0	(6,054)	0	0	0	(6,054)
29. International.....	0	109,394	0	0	0	109,394
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,560,365	1,566	1,566	0	1,560,365
32. Reinsurance - nonproportional assumed liability.....	XXX	579,102	0	0	0	579,102
33. Reinsurance - nonproportional assumed financial lines.....	XXX	71,061	0	0	0	71,061
34. Aggregate write-ins for other lines of business.....	0	99,872	0	0	0	99,872
35. TOTALS.....	604,052	953,754,710	(434,035)	(6,185,115)	0	960,109,841

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	99,872	0	0	0	99,872
3402.	0	0	0	0	0	0
3403.	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page....	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	99,872	0	0	0	99,872

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	(1,220)	10,989,146	35,117	10,952,810	11,055,616	10,451,042	11,557,384	50.3
2. Allied lines.....	0	10,512,479	1,300	10,511,179	7,092,850	5,920,000	11,684,029	52.7
3. Farmowners multiple peril.....	0	3,584,048	0	3,584,048	2,057,801	2,168,366	3,473,483	47.1
4. Homeowners multiple peril.....	0	64,137,653	39,735	64,097,918	30,555,885	27,820,156	66,833,647	46.5
5. Commercial multiple peril.....	798,707	57,521,850	1,617,469	56,703,088	114,467,983	109,283,559	61,887,512	46.2
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	3,986,281	27,627	3,958,654	8,143,816	7,904,300	4,198,170	44.8
9. Inland marine.....	(379)	12,281,565	(379)	12,281,565	8,860,897	8,127,265	13,015,197	44.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	7,970	0	7,970	607,286	619,281	(4,025)	285,444.0
11.2 Medical professional liability - claims-made.....	0	68,107	0	68,107	1,919,891	2,142,846	(154,848)	45,016.6
12. Earthquake.....	0	595	0	595	(10,416)	26,822	(36,643)	(0.8)
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	37,868,165	104,621,002	61,045,187	81,443,981	605,237,566	590,405,194	96,276,353	54.4
17.1 Other liability - occurrence.....	23,749,572	49,369,083	25,078,133	48,040,522	168,002,071	185,634,549	30,408,044	37.3
17.2 Other liability - claims-made.....	448,256	14,220,407	453,506	14,215,157	63,195,626	65,736,843	11,673,940	47.8
17.3 Excess workers' compensation.....	7,631,016	968,835	7,646,548	953,303	26,123,169	23,327,235	3,749,238	447.8
18.1 Products liability - occurrence.....	4,377,117	4,768,218	4,419,954	4,725,381	28,356,537	33,172,189	(90,270)	(1.6)
18.2 Products liability - claims-made.....	0	805,483	0	805,483	1,395,360	1,336,755	864,088	75.6
19.1, 19.2 Private passenger auto liability.....	2,900,947	62,118,591	3,950,695	61,068,843	87,824,753	76,314,668	72,578,929	68.3
19.3, 19.4 Commercial auto liability.....	1,294,684	38,404,035	1,295,373	38,403,346	86,021,907	86,750,447	37,674,807	54.5
21. Auto physical damage.....	1,452,832	55,020,567	1,491,437	54,981,963	7,225,158	6,082,048	56,125,073	63.9
22. Aircraft (all perils).....	2,076	326,721	316,274	12,523	328,391	339,966	948	36.2
23. Fidelity.....	(22,804)	1,756,863	(22,804)	1,756,863	2,610,951	3,912,109	455,705	21.4
24. Surety.....	89,030	(172,030)	(149,025)	66,024	1,888,315	2,391,849	(437,510)	(210.8)
26. Burglary and theft.....	0	(2,735)	0	(2,735)	268,967	312,183	(45,951)	(16.2)
27. Boiler and machinery.....	0	2,906,999	0	2,906,999	1,847,374	2,076,990	2,677,383	30.2
28. Credit.....	0	(709)	0	(709)	217,662	305,154	(88,200)	1,466.2
29. International.....	0	67,464	0	67,464	416,778	363,580	120,661	110.2
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	469,849	112	469,737	2,391,259	2,203,331	657,666	41.9
32. Reinsurance - nonproportional assumed liability.....	XXX	4,189,414	2,321,571	1,867,843	21,012,193	21,396,646	1,483,390	269.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,507	0	1,507	525,759	640,125	(112,859)	(150.8)
34. Aggregate write-ins for other lines of business.....	0	43,759	0	43,759	207,408	168,882	82,285	73.9
35. TOTALS.....	80,588,000	502,973,019	109,567,829	473,993,190	1,289,848,813	1,277,334,379	486,507,624	51.7

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	43,759	0	43,759	207,408	168,882	82,285	73.9
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	43,759	0	43,759	207,408	168,882	82,285	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.....	0	8,605,842	78,274	8,527,568	360,004	2,614,207	446,164	11,055,616	761,584
2. Allied lines.....	0	5,769,539	0	5,769,539	7,307	1,328,406	12,403	7,092,850	1,479,252
3. Farmowners multiple peril.....	0	1,171,985	0	1,171,985	0	885,816	0	2,057,801	591,003
4. Homeowners multiple peril.....	0	16,169,205	0	16,169,205	0	14,386,680	0	30,555,885	5,891,234
5. Commercial multiple peril.....	2,063,022	55,367,738	2,333,981	55,096,779	9,599,549	62,923,349	13,151,694	114,467,983	44,184,384
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	4,123,558	36,251	4,087,306	865,604	4,056,417	865,511	8,143,816	1,717,585
9. Inland marine.....	0	5,238,625	0	5,238,625	70,966	3,633,758	82,451	8,860,897	858,552
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	1	326,733	1	326,733	(422)	280,553	(422)	607,286	221,511
11.2 Medical professional liability - claims-made.....	0	1,137,592	0	1,137,592	0	782,299	0	1,919,891	310,741
12. Earthquake.....	0	0	0	0	0	(10,416)	0	(10,416)	15,665
13. Group accident and health.....	0	0	0	0	0	0	0	(a).....0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	331	331	0	123,735	0	123,735	(a).....0	0
16. Workers' compensation.....	238,177,587	574,562,401	506,610,409	306,129,580	162,804,412	466,845,628	330,542,054	605,237,566	95,874,694
17.1 Other liability - occurrence.....	9,647,317	52,064,664	16,627,263	45,084,718	31,726,796	126,705,701	35,515,144	168,002,071	64,913,951
17.2 Other liability - claims-made.....	461,548	22,255,284	461,548	22,255,284	1,519,853	40,962,920	1,542,432	63,195,626	20,024,694
17.3 Excess workers' compensation.....	139,520,817	11,773,776	139,716,658	11,577,934	93,450,441	15,282,314	94,187,520	26,123,169	2,046,900
18.1 Products liability - occurrence.....	8,569,799	7,409,667	9,289,841	6,689,625	8,096,088	22,037,668	8,466,843	28,356,537	31,015,200
18.2 Products liability - claims-made.....	0	364,697	0	364,697	1,627	1,030,665	1,629	1,395,360	1,163,125
19.1, 19.2 Private passenger auto liability.....	88,020,333	101,300,001	140,491,962	48,828,372	7,148,557	38,996,381	7,148,557	87,824,753	14,342,201
19.3, 19.4 Commercial auto liability.....	53,106,400	47,713,752	53,412,810	47,407,342	13,135,832	41,850,430	16,371,697	86,021,907	10,226,167
21. Auto physical damage.....	4,726	6,625,928	3,221,585	3,409,069	57,870	3,951,642	193,423	7,225,158	4,189,867
22. Aircraft (all perils).....	86,186	1,966,003	1,829,543	222,647	158,190	105,937	158,382	328,391	207,190
23. Fidelity.....	77,842	217,977	77,842	217,977	27,353	2,398,851	33,230	2,610,951	1,153,730
24. Surety.....	792,083	1,357,483	893,433	1,256,133	770,830	652,986	791,634	1,888,315	312,886
26. Burglary and theft.....	0	2,282	0	2,282	864	266,685	864	268,967	100,323
27. Boiler and machinery.....	0	849,560	0	849,560	0	997,820	6	1,847,374	399,066
28. Credit.....	0	74,111	153	73,958	0	143,704	0	217,662	(21,595)
29. International.....	0	163,017	0	163,017	0	253,761	0	416,778	27,270
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,618,626	(0)	1,618,626	XXX	772,633	0	2,391,259	175,883
32. Reinsurance - nonproportional assumed liability.....	XXX	34,692,289	21,889,270	12,803,020	XXX	8,209,173	0	21,012,193	1,131,699
33. Reinsurance - nonproportional assumed financial lines.....	XXX	155,715	0	155,715	XXX	370,045	0	525,759	38,947
34. Aggregate write-ins for other lines of business.....	0	18,355	0	18,355	0	189,052	0	207,408	76,342
35. TOTALS.....	540,527,662	963,096,737	896,971,156	606,653,243	329,925,456	862,905,063	509,634,949	1,289,848,813	303,430,050
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	18,355	0	18,355	0	189,052	0	207,408	76,342
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	18,355	0	18,355	0	189,052	0	207,408	76,342

10

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

UNITED STATES FIDELITY AND GUARANTY 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.....	30,655,964	0	0	30,655,964
1.2 Reinsurance assumed.....	68,320,346	0	0	68,320,346
1.3 Reinsurance ceded.....	44,127,686	0	0	44,127,686
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	54,848,624	0	0	54,848,624
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	112,776	0	112,776
2.2 Reinsurance assumed, excluding contingent.....	0	126,843,478	0	126,843,478
2.3 Reinsurance ceded, excluding contingent.....	0	107,231	0	107,231
2.4 Contingent - direct.....	0	1,665	0	1,665
2.5 Contingent - reinsurance assumed.....	0	9,626,222	0	9,626,222
2.6 Contingent - reinsurance ceded.....	0	1,708	0	1,708
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	136,475,203	0	136,475,203
3. Allowances to manager and agents.....	0	145,677	0	145,677
4. Advertising.....	6,068	4,114,809	0	4,120,877
5. Boards, bureaus and associations.....	225,255	3,599,307	753	3,825,315
6. Surveys and underwriting reports.....	17	3,871,882	0	3,871,899
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	34,374,198	66,858,536	966,609	102,199,343
8.2 Payroll taxes.....	2,450,698	4,302,598	37,343	6,790,639
9. Employee relations and welfare.....	6,039,407	8,620,039	87,216	14,746,662
10. Insurance.....	3,734,655	757,455	739	4,492,849
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,600,738	2,939,344	13,584	4,553,666
13. Rent and rent items.....	1,805,422	3,798,913	44,306	5,648,641
14. Equipment.....	341,537	1,692,634	4,773	2,038,944
15. Cost or depreciation of EDP equipment and software.....	972,375	12,648,062	16,178	13,636,615
16. Printing and stationery.....	117,192	354,233	2,576	474,001
17. Postage, telephone and telegraph, exchange and express.....	350,644	4,383,963	4,578	4,739,185
18. Legal and auditing.....	1,437,154	1,301,222	48,832	2,787,208
19. Totals (Lines 3 to 18).....	53,455,360	119,388,674	1,227,487	174,071,521
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....117,965.....	0	24,726,820	0	24,726,820
20.2 Insurance department licenses and fees.....	0	2,024,563	0	2,024,563
20.3 Gross guaranty association assessments.....	0	5,512	0	5,512
20.4 All other (excluding federal and foreign income and real estate).....	0	152,468	0	152,468
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	26,909,363	0	26,909,363
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	1,826,462	6,045,564	118,270	7,990,296
25. Total expenses incurred.....	110,130,446	288,818,804	1,345,757	(a).....400,295,007
26. Less unpaid expenses - current year.....	303,430,050	73,846,605	503,510	377,780,165
27. Add unpaid expenses - prior year.....	294,353,863	70,669,326	591,687	365,614,876
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).....	101,054,259	285,641,525	1,433,934	388,129,718

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	3,006,911	16,316,742	137,626	19,461,279
2402. Service reimbursements.....	(422,030)	(4,457,283)	0	(4,879,313)
2403. Cost of computer software developed for internal use.....	(758,419)	(5,813,895)	(19,356)	(6,591,670)
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).....	1,826,462	6,045,564	118,270	7,990,296

(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).....2,076,394	.....1,960,114
1.1 Bonds exempt from U.S. tax.....	(a).....70,436,024	.....67,824,337
1.2 Other bonds (unaffiliated).....	(a).....35,051,524	.....33,764,777
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....1,100,000	.....1,100,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,096,323	.....1,097,973
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....2,769,048	.....2,769,048
9. Aggregate write-ins for investment income.....	.....69,212	.....69,212
10. Total gross investment income.....	.....112,598,524	.....108,585,460
11. Investment expenses.....		(g).....1,345,757
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....1,345,757
17. Net investment income (Line 10 minus Line 16).....		.....107,239,703

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....69,783	.....69,783
0902. Miscellaneous income.....	.....1,500	.....1,500
0903. Property and wind plans.....	.....(2,072)	.....(2,072)
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).....	.....69,212	.....69,212
1501. ....		.....0
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).....		.....0

- (a) Includes \$.....2,001,879 accrual of discount less \$.....19,769,529 amortization of premium and less \$.....465,036 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....1,057 amortization of premium and less \$.....431 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(22,327)	.....0	.....(22,327)	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....6,316,766	.....0	.....6,316,766	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....1,842,282	.....(90,000)	.....1,752,282	.....240,647	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....110,506	.....0	.....110,506	.....(29,226)	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....3,699,963	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....(3,820)	.....0	.....(3,820)	.....(401,477)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(24,959)	.....(24,959)	.....0	.....0
10. Total capital gains (losses).....	.....8,243,408	.....(114,959)	.....8,128,448	.....3,509,908	.....0

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(24,959)	.....(24,959)	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....(24,959)	.....(24,959)	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
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).....	0	0	0
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.....	6,603,744	6,960,210	356,467
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,072,331	1,081,722	9,391
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	264,736	349,876	85,140
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.....	0	0	0
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.....	79,397	79,397	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	281,054	447,917	166,862
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	8,301,262	8,919,122	617,860
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	8,301,262	8,919,122	617,860

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. Other assets nonadmitted.....	0	83,880	83,880
2502. Amounts receivable under high deductible policies.....	281,054	364,037	82,982
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	281,054	447,917	166,862

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

United States Fidelity and Guaranty 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. United States Fidelity and Guaranty Company state basis	XXX	XXX	XXX	\$ 129,681,819	\$ 284,278,084
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>\$ 129,681,819</u>	<u>\$ 284,278,084</u>
 <u>Surplus</u>					
5. United States Fidelity and Guaranty Company state basis	XXX	XXX	XXX	\$ 1,043,283,232	\$ 1,408,920,456
6. State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
7. State Permitted Practices that increase/(decrease) NAIC SAP				-	-
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 1,043,283,232</u>	<u>\$ 1,408,920,456</u>

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

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

C. Accounting Policy:

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

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

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

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

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

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

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

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

Common stock investments in subsidiaries and affiliated entities are based on the net worth of the entity, determined in accordance with statutory accounting valuation methods. Dividends received from subsidiaries are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains or (losses).

The Company's investments in partnerships, joint ventures and limited liability companies are reported using the equity method of accounting, determined in accordance with statutory accounting valuation methods. Distributions of accumulated earnings received from these investments are recorded as net investment income earned and undistributed net income is recorded as net unrealized capital gains or (losses).

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

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

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

NOTES TO FINANCIAL STATEMENTS

D. Going Concern:

Not applicable.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

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

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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

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

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

2. Not applicable.

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

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

- a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	48,392
2. 12 Months or Longer	\$	206,414

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

1. Less than 12 Months	\$	10,854,832
2. 12 Months or Longer	\$	5,039,355

5. The Company determines an other-than-temporary impairment by utilizing discounted cash flow modeling to determine the present value of the security and comparing the present value with the amortized cost of the security. If the amortized cost is greater than the present value of the expected cash flows, the difference is considered a credit loss and recognized in net realized capital gains (losses). The Company estimates the present value of the security by projecting future cash flows of the assets underlying the securitization, allocating the flows to the various tranches based on the structure of the securitization, and determining the present value of the cash flows using the effective yield of the security at the date of acquisition (or the most recent implied rate used to accrete the security if the implied rate has changed as a result of a previous impairment or changes in expected cash flows). The Company incorporates levels of delinquencies, defaults and severities as well as credit attributes of the remaining assets in the securitization, along with other economic data, to arrive at its best estimate of the parameters applied to the assets underlying the securitization.

E. Repurchase Agreements and/or Securities Lending Transactions:

1. The Company requires collateral equal to at least 102% of the market value of the loaned security plus accrued interest. The Company accepts only cash as collateral for securities on loan and restricts the manner in which that cash is invested to U.S. Treasury securities and U.S. Treasury repurchase agreements.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$ 9,421,917	\$ 9,421,917

6. Not applicable.

NOTES TO FINANCIAL STATEMENTS

7. Not applicable.

F. Real Estate:

Not applicable.

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

Not applicable.

H. Restricted Assets:

1. Restricted Assets (Including Pledged)

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	9,421,917	-	-	-	9,421,917	13,241,102	(3,819,185)	-	9,421,917	0.3%	0.3%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0.0%	0.0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0.0%	0.0%
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0.0%	0.0%
j. On deposit with states	163,092,979	-	-	-	163,092,979	163,508,354	(415,375)	-	163,092,979	5.0%	5.0%
k. On deposit with other regulatory bodies	3,786,365	-	-	-	3,786,365	3,877,481	(91,116)	-	3,786,365	0.1%	0.1%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	15,341,665	-	-	-	15,341,665	15,427,003	(85,338)	-	15,341,665	0.5%	0.5%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 191,642,926	\$ -	\$ -	\$ -	\$ 191,642,926	\$ 196,053,940	\$ (4,411,014)	\$ -	\$ 191,642,926	5.9%	5.9%

(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					6	7	8	Percentage	
	Current Year								9	10
	1	2	3	4	5	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
	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	\$ 15,341,665	\$ -	\$ -	\$ -	\$ 15,341,665	\$ 15,427,003	\$ (85,338)	\$ 15,341,665	0.5%	0.5%
Total (c)	\$ 15,341,665	\$ -	\$ -	\$ -	\$ 15,341,665	\$ 15,427,003	\$ (85,338)	\$ 15,341,665	0.5%	0.5%

(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.

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

Collateral Assets	1	2	3	4
	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted) *	% of BACV to Total Admitted Assets **
a. Cash	\$ 9,421,917	\$ 9,421,917	0.3%	0.3%
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	\$ 9,421,917	\$ 9,421,917	0.3%	0.3%

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

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

NOTES TO FINANCIAL STATEMENTS

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	\$ 9,421,917	0.4%

* 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:

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

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

B. At December 31, 2016, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

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

	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a. Gross deferred tax assets	\$ 64,906,881	\$ 2,113,142	\$ 67,020,023
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	64,906,881	2,113,142	67,020,023
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax assets	64,906,881	2,113,142	67,020,023
f. Deferred tax liabilities	37,461,166	4,825,041	42,286,207
g. Net admitted deferred tax asset/(liability)	<u>\$ 27,445,715</u>	<u>\$ (2,711,899)</u>	<u>\$ 24,733,816</u>
	<u>December 31, 2015</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 64,904,037	\$ 3,470,121	\$ 68,374,158
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	64,904,037	3,470,121	68,374,158
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax assets	64,904,037	3,470,121	68,374,158
f. Deferred tax liabilities	39,300,109	4,893,423	44,193,532
g. Net admitted deferred tax asset/(liability)	<u>\$ 25,603,928</u>	<u>\$ (1,423,302)</u>	<u>\$ 24,180,626</u>
	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 2,844	\$ (1,356,979)	\$ (1,354,135)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	2,844	(1,356,979)	(1,354,135)
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax assets	2,844	(1,356,979)	(1,354,135)
f. Deferred tax liabilities	(1,838,943)	(68,382)	(1,907,325)
g. Net admitted deferred tax asset/(liability)	<u>\$ 1,841,787</u>	<u>\$ (1,288,597)</u>	<u>\$ 553,190</u>

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 44,210,621	\$ 471,914	\$ 44,682,535
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)	6,638,410	-	6,638,410
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	6,638,410	-	6,638,410
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	152,782,412
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.	14,057,850	1,641,228	15,699,078
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>64,906,881</u>	<u>2,113,142</u>	<u>67,020,023</u>
Deferred tax liabilities netted against deferred tax assets	<u>37,461,166</u>	<u>4,825,041</u>	<u>42,286,207</u>
Total	<u>\$ 27,445,715</u>	<u>\$ (2,711,899)</u>	<u>\$ 24,733,816</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.	\$ 42,788,444	\$ 540,721	\$ 43,329,165
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below).	7,615,450	270,360	7,885,810
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	7,615,450	270,360	7,885,810
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	207,710,975
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.	14,500,143	2,659,040	17,159,183
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>64,904,037</u>	<u>3,470,121</u>	<u>68,374,158</u>
Deferred tax liabilities netted against deferred tax assets	<u>39,300,109</u>	<u>4,893,423</u>	<u>44,193,532</u>
Total	<u>\$ 25,603,928</u>	<u>\$ (1,423,302)</u>	<u>\$ 24,180,626</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.	\$ 1,422,177	\$ (68,807)	\$ 1,353,370
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).	(977,040)	(270,360)	(1,247,400)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(977,040)	(270,360)	(1,247,400)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(54,928,563)
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.	(442,293)	(1,017,812)	(1,460,105)
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>2,844</u>	<u>(1,356,979)</u>	<u>(1,354,135)</u>
Deferred tax liabilities netted against deferred tax assets	<u>(1,838,943)</u>	<u>(68,382)</u>	<u>(1,907,325)</u>
Total	<u>\$ 1,841,787</u>	<u>\$ (1,288,597)</u>	<u>\$ 553,190</u>

	<u>2016</u>	<u>2015</u>
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	738%	1,034%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 1,018,549,416	\$ 1,384,739,833

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies:

	<u>December 31, 2016</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ 64,906,881	\$ 2,113,142
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)	\$ 64,906,881	\$ 2,113,142
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)	\$ 64,904,037	\$ 3,470,121
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)	\$ 64,904,037	\$ 3,470,121
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	\$ 2,844	\$ (1,356,979)
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	\$ 2,844	\$ (1,356,979)
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

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

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

Not applicable.

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
1. Current Income Tax:			
Federal	\$ 38,265,621	\$ 15,713,090	\$ 22,552,531
Foreign	-	-	-
Subtotal	<u>38,265,621</u>	<u>15,713,090</u>	<u>22,552,531</u>
Federal income taxes on net capital gains	<u>2,574,285</u>	<u>248,139</u>	<u>2,326,146</u>
Federal and foreign income taxes incurred	<u>\$ 40,839,906</u>	<u>\$ 15,961,229</u>	<u>\$ 24,878,677</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	\$ 28,652,174	\$ 30,129,850	\$ (1,477,676)
Unearned premium reserve	30,606,282	29,254,438	1,351,844
Other	<u>5,648,425</u>	<u>5,519,749</u>	<u>128,676</u>
Total ordinary deferred tax assets	\$ 64,906,881	\$ 64,904,037	\$ 2,844
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	-	-
Admitted ordinary deferred tax assets	<u>\$ 64,906,881</u>	<u>\$ 64,904,037</u>	<u>\$ 2,844</u>

NOTES TO FINANCIAL STATEMENTS

<u>Capital:</u>			
Investments	\$ 2,113,142	\$ 3,470,121	\$ (1,356,979)
Total capital deferred tax assets	\$ 2,113,142	\$ 3,470,121	\$ (1,356,979)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	-	-
Admitted capital deferred tax assets	\$ 2,113,142	\$ 3,470,121	\$ (1,356,979)
Total admitted deferred tax assets:	\$ 67,020,023	\$ 68,374,158	\$ (1,354,135)

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	\$ 37,403,238	\$ 38,745,705	\$ (1,342,467)
Other	57,928	554,404	(496,476)
Total ordinary deferred tax liabilities	\$ 37,461,166	\$ 39,300,109	\$ (1,838,943)
<u>Capital:</u>			
Investments	\$ 4,825,041	\$ 4,893,423	\$ (68,382)
Total capital deferred tax liabilities	\$ 4,825,041	\$ 4,893,423	\$ (68,382)
Total deferred tax liabilities:	\$ 42,286,207	\$ 44,193,532	\$ (1,907,325)
4. Net admitted deferred tax asset/(liability)	\$ 24,733,816	\$ 24,180,626	\$ 553,190

5. Deferred income taxes do not include any benefit from investment tax credits.
6. Deferred income taxes do not include a benefit from net operating losses.
7. There are no adjustments to a deferred tax asset or deferred tax liability for enacted changes in tax laws or rates or a change in the tax status of the Company.
8. There are no adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset.
9. The change in net deferred income taxes is comprised of the following:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>Change</u>
Total deferred tax assets	\$ 67,020,023	\$ 68,374,158	\$ (1,354,135)
Total deferred tax liabilities	42,286,207	44,193,532	(1,907,325)
Net deferred tax asset/(liability)	\$ 24,733,816	\$ 24,180,626	553,190
Tax effect of unrealized gains (losses)			(66,520)
Change in net deferred income tax			\$ 486,670

- 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)	\$ 170,521,725
Taxes at statutory rate	59,682,603
Increase (decrease) attributable to:	
Nontaxable investment income	(20,512,457)
Other	1,183,090
	\$ 40,353,236
Federal and foreign taxes incurred	\$ 40,839,906
Change in net deferred taxes	(486,670)
Total statutory income tax	\$ 40,353,236
Effective tax rate	23.7%

- E. 1. The Company has no net operating loss carry-forward available for tax purposes.
2. The Company has \$39,374,577, \$18,231,752, and \$0 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
3. The reporting entity has no protective tax deposits with the Internal Revenue Service (IRS) under Section 6603 of the IRS Code.
- F. 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the IRS levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

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

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

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

- A-C. (1) In March 2016, the Company sold \$22.7 million of securities to the Travelers Money Market Liquidity Pool (TRVMMLP).
- (2) In December 2016, the Company sold \$125.0 million of securities to its affiliate, Travelers Casualty and Surety Company (TCS).
- (3) In December 2015, the Company sold \$450.0 million of securities to its affiliate, TCS.
- (4) In December 2015, the Company sold \$280.2 million of securities to its affiliate, The Travelers Indemnity Company (Indemnity).

Schedule Y - Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification has been 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 Indemnity. Settlements between the companies are made at least monthly.
- (2) TRV maintains a private short-term investment pool, known as the TRVMMLP, in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 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 \$8,781,396 payable to and \$6,539,498 receivable from affiliates, respectively. Substantially all of the accounts between and among the Company and its affiliates are settled at least monthly through the TRVMMLP or in cash.
- (2) The Company participates in an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Uncollected premiums and agents' balances in course of collection	\$ 62,676,409	\$ 57,724,699
Amounts recoverable from reinsurers	9,485,894	(7,588,144)
Reinsurance payable on paid losses and LAE	52,187,155	52,445,436

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 St. Paul Fire and Marine Insurance Company (Fire and Marine), an insurance company domiciled in Connecticut. The Company is an indirect subsidiary of TRV, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

M. Not applicable.

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.

NOTES TO FINANCIAL STATEMENTS**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 \$3,657,932 and \$5,555,352 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 \$126,826 and \$236,300 for 2016 and 2015, respectively.

3. 401(k) Savings Plan:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$4,316,197 and \$4,121,512 for 2016 and 2015, respectively.

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

The Company has 2,000,000 shares of common capital stock authorized and 1,408,563 shares of common stock issued and outstanding with a par value of \$25 per share.

The Company paid ordinary dividends of \$284 million and extraordinary dividends of \$216 million for a total of \$500 million in 2016, to its parent company, Fire and Marine. In 2015, the Company returned capital totaling \$1.275 billion to Fire and Marine.

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 \$129,681,000.

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 \$6,395,903.

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

Not applicable.

B. Assessments:

1. The Company has accrued liabilities of \$10.7 million for guaranty fund and other insurance-related assessments and related recoverables of \$320 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	\$ 252,106
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	3,875
Premium tax offset refund	67,366
c. Increases current year:	
Premium tax offset accrued	<u>15,658</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2016	<u>\$ 196,523</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 the Company 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.

NOTES TO FINANCIAL STATEMENTS

On November 7, 2016, the Company agreed to a settlement with one of the three defendants then remaining in this dispute. The Company 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 the Company 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 the Company is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly has not been recognized in the Company's statutory financial statements.

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

Not applicable.

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

1. The Company is a partner in a real estate joint venture. TRV is the guarantor of certain debt of the real estate joint venture. The Company entered into an agreement to reimburse TRV in the event that TRV is required to make payments under the guarantee. The Company has recorded a liability of \$14,998,793 on the balance sheet as of December 31, 2016 under this reimbursement agreement.

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
Real estate joint venture	\$ 14,998,793	Surplus – Line 35. Dividend to stockholders	\$ 56,120,000	The Company's performance risk is reasonably probable based on operating results of this joint venture
Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees			\$ 56,120,000	
Current liability recognized in financial statements:				
Noncontingent liabilities			14,998,793	
Contingent liabilities			-	
Ultimate financial statement impact if action under the guarantee is required:				
Investment in SCA			-	
Joint venture			-	
Dividends to stockholders			56,120,000	
Expense			-	
Other			-	
Total			<u>\$ 56,120,000</u>	

2. 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.
3. 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.
4. For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

15. LEASES

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS**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.

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

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ -	\$ 2,446,878	\$ -	\$ 2,446,878
Total securities at fair value	<u>\$ -</u>	<u>\$ 2,446,878</u>	<u>\$ -</u>	<u>\$ 2,446,878</u>

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

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

2. Not applicable.

3. Not applicable.

4. Bonds and preferred stock are carried at fair value in accordance with NAIC guidelines. These securities are generally priced by the SVO or by a third party organization.

The Company 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.

NOTES TO FINANCIAL STATEMENTS

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)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practicable</u>
Short term bonds	\$ 26,379,289	\$ 26,379,349	\$ 6,365,964	\$ 20,013,325	\$ -	\$ -
Long term bonds	2,765,844,382	2,709,877,757	25,220,545	2,740,623,837	-	-
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-

(At December 31, 2015)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practicable</u>
Short term bonds	\$ 53,582,314	\$ 53,582,314	\$ 18,619,913	\$ 34,962,401	\$ -	\$ -
Long term bonds	3,122,558,246	2,988,177,972	50,592,935	3,071,470,206	495,105	-
Preferred stock	-	-	-	-	-	-
Common stock	37,426	37,426	-	37,426	-	-

D. Not applicable.

21. OTHER ITEMS

A. Unusual or Infrequent Items:

Not applicable.

B. Troubled Debt Restructuring – Debtors:

Not applicable.

C. Other Disclosures:

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

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):

	<u>Accident Years</u>					<u>2002 & Prior</u>
Schedule P	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Part 1A	\$ 92	\$ 107	\$ 14	\$ 21	\$ 163	-
Part 1B	66	20	8	7	9,046	-
Part 1C	197	217	228	199	2,501	-
Part 1D	14,751	13,594	14,201	13,142	183,489	-
Part 1E	2,259	1,039	880	616	12,437	-
Part 1F - Section 1	1	11	26	113	621	-
Part 1F - Section 2	(1)	623	30	63	1,448	-
Part 1G	54	(2)	25	104	2,885	-
Part 1H - Section 1	3,731	2,946	1,895	3,400	86,103	-
Part 1H - Section 2	1,871	691	483	1,083	7,861	-
Part 1M	-	-	-	1	102	-
Part 1N	-	-	6	4	1,217	-
Part 1O	-	64	148	460	17,894	-
Part 1P	-	20	22	28	334	-
Part 1R - Section 1	781	611	777	716	33,434	-
Part 1R - Section 2	9	19	24	20	545	-

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (6)	\$ (11)	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(191)	(189)	(39)	(1,850)	-	(48)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(126)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(293)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(25)	-	-	-	-	-	-	-	-
Reinsurance B	(89)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**F. Subprime Mortgage Related Risk Exposure:**

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

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

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

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

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

Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 3,123,333	\$ 2,615,449	\$ 4,007,110	\$ 1,420,409

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):

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
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

NOTES TO FINANCIAL STATEMENTS

Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	47,264,256
American Equity Specialty Insurance Company	86-0868106	47,160,340
St. Paul Guardian Insurance Company	41-0963301	47,160,340
Total		<u>\$ 36,249,959,737</u>

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

Company	F.E.I.N.	Amount
Travelers Property Casualty Company of America	36-2719165	\$ 11,901,006,544
St. Paul Fire and Marine Insurance Company	41-0406690	3,407,722,815
The Travelers Indemnity Company of America	58-6020487	3,086,596,540
The Charter Oak Fire Insurance Company	06-0291290	3,000,158,077
Travelers Casualty and Surety Company	06-6033504	2,942,906,627
The Travelers Indemnity Company of Connecticut	06-0336212	2,869,361,947
The Standard Fire Insurance Company	06-6033509	2,681,976,950
The Phoenix Insurance Company	06-0303275	2,384,593,903
The Travelers Home and Marine Insurance Company	35-1838079	2,146,163,540
Travelers Casualty Insurance Company of America	06-0876835	1,755,302,419
United States Fidelity and Guaranty Company	52-0515280	1,636,246,092
St. Paul Mercury Insurance Company	41-0881659	813,218,753
Farmington Casualty Company	06-1067463	697,706,517
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	614,427,852
Northland Insurance Company	41-6009967	598,767,548
Travelers Property Casualty Insurance Company	06-1286274	505,972,017
Travelers Commercial Insurance Company	06-1286268	501,040,197
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	402,341,761
TravCo Insurance Company	35-1838077	268,766,044
St. Paul Protective Insurance Company	36-2542404	256,332,094
Discover Property & Casualty Insurance Company	36-2999370	238,109,646
Northfield Insurance Company	41-0983992	218,049,607
Travelers Excess and Surplus Lines Company	06-1203698	202,703,536
Travelers Personal Security Insurance Company	06-1286264	193,519,885
St. Paul Surplus Lines Insurance Company	41-1230819	191,218,616
Travelers Personal Insurance Company	36-3703200	187,967,350
St. Paul Guardian Insurance Company	41-0963301	114,874,125
Travelers Commercial Casualty Company	95-3634110	83,090,773
Travelers Casualty Company of Connecticut	06-1286266	62,129,903
Northland Casualty Company	94-6051964	14,144,603
The Travelers Casualty Company	41-1435765	4,680,924
Discover Specialty Insurance Company	52-1925132	3,658,174
Travelers Constitution State Insurance Company	41-1435766	2,354,448
American Equity Specialty Insurance Company	86-0868106	142,796
Total		<u>\$ 43,987,252,623</u>

2. Unaffiliated Company Recoverables:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 436,559,917	\$ 54,507,913	\$ 3,425,008	\$ 427,639	\$ 433,134,909	\$ 54,080,274
All Other	20	2	-	-	20	2
Total	<u>\$ 436,559,937</u>	<u>\$ 54,507,915</u>	<u>\$ 3,425,008</u>	<u>\$ 427,639</u>	<u>\$ 433,134,929</u>	<u>\$ 54,080,276</u>

Direct Unearned Premium Reserve \$ 3,418,919

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$9,806,386 at December 31, 2016. This balance represents the Company's 4.41% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 5,313	\$ 9,806,532	\$ 5,459	\$ 9,806,386
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 5,313</u>	<u>\$ 9,806,532</u>	<u>\$ 5,459</u>	<u>\$ 9,806,386</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reinsurance:

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 414,540	\$ 8,173,169
(2) Adjustments - Prior Year(s)	(155,846)	7,829,129
(3) Adjustments - Current Year	-	(93,788)
(4) Current Total	<u>\$ 258,694</u>	<u>\$ 15,908,510</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 461,069	\$ 8,337,559
(2) Adjustments - Prior Year(s)	41,832	1,605,983
(3) Adjustments - Current Year	-	7,501
(4) Current Total	<u>\$ 502,901</u>	<u>\$ 9,951,043</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 204,814	\$ 12,755,268
(2) Current Year	372	191,929
(3) Current Total	<u>\$ 205,186</u>	<u>\$ 12,947,197</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 46,529	\$ (164,390)
(2) Adjustments - Prior Year(s)	197,678	6,223,146
(3) Adjustments - Current Year	-	(101,289)
(4) Current Year Restricted Surplus	222,929	2,718,972
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ 21,278</u>	<u>\$ 3,238,495</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)	\$ 238,140	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	4,053,580
XL Reinsurance America Inc. (20583)	-	3,477,856
TIG Insurance Company (25534)	-	3,296,773
Swiss Reinsurance America Corporation (25364)	-	1,218,971
Westport Insurance Corporation (39845)	-	715,096
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	590,940
General Reinsurance Corporation (22039)	-	526,651
Excalibur Reinsurance Corp. (39675)	-	465,257
Various	20,554	1,563,386
Total	<u>\$ 258,694</u>	<u>\$ 15,908,510</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)	\$ 692	\$ -
XL Reinsurance America Inc. (20583)	26,085	47
Westport Insurance Corporation (39845)	10,201	-
Various	4,873	6
Total	<u>\$ 41,851</u>	<u>\$ 53</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due	Collateral Held
Excalibur Reinsurance Corp. (39675)	\$ 48,927	\$ 48,927	\$ -
Total	<u>\$ 48,927</u>	<u>\$ 48,927</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

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

Not applicable.

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

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. Accrued retrospective premiums (Page 2, Line 15.3) have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts. Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and LAE reserves), or collateral as permitted by SSAP No. 66, Retrospectively Rated Contracts, has been nonadmitted. The amount shown in Part E below is the Company's proportionate share of the accrued retrospective premiums of the TRV Pool (see Note 26).

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. See Schedule P - Part 7A.

NOTES TO FINANCIAL STATEMENTS

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 3,083,828
2. Unsecured amount	740,957
3. Less: Nonadmitted amount (10%)	74,096
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>190,640</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 2,819,092</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 \$21,017,000, 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.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2016 the Company had a net receivable of \$19,975,148 from affiliates as a result of its intercompany pooling transactions which settled in January 2017.

27. STRUCTURED SETTLEMENTS

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

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> \$ 126,482,915	Unrecorded Loss <u>Contingencies</u> \$ 126,482,915	
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> \$ 37,057,126 12,968,797 9,483,086 9,405,784 57,568,122

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 \$248,636,810 and the amount billed and outstanding on paid claims was \$2,469,354. 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 \$82,570,485 and \$4,687,026 of such discounted liabilities related to workers' compensation and other liability-occurrence reserves, respectively. The amount of discount for case and IBNR reserves at December 31, 2016 is as follows:

Tabular Discount

<u>Schedule P Lines of Business</u>	<u>Tabular Discount Included in Schedule P, Part 1 *</u>	
	<u>Case</u>	<u>IBNR</u>
1. Workers' Compensation	\$ 14,337,968	\$ 22,527,271
2. Other Liability-Occurrence	<u>502,431</u>	<u>6,885,598</u>
3. Total	<u>\$ 14,840,399</u>	<u>\$ 29,412,869</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. ABESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 4.41%.

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 \$22.8 million decrease to the Company's direct asbestos reserves and a \$20.1 million decrease to the Company's net of ceded reinsurance asbestos reserves. The Company's obligations under the Agreement were included in its claim and claim adjustment expense reserves at December 31, 2015.

1. <u>Direct Basis – Asbestos:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
a. Beginning reserves:	\$ 112,692,528	\$ 108,179,447	\$ 104,981,722	\$ 102,491,441	\$ 79,873,293
b. Incurred losses and LAE:	5,658,030	7,668,990	11,144,467	13,300,560	12,714,206
c. Calendar year payments for losses and LAE:	<u>10,171,111</u>	<u>10,866,715</u>	<u>13,634,748</u>	<u>35,918,708</u>	<u>35,034,246</u>
d. Ending reserves:	<u>\$ 108,179,447</u>	<u>\$ 104,981,722</u>	<u>\$ 102,491,441</u>	<u>\$ 79,873,293</u>	<u>\$ 57,553,253</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:	\$ 9,831,616	\$ 9,911,764	\$ 9,503,741	\$ 8,213,624	\$ 7,301,883
b. Incurred losses and LAE:	1,442,070	710,010	233,333	326,340	2,923,830
c. Calendar year payments for losses and LAE:	<u>1,361,992</u>	<u>1,118,033</u>	<u>1,523,450</u>	<u>1,238,081</u>	<u>1,569,247</u>
d. Ending reserves:	<u>\$ 9,911,764</u>	<u>\$ 9,503,741</u>	<u>\$ 8,213,624</u>	<u>\$ 7,301,883</u>	<u>\$ 8,656,466</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:	\$ 107,478,574	\$ 104,350,557	\$ 103,177,705	\$ 103,497,670	\$ 79,270,592
b. Incurred losses and LAE:	7,276,500	8,379,000	11,025,000	9,702,000	9,904,860
c. Calendar year payments for losses and LAE:	<u>10,404,517</u>	<u>9,551,852</u>	<u>10,705,035</u>	<u>33,929,078</u>	<u>31,178,871</u>
d. Ending reserves:	<u>\$ 104,350,557</u>	<u>\$ 103,177,705</u>	<u>\$ 103,497,670</u>	<u>\$ 79,270,592</u>	<u>\$ 57,996,581</u>

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

1. Direct Basis:	\$ 39,668,069
2. Assumed Reinsurance Basis:	\$ 3,500,884
3. Net of Ceded Reinsurance Basis:	\$ 37,922,126

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

1. Direct Basis:	\$ 29,232,661
2. Assumed Reinsurance Basis:	\$ 550,088
3. Net of Ceded Reinsurance Basis	\$ 26,659,927

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:	\$ 12,762,535	\$ 12,505,477	\$ 12,059,486	\$ 12,114,832	\$ 13,446,072
b. Incurred losses and LAE:	3,490,515	3,084,354	4,004,280	3,565,485	3,827,880
c. Calendar year payments for losses and LAE:	<u>3,747,573</u>	<u>3,530,345</u>	<u>3,948,934</u>	<u>2,234,245</u>	<u>2,716,956</u>
d. Ending reserves:	<u>\$ 12,505,477</u>	<u>\$ 12,059,486</u>	<u>\$ 12,114,832</u>	<u>\$ 13,446,072</u>	<u>\$ 14,556,996</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:	\$ 2,524,623	\$ 3,039,410	\$ 2,826,538	\$ 2,720,018	\$ 2,502,708
b. Incurred losses and LAE:	875,385	68,796	141,120	6,615	8,820
c. Calendar year payments for losses and LAE:	<u>360,598</u>	<u>281,668</u>	<u>247,640</u>	<u>223,925</u>	<u>190,002</u>
d. Ending reserves:	<u>\$ 3,039,410</u>	<u>\$ 2,826,538</u>	<u>\$ 2,720,018</u>	<u>\$ 2,502,708</u>	<u>\$ 2,321,526</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:	\$ 15,053,400	\$ 15,321,909	\$ 14,511,455	\$ 14,639,031	\$ 15,398,904
b. Incurred losses and LAE:	3,969,000	2,853,270	3,836,700	3,175,200	3,616,200
c. Calendar year payments for losses and LAE:	<u>3,700,491</u>	<u>3,663,724</u>	<u>3,709,124</u>	<u>2,415,327</u>	<u>2,644,039</u>
d. Ending reserves:	<u>\$ 15,321,909</u>	<u>\$ 14,511,455</u>	<u>\$ 14,639,031</u>	<u>\$ 15,398,904</u>	<u>\$ 16,371,065</u>

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

1. Direct Basis:	\$ 14,442,967
2. Assumed Reinsurance Basis:	\$ 1,308,704
3. Net of Ceded Reinsurance Basis	\$ 15,365,011

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

1. Direct Basis:	\$ 5,604,625
2. Assumed Reinsurance Basis:	\$ 5,919
3. Net of Ceded Reinsurance Basis	\$ 5,477,798

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
	0	

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

1 Nationality	2 Type of Entity

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Renée H. Davis, FCAS & MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company Laurel Village Fidelity Realty, Inc.
- 12.12 Number of parcels involved 8
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
Holds 727 apartment units in downtown Minneapolis, 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 | | | 0 |

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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.	\$	9,421,917					
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:	\$	9,421,917					
	24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$	9,421,917					
	24.103 Total payable for securities lending reported on the liability page:	\$	9,421,917					
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	\$	163,092,979					
	25.29 On deposit with other regulatory bodies	\$	3,786,365					
	25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$	15,341,665					
	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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; border: 1px solid black;">1 Nature of Restriction</th> <th style="width: 33%; border: 1px solid black;">2 Description</th> <th style="width: 34%; border: 1px solid black;">3 Amount</th> </tr> </thead> <tbody> <tr> <td style="border: 1px solid black;"> </td> <td style="border: 1px solid black;"> </td> <td style="border: 1px solid black; 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 []					
28.01	For all agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:							
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; border: 1px solid black;">1 Name of Custodian(s)</th> <th style="width: 50%; border: 1px solid black;">2 Custodian's Address</th> </tr> </thead> <tbody> <tr> <td style="border: 1px solid black;">JPMorgan Chase</td> <td style="border: 1px solid black;">270 Park Avenue, New York, NY 10017-2070</td> </tr> <tr> <td style="border: 1px solid black;">The Bank of New York Mellon</td> <td style="border: 1px solid black;">225 Liberty Street, New York, NY 10007</td> </tr> </tbody> </table>	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	
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 <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation							
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; border: 1px solid black;">1 Name(s)</th> <th style="width: 33%; border: 1px solid black;">2 Location(s)</th> <th style="width: 34%; border: 1px solid black;">3 Complete Explanation(s)</th> </tr> </thead> <tbody> <tr> <td style="border: 1px solid black;">N/A</td> <td style="border: 1px solid black;"> </td> <td style="border: 1px solid black;"> </td> </tr> </tbody> </table>	1 Name(s)	2 Location(s)	3 Complete Explanation(s)	N/A			
1 Name(s)	2 Location(s)	3 Complete Explanation(s)						
N/A								
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]					

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

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

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [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	2,736,257,107	2,792,223,672	55,966,565
30.2	Preferred Stocks	0	0	0
30.3	Totals	2,736,257,107	2,792,223,672	55,966,565

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

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

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

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

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

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [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? \$ 2,123,937

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC	\$ 1,035,190

34.1 Amount of payments for legal expenses, if any? \$ 3,527,483

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

1 Name	2 Amount Paid
	\$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 76,419

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

1 Name	2 Amount Paid
	\$ 0

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1		2	
		Current Year		Prior Year	
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	941,187,169	\$	902,146,114
2.3	Premium Ratio (2.1/2.2)		0.000		0.000
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	2,084,406,098	\$	2,043,711,337
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		\$		14,912,642
3.22	Non-participating policies		\$		945,197,199
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			N/A []	
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?			Yes []	No []
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?			Yes []	No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company's risk management practices include active monitoring of insured employee local-based concentrations. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages periodically and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.</u>				
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The Company uses various analyses and methods, including proprietary and third party computer modeling processes, to analyze catastrophic events and the associated risks to arrive at loss estimates. The Company uses these analyses and methods to make underwriting and reinsurance decisions designed to manage its exposure to catastrophic events. The Company's hurricane loss estimates for U.S. exposures include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The Company's loss estimates are based on the Company's catastrophe risk model estimates and include loss from the hurricane hazards of wind and storm surge. The Company's loss estimates for earthquakes reflect U.S. exposures and include property exposures and workers' compensation exposures. The Company's loss estimates for terrorism reflect U.S. exposures and include property exposures. The Company also develops conventional attack loss estimates for combined property and workers' compensation exposures for comparison and adherence with aggregate enterprise guidelines. To best assess risk, the Company conducts site engineering analyses on buildings with large exposures. Property exposures are analyzed to determine locations of concentration. Spanning the U.S., this includes California, Florida, New Madrid, the Northeast, the Gulf States and the Mid-Atlantic States.</u>				

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
The Company's all region aggregate catastrophe treaty does not contain a reinstatement provision but does allow for recoveries under multiple event loss scenarios. The Company's northeast region catastrophe treaty applies per occurrence and provides for one reinstatement. Additionally, the Company buys property catastrophe cat bonds for designated perils covering the northeast region. Those bonds apply per occurrence but do not have a reinstatement provision. The Company believes that its reinsurance programs along with the Company's surplus are adequate to cover its exposures in a catastrophic event.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 9
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | |
|---|----|-----------|
| 12.11 Unpaid losses | \$ | 2,193,142 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | 387,025 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 3,321,124
- 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				\$	258,481,924	
12.62	Collateral and other funds				\$	88,400,742	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):					\$	2,210,516
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).....	469,047,327	450,484,202	446,288,664	485,591,400	491,878,280
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	173,608,493	159,672,982	153,775,653	152,023,576	146,272,879
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	305,966,272	300,713,882	299,987,234	304,410,746	300,547,073
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,090,540	7,770,802	2,235,608	3,743,570	4,470,528
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,212,094	2,367,579	2,749,850	2,505,847	2,136,400
6. Total (Line 35).....	953,924,726	921,009,447	905,037,008	948,275,138	945,305,161
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).....	475,654,159	450,558,396	432,406,341	426,192,970	410,024,450
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	173,685,934	159,646,286	153,775,134	152,023,865	146,269,713
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	305,969,467	300,716,874	299,987,141	304,401,913	300,548,686
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,589,753	2,996,912	1,395,857	2,939,013	3,388,376
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,210,528	2,454,429	2,746,456	2,549,053	2,331,035
12. Total (Line 35).....	960,109,841	916,372,898	890,310,928	888,106,814	862,562,260
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	55,730,295	94,362,334	80,472,484	74,855,294	805,485
14. Net investment gain (loss) (Line 11).....	112,793,867	205,942,711	175,394,894	183,039,079	239,630,638
15. Total other income (Line 15).....	1,323,163	1,202,427	1,078,511	8,613,574	2,377,197
16. Dividends to policyholders (Line 17).....	1,899,886	1,516,298	1,387,633	1,283,318	1,774,691
17. Federal and foreign income taxes incurred (Line 19).....	38,265,621	15,713,090	48,759,943	41,024,970	24,322,900
18. Net income (Line 20).....	129,681,819	284,278,084	206,798,314	224,199,659	216,715,729
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,252,085,863	3,565,324,870	4,677,408,630	4,653,938,415	4,797,215,673
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	116,925,936	111,957,364	116,174,725	105,874,830	94,834,944
20.2 Deferred and not yet due (Line 15.2).....	201,785,768	189,033,416	181,593,244	176,379,231	175,881,138
20.3 Accrued retrospective premiums (Line 15.3).....	2,819,092	3,528,173	3,698,466	4,196,232	5,037,295
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,208,802,630	2,156,404,414	2,211,176,642	2,169,502,708	2,169,748,101
22. Losses (Page 3, Line 1).....	1,289,848,813	1,277,334,379	1,287,065,066	1,309,708,421	1,320,121,453
23. Loss adjustment expenses (Page 3, Line 3).....	303,430,050	294,353,863	313,389,017	288,275,595	286,979,550
24. Unearned premiums (Page 3, Line 9).....	436,553,848	417,241,796	402,397,960	393,262,807	383,580,881
25. Capital paid up (Page 3, Lines 30 & 31).....	35,214,075	35,214,075	35,214,075	35,214,075	35,214,075
26. Surplus as regards policyholders (Page 3, Line 37).....	1,043,283,232	1,408,920,456	2,466,231,987	2,484,435,707	2,627,467,572
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	187,332,100	248,686,227	205,881,308	245,127,967	182,838,190
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,043,283,232	1,408,920,456	2,466,231,987	2,484,435,707	2,627,467,572
29. Authorized control level risk-based capital.....	137,989,233	133,858,472	134,593,795	130,970,065	136,203,769
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).....	94.9	94.5	94.8	96.3	96.8
31. Stocks (Lines 2.1 & 2.2).....	3.8	3.3	2.8	2.9	2.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	0.9	1.7	2.0	0.8	0.3
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.3	0.4	0.3	0.0	0.2
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	109,196,743	105,496,780	119,957,084	120,235,267	118,472,108
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.....	0	0	0	0	0
48. Total of above lines 42 to 47.....	109,196,743	105,496,780	119,957,084	120,235,267	118,472,108
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).....	10.5	7.5	4.9	4.8	4.5

UNITED STATES FIDELITY AND GUARANTY 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).....	3,576,428	(14,706,713)	(183,773)	1,113,753	2,427,683
52. Dividends to stockholders (Line 35).....	(500,000,000)	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38).....	(365,637,224)	(1,057,311,531)	(18,203,720)	(143,031,865)	138,778,305
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).....	353,621,488	343,643,154	353,619,739	371,770,331	382,328,019
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	90,252,851	74,939,641	77,513,578	77,131,923	86,817,142
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	133,264,336	126,784,716	130,554,553	143,101,372	177,540,201
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,761,573	2,056,515	88,435,504	(32,716,787)	7,420,421
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,660,771	6,127,078	48,223,574	2,618,316	13,483,237
59. Total (Line 35).....	583,561,019	553,551,104	698,346,948	561,905,155	667,589,020
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).....	249,732,092	229,296,779	216,559,886	218,510,989	222,837,822
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	88,725,378	76,216,715	76,905,232	76,965,645	86,438,561
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	131,263,231	124,002,160	128,277,882	139,512,164	167,466,023
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,933,402	1,750,560	2,863,885	518,338	2,857,656
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,339,087	3,207,497	5,344,573	3,621,019	1,704,258
65. Total (Line 35).....	473,993,190	434,473,711	429,951,457	439,128,155	481,304,320
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	51.7	47.1	46.2	48.9	57.2
68. Loss expenses incurred (Line 3).....	11.7	11.7	14.3	12.0	11.2
69. Other underwriting expenses incurred (Line 4).....	30.7	30.8	30.4	30.6	31.5
70. Net underwriting gain (loss) (Line 8).....	5.9	10.5	9.1	8.5	0.1
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	29.9	30.2	29.9	29.2	31.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	63.4	58.7	60.5	60.9	68.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	92.0	65.0	36.1	35.7	32.8
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).....	(19,435)	(29,247)	(49,007)	(21,498)	(25,646)
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).....	(1.4)	(1.2)	(2.0)	(0.8)	(1.0)
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).....	(49,106)	(70,210)	(67,418)	(47,895)	(46,399)
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).....	(2.0)	(2.8)	(2.6)	(1.9)	(1.9)

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 [] 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	56,852	14,089	11,572	1,766	4,396	37	(388)	56,928	XXX
2. 2007.....	973,426	166,420	807,005	369,960	35,941	36,545	2,891	38,973	853	19,980	405,793	XXX
3. 2008.....	901,921	89,389	812,532	462,942	47,675	39,657	2,950	45,662	670	20,812	496,966	XXX
4. 2009.....	889,664	71,759	817,905	416,360	27,635	36,834	2,085	44,478	514	22,325	467,437	XXX
5. 2010.....	883,980	64,914	819,066	460,299	26,389	40,174	1,894	45,224	416	23,217	516,998	XXX
6. 2011.....	916,251	63,243	853,008	556,781	36,742	41,754	2,303	47,010	446	25,105	606,054	XXX
7. 2012.....	940,985	69,626	871,359	527,699	82,701	39,798	4,215	48,900	751	23,547	528,732	XXX
8. 2013.....	952,126	75,172	876,954	376,107	22,830	31,960	1,276	45,152	1,151	19,898	427,964	XXX
9. 2014.....	951,824	70,731	881,093	342,747	22,514	25,973	1,191	42,775	1,093	18,497	386,698	XXX
10. 2015.....	966,482	64,336	902,146	293,652	15,212	15,991	679	41,973	871	16,950	334,853	XXX
11. 2016.....	1,002,377	61,190	941,187	209,252	7,398	6,186	242	37,040	141	10,978	244,697	XXX
12. Totals.....	XXX	XXX	XXX	4,072,650	339,127	326,445	21,491	441,584	6,941	200,921	4,473,121	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.....	281,506	84,528	186,973	33,092	26,646	3,299	48,131	4,252	29,158	111	785	447,131	XXX
2. 2007.....	14,132	3,162	13,257	1,432	1,239	177	3,083	66	797	(1)	218	27,672	XXX
3. 2008.....	14,488	1,654	16,307	1,923	1,571	70	3,625	292	810	(1)	436	32,863	XXX
4. 2009.....	16,886	3,523	17,930	2,274	1,566	48	3,387	207	827	(1)	516	34,543	XXX
5. 2010.....	21,307	2,153	20,712	1,404	2,110	66	3,811	167	1,281	2	830	45,430	XXX
6. 2011.....	26,288	1,521	26,444	1,493	3,008	138	5,066	136	1,771	2	1,457	59,287	XXX
7. 2012.....	35,657	3,450	36,688	2,588	4,093	125	9,233	190	2,796	9	2,240	82,106	XXX
8. 2013.....	49,275	4,610	47,826	3,717	5,830	188	14,851	274	4,325	13	3,148	113,305	XXX
9. 2014.....	67,268	7,134	71,770	5,882	8,321	365	18,960	750	6,849	43	4,991	158,995	XXX
10. 2015.....	87,639	9,043	113,290	9,000	9,148	309	21,958	600	7,716	63	6,901	220,738	XXX
11. 2016.....	122,468	9,483	208,988	14,183	10,067	361	34,626	876	20,042	77	16,015	371,210	XXX
12. Totals.....	736,914	130,261	760,184	76,989	73,598	5,146	166,731	7,810	76,373	316	37,538	1,593,279	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	350,858	96,273
2. 2007.	477,986	44,521	433,465	49.1	26.8	53.7	0	0	4.41	22,795	4,876
3. 2008.	585,062	55,233	529,829	64.9	61.8	65.2	0	0	4.41	27,218	5,644
4. 2009.	538,267	36,287	501,981	60.5	50.6	61.4	0	0	4.41	29,018	5,525
5. 2010.	594,919	32,491	562,428	67.3	50.1	68.7	0	0	4.41	38,462	6,968
6. 2011.	708,123	42,782	665,341	77.3	67.6	78.0	0	0	4.41	49,718	9,569
7. 2012.	704,865	94,028	610,838	74.9	135.0	70.1	0	0	4.41	66,308	15,799
8. 2013.	575,327	34,058	541,269	60.4	45.3	61.7	0	0	4.41	88,773	24,532
9. 2014.	584,664	38,971	545,693	61.4	55.1	61.9	0	0	4.41	126,022	32,973
10. 2015.	591,366	35,776	555,590	61.2	55.6	61.6	0	0	4.41	182,887	37,851
11. 2016.	648,668	32,761	615,907	64.7	53.5	65.4	0	0	4.41	307,790	63,420
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,289,849	303,430

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior.....	1,344,063	1,295,436	1,255,510	1,219,469	1,209,404	1,194,615	1,185,319	1,160,646	1,157,355	1,154,905	(2,450)	(5,742)
2. 2007.....	444,535	433,686	422,268	421,960	411,628	404,652	401,103	399,166	397,691	395,756	(1,935)	(3,411)
3. 2008.....	XXX	509,113	513,963	511,233	499,903	494,379	492,683	487,650	485,791	485,316	(475)	(2,333)
4. 2009.....	XXX	XXX	477,722	474,629	473,334	469,556	465,356	463,381	462,138	458,594	(3,543)	(4,787)
5. 2010.....	XXX	XXX	XXX	509,403	526,624	524,633	521,378	519,765	518,850	518,018	(832)	(1,747)
6. 2011.....	XXX	XXX	XXX	XXX	622,377	628,428	629,536	625,453	624,169	618,942	(5,227)	(6,511)
7. 2012.....	XXX	XXX	XXX	XXX	XXX	575,312	574,702	568,097	562,849	561,755	(1,094)	(6,342)
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	506,088	503,000	497,112	494,919	(2,193)	(8,081)
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	509,528	501,484	499,374	(2,110)	(10,154)
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	508,763	509,188	425	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	561,823	XXX	XXX
12. Totals.....											(19,435)	(49,106)

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	202,756	324,099	421,353	484,749	535,998	578,706	621,542	658,639	711,208	XXX	XXX
2. 2007.....	151,583	236,526	283,676	316,654	338,362	350,453	357,691	361,625	364,982	367,673	XXX	XXX
3. 2008.....	XXX	196,644	299,574	355,177	392,125	417,743	433,208	441,628	447,012	451,974	XXX	XXX
4. 2009.....	XXX	XXX	184,411	284,554	336,360	371,630	395,425	408,356	418,133	423,473	XXX	XXX
5. 2010.....	XXX	XXX	XXX	207,544	319,846	378,049	418,946	445,875	462,288	472,190	XXX	XXX
6. 2011.....	XXX	XXX	XXX	XXX	285,984	412,782	473,924	514,849	543,445	559,490	XXX	XXX
7. 2012.....	XXX	XXX	XXX	XXX	XXX	235,861	357,891	412,476	454,811	480,582	XXX	XXX
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	191,020	290,032	345,361	383,962	XXX	XXX
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	192,033	289,140	345,015	XXX	XXX
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	189,732	293,751	XXX	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	207,798	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.....	766,987	616,090	522,909	440,923	390,526	349,562	321,510	275,094	251,358	211,771
2. 2007.....	194,670	121,566	83,175	63,944	45,987	34,111	26,935	22,464	19,473	15,852
3. 2008.....	XXX	204,100	125,923	89,460	58,613	43,397	35,206	26,027	21,175	18,694
4. 2009.....	XXX	XXX	193,389	112,258	79,680	55,345	39,987	31,000	25,408	19,996
5. 2010.....	XXX	XXX	XXX	187,493	118,264	77,373	52,653	37,601	29,691	24,268
6. 2011.....	XXX	XXX	XXX	XXX	205,713	121,017	83,575	56,752	41,982	31,377
7. 2012.....	XXX	XXX	XXX	XXX	XXX	212,123	126,964	82,933	57,022	44,754
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	201,025	124,599	82,334	60,206
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	212,668	125,471	85,928
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	209,151	127,491
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	231,192

UNITED STATES FIDELITY AND GUARANTY 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	22,971	(23,198)	0	1,406,188	835,322	27,523,826	1	0
2. Alaska.....AK	L	(1,725)	(1,725)	0	4,948	(712,589)	1,765,804	0	0
3. Arizona.....AZ	L	89,558	604,601	0	457,869	(178,321)	8,950,423	61	0
4. Arkansas.....AR	L	1,511	3,503	0	708,048	(667,273)	8,994,282	0	0
5. California.....CA	L	(28,057)	(288,441)	0	19,445,468	(40,191,900)	156,416,537	0	0
6. Colorado.....CO	L	53,021	56,489	0	40,967	(575,902)	4,974,263	34	0
7. Connecticut.....CT	L	(10,482)	(1,112)	0	941,334	(681,676)	8,157,403	0	0
8. Delaware.....DE	L	(28,265)	(28,464)	0	(370,101)	100,966	3,163,565	0	0
9. District of Columbia.....DC	L	21,113	797,833	0	(3,599)	(334,834)	386,588	0	0
10. Florida.....FL	L	11,529	17,983	0	4,257,645	(7,775,747)	38,706,895	1	0
11. Georgia.....GA	L	15,993	23,317	0	825,082	(994,495)	11,161,236	3	0
12. Hawaii.....HI	L	1,436	1,526	0	3,143	(245,012)	862,670	0	0
13. Idaho.....ID	L	1,326	1,276	0	102,193	(217,150)	1,133,183	2	0
14. Illinois.....IL	L	(15,889)	(1,443)	0	538,915	(2,622,052)	19,273,506	0	0
15. Indiana.....IN	L	45,131	50,267	0	319,687	(1,545,509)	8,376,305	0	0
16. Iowa.....IA	L	100	2,330	0	206,293	(444,475)	7,575,107	0	0
17. Kansas.....KS	L	4,543	5,620	0	958,183	(707,271)	4,175,412	0	0
18. Kentucky.....KY	L	913	(7,858)	0	314,397	(1,082,899)	15,070,381	0	0
19. Louisiana.....LA	L	(527)	6,527	0	1,484,829	(737,208)	13,687,629	0	0
20. Maine.....ME	L	(165)	1,914	0	79,413	(494,750)	3,177,868	0	0
21. Maryland.....MD	L	(2,856)	557	0	686,658	280,748	7,002,222	0	0
22. Massachusetts.....MA	L	10,888	9,562	0	666,499	(1,944,286)	16,132,400	14	0
23. Michigan.....MI	L	(10,616)	(2,760)	0	3,584,205	9,195,235	124,278,989	0	0
24. Minnesota.....MN	L	560	4,890	0	891,164	(296,440)	10,871,967	0	0
25. Mississippi.....MS	L	(3,546)	27,621	0	1,058,911	2,246,019	23,236,118	0	0
26. Missouri.....MO	L	5,503	8,026	0	3,194,315	(1,396,584)	12,837,206	0	0
27. Montana.....MT	L	2,370	2,565	0	866,364	81,069	3,359,796	0	0
28. Nebraska.....NE	L	10,522	14,214	0	480,714	(402,956)	4,302,826	5	0
29. Nevada.....NV	L	(27,956)	64,893	0	(116,223)	(473,300)	3,504,041	0	0
30. New Hampshire.....NH	L	200	1,460	0	32,571	(261,081)	1,231,440	0	0
31. New Jersey.....NJ	L	(13,462)	(5,656)	0	2,519,812	14,186,039	51,555,425	0	0
32. New Mexico.....NM	L	13,422	17,301	0	1,403,611	825,270	14,077,928	2	0
33. New York.....NY	L	92,816	109,505	0	11,519,013	5,859,436	34,938,278	12	0
34. North Carolina.....NC	L	11,846	13,366	0	1,784,955	(2,024,455)	10,897,636	0	0
35. North Dakota.....ND	L	8,953	9,456	0	125,749	109,791	309,826	0	0
36. Ohio.....OH	L	14,075	18,869	0	133,504	(623,134)	12,545,456	0	0
37. Oklahoma.....OK	L	1,180	849	0	731,374	(599,960)	15,850,083	0	0
38. Oregon.....OR	L	(9,817)	(223,259)	0	185,563	268,831	6,243,452	0	0
39. Pennsylvania.....PA	L	68,476	(677,610)	0	7,263,623	(6,490,660)	46,936,936	35	0
40. Rhode Island.....RI	L	500	227	0	45,344	(149,246)	2,679,397	0	0
41. South Carolina.....SC	L	12,856	29,316	0	409,990	(483,378)	10,884,553	16	0
42. South Dakota.....SD	L	0	37	0	76,035	(39,936)	1,175,715	0	0
43. Tennessee.....TN	L	25,159	34,709	0	491,852	(2,027,261)	16,616,808	10	0
44. Texas.....TX	L	2,857	6,735	0	6,510,228	(556,256)	34,770,793	1	0
45. Utah.....UT	L	1,594	1,520	0	24,242	(1,378,261)	2,794,016	0	0
46. Vermont.....VT	L	250	1,825	0	508,295	(1,232,253)	3,734,691	0	0
47. Virginia.....VA	L	35,680	39,308	0	1,544,733	(1,029,461)	22,973,097	0	0
48. Washington.....WA	L	343	3,374	0	133,679	(15,356)	2,914,585	0	0
49. West Virginia.....WV	L	24,428	26,128	0	546,556	699,772	1,991,445	0	0
50. Wisconsin.....WI	L	127,747	(94,755)	0	1,686,418	(5,493,454)	25,663,814	30	0
51. Wyoming.....WY	L	11,665	12,684	0	(900)	6,256	334,120	0	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	L	4,380	4,380	0	(121,757)	(481,834)	242,516	0	0
55. US Virgin Islands.....VI	L	0	0	0	0	(6,804)	5,826	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	(5,840)	26,836	0	0
59. Totals.....(a) ..53		604,052	680,285	0	80,588,000	(52,926,509)	870,453,118	227	0

DETAILS OF WRITE-INS

58001. Other Alien Combined.....	XXX	0	0	0	0	(5,840)	26,834	0	0
58002. GBR United Kingdom.....	XXX	0	0	0	0	0	2	0	0
58003.	XXX	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	(5,840)	26,836	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

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