

ANNUAL STATEMENT

For the Year Ended December 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

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

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

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

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

OFFICERS

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

DIRECTORS

JAY STEVEN BENET
WILLIAM HERBERT HEYMAN

BRIAN WILLIAM MacLEAN
KENNETH FRANKLIN SPENCE, III

GREGORY CHESHIRE TOCZYDLOWSKI

STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

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

Brian W MacLean

Wendy C. Skjerven

Douglas K. Russell

Brian W. MacLean

Wendy C. Skjerven

Douglas K. Russell

President

Secretary

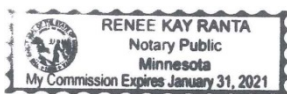
Controller

Subscribed and sworn to before me this

23rd day of January, 2018

Renée Kay Ranta

Notary Public



a. Is this an original filing? Yes No

b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes No

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).....	12,143,015,713	0	12,143,015,713	11,463,198,501
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,195,000	0	1,195,000	1,195,000
2.2 Common stocks.....	1,989,863,912	10,529,076	1,979,334,836	2,336,626,889
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).....	28,480,187	0	28,480,187	37,992,363
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	754,866,818	0	754,866,818	729,646,176
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	18,151,427
5. Cash (\$.....32,776,414, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....553,543,402, Schedule DA).....	586,319,816	0	586,319,816	682,742,357
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).....	771,055,067	40,890,329	730,164,738	747,701,431
9. Receivables for securities.....	10,000,040	0	10,000,040	25,451,138
10. Securities lending reinvested collateral assets (Schedule DL).....	125,113,321	0	125,113,321	178,994,193
11. Aggregate write-ins for invested assets.....	(152,150)	0	(152,150)	(64,785)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	16,409,757,723	51,419,405	16,358,338,317	16,221,634,689
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	111,401,918	0	111,401,918	110,462,307
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	711,066,223	44,464,868	666,601,355	652,490,362
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....29,948,030 earned but unbilled premiums).....	1,206,859,534	6,503,185	1,200,356,349	1,134,897,186
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	23,081,633	1,694,909	21,386,725	15,847,005
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	45,251,640	0	45,251,640	35,762,529
16.2 Funds held by or deposited with reinsured companies.....	5,809,117	0	5,809,117	7,199,397
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	271,633,540	58,604,556	213,028,984	303,825,019
19. Guaranty funds receivable or on deposit.....	7,473	0	7,473	37,189
20. Electronic data processing equipment and software.....	0	0	0	113
21. Furniture and equipment, including health care delivery assets (\$.....0).....	20,361,283	20,361,283	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	97,816,999	3,580,883	94,236,116	76,515,709
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	18,903,047,083	186,629,089	18,716,417,995	18,558,671,505
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	18,903,047,083	186,629,089	18,716,417,995	18,558,671,505

DETAILS OF WRITE-INS

1101. Deferred gain.....	(152,150)	0	(152,150)	(64,785)
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	(152,150)	0	(152,150)	(64,785)
2501. Equities and deposits in pools and associations.....	25,802,207	0	25,802,207	10,355,049
2502. COLI supplemental benefits trust.....	21,055,490	0	21,055,490	20,262,170
2503. Real estate operating fund.....	20,411,150	2,107,265	18,303,886	17,797,166
2598. Summary of remaining write-ins for Line 25 from overflow page.....	30,548,152	1,473,618	29,074,534	28,101,324
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	97,816,999	3,580,883	94,236,116	76,515,709

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,733,842,902	7,498,180,997
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	330,329,512	280,829,710
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,828,248,006	1,789,419,482
4. Commissions payable, contingent commissions and other similar charges.....	176,363,243	169,365,070
5. Other expenses (excluding taxes, licenses and fees).....	157,207,685	164,897,962
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	86,785,026	91,822,432
7.1 Current federal and foreign income taxes (including \$.....(22,519,543) on realized capital gains (losses)).....	40,277,906	8,972,585
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 \$.....158,582,226 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	2,611,325,104	2,494,094,671
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	14,123,728	13,111,486
12. Ceded reinsurance premiums payable (net of ceding commissions).....	50,736,785	51,725,725
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	1,870,040	2,247,398
14. Amounts withheld or retained by company for account of others.....	26,244,566	28,140,980
15. Remittances and items not allocated.....	10,518,862	19,688,981
16. Provision for reinsurance (including \$.....3,662 certified) (Schedule F, Part 8).....	12,075,083	17,948,938
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	53,701,577	84,444,135
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	28,490,834	52,733,685
20. Derivatives.....	0	0
21. Payable for securities.....	3,090,351	3,696,852
22. Payable for securities lending.....	125,113,321	178,994,193
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.....	58,791,762	50,124,880
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	13,349,136,294	13,000,440,163
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	13,349,136,294	13,000,440,163
29. Aggregate write-ins for special surplus funds.....	14,728,252	17,537,357
30. Common capital stock.....	20,000,000	20,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	3,238,382,533	3,238,382,533
35. Unassigned funds (surplus).....	2,094,170,916	2,282,311,453
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	5,367,281,700	5,558,231,343
38. TOTAL (Page 2, Line 28, Col. 3).....	18,716,417,995	18,558,671,505

DETAILS OF WRITE-INS

2501. Other liabilities.....	43,120,000	43,120,000
2502. Investment real estate liability.....	29,787,305	23,265,986
2503. Retroactive reinsurance reserve assumed.....	298,439	300,786
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(14,413,982)	(16,561,893)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	58,791,762	50,124,880
2901. Special surplus from retroactive reinsurance.....	14,728,252	16,537,357
2902. Guaranty surplus fund.....	0	1,000,000
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	14,728,252	17,537,357
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	5,638,299,747	5,385,615,536
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,280,429,641	2,806,244,242
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	640,775,387	631,013,121
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,686,484,967	1,659,688,242
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,607,689,995	5,096,945,606
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	30,609,752	288,669,930
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	764,901,182	1,121,667,398
10. Net realized capital gains (losses) less capital gains tax of \$.....66,419,146 (Exhibit of Capital Gains (Losses)).....	41,177,563	(5,033,151)
11. Net investment gain (loss) (Lines 9 + 10).....	806,078,745	1,116,634,247
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,350,819 amount charged off \$.....12,204,226).....	(9,853,407)	(9,568,661)
13. Finance and service charges not included in premiums.....	18,906,454	18,705,375
14. Aggregate write-ins for miscellaneous income.....	1,684,135	(498,026)
15. Total other income (Lines 12 through 14).....	10,737,182	8,638,688
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	847,425,678	1,413,942,865
17. Dividends to policyholders.....	11,249,525	10,679,857
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).....	836,176,153	1,403,263,007
19. Federal and foreign income taxes incurred.....	124,020,760	203,825,992
20. Net income (Line 18 minus Line 19) (to Line 22).....	712,155,393	1,199,437,015
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,558,231,343	5,563,272,481
22. Net income (from Line 20).....	712,155,393	1,199,437,015
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(46,992,795).....	(141,455,542)	(339,525,361)
25. Change in net unrealized foreign exchange capital gain (loss).....	32,873,368	9,217,908
26. Change in net deferred income tax.....	(192,894,941)	(25,436,479)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	57,498,225	14,705,994
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	5,873,856	(5,440,215)
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from Protected Cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(665,000,000)	(858,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(190,949,642)	(5,041,138)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	5,367,281,700	5,558,231,343
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Profit and loss, miscellaneous.....	2,046,566	1,675,862
1402. Change in COLI cash values.....	1,213,003	457,340
1403. Other assets tri-party/tax credit bond income.....	44,544	71,762
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,619,978)	(2,702,990)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	1,684,135	(498,026)
3701.	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,662,970,415	5,409,947,210
2. Net investment income.....	837,635,414	1,199,728,017
3. Miscellaneous income.....	10,737,182	8,638,688
4. Total (Lines 1 through 3).....	6,511,343,011	6,618,313,915
5. Benefit and loss related payments.....	3,003,366,764	2,700,644,495
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,294,005,939	2,224,983,430
8. Dividends paid to policyholders.....	10,237,282	9,502,675
9. Federal and foreign income taxes paid (recovered) net of \$.....41,306,405 tax on capital gains (losses).....	159,134,585	249,008,915
10. Total (Lines 5 through 9).....	5,466,744,571	5,184,139,514
11. Net cash from operations (Line 4 minus Line 10).....	1,044,598,440	1,434,174,401
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,840,685,034	1,709,082,449
12.2 Stocks.....	415,747,452	45,312,987
12.3 Mortgage loans.....	0	53,647,871
12.4 Real estate.....	36,823,790	4,125,233
12.5 Other invested assets.....	116,249,954	142,648,042
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	169,139	(71,424)
12.7 Miscellaneous proceeds.....	69,331,970	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,479,007,338	1,954,745,157
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,575,810,147	2,710,771,900
13.2 Stocks.....	132,828,156	41,185,669
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	56,249,943	37,593,700
13.5 Other invested assets.....	89,664,515	122,470,709
13.6 Miscellaneous applications.....	606,501	98,480,932
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,855,159,262	3,010,502,911
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).....	(376,151,923)	(1,055,757,754)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	665,000,000	858,000,000
16.6 Other cash provided (applied).....	(99,869,057)	76,098,717
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(764,869,057)	(781,901,283)
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).....	(96,422,541)	(403,484,636)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	682,742,357	1,086,226,993
19.2 End of year (Line 18 plus Line 19.1).....	586,319,816	682,742,357

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

20.0001	Exchange of stock.....	26,917,262	882,531
20.0002	Exchange of bonds.....	16,964,880	31,377,156
20.0003	Interest payment received in securities.....	1,915,943	2,015,524
20.0004	Stock distribution from limited partnership.....	1,297,303	8,068,790
20.0005	Bonds exchanged for stock.....	489,553	0
20.0006	Other assets tri-party/tax credit bonds.....	93,407	0

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

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	143,261,054	66,916,786	65,823,853	144,353,987
2. Allied lines.....	133,724,859	65,075,415	64,173,711	134,626,564
3. Farmowners multiple peril.....	47,539,568	20,851,122	22,910,758	45,479,932
4. Homeowners multiple peril.....	859,857,908	438,271,870	459,072,090	839,057,687
5. Commercial multiple peril.....	766,649,513	345,093,124	351,079,710	760,662,928
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	59,205,899	25,044,275	25,274,255	58,975,919
9. Inland marine.....	165,538,685	80,810,828	79,960,446	166,389,067
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(48)	(43)	(6)
11.2 Medical professional liability - claims-made.....	246,289	0	0	246,289
12. Earthquake.....	24,366,106	13,868,820	13,734,208	24,500,718
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.....	984,906,270	371,533,559	362,900,393	993,539,436
17.1 Other liability - occurrence.....	491,679,568	199,608,919	209,506,667	481,781,819
17.2 Other liability - claims-made.....	138,531,001	79,331,766	79,359,306	138,503,460
17.3 Excess workers' compensation.....	4,266,350	1,622,511	1,518,865	4,369,995
18.1 Products liability - occurrence.....	53,308,319	23,869,182	23,337,193	53,840,308
18.2 Products liability - claims-made.....	6,376,305	3,161,429	2,868,157	6,669,577
19.1, 19.2 Private passenger auto liability.....	735,456,772	272,054,702	311,222,972	696,288,502
19.3, 19.4 Commercial auto liability.....	446,019,652	183,945,632	200,745,738	429,219,545
21. Auto physical damage.....	600,475,765	224,905,970	254,415,794	570,965,942
22. Aircraft (all perils).....	0	1,897	0	1,897
23. Fidelity.....	11,713,208	8,549,473	8,390,268	11,872,414
24. Surety.....	8,172,981	918,168	708,100	8,383,048
26. Burglary and theft.....	1,780,715	972,999	1,029,952	1,723,762
27. Boiler and machinery.....	54,427,017	24,747,897	25,066,507	54,108,408
28. Credit.....	276	1,112	1,150	238
29. International.....	841,105	1,793	1,126	841,772
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	6,424,264	3,662,536	3,100,207	6,986,593
32. Reinsurance - nonproportional assumed liability.....	3,869,004	2,416,220	2,234,868	4,050,357
33. Reinsurance - nonproportional assumed financial lines.....	394,292	257,444	249,720	402,016
34. Aggregate write-ins for other lines of business.....	58,816	398,754	0	457,570
35. TOTALS.....	5,749,091,562	2,457,894,157	2,568,685,972	5,638,299,747

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	58,816	398,754	0	457,570
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).....	58,816	398,754	0	457,570

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

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	64,947,059	1,348,332	(471,538)	.0	65,823,853
2. Allied lines.....	63,000,537	1,173,918	(744)	.0	64,173,711
3. Farmowners multiple peril.....	23,139,722	(228,964)	0	.0	22,910,758
4. Homeowners multiple peril.....	459,072,603	(513)	0	.0	459,072,090
5. Commercial multiple peril.....	353,834,141	(141,672)	(2,612,760)	.0	351,079,710
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	26,032,538	463,031	(1,221,314)	.0	25,274,255
9. Inland marine.....	69,336,662	10,943,994	(320,210)	.0	79,960,446
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(43)	.0	.0	.0	(43)
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	13,241,439	492,770	0	.0	13,734,208
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.....	397,204,982	69,452	(21,369,993)	(13,004,048)	362,900,393
17.1 Other liability - occurrence.....	214,709,098	(3,696,877)	(3,701,134)	2,195,580	209,506,667
17.2 Other liability - claims-made.....	63,142,953	16,206,015	10,339	.0	79,359,306
17.3 Excess workers' compensation.....	1,519,113	.0	(248)	.0	1,518,865
18.1 Products liability - occurrence.....	22,459,562	991,455	(364,165)	250,341	23,337,193
18.2 Products liability - claims-made.....	2,818,823	(62,469)	111,803	.0	2,868,157
19.1, 19.2 Private passenger auto liability.....	311,222,972	.0	.0	.0	311,222,972
19.3, 19.4 Commercial auto liability.....	201,035,955	1,850,825	(8,066)	(2,132,975)	200,745,738
21. Auto physical damage.....	254,037,507	378,287	.0	.0	254,415,794
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	4,575,973	3,814,295	.0	.0	8,390,268
24. Surety.....	107,161	600,940	.0	.0	708,100
26. Burglary and theft.....	687,577	342,375	.0	.0	1,029,952
27. Boiler and machinery.....	19,819,738	5,246,769	.0	.0	25,066,507
28. Credit.....	1,150	.0	.0	.0	1,150
29. International.....	1,126	.0	.0	.0	1,126
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	3,048,952	51,255	.0	.0	3,100,207
32. Reinsurance - nonproportional assumed liability.....	2,226,109	8,758	.0	.0	2,234,868
33. Reinsurance - nonproportional assumed financial lines.....	249,720	.0	.0	.0	249,720
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	2,571,473,128	39,851,976	(29,948,030)	(12,691,103)	2,568,685,972
36. Accrued retrospective premiums based on experience.....					12,691,103
37. Earned but unbilled premiums.....					29,948,030
38. Balance (sum of Lines 35 through 37).....					2,611,325,104

DETAILS OF WRITE-INS

3401. ....	.0	.0	.0	.0	.0
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).....	.0	.0	.0	.0	.0

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

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

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	32,817,296	126,296,816	154	6,363,833	9,489,378	143,261,054
2. Allied lines.....	8,395,474	132,056,031	(1,644)	6,412,850	312,151	133,724,859
3. Farmowners multiple peril.....	0	47,539,568	0	0	0	47,539,568
4. Homeowners multiple peril.....	0	859,857,908	0	0	0	859,857,908
5. Commercial multiple peril.....	(57,730)	766,780,214	0	(57,730)	130,701	766,649,513
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	7,460,676	52,306,797	(7,746)	237,115	316,713	59,205,899
9. Inland marine.....	20,494,039	159,463,916	(43)	14,055,685	363,543	165,538,685
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	246,289	0	0	0	246,289
12. Earthquake.....	400,732	24,048,011	0	63,038	19,598	24,366,106
13. Group accident and health.....	0	0	148	148	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	(2)	(2)	0	0
16. Workers' compensation.....	690,740	984,906,270	88,483	779,223	0	984,906,270
17.1 Other liability - occurrence.....	174,743,595	485,491,054	(286,727)	168,228,640	39,713	491,679,568
17.2 Other liability - claims-made.....	10,422,310	136,205,163	0	7,785,379	311,093	138,531,001
17.3 Excess workers' compensation.....	0	4,266,350	0	0	0	4,266,350
18.1 Products liability - occurrence.....	38,759,885	33,209,583	(665)	18,048,461	612,024	53,308,319
18.2 Products liability - claims-made.....	266,940	6,117,418	0	0	8,052	6,376,305
19.1, 19.2 Private passenger auto liability.....	0	735,456,772	0	0	0	735,456,772
19.3, 19.4 Commercial auto liability.....	88,357,083	430,430,388	345,866	72,600,686	512,999	446,019,652
21. Auto physical damage.....	25,874,172	596,568,454	139,513	22,057,010	49,364	600,475,765
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	2,171,816	11,603,547	(1,105)	2,059,306	1,744	11,713,208
24. Surety.....	1,313,373	8,430,276	82,302	1,652,969	0	8,172,981
26. Burglary and theft.....	149,633	1,702,511	0	69,938	1,491	1,780,715
27. Boiler and machinery.....	1,525,578	53,044,134	0	99,443	43,252	54,427,017
28. Credit.....	0	276	1,112	1,112	0	276
29. International.....	0	844,822	103	3,819	0	841,105
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	6,424,264	127,884	127,884	0	6,424,264
32. Reinsurance - nonproportional assumed liability.....	XXX	3,869,004	15,686,920	15,686,920	0	3,869,004
33. Reinsurance - nonproportional assumed financial lines.....	XXX	394,292	1,590,529	1,590,529	0	394,292
34. Aggregate write-ins for other lines of business.....	0	58,816	0	0	0	58,816
35. TOTALS.....	413,785,612	5,667,618,944	17,765,083	337,866,259	12,211,818	5,749,091,562

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	58,816	0	0	0	58,816
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	58,816	0	0	0	58,816

(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.....	72,616,863	91,273,005	24,875,365	139,014,503	110,728,728	110,742,236	139,000,995	96.3
2. Allied lines.....	3,469,916	84,083,365	4,896,077	82,657,204	54,486,669	40,823,906	96,319,966	71.5
3. Farmowners multiple peril.....	0	31,168,699	0	31,168,699	23,656,202	11,567,548	43,257,353	95.1
4. Homeowners multiple peril.....	0	465,750,597	0	465,750,597	262,681,190	171,764,259	556,667,527	66.3
5. Commercial multiple peril.....	52,635	336,424,976	(632)	336,478,243	652,354,006	643,414,945	345,417,304	45.4
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	13,877,225	28,218,675	11,079,352	31,016,547	47,197,123	50,274,161	27,939,508	47.4
9. Inland marine.....	7,739,362	67,420,656	5,519,494	69,640,523	61,394,783	51,309,497	79,725,809	47.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	621,950	150,502	621,950	150,502	1,186,249	3,415,599	(2,078,848)	36,471,018.4
11.2 Medical professional liability - claims-made.....	1,641,928	2,191,082	2,960,998	872,012	8,288,967	11,230,306	(2,069,327)	(840.2)
12. Earthquake.....	36,761	392	0	37,153	271,600	170,989	137,764	0.6
13. Group accident and health.....	0	56,292	56,292	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	(116,901)	(116,901)	0	0	0	0	0.0
16. Workers' compensation.....	28,516,040	462,999,090	33,309,248	458,205,882	3,464,488,046	3,402,484,618	520,209,310	52.4
17.1 Other liability - occurrence.....	293,036,074	235,231,205	300,735,814	227,531,465	926,493,601	969,155,704	184,869,362	38.4
17.2 Other liability - claims-made.....	11,602,991	75,428,700	11,411,197	75,620,495	365,911,745	366,780,344	74,751,896	54.0
17.3 Excess workers' compensation.....	(8,729,062)	3,540,109	(8,634,462)	3,445,509	151,782,425	146,846,566	8,381,368	191.8
18.1 Products liability - occurrence.....	49,116,347	26,043,224	34,846,553	40,313,018	216,990,789	237,356,969	19,946,838	37.0
18.2 Products liability - claims-made.....	280,136	559,668	234,351	605,452	10,474,148	9,096,044	1,983,556	29.7
19.1, 19.2 Private passenger auto liability.....	0	400,616,493	0	400,616,493	576,421,293	493,690,618	483,347,168	69.4
19.3, 19.4 Commercial auto liability.....	53,082,179	240,374,761	36,748,045	256,708,895	553,643,043	532,910,610	277,441,328	64.6
21. Auto physical damage.....	16,112,103	374,251,492	13,784,919	376,578,675	64,422,706	56,124,561	384,876,820	67.4
22. Aircraft (all perils).....	20,276	121,789	27,355	114,710	1,915,688	1,880,928	149,470	7,877.4
23. Fidelity.....	25,982,049	5,978,575	25,972,559	5,988,065	12,507,317	14,813,884	3,681,498	31.0
24. Surety.....	2,501,579	(210,573)	2,486,270	(195,264)	16,159,019	14,524,901	1,438,853	17.2
26. Burglary and theft.....	21,105	34,810	94	55,821	1,525,623	1,570,899	10,545	0.6
27. Boiler and machinery.....	226,628	16,971,419	0	17,198,047	13,157,400	10,559,716	19,795,732	36.6
28. Credit.....	0	3,299	2,580	719	1,222,829	1,223,548	0	0.0
29. International.....	0	290,085	62,675	227,409	1,752,686	2,342,839	(362,743)	(43.1)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	3,022,532	554,062	2,468,470	12,537,343	13,613,550	1,392,264	19.9
32. Reinsurance - nonproportional assumed liability.....	XXX	62,232,229	39,667,648	22,564,581	115,768,230	124,361,342	13,971,468	344.9
33. Reinsurance - nonproportional assumed financial lines.....	XXX	(1,104,038)	(884,717)	(219,321)	3,158,457	2,964,003	(24,867)	(6.2)
34. Aggregate write-ins for other lines of business.....	170,273	152,634	170,273	152,634	1,264,998	1,165,904	251,727	55.0
35. TOTALS.....	571,995,357	3,013,158,838	540,386,459	3,044,767,736	7,733,842,902	7,498,180,997	3,280,429,641	58.2

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	170,273	152,634	170,273	152,634	1,264,998	1,165,904	251,727	55.0
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).....	170,273	152,634	170,273	152,634	1,264,998	1,165,904	251,727	55.0

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.....	48,310,388	57,833,085	19,303,015	86,840,459	6,101,189	30,053,869	12,266,788	110,728,728	8,890,886
2. Allied lines.....	276,378	38,842,201	1,535,685	37,582,895	2,027,977	19,324,721	4,448,924	54,486,669	9,914,679
3. Farmowners multiple peril.....	0	14,260,034	0	14,260,034	0	9,416,647	20,479	23,656,202	3,804,017
4. Homeowners multiple peril.....	0	134,038,025	0	134,038,025	0	129,497,303	854,137	262,681,190	38,759,749
5. Commercial multiple peril.....	382,580	333,349,026	391,295	333,340,311	6,257,324	325,318,795	12,562,424	652,354,006	245,948,990
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	17,010,908	21,356,631	15,296,785	23,070,754	44,877,728	26,145,403	46,896,762	47,197,123	10,799,579
9. Inland marine.....	5,239,465	42,362,143	3,200,484	44,401,125	5,637,309	16,316,107	4,959,758	61,394,783	11,194,871
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	853,802	248,843	853,802	248,843	2,317,949	935,552	2,316,094	1,186,249	872,164
11.2 Medical professional liability - claims-made.....	10,454,942	15,537,647	20,835,678	5,156,911	2,504,343	5,646,462	5,018,748	8,288,967	1,525,127
12. Earthquake.....	43	0	0	43	315,604	83,096	127,143	271,600	180,608
13. Group accident and health.....	0	351,621	351,621	0	13,340	286,553	299,892	(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	526,192	526,192	0	290,913	2,233,428	2,524,341	(a).....0	0
16. Workers' compensation.....	409,986,762	1,776,819,445	463,644,538	1,723,161,670	224,310,538	1,807,265,035	290,249,197	3,464,488,046	564,079,724
17.1 Other liability - occurrence.....	203,363,725	308,937,096	246,479,499	265,821,322	413,918,012	669,521,368	422,767,102	926,493,601	397,825,548
17.2 Other liability - claims-made.....	32,927,064	116,409,616	31,691,804	117,644,876	85,931,245	245,051,877	82,716,253	365,911,745	111,390,666
17.3 Excess workers' compensation.....	0	65,355,790	1,502,203	63,853,587	47,452,089	88,538,707	48,061,958	151,782,425	11,947,042
18.1 Products liability - occurrence.....	90,061,897	37,248,762	39,266,345	88,044,314	86,636,977	124,916,968	82,607,470	216,990,789	191,940,182
18.2 Products liability - claims-made.....	2,013,865	1,713,795	2,496,682	1,230,978	3,393,441	7,849,673	1,999,943	10,474,148	8,900,725
19.1, 19.2 Private passenger auto liability.....	0	295,914,155	0	295,914,155	3,032	280,507,138	3,032	576,421,293	94,775,044
19.3, 19.4 Commercial auto liability.....	95,138,484	276,824,703	71,755,486	300,207,700	62,637,709	245,857,431	55,059,797	553,643,043	71,351,897
21. Auto physical damage.....	1,720,363	18,735,533	(4,803,694)	25,259,591	16,597,072	33,692,486	11,126,442	64,422,706	25,852,398
22. Aircraft (all perils).....	23,494,181	1,790,689	24,313,091	971,779	10,167,347	5,952,392	15,175,830	1,915,688	970,613
23. Fidelity.....	370,019	841,497	394,448	817,067	6,300,304	12,496,808	7,106,862	12,507,317	4,288,219
24. Surety.....	14,350,184	15,841,204	23,586,862	6,604,526	636,295	14,260,582	5,342,384	16,159,019	1,362,555
26. Burglary and theft.....	14,100	5,217	231	19,086	440,930	1,541,885	476,277	1,525,623	440,414
27. Boiler and machinery.....	0	6,326,135	63	6,326,072	509,440	6,714,051	392,162	13,157,400	2,770,985
28. Credit.....	0	2,058,605	1,649,625	408,980	0	4,085,542	3,271,692	1,222,829	41,084
29. International.....	0	1,485,769	728,684	757,085	0	3,164,735	2,169,134	1,752,686	279,958
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	23,406,944	15,306,001	8,100,943	XXX	11,313,951	6,877,550	12,537,343	1,049,722
32. Reinsurance - nonproportional assumed liability.....	XXX	242,633,364	171,170,398	71,462,966	XXX	178,263,863	133,958,599	115,768,230	6,401,083
33. Reinsurance - nonproportional assumed financial lines.....	XXX	2,793,255	2,290,500	502,755	XXX	13,312,144	10,656,442	3,158,457	253,611
34. Aggregate write-ins for other lines of business.....	114,303	54,923	114,303	54,923	4,088,249	1,210,074	4,088,249	1,264,998	435,866
35. TOTALS.....	956,083,453	3,853,901,945	1,153,881,626	3,656,103,772	1,033,366,354	4,320,774,645	1,276,401,869	7,733,842,902	1,828,248,006
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	114,303	54,923	114,303	54,923	4,088,249	1,210,074	4,088,249	1,264,998	435,866
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).....	114,303	54,923	114,303	54,923	4,088,249	1,210,074	4,088,249	1,264,998	435,866

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

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

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	50,463,708	0	0	50,463,708
1.2 Reinsurance assumed.....	305,214,440	0	0	305,214,440
1.3 Reinsurance ceded.....	49,243,125	0	0	49,243,125
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	306,435,023	0	0	306,435,023
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	59,103,043	0	59,103,043
2.2 Reinsurance assumed, excluding contingent.....	0	749,196,451	0	749,196,451
2.3 Reinsurance ceded, excluding contingent.....	0	51,281,161	0	51,281,161
2.4 Contingent - direct.....	0	2,958,159	0	2,958,159
2.5 Contingent - reinsurance assumed.....	0	51,685,125	0	51,685,125
2.6 Contingent - reinsurance ceded.....	0	1,556,947	0	1,556,947
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	810,104,671	0	810,104,671
3. Allowances to manager and agents.....	0	567,100	0	567,100
4. Advertising.....	386	18,031,512	0	18,031,898
5. Boards, bureaus and associations.....	2,154,704	20,062,721	17,376	22,234,801
6. Surveys and underwriting reports.....	126	20,886,368	34,348	20,920,842
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	207,672,420	378,673,734	8,621,048	594,967,202
8.2 Payroll taxes.....	14,682,796	24,070,374	332,247	39,085,417
9. Employee relations and welfare.....	38,468,618	61,978,206	930,946	101,377,770
10. Insurance.....	22,911,555	3,926,888	6,485	26,844,928
11. Directors' fees.....	0	(2,724)	0	(2,724)
12. Travel and travel items.....	9,041,405	15,592,676	122,390	24,756,471
13. Rent and rent items.....	10,375,101	22,923,595	(655,395)	32,643,301
14. Equipment.....	1,834,697	9,386,931	1,276,972	12,498,600
15. Cost or depreciation of EDP equipment and software.....	4,654,742	75,574,920	175,373	80,405,035
16. Printing and stationery.....	593,106	1,836,498	25,489	2,455,093
17. Postage, telephone and telegraph, exchange and express.....	1,907,206	23,809,135	42,679	25,759,020
18. Legal and auditing.....	7,911,313	7,416,408	441,208	15,768,929
19. Totals (Lines 3 to 18).....	322,208,175	684,734,342	11,371,166	1,018,313,683
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....753,302.....	0	143,377,693	0	143,377,693
20.2 Insurance department licenses and fees.....	0	8,927,450	0	8,927,450
20.3 Gross guaranty association assessments.....	0	(311,761)	0	(311,761)
20.4 All other (excluding federal and foreign income and real estate).....	0	(309,535)	0	(309,535)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	151,683,847	0	151,683,847
21. Real estate expenses.....	0	0	65,317,292	65,317,292
22. Real estate taxes.....	0	0	1,024,688	1,024,688
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	12,132,189	39,962,107	1,294,185	53,388,481
25. Total expenses incurred.....	640,775,387	1,686,484,967	79,007,331	(a).....2,406,267,685
26. Less unpaid expenses - current year.....	1,828,248,006	415,814,952	4,541,002	2,248,603,960
27. Add unpaid expenses - prior year.....	1,789,419,482	421,512,182	4,573,282	2,215,504,946
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).....	601,946,863	1,692,182,197	79,039,611	2,373,168,672

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	16,394,591	91,856,264	1,344,066	109,594,921
2402. Service reimbursements.....	(2,323,723)	(21,894,725)	0	(24,218,447)
2403. Cost of computer software developed for internal use.....	(1,938,679)	(29,999,433)	(49,881)	(31,987,993)
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).....	12,132,189	39,962,107	1,294,185	53,388,481

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....20,753,104	.....21,158,442
1.1 Bonds exempt from U.S. tax.....	(a).....167,401,008	.....163,961,884
1.2 Other bonds (unaffiliated).....	(a).....186,684,935	.....190,772,960
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....88,334	.....88,334
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....13,991,079	.....13,883,517
2.21 Common stocks of affiliates.....	.....205,213,719	.....205,213,719
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....139,187,380	.....139,187,380
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....6,570,932	.....6,563,866
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....135,233,248	.....135,233,248
9. Aggregate write-ins for investment income.....	.....469,154	.....469,154
10. Total gross investment income.....	.....875,592,893	.....876,532,505
11. Investment expenses.....		(g).....79,007,331
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....18
14. Depreciation on real estate and other invested assets.....		(i).....32,217,695
15. Aggregate write-ins for deductions from investment income.....		.....406,279
16. Total deductions (Lines 11 through 15).....		.....111,631,323
17. Net investment income (Line 10 minus Line 16).....		.....764,901,182

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....492,248	.....492,248
0902. Property and wind plans.....	.....(9,821)	.....(9,821)
0903. Miscellaneous income.....	.....(13,273)	.....(13,273)
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).....	.....469,154	.....469,154
1501. Management fees.....		.....406,279
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).....		.....406,279

- (a) Includes \$.....5,334,058 accrual of discount less \$.....64,601,253 amortization of premium and less \$.....7,557,322 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....6,915,870 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....54,417 accrual of discount less \$.....2,205 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....32,217,695 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.....	.....(1,542,737)	.....0	.....(1,542,737)	.....629,530	.....0
1.1 Bonds exempt from U.S. tax.....	.....(1,752,747)	.....0	.....(1,752,747)	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....1,257,108	.....(1,864,401)	.....(607,294)	.....4,693,680	.....1,112,471
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).....	.....133,499,504	.....(7,645,243)	.....125,854,260	.....(143,100,330)	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(61,889,345)	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....10,348,582	.....0	.....10,348,582	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....(1,577)	.....112,516	.....110,939	.....58,200	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....(17,200)	.....(8,934,582)	.....(8,951,783)	.....11,247,292	.....1,016,402
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(15,862,511)	.....(15,862,511)	.....(87,365)	.....30,744,496
10. Total capital gains (losses).....	.....141,790,932	.....(34,194,223)	.....107,596,710	.....(188,448,338)	.....32,873,368

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(15,864,760)	.....(15,864,760)	.....0	.....30,744,496
0902. Real gain LTBD impair recovery.....	.....0	.....2,249	.....2,249	.....0	.....0
0903. Deferred Loss.....	.....0	.....0	.....0	.....(87,365)	.....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	.....(15,862,511)	.....(15,862,511)	.....(87,365)	.....30,744,496

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	10,529,076	13,504,878	2,975,801
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).....	40,890,329	47,924,466	7,034,138
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).....	51,419,405	61,429,344	10,009,939
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.....	44,464,868	38,685,936	(5,778,931)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,503,185	6,027,912	(475,273)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,694,909	1,488,163	(206,746)
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.....	58,604,556	113,710,667	55,106,111
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.....	20,361,283	15,530,937	(4,830,346)
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.....	3,580,883	7,254,354	3,673,471
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	186,629,089	244,127,313	57,498,225
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	186,629,089	244,127,313	57,498,225

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. Real estate operating fund.....	2,107,265	5,533,581	3,426,316
2502. Amounts receivable under high deductible policies.....	1,473,618	1,702,116	228,498
2503. Other assets nonadmitted.....	0	18,657	18,657
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).....	3,580,883	7,254,354	3,673,471

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with the 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</u>	<u>F/S</u>	<u>2017</u>	<u>2016</u>
	<u>#</u>	<u>Page</u>	<u>Line #</u>		
1. St. Paul Fire and Marine Insurance Company state basis	XXX	XXX	XXX	\$ 712,155,393	\$ 1,199,437,015
2. State Prescribed Practices that are an increase/(decrease) from NAIC SAP				-	-
3. State Permitted Practices that are an increase/(decrease) from NAIC SAP				-	-
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 712,155,393</u>	<u>\$ 1,199,437,015</u>
 <u>Surplus</u>					
5. St. Paul Fire and Marine Insurance Company state basis	XXX	XXX	XXX	\$ 5,367,281,700	\$ 5,558,231,343
6. State Prescribed Practices that are an increase/(decrease) from NAIC SAP				-	-
7. State Permitted Practices that are an increase/(decrease) from NAIC SAP				-	-
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 5,367,281,700</u>	<u>\$ 5,558,231,343</u>

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

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

C. Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

as historical loss experience develops and additional claims are reported and settled. Because establishment of loss and LAE reserves is an inherently uncertain process involving estimates, currently established reserves may change. The Company reflects adjustments to loss and LAE reserves in the period in which the estimates change. Such changes in estimates could occur in a future period and may be material to the Company's net income in such period. For a discussion of loss and LAE reserves related to asbestos and environmental reserves, see Note 33.

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

D. Going Concern:

Not applicable.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company had no material changes in accounting principles or material corrections of errors during 2017.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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

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

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

2. The following table provides aggregated information on structured securities classified on the basis used for the recognized 2017 other-than-temporary impairments:

	Amortized cost basis before other-than- temporary impairment	Other-than-temporary impairment recognized in loss	Fair value
(OTTI recognized in the quarter ending March 31, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending June 30, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending September 30, 2017)			
Present value of cash flows is less than amortized cost	\$ 313,187	\$ 11,741	\$ 312,034
(OTTI recognized in the quarter ending December 31, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
Annual Aggregate Total		<u>\$ 11,741</u>	

NOTES TO FINANCIAL STATEMENTS

3. Loan-backed and structured securities with other-than-temporary impairments recognized in 2017 are as follows:

CUSIP	Amortized cost basis before other-than-temporary impairment	Present value of projected cash flows	Other-than-temporary impairment recognized in loss	Amortized cost basis after other-than-temporary impairment	Fair Value	Impairment Quarter
36228FEC6	\$ 271,542	\$ 260,136	\$ 11,406	\$ 260,136	\$ 270,928	Q3 - 2017
36228FCL8	41,645	41,310	335	41,310	41,106	Q3 - 2017
Total:			<u>\$ 11,741</u>			

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

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ 3,639,511
2. 12 Months or Longer	\$ 4,049,712

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

1. Less than 12 Months	\$ 521,024,763
2. 12 Months or Longer	\$ 208,182,137

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 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. Dollar 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	\$ 125,113,321	\$ 125,113,321

6. Not applicable.

7. Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing:

Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing:

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale:

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale:

Not applicable.

J. Real Estate:

(1) On February 23, 2017, the Company sold property located at 6061 South Willow Drive, Greenwood Village, CO. The real estate was sold to EPC Holdings 896, LLC. A gain of \$3,868,857 was recognized on this sale.

(2) On March 24, 2017, the Company sold property located at 401 Lennon Lane, Walnut Creek, CA. The real estate was sold to Cole OFC Walnut Creek CA, LP. A loss of \$702,598 was recognized on this sale.

(3) On April 26, 2017, the Company sold property located at 1520 Broadmoor Blvd., Buford, GA. The real estate was sold to East Group NSHW Broadmoor 1031, LLC. A gain of \$2,673,603 was recognized on this sale.

(4) On April 26, 2017, the Company sold land located at 1520 Broadmoor Blvd., Buford, GA. The land was sold to Buford Industrial Owner, LLC. A gain of \$498,200 was recognized on this sale.

(5) On April 28, 2017, the Company sold property located at 6080 Northbelt Drive, Norcross, GA. The real estate was sold to Natural Stone Logistics DBA Easy Stone. A gain of \$1,674,743 was recognized on this sale.

NOTES TO FINANCIAL STATEMENTS

(6) On July 11, 2017, the Company sold vacant land located along Highway 61 in Cottage Grove, MN. The land was sold to First American Exchange Company, a qualified intermediary for Capp Industries, Incorporated. A gain of \$2,335,777 was recognized on this sale.

K. Low-Income Housing Tax Credits (LIHTC):

Not applicable.

L. Restricted Assets:

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	Percentage		
	1	2	3	4	5				9	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	125,113,321	-	-	-	125,113,321	178,994,193	(53,880,872)	-	125,113,321	0.7%	0.7%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0.0%	0.0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0.0%	0.0%
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0.0%	0.0%
j. On deposit with states	1,366,154,801	-	-	-	1,366,154,801	1,478,396,309	(112,241,508)	-	1,366,154,801	7.2%	7.3%
k. On deposit with other regulatory bodies	2,520,140	-	-	-	2,520,140	2,667,311	(147,171)	-	2,520,140	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	28,395,191	-	-	-	28,395,191	29,920,273	(1,525,082)	-	28,395,191	0.2%	0.2%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$1,522,183,453	\$ -	\$ -	\$ -	\$1,522,183,453	\$1,689,978,086	\$ (167,794,633)	\$ -	\$1,522,183,453	8.1%	8.1%

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

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

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							Percentage		
	Current Year					6	7	8	Percentage	
	1	2	3	4	5				9	10
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Bonds - Reinsurance	\$ 27,037,057	\$ -	\$ -	\$ -	\$ 27,037,057	\$ 27,225,104	\$ (188,047)	\$ 27,037,057	0.1%	0.1%
Bonds - Letter of Credit	1,358,134	-	-	-	1,358,134	2,695,169	(1,337,035)	1,358,134	0.0%	0.0%
Total (c)	\$ 28,395,191	\$ -	\$ -	\$ -	\$ 28,395,191	\$ 29,920,273	\$ (1,525,082)	\$ 28,395,191	0.2%	0.2%

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

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

3. Not applicable.

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

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted) *	% of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents, and Short-Term Investments	\$ 125,113,321	\$ 125,113,321	0.7%	0.7%
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	\$ 125,113,321	\$ 125,113,321	0.7%	0.7%

* 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	\$ 125,113,321	0.9%

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

M. Working Capital Finance Investments:

Not applicable.

N. Offsetting and Netting of Assets and Liabilities:

Not applicable.

O. Structured Notes:

Not applicable.

P. 5* Securities:

Not applicable.

Q. Short Sales:

Not applicable.

R. Prepayment Penalty and Acceleration Fees:

	<u>General Account</u>	<u>Protected Cell</u>
1. Number of CUSIPs	51	-
2. Aggregate Amount of Investment Income	\$ 5,155,669	\$ -

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures, partnerships, and limited liability companies are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$8,934,582 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

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

B. At December 31, 2017, 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, 2017</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a. Gross deferred tax assets	\$ 398,393,742	\$ 107,463,621	\$ 505,857,363
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	398,393,742	107,463,621	505,857,363
d. Deferred tax assets nonadmitted	-	58,604,556	58,604,556
e. Subtotal net admitted deferred tax assets	398,393,742	48,859,065	447,252,807
f. Deferred tax liabilities	186,084,158	48,139,665	234,223,823
g. Net admitted deferred tax asset/(liability)	<u>\$ 212,309,584</u>	<u>\$ 719,400</u>	<u>\$ 213,028,984</u>
	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 445,513,490	\$ 149,688,339	\$ 595,201,829
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	445,513,490	149,688,339	595,201,829
d. Deferred tax assets nonadmitted	94,614,400	19,096,267	113,710,667
e. Subtotal net admitted deferred tax assets	350,899,090	130,592,072	481,491,162
f. Deferred tax liabilities	49,644,655	128,021,488	177,666,143
g. Net admitted deferred tax asset/(liability)	<u>\$ 301,254,435</u>	<u>\$ 2,570,584</u>	<u>\$ 303,825,019</u>

NOTES TO FINANCIAL STATEMENTS

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ (47,119,748)	\$ (42,224,718)	\$ (89,344,466)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	(47,119,748)	(42,224,718)	(89,344,466)
d. Deferred tax assets nonadmitted	(94,614,400)	39,508,289	(55,106,111)
e. Subtotal net admitted deferred tax assets	47,494,652	(81,733,007)	(34,238,355)
f. Deferred tax liabilities	136,439,503	(79,881,823)	56,557,680
g. Net admitted deferred tax asset/(liability)	<u>\$ (88,944,851)</u>	<u>\$ (1,851,184)</u>	<u>\$ (90,796,035)</u>

2. Admission Calculation Components SSAP No. 101:

	<u>December 31, 2017</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 230,080,154	\$ 719,400	\$ 230,799,554
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)	30,504,289	-	30,504,289
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	30,504,289	-	30,504,289
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	773,137,907
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.	137,809,299	48,139,665	185,948,964
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
P Deferred tax liabilities netted against deferred tax assets	<u>186,084,158</u>	<u>48,139,665</u>	<u>234,223,823</u>
Total	<u>\$ 212,309,584</u>	<u>\$ 719,400</u>	<u>\$ 213,028,984</u>

	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 277,521,848	\$ 2,570,584	\$ 280,092,432
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (the lesser of 2(b)1 and 2(b)2 below).	23,732,587	-	23,732,587
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	23,732,587	-	23,732,587
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	788,160,932
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities.	49,644,655	128,021,488	177,666,143
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total 2(a) + 2(b) + 2(c)	<u>350,899,090</u>	<u>130,592,072</u>	<u>481,491,162</u>
Deferred tax liabilities netted against deferred tax assets	<u>49,644,655</u>	<u>128,021,488</u>	<u>177,666,143</u>
Total	<u>\$ 301,254,435</u>	<u>\$ 2,570,584</u>	<u>\$ 303,825,019</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.	\$ (47,441,694)	\$ (1,851,184)	\$ (49,292,878)
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).	6,771,702	-	6,771,702
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	6,771,702	-	6,771,702
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(15,023,025)
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.	88,164,644	(79,881,823)	8,282,821

NOTES TO FINANCIAL STATEMENTS

d. Deferred tax assets admitted as the result of application of SSAP No. 101.		
Total (2(a) + 2(b)+ 2(c))	<u>47,494,652</u>	<u>(81,733,007)</u>
Deferred tax liabilities netted against deferred tax assets	<u>136,439,503</u>	<u>(79,881,823)</u>
Total	<u>\$ (88,944,851)</u>	<u>\$ (90,796,035)</u>

	<u>2017</u>	<u>2016</u>
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	447%	499%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 5,154,252,716	\$ 5,254,406,211

4. Impact of Tax Planning Strategies:

December 31, 2017

	<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).	\$ 398,393,742	\$ 107,463,621
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).	\$ 398,393,742	\$ 48,859,065
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

December 31, 2016

	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ 445,513,490	\$ 149,688,339
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e).	\$ 350,899,090	\$ 130,592,072
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

Change

	<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).	\$ (47,119,748)	\$ (42,224,718)
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).	\$ 47,494,652	\$ (81,733,007)
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, 2017</u>	<u>December 31, 2016</u>	<u>Change</u>
1. Current Income Tax:			
Federal	\$ 123,146,281	\$ 206,859,300	\$ (83,713,019)
Foreign	<u>874,480</u>	<u>(3,033,308)</u>	<u>3,907,788</u>
Subtotal	124,020,761	203,825,992	(79,805,231)
Federal income taxes on net capital gains	<u>66,419,146</u>	<u>12,667,202</u>	<u>53,751,944</u>
Federal and foreign income taxes incurred	<u>\$ 190,439,907</u>	<u>\$ 216,493,194</u>	<u>\$ (26,053,287)</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>Change</u>
Ordinary:			
Discounting of unpaid losses	\$ 228,919,469	\$ 167,696,282	\$ 61,223,187
Unearned premium reserve	109,675,655	174,586,629	(64,910,974)
Fixed assets	11,370,297	26,245,579	(14,875,282)
Nonadmitted assets	20,398,176	35,483,291	(15,085,115)
Other	<u>28,030,145</u>	<u>41,501,709</u>	<u>(13,471,564)</u>
Total ordinary deferred tax assets	\$ 398,393,742	\$ 445,513,490	\$ (47,119,748)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	<u>94,614,400</u>	<u>(94,614,400)</u>
Admitted ordinary deferred tax assets	<u>\$ 398,393,742</u>	<u>\$ 350,899,090</u>	<u>\$ 47,494,652</u>
Capital:			
Investments	<u>\$ 107,463,621</u>	<u>\$ 149,688,339</u>	<u>\$ (42,224,718)</u>
Total capital deferred tax assets	\$ 107,463,621	\$ 149,688,339	\$ (42,224,718)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>58,604,556</u>	<u>19,096,267</u>	<u>39,508,289</u>
Admitted capital deferred tax assets	<u>\$ 48,859,065</u>	<u>\$ 130,592,072</u>	<u>\$ (81,733,007)</u>
Total admitted deferred tax assets:	<u>\$ 447,252,807</u>	<u>\$ 481,491,162</u>	<u>\$ (34,238,355)</u>

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

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>Change</u>
Ordinary:			
Investments	\$ 38,726,163	\$ 35,027,225	\$ 3,698,938
Claim reserve method change	138,379,189	-	138,379,189
Fixed assets	-	3,425,902	(3,425,902)
Foreign tax credit redetermination	5,421,332	5,413,844	7,488
Other	<u>3,557,474</u>	<u>5,777,684</u>	<u>(2,220,210)</u>
Total ordinary deferred tax liabilities	<u>\$ 186,084,158</u>	<u>\$ 49,644,655</u>	<u>\$ 136,439,503</u>
Capital:			
Investments	<u>\$ 48,139,665</u>	<u>\$ 128,021,488</u>	<u>\$ (79,881,823)</u>
Total capital deferred tax liabilities	<u>\$ 48,139,665</u>	<u>\$ 128,021,488</u>	<u>\$ (79,881,823)</u>
Total deferred tax liabilities:	<u>\$ 234,223,823</u>	<u>\$ 177,666,143</u>	<u>\$ 56,557,680</u>
4. Net admitted deferred tax asset/(liability)	<u>\$ 213,028,984</u>	<u>\$ 303,825,019</u>	<u>\$ (90,796,035)</u>

5. Deferred income taxes do not include any benefit from investment tax credits.
6. Deferred income taxes do not include a benefit from net operating losses.
7. The decrease to net deferred tax assets for the effects of enactment of the Tax Cuts and Jobs Act of 2017 is \$187,719,836.

The Company has recorded provisional amounts for the tax imposed on accumulated foreign earnings and partnership investments, as well as the amount due under the transition rule relating to the change in discounting of incurred losses based on information available at December 31, 2017. As a result of the Company's normal U.S. income tax return preparation process, the Company expects taxes related to accumulated foreign earnings and partnerships to be adjusted as final earnings from foreign operations and partnership investments (Form K-1's) are received in 2018 for preparation of the Company's 2017 U.S. income tax return that will be filed in 2018. The amounts payable under the transition rules related to discounting have been estimated but are subject to change once the U.S. Treasury issues guidance sometime in 2018. Adjustments to temporary differences will result from the reduced income tax rate applied to the deferred taxes associated with these items. Provisional amounts may also be adjusted to the extent future clarifications of Tax Cuts and Jobs Act of 2017 are provided.

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, 2017</u>	<u>December 31, 2016</u>	<u>Change</u>
Total deferred tax assets	\$ 505,857,363	\$ 595,201,829	\$ (89,344,466)
Total deferred tax liabilities	<u>234,223,823</u>	<u>177,666,143</u>	<u>56,557,680</u>
Net deferred tax asset/(liability)	<u>\$ 271,633,540</u>	<u>\$ 417,535,686</u>	<u>(145,902,146)</u>
Tax effect of unrealized gains (losses)			<u>(46,992,795)</u>
Change in net deferred income tax			<u>\$ (192,894,941)</u>

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

Rate Reconciliation:	
	<u>December 31, 2017</u>
Pretax net income (loss)	\$ 902,595,299
Taxes at statutory rate	315,908,355
Increase (decrease) attributable to:	
Nontaxable investment income	(123,324,999)
Tax reform	185,995,479
Other	<u>4,756,013</u>
	<u>\$ 383,334,848</u>

NOTES TO FINANCIAL STATEMENTS

Federal and foreign taxes incurred	\$ 190,439,907
Change in net deferred taxes	<u>192,894,941</u>
Total statutory income tax	<u>\$ 383,334,848</u>

Effective tax rate	42.5%
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- E. 1. The Company has no net operating loss carry-forward available for tax purposes.
2. The Company has \$196,634,008, \$212,547,616, and \$36,173,643 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. For 2017, the consolidated group does not expect to be in an AMT position. For 2018 and forward, the Tax Cuts and Jobs Act of 2017 repealed the AMT.

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

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

- A-C. In December 2016, the Company purchased \$185.5 million of securities from its affiliate, Travelers Casualty and Surety Company of America (TCSA).

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

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

- (1) The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
- (2) TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2017 and 2016, the TRVMMLP totaled \$5.20 billion and \$4.95 billion, respectively.
- D. (1) At December 31, 2017 and 2016, the Company had \$28,490,834 and \$52,733,685 payable to affiliates, respectively. Substantially all of the accounts between and among the Company and its affiliates are settled at least monthly through the TRVMMLP or in cash.
- (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, 2017</u>	<u>December 31, 2016</u>
Uncollected premiums and agents' balances in course of collection	\$ 334,491,536	\$ 334,686,689
Amounts recoverable from reinsurers	44,887,877	34,144,834
Reinsurance payable on paid losses and LAE	329,805,200	280,722,876

These balances were settled net through the intercompany settlement process during January 2018 and January 2017, 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>
Amended and Restated Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Amended and Restated Shared Services and Reimbursement Agreement	Travelers Insurance Company of Canada and The Dominion of Canada General Insurance Company	St. Paul Fire and Marine Insurance Company (Canadian Branch)

¹ "Travelers P&C" includes The Travelers Indemnity Company and some or all of its insurance subsidiaries and affiliates.

- G. All of the issued and outstanding common stock of the Company is owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

NOTES TO FINANCIAL STATEMENTS

J. Not applicable.

K. Not applicable.

- L. 1. The Company directly owns Northbrook Holdings, Inc. (Northbrook), a downstream noninsurance holding company. Northbrook directly owns Discover Property & Casualty Insurance Company (DPCIC), a Connecticut domiciled insurance company, and St. Paul Protective Insurance Company (SPPIC), a Connecticut domiciled insurer.
2. The carrying value of the Company's investment in Northbrook was \$278,017,371 at December 31, 2017.
3. The Company has not obtained an audit of Northbrook's financial statements.
4. The Company has limited the carrying value of its investment in Northbrook to the value contained in the statutory audited financial statements of DPCIC and SPPIC, including any adjustments required by SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities*.
5. Northbrook does not have any material assets other than the ownership of its insurance subsidiaries. Northbrook does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

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

1. Balance sheet value (admitted and nonadmitted) all SCAs (except 8b(i) entities):

<u>SCA Entity</u>	<u>Percentage Of SCA Ownership</u>	<u>12/31/2017 Gross Amount</u>	<u>12/31/2017 Admitted Amount</u>	<u>12/31/2017 Nonadmitted Amount</u>
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8b(ii) Entities	XXX	\$ -	\$ -	\$ -
c. SSAP No. 97 8b(iii) Entities				
8527512 Canada Inc.	22.48%	\$ 143,321,525	\$ 143,321,525	\$ -
Northbrook Holdings, Inc.	100.00%	278,017,371	278,017,371	-
MMI Capital Trust I	100.00%	3,852,121	-	3,852,121
USF&G Capital I	100.00%	3,093,000	-	3,093,000
USF&G Capital III	100.00%	3,093,000	-	3,093,000
Travelers Special Services Limited	100.00%	453,362	-	453,362
English Turn Realty Management, Inc.	100.00%	36,593	-	36,593
Yonkers Financial Corp.	100.00%	1,000	-	1,000
English Turn Fidelity Realty, Inc.	100.00%	-	-	-
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 431,867,972	\$ 421,338,896	\$ 10,529,076
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	\$ 431,867,972	\$ 421,338,896	\$ 10,529,076
f. Aggregate Total	XXX	\$ 431,867,972	\$ 421,338,896	\$ 10,529,076

2. NAIC filing response information:

<u>SCA Entity</u>	<u>Type of NAIC Filing</u>	<u>Date of Filing to the NAIC</u>	<u>12/31/2016 NAIC Valuation Amount</u>	<u>NAIC Response Received Y/N</u>	<u>NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N</u>	<u>Code</u>
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
8527512 Canada Inc.	S2	8/22/2017	\$ 117,932,058	Y	N	
Northbrook Holdings, Inc.	S2	5/9/2017	285,836,892	Y	N	
MMI Capital Trust I	S1	5/10/2017		Y		
USF&G Capital I	S1	5/10/2017		Y		
USF&G Capital III	S1	5/10/2017		Y		
Travelers Special Services Limited	S1	7/10/2017		Y		
English Turn Realty Management Inc.	S1	9/18/2017		Y		
Yonkers Financial Corp.	S1	5/30/2017		Y		
English Turn Fidelity Realty Inc.	S1	9/18/2017		Y		
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ 403,768,950	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	XXX	\$ 403,768,950	XXX	XXX	XXX
f. Aggregate Total	XXX	XXX	\$ 403,768,950	XXX	XXX	XXX

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

N. Not applicable.

NOTES TO FINANCIAL STATEMENTS

11. DEBT

Not applicable.

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

A-D. Defined Benefit Plans:

Not applicable.

E. Defined Contribution Plans:

Not applicable.

F. Multiemployer Plans:

Not applicable.

G. Consolidated/Holding Company Plans:

1. Employee Retirement Plans:

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by TRV that provides benefits, primarily under a cash balance formula, for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$20,826,580 and \$20,562,390 for 2017 and 2016, 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 \$573,780 and \$712,931 for 2017 and 2016, 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 \$25,405,942 and \$24,262,703 for 2017 and 2016, respectively.

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

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

The Company paid ordinary dividends of \$665 million in 2017, to its parent company, TRV. In 2016, the Company paid ordinary dividends of \$793 million and extraordinary dividends of \$65 million for a total of \$858 million to TRV.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by the Company to shareholders without prior approval of the Insurance Commissioner of the State of Connecticut is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2018 without prior approval is \$712,155,393.

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 funds is a result of ongoing retroactive reinsurance activity occurring in 2017 and the release of \$1 million related to a state-mandated guaranty fund. See Note 23F for additional detail on retroactive reinsurance.

Unassigned funds have been increased by cumulative net unrealized gains of \$943,493,724.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

At December 31, 2017, the Company had commitments to fund investments of \$263.9 million.

B. Assessments:

1. The Company has accrued liabilities of \$57.3 million for guaranty fund and other insurance-related assessments and related recoverables of \$751 thousand at December 31, 2017. 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.

NOTES TO FINANCIAL STATEMENTS

2. a. Assets recognized from paid and accrued premium tax offsets December 31, 2016	\$ 37,189
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	(62,633)
Premium tax offset refund	-
c. Increases current year:	
Premium tax offset accrued	<u>(92,349)</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2017	<u>\$ 7,473</u>

3. Not applicable.

C. Gain Contingencies:

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

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

At March 31, 2017, the claim related to the remaining defendants totaled \$71 million, comprising the \$31 million of reinsurance recoverable plus interest amounting to \$40 million as of that date. As USF&G is a participant in the TRV Pool, the amounts recoverable from this claim are subject to participation percentages of the TRV Pool (See Note 26). Accordingly, the Company's respective TRV Pool participation share of the remaining \$31 million awarded by the court represents the amounts owed to and reported by the Company under the terms of the disputed reinsurance contract. The Company's respective Pool participation share of the interest that would be received as part of any judgment ultimately entered in favor of USF&G was treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets*, and accordingly was not recognized in the Company's statutory financial statements at such time.

On May 1, 2017, USF&G agreed to a settlement of this dispute with the two remaining defendants, along with the settlement of several other disputes with these same parties. As a result of the settlement of all of these matters, the Company recorded an immaterial gain for the three months ended June 30, 2017, and the Company's respective Pool participation share of the \$31 million reinsurance recoverable was fully satisfied.

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 1,614,635

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

0-25 Claims
X

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

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

1. a. In the ordinary course of selling businesses to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business being sold, covenants and obligations of the Company and, in certain cases, obligations arising from certain liabilities and the imposition of additional taxes due to either a change in the tax law or an adverse interpretation of the tax law. Such indemnification provisions generally are applicable from the closing date to the expiration of the relevant statutes of limitations, although, in some cases, there may be agreed upon term limitations or no term limitations. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.
- b. The Company has a contingent obligation for a guarantee related to certain insurance policy obligations of a former insurance subsidiary. The maximum amount of the Company's obligation related to the guarantee was \$480 million at December 31, 2017, all of which is indemnified by a third party.
- c. The Company has an interest in an unaffiliated real estate joint venture. Effective October 21, 2011 through August 12, 2014, the real estate joint venture assumed a mortgage secured by property it owns. The Company entered into a separate payment guarantee with the lender for the mortgage and provided several indemnifications, including indemnifications for environmental liabilities should the lender be held responsible. The maximum principal for the mortgage is \$45 million and is secured by the property. The other indemnifications for the mortgage, including an environmental guarantee, are not limited. The Company, along with a third party joint venture investor, were joint and severally liable for these indemnities and guarantees. Concurrent with assuming the mortgage, the Company entered into a contribution agreement with the third party joint venture investor to allow the Company to recover its share of the indemnities and guarantees, if required. On August 12, 2014, the Company sold all but 1% of its invested interest in the real estate joint venture to an outside party and the respective guarantees and contribution agreement were terminated prospectively. As part of the sale, the outside party replaced the Company as guarantor with the

NOTES TO FINANCIAL STATEMENTS

lender. The company entered into a separate contribution agreement with the outside party for reimbursement based on their respective equity ownership in the Joint Venture.

- d. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50 million. On July 1, 2010, St. Paul (Bermuda) Ltd., St. Paul Re (Bermuda) Ltd. and Travelers (Bermuda) Limited were amalgamated into one Bermuda company under the name Travelers (Bermuda) Limited. The guarantee was amended on June 30, 2010 to limit the Company's guarantee to only those obligations of St. Paul (Bermuda) Ltd. that existed prior to the amalgamation. The Company also waived certain rights in the amended guarantee until all creditors of St. Paul Re (Bermuda) Ltd and Travelers (Bermuda) Limited at the time of the amalgamation have been paid in full.
- e. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
- f. Effective September 30, 1997, the Company entered into an unconditional guaranty that Travelers Constitution State Insurance Company, a wholly-owned subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.
- g. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard Surety Company (Seaboard), of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice. On January 2, 2009, Seaboard was merged into TCSA. The terms of the guarantee remain in effect.
- h. Effective December 10, 1993, the Company has guaranteed the performance by Travelers Insurance Company Limited (Travelers Limited), an affiliate incorporated in England, of all Travelers Limited's obligations arising out of its insurance or reinsurance contracts. Effective March 1, 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice. Effective December 31, 2007, pursuant to the order of English Court, made on December 31, 2007, under Part VII of the Financial Services & Markets Act, obligations relating to certain business as of December 31, 2007, were transferred to Unionamerica Insurance Company Limited (Unionamerica), an affiliate of Travelers Limited. This resulted in those obligations no longer being covered by the guarantees. The guarantees will remain in force, however, for the obligations arising out of insurance or reinsurance contracts not transferred to Unionamerica and for business subsequently written by Travelers Limited. In December 2008, Unionamerica was sold to an unaffiliated entity.
- i. The Company guaranteed the timely payment of Discover Reinsurance Company's (Discover Re) obligations with respect to all insurance policies and reinsurance policies issued by Discover Re. On October 1, 2007, Discover Re was merged into Indemnity. The merger resulted in the automatic termination of the guarantee with respect to any future claims. However, the Company continues to guarantee to Indemnity all obligations of Discover Re incurred before the termination date.
- j. In a guarantee agreement dated February 9, 2009, the Company has guaranteed certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary. The guarantee is not limited in amount and expires once all obligations have been met.
- k. The Company is the owner of all the beneficial interests represented by common securities of three business trusts. The trusts exist for the sole purpose of issuing capital securities and common securities and investing the proceeds thereof in deferrable interest junior subordinated debentures, which are held by TRV. The Company fully, irrevocably and unconditionally guaranteed all of the trusts obligations under the capital securities including principal of \$254 million and interest. The Company and TRV are both jointly and severally responsible for the payment obligation of the subordinated debentures.

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

NOTES TO FINANCIAL STATEMENTS

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
e. USF&G's obligations	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount.	Assets - Line 2.2 Common stocks	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
f. Travelers Constitution State Insurance Company	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary	Assets - Line 2.2 Common stocks	\$ 5,000,000	The Company has assessed the performance risk as remote under this guarantee
g. Seaboard Surety Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividends to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
h. Travelers Insurance Company Limited	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividends to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
i. Discover Reinsurance Company	No initial recognition as guarantee is made on behalf of a related party and is considered unlimited in amount	Surplus - Line 35. Dividends to stockholders	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
j. Certain pension obligations of Travelers Special Services Limited, a wholly-owned subsidiary	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary and is considered unlimited in amount	Assets - Line 2.2 Common stocks	Guarantee has no stated amount or limitation to the maximum potential future payments and accordingly, the Company is unable to develop an estimate of the maximum potential payments for such arrangements	The Company has assessed the performance risk as remote under this guarantee
k. Trust obligations of three wholly-owned subsidiaries	No initial recognition as guarantee is made on behalf of a wholly-owned subsidiary	Assets - Line 2.2 Common stocks	See below – subject to the same maximum	The Company has assessed the performance risk as low under these guarantees
Subordinated debentures by its parent to the respective trusts	Fair value initial recognition for debenture guarantees was \$24,000,000	Surplus - Line 35. Dividends to stockholders	\$ 254,000,000	TRV is current in all debenture obligations. The AM Best current financial strength rating is "a-".
Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees			\$ 1,179,266,000	
Current liability recognized in financial statements:				
Noncontingent liabilities			43,120,000	
Contingent liabilities			-	
Ultimate financial statement impact if action under the guarantee is required:				
Investment in SCA			5,000,000	
Dividends to stockholders			304,000,000	
Expense			825,266,000	
Other			45,000,000	
Total			<u>\$ 1,179,266,000</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.

NOTES TO FINANCIAL STATEMENTS

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, 2017, 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**A. Lessee Leasing Arrangements:**

Not applicable.

B. Lessor Leases:**1. Operating Leases:**

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$449,832,558 and \$425,349,489 as of December 31, 2017 and 2016, respectively. At December 31, 2017, the minimum annual lease payments receivable under non-cancelable leasing arrangements are as follows:

Year Ending December 31	Operating Leases
2018	\$ 90,186,725
2019	85,101,796
2020	69,647,998
2021	56,205,958
2022	43,669,205
2023 and later years	<u>58,174,974</u>
Total	<u>\$ 402,986,656</u>

2. Leveraged Leases:

Not applicable.

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

The Company has unfunded commitments to private equity limited partnerships and/or real estate partnerships in which it invests. The off-balance-sheet risk of these financial instruments was \$263.9 million at December 31, 2017.

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:

The Company does not engage in the practice of wash sales, however, in isolated cases in the course of the Company's asset management activities, a security may be sold and repurchased within thirty days of the sale when an opportunity to significantly enhance the Company's total return on the investment is present.

For the year ended December 31, 2017, the Company's wash sales for securities with a NAIC designation 3 or below were as follows:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
Bonds	3	1	\$ 2,207,324	\$ 1,100,000	\$ 32,675

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

NOTES TO FINANCIAL STATEMENTS

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, 2017:

Description	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and miscellaneous	\$ -	\$ 137,851,645	\$ -	\$ 137,851,645
Common stock				
Industrial and miscellaneous	92,474,430	-	2,132,852	94,607,282
Total securities at fair value	\$ 92,474,430	\$ 137,851,645	\$ 2,132,852	\$ 232,458,927

At December 31, 2017, the Company also holds Level 3 nonredeemable preferred stock measured and reported at its fair value of \$0.

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

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

Description	Beginning Balance at 1/1/2017	Transfers into Level 3	Transfers out of Level 3	Total gains & (losses) included in Net Income	Total gains & (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2017
Common stock	\$ 2,157,284	\$ -	\$ -	\$ -	\$ (24,432)	\$ -	\$ -	\$ -	\$ -	\$ 2,132,852

3. Not applicable.

4. Level 2 and Level 3 valuation techniques:

The fair values of the bonds and preferred stock in part 1 above are determined by the Company in accordance with NAIC guidelines. These securities are generally priced by the SVO or by a third party organization.

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

5. Not applicable.

B. Not applicable.

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

(At December 31, 2017)	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Short term bonds	\$ 553,543,402	\$ 553,543,402	\$ 128,317,308	\$ 425,226,094	\$ -	\$ -
Long term bonds	12,420,666,984	12,143,015,713	522,406,926	11,895,520,627	2,739,431	-
Preferred stock	1,885,600	1,195,000	1,885,600	-	-	-
Common stock	94,607,282	94,607,282	92,474,430	-	2,132,852	-

(At December 31, 2016)	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Cash equivalents	\$ 3,998,085	\$ 3,998,085	\$ -	\$ 3,998,085	\$ -	\$ -
Short term bonds	654,155,786	654,156,701	157,989,652	496,166,134	-	-
Long term bonds	11,601,498,734	11,463,198,501	614,367,303	10,975,504,213	11,627,218	-
Preferred stock	1,816,400	1,195,000	1,816,400	-	-	-
Common stock	388,259,792	388,259,792	386,102,508	-	2,157,284	-

D. Not applicable.

21. OTHER ITEMS

A. Unusual or Infrequent Items:

Not applicable.

B. Troubled Debt Restructuring – Debtors:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures:

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

2017 Schedule P:

The 2007 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	<u>Accident Years</u>				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 & Prior</u>
Part 1A	\$ 323	\$ 403	\$ 436	\$ 62	\$ 734
Part 1B	239	284	89	26	49,832
Part 1C	6,000	868	(6,388)	1,361	13,607
Part 1D	92,790	77,033	67,190	77,499	1,035,518
Part 1E	18,922	14,169	4,352	3,933	72,427
Part 1F - Section 1	-	2	66	144	1,620
Part 1F - Section 2	-	2,425	166	184	6,836
Part 1G	98	262	(25)	108	16,748
Part 1H - Section 1	10,271	12,556	11,317	8,919	480,249
Part 1H - Section 2	9,030	9,349	3,011	1,935	50,599
Part 1M	-	-	-	-	603
Part 1N	(2)	(3)	(13)	34	6,877
Part 1O	65	29	332	2,827	101,864
Part 1P	-	149	113	124	2,112
Part 1R - Section 1	6,368	4,712	8,177	8,610	192,054
Part 1R - Section 2	559	1,254	139	93	3,992

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	\$ (4)	\$ (34)	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(913)	(845)	(169)	(9,440)	-	(259)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(502)	-	-	-	-	-	-	-	-
Other Liability - CM	(31)	(1,511)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(118)	-	-	-	-	-	-	-	-
Reinsurance B	(392)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

<u>Description of State Transferable and Non-transferable Tax Credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Petros Wyoming Fund Series 2014	WY	\$ 339,066	\$ 327,246

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

3. Not applicable.

4. State Tax Credits Admitted and Nonadmitted:

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	\$ 339,066	\$ -
Non-transferable	-	-

F. Subprime Mortgage Related Risk Exposure:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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	\$ 3,466,643	\$ 3,441,398	\$ 4,509,638	\$ 262,929
Structured securities	614,410	326,360	897,585	-
Total	<u>\$ 4,081,053</u>	<u>\$ 3,767,758</u>	<u>\$ 5,407,223</u>	<u>\$ 262,929</u>

G. Insurance-Linked Securities (ILS) Contracts:

Not applicable.

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 21, 2018.

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, 2017, in connection with reinsurance agreements among affiliated insurers, were as follows:

Reinsurance balances ceded to pool participants and recoverable by The Travelers Indemnity Company (06-0566050):

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 12,191,975,913
Travelers Casualty and Surety Company	06-6033504	10,006,646,970
The Phoenix Insurance Company	06-0303275	2,456,820,924
The Standard Fire Insurance Company	06-6033509	2,378,958,104
United States Fidelity and Guaranty Company	52-0515280	2,167,938,453
Travelers Casualty Insurance Company of America	06-0876835	1,341,438,560
Farmington Casualty Company	06-1067463	727,370,464
The Travelers Indemnity Company of Connecticut	06-0336212	675,969,543
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	673,049,755
The Charter Oak Fire Insurance Company	06-0291290	625,948,356
Northland Insurance Company	41-6009967	599,428,107
St. Paul Surplus Lines Insurance Company	41-1230819	432,323,927
The Travelers Indemnity Company of America	58-6020487	380,656,748
St. Paul Protective Insurance Company	36-2542404	284,995,740
Northfield Insurance Company	41-0983992	255,464,132
Travelers Commercial Casualty Company	95-3634110	231,057,846
Travelers Casualty Company of Connecticut	06-1286266	230,900,271
Travelers Commercial Insurance Company	06-1286268	230,900,271
St. Paul Mercury Insurance Company	41-0881659	196,510,382
Travelers Property Casualty Company of America	36-2719165	192,573,590
Travelers Property Casualty Insurance Company	06-1286274	147,383,148
The Travelers Casualty Company	41-1435765	142,470,375
Travelers Constitution State Insurance Company	41-1435766	142,470,375
Travelers Personal Insurance Company	36-3703200	132,644,831
Travelers Excess and Surplus Lines Company	06-1203698	132,644,831
The Travelers Home and Marine Insurance Company	35-1838079	132,644,831
Travelers Personal Security Insurance Company	06-1286264	132,644,831
TravCo Insurance Company	35-1838077	132,644,831
Discover Property & Casualty Insurance Company	36-2999370	69,534,168
Discover Specialty Insurance Company	52-1925132	68,778,794
Northland Casualty Company	94-6051964	68,778,794
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	49,154,992
St. Paul Guardian Insurance Company	41-0963301	49,127,705
American Equity Specialty Insurance Company	86-0868106	49,127,705
Total		<u>\$ 37,730,978,267</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	12,416,676,586
The Travelers Indemnity Company of America	58-6020487	3,189,282,688
The Charter Oak Fire Insurance Company	06-0291290	3,167,218,537
The Standard Fire Insurance Company	06-6033509	3,099,205,810
St. Paul Fire and Marine Insurance Company	41-0406690	3,043,401,767
The Travelers Indemnity Company of Connecticut	06-0336212	3,007,244,889
Travelers Casualty and Surety Company	06-6033504	2,918,956,422
The Phoenix Insurance Company	06-0303275	2,526,352,349
The Travelers Home and Marine Insurance Company	35-1838079	2,199,349,746
Travelers Casualty Insurance Company of America	06-0876835	1,849,915,196
United States Fidelity and Guaranty Company	52-0515280	1,528,313,077
Travelers Commercial Insurance Company	06-1286268	946,370,104
St. Paul Mercury Insurance Company	41-0881659	724,115,027
Farmington Casualty Company	06-1067463	705,240,401
Travelers Property Casualty Insurance Company	06-1286274	671,380,753
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	636,007,840
Northland Insurance Company	41-6009967	627,316,429
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	369,807,240

NOTES TO FINANCIAL STATEMENTS

Travelers Excess and Surplus Lines Company	06-1203698	341,063,532
St. Paul Protective Insurance Company	36-2542404	301,413,358
TravCo Insurance Company	35-1838077	276,249,560
Travelers Personal Insurance Company	36-3703200	258,439,961
Northfield Insurance Company	41-0983992	242,765,767
Travelers Personal Security Insurance Company	06-1286264	214,017,494
Discover Property & Casualty Insurance Company	36-2999370	180,357,756
St. Paul Surplus Lines Insurance Company	41-1230819	160,252,748
St. Paul Guardian Insurance Company	41-0963301	109,299,069
Travelers Commercial Casualty Company	95-3634110	79,920,022
Travelers Casualty Company of Connecticut	06-1286266	63,471,205
Northland Casualty Company	94-6051964	12,945,112
The Travelers Casualty Company	41-1435765	4,822,473
Discover Specialty Insurance Company	52-1925132	3,363,768
Travelers Constitution State Insurance Company	41-1435766	2,565,744
American Equity Specialty Insurance Company	86-0868106	137,546
Total		<u>\$ 45,877,239,976</u>

2. Unaffiliated Company Recoverables:

The unsecured aggregate recoverables for ceded losses, LAE and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2017 that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

NONE

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

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,573,192,305	\$ 308,711,602	\$ 153,900,490	\$ 18,463,784	\$ 2,419,291,815	\$ 290,247,818
All Other	<u>10,609,975</u>	<u>1,272,902</u>	<u>4,681,736</u>	<u>561,678</u>	<u>5,928,239</u>	<u>711,224</u>
Total	<u>\$ 2,583,802,280</u>	<u>\$ 309,984,504</u>	<u>\$ 158,582,226</u>	<u>\$ 19,025,462</u>	<u>\$ 2,425,220,054</u>	<u>\$ 290,959,042</u>

Direct Unearned Premium Reserve \$ 186,105,050

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$54,546,337 at December 31, 2017. This balance represents the Company's 24.79% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 3,217,478	\$ 53,076,856	\$ 1,747,997	\$ 54,546,337
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 3,217,478</u>	<u>\$ 53,076,856</u>	<u>\$ 1,747,997</u>	<u>\$ 54,546,337</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,330,260	\$ 50,408,936
(2) Adjustments - Prior Year(s)	(991,600)	37,559,748
(3) Adjustments - Current Year	-	(1,357,116)
(4) Current Total	<u>\$ 1,338,660</u>	<u>\$ 86,611,568</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$ 51,333,026
(2) Adjustments - Prior Year(s)	-	3,453,876
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 2,591,816</u>	<u>\$ 54,786,902</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,037,874	\$ 71,214,157
(2) Current Year	2,347	860,785
(3) Current Total	<u>\$ 1,040,221</u>	<u>\$ 72,074,942</u>

NOTES TO FINANCIAL STATEMENTS

d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ (924,090)
(2) Adjustments - Prior Year(s)	991,600	34,105,872
(3) Adjustments - Current Year	-	(1,357,116)
(4) Current Year Restricted Surplus	<u>1,253,156</u>	<u>13,475,095</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 18,349,571</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,338,660	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	26,980,659
XL Reinsurance America Inc. (20583)	-	18,889,068
TIG Insurance Company (25534)	-	18,127,894
Swiss Reinsurance America Corporation (25364)	-	4,215,237
Westport Insurance Corporation (39845)	-	4,093,775
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	3,321,860
Excalibur Reinsurance Corp. (39675)	-	2,615,354
Various	-	8,367,721
Total	<u>\$ 1,338,660</u>	<u>\$ 86,611,568</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)	\$ 11,316	\$ -
XL Reinsurance America Inc. (20583)	246,189	-
Westport Insurance Corporation (39845)	(8,112)	-
Various	53,745	-
Total	<u>\$ 303,138</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

As of December 31, 2017, the Company had one assumed reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2001 and has a deposit balance of \$121,604 at year-end. Due to the immaterial nature of the deposit balance the Company accounts for it at the estimated ultimate remaining payments on an undiscounted basis.

As of December 31, 2017, the Company had one ceded reinsurance contract accounted for as a deposit with a non-zero balance. This contract has been in runoff since 2002 and has a balance of \$295,260 at year-end. Due to the immaterial nature of this balance the Company accounts for its estimated ultimate remaining recoverable on an undiscounted basis.

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

Not applicable.

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

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

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

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

C. See Schedule P - Part 7A.

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 23,081,633
2. Unsecured amount	3,094,982
3. Less: Nonadmitted amount (10%)	309,498
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>1,385,410</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 21,386,725</u>

F. Not applicable.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from December 31, 2016 to December 31, 2017, the prior year-end total loss and LAE reserves developed favorably by \$139,354,000, resulting from better than expected loss and defense and cost containment development primarily in the workers' compensation, other liability – occurrence and commercial multiple peril (excluding asbestos and environmental reserves) lines. This favorable development was partially offset by unfavorable development in the commercial auto liability line and by funding of asbestos and environmental reserves, primarily in the other liability – occurrence and products liability – occurrence lines.

NOTES TO FINANCIAL STATEMENTS

The improvement was driven by better than expected loss experience in (i) the workers' compensation line for multiple accident years, (ii) the other liability – occurrence line for both primary and excess coverages for multiple accident years and (iii) the commercial multiple peril line for liability coverages for multiple accident years (excluding asbestos and environmental reserves). Unfavorable development in the commercial auto liability line was driven by higher than expected loss experience for accident years 2013 through 2016.

Excluding asbestos and environmental reserves and other runoff exposures, favorable development in adjusting and other expense reserves was primarily driven by the allocation of adjusting and other expense reserves by year as disclosed in the Schedule P Interrogatories of the Company. This favorable development was fully offset by unfavorable development for asbestos and environmental and other runoff exposures, primarily in "Prior" accident years.

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

26. INTERCOMPANY POOLING ARRANGEMENTS

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

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

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

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

As of December 31, 2017 the Company had a net receivable of \$49,574,213 from affiliates as a result of its intercompany reinsurance transactions which settled in January 2018.

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.	<u>Loss Reserves</u> <u>Eliminated by Annuities</u> \$ 691,267,819	<u>Unrecorded Loss</u> <u>Contingencies</u> \$ 691,267,819	
B.	<u>Life Insurance Company and Location</u>	<u>Licensed in Company's</u> <u>State of Domicile</u>	<u>Statement</u> <u>Value of Annuities</u>
	Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$ 202,224,326
	BrightHouse Life Insurance Company, Charlotte, NC	Yes	69,445,483
	Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	51,251,031
	All other companies		368,346,979

NOTES TO FINANCIAL STATEMENTS

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, 2017 | |
| 3. Was anticipated investment income utilized in the calculation? | | Yes |

31. HIGH DEDUCTIBLES

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles:

1. Counterparty exposure recorded on unpaid claims and billed recoverables on paid claims:

<u>Annual Statement</u> <u>Line of Business</u>	<u>Gross (of High</u> <u>Deductible) Loss</u> <u>Reserves</u>	<u>Reserve Credit</u> <u>for High</u> <u>Deductibles</u>	<u>Billed</u> <u>Recoverables</u> <u>on Paid Claims</u>	<u>Total High</u> <u>Deductibles</u> <u>and Billed</u> <u>Recoverables</u>
Workers' compensation	\$ 2,363,791,774	\$ 1,174,093,909	\$ 11,270,516	\$ 1,185,364,425
Commercial auto liability	214,468,248	124,181,742	1,459,158	125,640,900
Auto physical damage	2,678,344	2,372,713	18,222	2,390,935
Other liability	290,637,557	91,215,908	1,977,384	93,193,292
Products liability	124,936,670	30,454,796	850,020	31,304,816
Commercial multiple peril	2,414,866	63,634	16,430	80,064

2. Unsecured amounts of high deductibles:

- | | |
|-----------------------------------------------------------------------|------------------|
| a. Total high deductibles and billed recoverables on paid claims | \$ 1,437,974,432 |
| b. Collateral on balance sheet | \$ 219,980,584 |
| c. Collateral off balance sheet | \$ 1,230,847,837 |
| d. Total unsecured deductibles and billed recoverables on paid claims | \$ (12,853,989) |
| e. Percentage unsecured | -0.89% |

3. High deductible recoverable amounts on paid claims:

- | | |
|----------------------------------------------------------------------|--------------|
| a. Amount of overdue nonadmitted (either due to aging or collateral) | \$ 1,473,618 |
| b. Amount over 90 days overdue admitted | \$ 1,320,806 |
| c. Total overdue (a+b) | \$ 2,794,424 |

4. The deductible amounts for the highest ten unsecured high deductible policies:

<u>Counterparty Ranking</u>	<u>Top Ten Unsecured</u> <u>High Deductibles</u> <u>Amounts</u>
Counterparty 1	\$ 11,781,930
Counterparty 2	11,740,602
Counterparty 3	8,644,537
Counterparty 4	8,212,431
Counterparty 5	7,719,427
Counterparty 6	5,418,367
Counterparty 7	5,338,826
Counterparty 8	4,524,520
Counterparty 9	4,514,530
Counterparty 10	4,355,094

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group under the Same Management or Control which are Greater than 1% of Capital and Surplus:

Not applicable.

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 – MN
United States Life Tables Total Male or Total Female 2011 – MA
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 – MN **
United States Life Tables Total Female 2011 – MA **
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

NOTES TO FINANCIAL STATEMENTS

Other liability reserves related to annuity obligations from structured settlements are discounted using a discount rate of 5% and reflect the 1983 Individual Annuity Mortality table adjusted for impairment and future mortality improvement.

The Company develops loss reserve estimates for workers' compensation tabular claims that are expectations of what the ultimate settlement costs for these claims will be upon final resolution in the future. These estimates are based on the Company's assessment of facts and circumstances currently known and, using Company experience, multiple actuarial estimation methods. This includes estimates of payment patterns reflecting actual mortality, morbidity and settlement history that relate both to claims currently identified as tabular as well as claims not yet identified as tabular ("IBNR" tabular).

The total reserves and the corresponding discount that the Company has established for these claims reflects these multiple estimation methods, payment patterns and a discount rate of 5%. The liabilities and discount amounts shown below reflect estimates of the ultimate liability for tabular claims. Furthermore, the case vs. IBNR discount amounts shown below each reflects estimates of the ultimate resolution costs for these claims: case amounts for claims already identified as tabular; IBNR amounts for claims yet to be identified as tabular.

The December 31, 2017 liabilities of the Company included \$504,136,365 and \$25,960,116 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, 2017 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	\$ 74,196,470	\$ 140,549,243
2.	Other Liability-Occurrence	<u>2,768,298</u>	<u>37,726,913</u>
3.	Total	<u>\$ 76,964,768</u>	<u>\$ 178,276,156</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

In 2017, the accretion of discount reported as part of losses incurred in the Statement of Income totaled \$12,435,228.

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

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

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

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

The Company continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not subject to aggregate limits on coverage. In these instances, policyholders also may assert that each individual bodily injury claim should be treated as a separate occurrence under the policy. It is difficult to predict whether these policyholders will be successful on both issues. To the extent both issues are resolved in a policyholder's favor and other Company defenses are not successful, the Company's coverage obligations under the policies at issue would be materially increased and bounded only by the applicable per-occurrence limits and the number of asbestos bodily injury claims against the policyholders. Although the Company has seen a reduction in the overall risk associated with these lawsuits, it remains difficult to predict the ultimate cost of these claims.

The Company's quarterly asbestos reserve reviews include an analysis of exposure and claim payment patterns by policyholder category, as well as recent settlements, policyholder bankruptcies, judicial rulings and legislative actions. The Company also analyzes developing payment patterns among policyholders as well as projected reinsurance billings and recoveries. In addition, the Company reviews its historical gross and net loss and expense paid experience, year-by-year, to assess any emerging trends, fluctuations, or characteristics suggested by the aggregate paid activity. Conventional actuarial methods are not utilized to establish asbestos reserves nor have the Company's evaluations resulted in any way of determining a meaningful average asbestos defense or indemnity payment.

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

In January 2009, 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 2016 payments resulted in a \$128.4 million direct payment and a \$113.0 million net payment for asbestos.

NOTES TO FINANCIAL STATEMENTS

1. <u>Direct Basis - Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 608,110,768	\$ 590,135,346	\$ 576,136,691	\$ 448,992,953	\$ 323,524,971
b. Incurred losses and LAE:	43,109,810	62,646,561	74,766,640	71,470,561	77,196,060
c. Calendar year payments for losses and LAE:	<u>61,085,232</u>	<u>76,645,216</u>	<u>201,910,378</u>	<u>196,938,543</u>	<u>65,587,580</u>
d. Ending reserves:	<u>\$ 590,135,346</u>	<u>\$ 576,136,691</u>	<u>\$ 448,992,953</u>	<u>\$ 323,524,971</u>	<u>\$ 335,133,451</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 55,717,147	\$ 53,423,520	\$ 46,171,365	\$ 41,046,181	\$ 48,660,719
b. Incurred losses and LAE:	3,991,190	1,311,639	1,834,460	16,435,770	6,941,200
c. Calendar year payments for losses and LAE:	<u>6,284,817</u>	<u>8,563,794</u>	<u>6,959,644</u>	<u>8,821,232</u>	<u>12,248,744</u>
d. Ending reserves:	<u>\$ 53,423,520</u>	<u>\$ 46,171,365</u>	<u>\$ 41,046,181</u>	<u>\$ 48,660,719</u>	<u>\$ 43,353,175</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 586,587,373	\$ 579,994,405	\$ 581,793,027	\$ 445,604,988	\$ 326,017,068
b. Incurred losses and LAE:	47,101,000	61,975,000	54,538,000	55,678,340	55,628,760
c. Calendar year payments for losses and LAE:	<u>53,693,968</u>	<u>60,176,378</u>	<u>190,726,039</u>	<u>175,266,260</u>	<u>66,861,408</u>
d. Ending reserves:	<u>\$ 579,994,405</u>	<u>\$ 581,793,027</u>	<u>\$ 445,604,988</u>	<u>\$ 326,017,068</u>	<u>\$ 314,784,420</u>
B. Ending loss and LAE reserves for unreported claims included in Part A above:					
1. Direct Basis:	\$ 233,120,849				
2. Assumed Reinsurance Basis:	\$ 16,701,911				
3. Net of Ceded Reinsurance Basis:	\$ 202,450,923				
C. Ending LAE reserves for reported and unreported claims included in Part A above:					
1. Direct Basis:	\$ 179,210,141				
2. Assumed Reinsurance Basis:	\$ 2,832,820				
3. Net of Ceded Reinsurance Basis:	\$ 156,695,174				
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.

1. <u>Direct Basis – Environmental:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 70,297,232	\$ 67,790,175	\$ 68,101,295	\$ 75,584,615	\$ 81,829,467
b. Incurred losses and LAE:	17,338,126	22,509,320	20,042,715	21,517,721	17,351,872
c. Calendar year payments for losses and LAE:	<u>19,845,183</u>	<u>22,198,200</u>	<u>12,559,395</u>	<u>15,272,869</u>	<u>19,179,407</u>
d. Ending reserves:	<u>\$ 67,790,175</u>	<u>\$ 68,101,295</u>	<u>\$ 75,584,615</u>	<u>\$ 81,829,467</u>	<u>\$ 80,001,932</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 17,085,485	\$ 15,888,864	\$ 15,290,083	\$ 14,068,515	\$ 13,050,035
b. Incurred losses and LAE:	386,723	793,280	37,185	49,580	991,600
c. Calendar year payments for losses and LAE:	<u>1,583,344</u>	<u>1,392,061</u>	<u>1,258,753</u>	<u>1,068,060</u>	<u>3,756,546</u>
d. Ending reserves:	<u>\$ 15,888,864</u>	<u>\$ 15,290,083</u>	<u>\$ 14,068,515</u>	<u>\$ 13,050,035</u>	<u>\$ 10,285,089</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 86,129,276	\$ 81,573,460	\$ 82,290,608	\$ 86,562,091	\$ 92,026,918
b. Incurred losses and LAE:	16,039,129	21,567,300	17,848,800	20,327,801	16,112,372
c. Calendar year payments for losses and LAE:	<u>20,594,945</u>	<u>20,850,152</u>	<u>13,577,317</u>	<u>14,862,974</u>	<u>20,703,965</u>
d. Ending reserves:	<u>\$ 81,573,460</u>	<u>\$ 82,290,608</u>	<u>\$ 86,562,091</u>	<u>\$ 92,026,918</u>	<u>\$ 87,435,325</u>

NOTES TO FINANCIAL STATEMENTS

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

1. Direct Basis:	\$ 79,470,289
2. Assumed Reinsurance Basis:	\$ 5,825,653
3. Net of Ceded Reinsurance Basis	\$ 83,036,143

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

1. Direct Basis:	\$ 31,993,833
2. Assumed Reinsurance Basis:	\$ (15,494)
3. Net of Ceded Reinsurance Basis	\$ 31,167,192

G. As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in the cost to resolve, and/or the number of, asbestos and environmental claims beyond that which is anticipated, the emergence of a greater number of asbestos claims than anticipated as a result of extended life expectancies resulting from medical advances and lifestyle improvements, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of disputes pertaining to the amount of available coverage for asbestos and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company, future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims and the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers. In addition, uncertainties arise from the insolvency or bankruptcy of policyholders and other defendants. It is also not possible to predict changes in the legal, regulatory and legislative environment and their impact on the future development of asbestos and environmental claims. This environment could be affected by changes in applicable legislation and future court and regulatory decisions and interpretations, including the outcome of legal challenges to legislative and/or judicial reforms establishing medical criteria for the pursuit of asbestos claims. It is also difficult to predict the ultimate outcome of complex coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the Company's current 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 2017 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2017, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

<u>Company Name</u>	<u>EIN</u>	<u>Company Name</u>	<u>EIN</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
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925132	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TINDY FOREIGN, INC.	20-4403403
THE FAMILY BUSINESS INSTITUTE, INC.	56-1959031	TPC INVESTMENTS, INC.	06-1534005
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS (BERMUDA) LTD	98-0190863
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS GLOBAL, INC.	47-2215437
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
ST. PAUL FIRE AND MARINE INSURANCE COMPANY	41-0406690	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS MGA, INC.	75-2676034
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
TCI GLOBAL SERVICES, INC.	52-1965525	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT	06-0848755	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
THE PHOENIX INSURANCE COMPANY	06-0303275	TRAVELERS TEXAS MGA, INC.	27-4469564
THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569	UNITED STATES FIDELITY AND GUARANTY COMPANY	52-0515280
		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,
- 7.21 State the percentage of foreign control 0.0%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Renée H. Davis, FCAS & MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company 350 Market Street, LLC
- 12.12 Number of parcels involved 1
- 12.13 Total book/adjusted carrying value \$ 17,165,003
- 12.2 If yes, provide explanation
Holds a 254 room hotel in St. Paul, MN.
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0	Imperial Chemical Financial	Failure to comply with contract.	\$ 1,990,000
0	Riyad Bank	Failure to comply with contract.	\$ 268,000
104000854	American National Bank	Failure to comply with contract.	\$ 747,000
084201278	BancorpSouth Bank	Failure to comply with contract.	\$ 60,000
063108680	Bank of Tampa	Failure to comply with contract.	\$ 100,000
092901683	First Interstate Bank	Failure to comply with contract.	\$ 40,000
051403041	First National Bank	Failure to comply with contract.	\$ 100,000
101114109	First Option Bank	Failure to comply with contract.	\$ 16,000
081918425	First State Community Bank	Failure to comply with contract.	\$ 4,000
073902151	First Whitney Bank and Trust	Failure to comply with contract.	\$ 80,000
091208138	Kensington Bank	Failure to comply with contract.	\$ 50,000
062106256	Merchants Bank	Failure to comply with contract.	\$ 12,500
096001013	Sunrise Banks, National Association	Failure to comply with contract.	\$ 30,000
091017196	Venture Bank	Failure to comply with contract.	\$ 216,000

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided). This company is a party to a security lending agreement. See Note 17.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 125,113,321
- 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: | | \$ | 125,113,321 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: | | \$ | 125,113,321 |
| 24.103 Total payable for securities lending reported on the liability page: | | \$ | 125,113,321 |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | |
|------------------------------------------------------------------------------------|--|----|---------------|
| 25.21 Subject to repurchase agreements | | \$ | 0 |
| 25.22 Subject to reverse repurchase agreements | | \$ | 0 |
| 25.23 Subject to dollar repurchase agreements | | \$ | 0 |
| 25.24 Subject to reverse dollar repurchase agreements | | \$ | 0 |
| 25.25 Placed under option agreements | | \$ | 0 |
| 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock | | \$ | 0 |
| 25.27 FHLB Capital Stock | | \$ | 0 |
| 25.28 On deposit with states | | \$ | 1,366,154,801 |
| 25.29 On deposit with other regulatory bodies | | \$ | 2,520,140 |
| 25.30 Pledged as collateral – excluding collateral pledged to an FHLB | | \$ | 28,395,191 |
| 25.31 Pledged as collateral to FHLB – including assets backing funding agreements | | \$ | 0 |
| 25.32 Other | | \$ | 0 |
- 25.3 For category (25.26) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|------------------|-------------|
| | | \$ 0 |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []
- 28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian's Address |
|-----------------------------|------------------------------------------|
| JPMorgan Chase | 270 Park Avenue, New York, NY 10017-2070 |
| The Bank of New York Mellon | 225 Liberty Street, New York, NY 10007 |

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
CIBC Mellon	1 York Street Toronto, ON M5J 0B6	Custodial account for Canadian Branch
Citigroup Inc.	390 Greenwich Street New York, NY 10013	Brokerage account

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
CBRE Clarion Securities	U
The Travelers Indemnity Company	A

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
106256	CBRE Clarion Securities		SEC file # 801-49083	NO
	The Travelers Indemnity Company		Not a registered investment advisor	DS

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

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		\$ 0	

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	\$ 12,696,559,114	\$ 12,974,210,389	\$ 277,651,274
30.2	\$ 1,195,000	\$ 1,885,600	\$ 690,600
30.3	\$ 12,697,754,114	\$ 12,976,095,989	\$ 278,341,874

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

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

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

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

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

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities?

Yes [X] No []

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 11,764,168

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE, INC	\$ 5,931,823

35.1 Amount of payments for legal expenses, if any? \$ 19,682,496

35.2 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

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 467,046

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

1 Name	2 Amount Paid
	\$ 0

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$ 0	\$ 0		
2.2	Premium Denominator	\$ 5,638,299,747	\$ 5,385,615,536		
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%		
2.4	Reserve Numerator	\$ 0	\$ 0		
2.5	Reserve Denominator	\$ 12,503,745,524	\$ 12,062,524,860		
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%		
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		\$	66,247,262	
3.22	Non-participating policies		\$	5,682,844,300	
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?				0.0%
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. 7
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [X] No []
- 11.2 If yes, give full information
The company guarantees the policies of a former subsidiary. See Note 14G(1b).
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|-------------------------------------------------------------------------|---------------|
| 12.11 Unpaid losses | \$ 17,228,596 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ 3,040,340 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 23,363,918
- 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								0.0%	
	12.42	To								0.0%	
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 [X] No []	
12.6	If yes, state the amount thereof at December 31 of current year:										
	12.61	Letters of Credit								\$ 1,402,556,345	
	12.62	Collateral and other funds								\$ 511,551,860	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):										
										\$ 9,916,000	
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 [] No [X]
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.										2
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?										Yes [X] No []
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 [] No [X]
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?										Yes [X] No []
14.5	If the answer to 14.4 is no, please explain:										
15.1	Has the reporting entity guaranteed any financed premium accounts?										Yes [] No [X]
15.2	If yes, give full information										
16.1	Does the reporting entity write any warranty business?										Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:										
		1	2	3	4	5					
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned					
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0	
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0	
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0	
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0	
	* Disclose type of coverage:										
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:										Yes [] No [X]
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 [] No [X]
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 [] No [X]
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 2017	2 2016	3 2015	4 2014	5 2013
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).....	3,129,716,796	2,997,728,938	2,951,106,153	3,013,330,809	3,151,157,459
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,128,405,066	1,073,079,390	1,010,426,853	996,647,088	993,277,349
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,788,449,399	1,731,784,059	1,706,691,307	1,723,018,639	1,759,326,481
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	24,505,483	25,427,976	34,804,183	30,652,851	39,891,681
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	28,092,894	27,369,414	32,306,113	35,357,135	31,585,343
6. Total (Line 35).....	6,099,169,639	5,855,389,777	5,735,334,609	5,799,006,523	5,975,238,313
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,860,790,525	2,720,411,732	2,580,895,960	2,495,619,434	2,470,753,554
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,069,147,185	1,007,347,160	932,113,566	900,044,124	898,283,987
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,787,679,905	1,729,513,647	1,699,614,097	1,700,904,162	1,728,058,827
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	20,786,386	20,782,928	25,697,550	11,346,630	19,964,817
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	10,687,561	12,426,074	13,797,121	15,438,694	14,329,028
12. Total (Line 35).....	5,749,091,562	5,490,481,541	5,252,118,293	5,123,353,043	5,131,390,213
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	30,609,752	288,669,930	540,472,404	463,627,636	431,778,213
14. Net investment gain (loss) (Line 11).....	806,078,745	1,116,634,247	944,817,655	725,498,043	670,968,747
15. Total other income (Line 15).....	10,737,182	8,638,688	8,406,687	5,191,642	32,725,251
16. Dividends to policyholders (Line 17).....	11,249,525	10,679,857	8,523,590	7,800,320	7,213,935
17. Federal and foreign income taxes incurred (Line 19).....	124,020,760	203,825,992	298,412,018	252,839,473	244,350,932
18. Net income (Line 20).....	712,155,393	1,199,437,015	1,186,761,138	933,677,528	883,907,343
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	18,716,417,995	18,558,671,505	18,297,596,634	18,917,210,617	18,566,316,320
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	666,601,355	652,490,362	645,272,037	632,108,579	568,875,618
20.2 Deferred and not yet due (Line 15.2).....	1,200,356,349	1,134,897,186	1,063,079,407	1,021,388,391	992,090,638
20.3 Accrued retrospective premiums (Line 15.3).....	21,386,725	15,847,005	19,832,974	20,790,245	23,588,341
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	13,349,136,294	13,000,440,163	12,734,324,153	12,923,140,386	12,651,619,036
22. Losses (Page 3, Line 1).....	7,733,842,902	7,498,180,997	7,422,324,562	7,493,585,203	7,648,975,444
23. Loss adjustment expenses (Page 3, Line 3).....	1,828,248,006	1,789,419,482	1,742,046,642	1,852,640,576	1,721,718,149
24. Unearned premiums (Page 3, Line 9).....	2,611,325,104	2,494,094,671	2,387,044,917	2,317,727,202	2,274,421,678
25. Capital paid up (Page 3, Lines 30 & 31).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,367,281,700	5,558,231,343	5,563,272,481	5,994,070,231	5,914,697,284
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,044,598,440	1,434,174,401	802,726,523	839,064,556	837,942,808
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,367,281,700	5,558,231,343	5,563,272,481	5,994,070,231	5,914,697,284
29. Authorized control level risk-based capital.....	1,152,815,229	1,053,557,422	1,026,383,100	1,043,218,567	1,024,986,820
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).....	74.2	70.7	65.6	62.6	64.2
31. Stocks (Lines 2.1 & 2.2).....	12.1	14.4	16.7	23.6	23.5
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.3	0.3	0.3
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.8	4.8	4.9	4.6	4.8
34. Cash, cash equivalents and short-term investments (Line 5).....	3.6	4.2	6.8	3.1	2.0
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	4.5	4.6	5.0	5.1	5.0
38. Receivables for securities (Line 9).....	0.1	0.2	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.8	1.1	0.7	0.8	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).....	1,895,256,630	1,961,871,975	2,353,281,162	3,439,726,128	3,436,557,783
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.....	51,355,256	49,172,636	50,105,990	49,439,397	51,225,520
48. Total of above lines 42 to 47.....	1,946,611,886	2,011,044,611	2,403,387,152	3,489,165,525	3,487,783,302
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	36.3	36.2	43.2	58.2	59.0

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2017	2016	2015	2014	2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(141,455,542)	(339,525,361)	(255,675,706)	283,461,008	170,438,776
52. Dividends to stockholders (Line 35).....	(665,000,000)	(858,000,000)	(1,264,000,000)	(1,085,800,000)	(1,115,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(190,949,642)	(5,041,138)	(430,797,751)	79,372,948	(85,966,397)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,876,303,415	1,844,265,454	1,764,341,011	1,685,590,205	1,678,550,282
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	717,059,828	555,777,300	500,462,255	519,815,243	516,541,701
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	892,832,918	751,964,076	716,141,651	767,254,624	843,342,508
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	34,807,311	18,469,793	18,556,823	25,318,844	9,498,051
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	64,150,723	31,528,614	53,661,154	63,774,481	78,663,124
59. Total (Line 35).....	3,585,154,194	3,202,005,237	3,053,162,893	3,061,753,397	3,126,595,666
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,464,069,722	1,435,338,405	1,326,108,567	1,262,944,341	1,263,611,086
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	667,983,878	530,338,027	457,150,925	462,010,226	467,343,734
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	881,726,843	740,027,958	700,582,780	728,374,096	788,111,916
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	6,173,563	11,191,005	9,974,426	16,288,426	2,928,241
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	24,813,730	13,492,411	18,139,971	30,185,563	20,539,084
65. Total (Line 35).....	3,044,767,736	2,730,387,807	2,511,956,669	2,499,802,652	2,542,534,061
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).....	58.2	52.1	47.1	46.2	48.8
68. Loss expenses incurred (Line 3).....	11.4	11.7	11.7	14.1	11.7
69. Other underwriting expenses incurred (Line 4).....	29.9	30.8	30.8	30.6	31.0
70. Net underwriting gain (loss) (Line 8).....	0.5	5.4	10.4	9.1	8.5
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).....	29.1	30.1	30.3	30.2	30.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	69.5	63.8	58.8	60.3	60.5
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).....	107.1	98.8	94.4	85.5	86.8
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).....	(132,325)	(105,512)	(172,825)	(295,461)	(164,799)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.4)	(1.9)	(2.9)	(5.0)	(2.7)
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).....	(207,993)	(271,751)	(415,474)	(438,279)	(345,970)
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).....	(3.7)	(4.5)	(7.0)	(7.3)	(6.1)

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	196,663	46,193	73,026	7,193	27,670	337	424	243,636	XXX
2. 2008.....	5,340,661	544,190	4,796,471	2,733,807	289,368	243,801	16,924	257,957	3,771	129,011	2,925,503	XXX
3. 2009.....	5,250,125	435,234	4,814,891	2,478,471	199,667	224,479	11,878	251,621	2,893	136,600	2,740,132	XXX
4. 2010.....	5,192,968	397,758	4,795,209	2,709,643	153,574	241,809	10,937	256,932	2,340	140,776	3,041,533	XXX
5. 2011.....	5,359,698	387,005	4,972,693	3,278,040	217,994	256,050	13,228	268,046	2,529	148,075	3,568,385	XXX
6. 2012.....	5,478,791	421,243	5,057,547	3,121,087	480,257	248,338	24,256	281,708	4,272	139,725	3,142,349	XXX
7. 2013.....	5,527,850	448,167	5,079,683	2,345,589	164,601	210,233	8,007	263,124	6,484	119,677	2,639,854	XXX
8. 2014.....	5,502,349	422,783	5,079,566	2,192,337	145,579	194,333	10,998	249,616	6,156	111,319	2,473,553	XXX
9. 2015.....	5,566,373	380,141	5,186,232	1,999,519	108,133	135,362	5,355	249,774	4,918	106,510	2,266,248	XXX
10. 2016.....	5,745,445	359,829	5,385,616	1,871,929	95,965	80,875	3,562	255,535	898	116,544	2,107,915	XXX
11. 2017.....	5,963,760	325,460	5,638,300	1,471,586	42,325	34,454	1,200	220,049	377	78,843	1,682,187	XXX
12. Totals.....	XXX	XXX	XXX	24,398,671	1,943,657	1,942,760	113,539	2,582,033	34,974	1,227,504	26,831,295	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,600,765	478,922	1,049,483	194,166	155,495	17,685	295,734	35,063	157,244	287	5,982	2,532,599	XXX
2. 2008.....	75,152	6,997	86,613	11,760	7,675	360	18,819	3,259	5,134	(3)	1,944	171,021	XXX
3. 2009.....	88,368	18,472	88,274	11,881	7,451	207	16,245	577	5,840	(4)	1,810	175,045	XXX
4. 2010.....	101,548	12,250	101,878	7,114	10,851	280	18,503	1,935	8,564	8	2,755	219,758	XXX
5. 2011.....	132,551	12,166	116,996	8,090	13,136	(1)	27,002	1,212	11,014	(5)	4,629	279,238	XXX
6. 2012.....	169,235	17,947	167,400	16,305	17,797	490	47,110	1,146	12,897	48	6,440	378,504	XXX
7. 2013.....	216,601	23,096	221,979	25,773	23,745	1,298	70,065	884	23,162	56	10,207	504,445	XXX
8. 2014.....	294,674	37,197	256,465	20,229	35,394	1,985	83,136	2,059	30,971	156	17,217	639,014	XXX
9. 2015.....	375,582	39,516	429,737	42,698	46,650	1,482	89,391	2,245	49,516	202	26,762	904,734	XXX
10. 2016.....	559,823	55,638	681,283	46,399	54,887	1,748	144,821	2,389	54,401	419	41,168	1,388,622	XXX
11. 2017.....	851,321	107,316	1,334,569	72,525	58,364	2,386	189,072	3,685	121,949	253	102,926	2,369,111	XXX
12. Totals.....	4,465,619	809,515	4,534,679	456,940	431,445	27,918	999,899	54,455	480,692	1,416	221,838	9,562,091	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,977,160	555,439
2. 2008.	3,428,959	332,436	3,096,523	64.2	61.1	64.6	0	0	24.79	143,008	28,013
3. 2009.	3,160,749	245,571	2,915,177	60.2	56.4	60.5	0	0	24.79	146,289	28,756
4. 2010.	3,449,727	188,437	3,261,291	66.4	47.4	68.0	0	0	24.79	184,061	35,697
5. 2011.	4,102,835	255,212	3,847,624	76.5	65.9	77.4	0	0	24.79	229,291	49,947
6. 2012.	4,065,573	544,721	3,520,852	74.2	129.3	69.6	0	0	24.79	302,383	76,120
7. 2013.	3,374,498	230,199	3,144,299	61.0	51.4	61.9	0	0	24.79	389,712	114,734
8. 2014.	3,336,927	224,360	3,112,567	60.6	53.1	61.3	0	0	24.79	493,713	145,301
9. 2015.	3,375,531	204,549	3,170,982	60.6	53.8	61.1	0	0	24.79	723,106	181,628
10. 2016.	3,703,553	207,017	3,496,537	64.5	57.5	64.9	0	0	24.79	1,139,069	249,552
11. 2017.	4,281,365	230,067	4,051,298	71.8	70.7	71.9	0	0	24.79	2,006,050	363,061
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,733,843	1,828,248

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior.....	7,598,520	7,279,339	7,056,999	6,914,763	6,786,796	6,696,645	6,555,441	6,522,785	6,502,239	6,532,285	30,046	9,500
2. 2008.....	3,011,040	3,036,985	3,017,535	2,944,545	2,906,318	2,893,483	2,864,839	2,851,118	2,845,456	2,844,344	(1,111)	(6,774)
3. 2009.....	XXX	2,816,746	2,803,689	2,780,671	2,752,170	2,721,273	2,704,825	2,701,477	2,680,516	2,668,271	(12,244)	(33,206)
4. 2010.....	XXX	XXX	2,983,104	3,076,907	3,057,673	3,039,368	3,027,060	3,025,460	3,020,639	3,007,140	(13,499)	(18,320)
5. 2011.....	XXX	XXX	XXX	3,640,306	3,664,367	3,660,451	3,626,680	3,627,172	3,598,235	3,581,525	(16,710)	(45,647)
6. 2012.....	XXX	XXX	XXX	XXX	3,336,988	3,328,287	3,287,182	3,251,681	3,249,381	3,240,647	(8,733)	(11,034)
7. 2013.....	XXX	XXX	XXX	XXX	XXX	2,951,686	2,929,704	2,896,028	2,885,600	2,875,168	(10,432)	(20,860)
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	2,942,948	2,890,137	2,884,865	2,849,691	(35,175)	(40,446)
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,930,417	2,923,831	2,889,210	(34,621)	(41,207)
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,232,357	3,202,512	(29,845)	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,725,670	XXX	XXX
12. Totals.....											(132,325)	(207,993)

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior.....	000	1,008,208	1,775,497	2,280,285	2,667,686	2,958,819	3,238,801	3,476,217	3,794,172	4,010,475	XXX	XXX
2. 2008.....	1,141,047	1,751,615	2,073,465	2,292,087	2,446,067	2,538,190	2,591,553	2,625,846	2,653,146	2,671,316	XXX	XXX
3. 2009.....	XXX	1,066,632	1,652,222	1,953,508	2,159,449	2,299,486	2,376,499	2,434,029	2,467,561	2,491,405	XXX	XXX
4. 2010.....	XXX	XXX	1,190,279	1,844,927	2,188,802	2,425,337	2,589,848	2,687,189	2,747,836	2,786,941	XXX	XXX
5. 2011.....	XXX	XXX	XXX	1,635,104	2,377,494	2,734,452	2,973,377	3,144,852	3,240,286	3,302,868	XXX	XXX
6. 2012.....	XXX	XXX	XXX	XXX	1,343,509	2,049,479	2,368,034	2,615,137	2,767,915	2,864,912	XXX	XXX
7. 2013.....	XXX	XXX	XXX	XXX	XXX	1,100,974	1,677,893	1,997,250	2,222,420	2,383,214	XXX	XXX
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	1,095,648	1,661,352	1,986,230	2,230,093	XXX	XXX
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,081,017	1,683,187	2,021,392	XXX	XXX
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,180,681	1,853,278	XXX	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,462,515	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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior.....	4,286,079	3,514,417	2,915,467	2,503,017	2,204,303	1,992,918	1,709,343	1,548,405	1,299,855	1,199,585
2. 2008.....	1,202,732	738,914	524,605	343,047	252,322	203,199	150,650	124,011	108,656	96,338
3. 2009.....	XXX	1,132,653	668,337	468,547	326,110	233,745	176,811	149,547	117,823	98,754
4. 2010.....	XXX	XXX	1,093,599	690,550	449,770	304,803	215,032	172,953	139,249	119,022
5. 2011.....	XXX	XXX	XXX	1,205,678	708,392	489,500	323,903	240,976	181,946	143,688
6. 2012.....	XXX	XXX	XXX	XXX	1,230,014	743,187	489,012	332,682	258,873	206,353
7. 2013.....	XXX	XXX	XXX	XXX	XXX	1,146,018	720,819	477,082	345,938	274,209
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	1,224,077	721,429	496,515	327,300
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,197,990	730,703	484,522
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,327,952	789,018
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,462,671

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

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	578,070	686,019	65	1,569,754	(5,874,779)	28,605,871	461	0
2. Alaska.....AK	L	305,113	330,368	0	883,561	840,254	5,354,744	29	0
3. Arizona.....AZ	L	320,222	373,650	0	10,001,296	1,848,947	23,843,047	159	0
4. Arkansas.....AR	L	1,273,116	1,304,856	0	15,903,035	(1,061,623)	10,506,611	1,053	0
5. California.....CA	L	18,033,773	20,869,415	3	22,232,910	(4,156,446)	144,681,325	16,106	0
6. Colorado.....CO	L	14,815,153	14,221,737	0	8,474,019	3,085,581	42,193,707	16,175	0
7. Connecticut.....CT	L	179,480	496,242	0	1,002,159	(10,190,624)	17,997,967	3	0
8. Delaware.....DE	L	44,745	386,402	0	281,018	(53,893)	4,801,023	12	0
9. District of Columbia.....DC	L	23,988	179,403	0	2,427,217	(2,610,862)	5,257,222	4	0
10. Florida.....FL	L	10,298,213	15,261,810	90,548	29,880,005	18,372,702	60,582,745	4,452	0
11. Georgia.....GA	L	208,037	464,390	108	1,306,017	(2,175,844)	33,437,509	17	0
12. Hawaii.....HI	L	41,531	101,315	0	61,833	(503,648)	3,047,226	0	0
13. Idaho.....ID	L	35,573	50,845	0	111,708	(226,779)	1,485,154	5	0
14. Illinois.....IL	L	1,350,043	1,822,842	0	3,051,943	(14,855,291)	83,525,736	828	0
15. Indiana.....IN	L	184,572	442,388	0	2,570,355	(398,856)	13,070,909	27	0
16. Iowa.....IA	L	74,749	214,273	0	1,041,945	(1,091,643)	17,853,565	6	0
17. Kansas.....KS	L	8,653,265	8,657,997	0	3,201,578	348,524	21,033,300	5,646	0
18. Kentucky.....KY	L	1,208,401	1,048,422	0	2,296,944	(84,627)	11,106,598	712	0
19. Louisiana.....LA	L	15,321,764	15,934,073	0	31,473,910	22,197,733	58,191,840	8,921	0
20. Maine.....ME	L	34,063	81,848	0	23,553	(171,089)	2,017,859	0	0
21. Maryland.....MD	L	380,907	487,606	0	3,170,456	(966,996)	33,390,666	104	0
22. Massachusetts.....MA	L	471,823	380,803	0	2,238,133	(7,407,644)	37,706,700	111	0
23. Michigan.....MI	L	2,012,874	2,365,915	0	2,678,028	(1,148,614)	38,608,379	1,125	0
24. Minnesota.....MN	L	164,619	730,042	0	3,444,066	363,020	58,741,920	40	0
25. Mississippi.....MS	L	3,279,877	3,472,122	0	1,428,027	(692,561)	14,713,527	2,811	0
26. Missouri.....MO	L	427,674	460,418	0	4,603,911	684,343	27,636,397	235	0
27. Montana.....MT	L	2,975,098	2,931,954	0	1,620,368	(53,817)	4,783,850	3,798	0
28. Nebraska.....NE	L	304,798	322,797	0	818,344	(214,343)	14,601,688	169	0
29. Nevada.....NV	L	116,835	458,467	0	39,517,109	34,382,220	13,123,048	51	0
30. New Hampshire.....NH	L	197,508	497,014	0	263,134	1,181,035	10,289,682	216	0
31. New Jersey.....NJ	L	858,816	993,384	0	5,228,882	1,532,625	43,087,640	450	0
32. New Mexico.....NM	L	14,801,654	14,758,817	0	17,755,745	11,205,752	29,488,810	14,912	0
33. New York.....NY	L	7,778,542	19,684,708	0	52,787,708	51,393,687	202,986,302	7,080	0
34. North Carolina.....NC	L	87,140	149,902	79	6,355,840	4,569,659	17,701,501	0	0
35. North Dakota.....ND	L	13,726,156	13,787,968	0	5,311,264	3,701,352	17,288,795	4,488	0
36. Ohio.....OH	L	6,849,871	6,690,413	0	2,912,539	(1,551,722)	25,012,737	3,011	0
37. Oklahoma.....OK	L	14,674,597	15,091,577	0	12,844,096	16,298,530	40,119,496	598	0
38. Oregon.....OR	L	172,344	285,902	0	187,819	(764,671)	6,764,817	28	0
39. Pennsylvania.....PA	L	16,357,398	14,911,587	0	17,455,443	1,672,344	71,582,999	10,726	0
40. Rhode Island.....RI	L	4,934	52,108	0	39,479	(508,404)	3,728,452	1	0
41. South Carolina.....SC	L	94,709	154,859	0	998,079	(1,255,451)	9,821,780	33	0
42. South Dakota.....SD	L	222,343	242,241	0	(12,765)	(545,797)	8,434,478	168	0
43. Tennessee.....TN	L	268,228	562,433	0	2,584,637	(2,141,202)	28,541,789	129	0
44. Texas.....TX	L	126,651,524	120,744,140	0	98,175,908	63,207,162	251,893,461	113,484	0
45. Utah.....UT	L	2,329,964	2,265,893	0	938,685	(237,856)	8,047,947	3,563	0
46. Vermont.....VT	L	3,681	40,026	0	170,173	(50,382)	2,909,725	1	0
47. Virginia.....VA	L	1,379,590	3,299,250	0	860,590	(2,841,698)	25,520,712	1,286	0
48. Washington.....WA	L	437,819	342,681	0	10,981,549	10,487,361	30,250,975	171	0
49. West Virginia.....WV	L	13,562,249	12,610,561	0	11,607,374	2,234,748	14,900,278	5,478	0
50. Wisconsin.....WI	L	431,431	618,483	489	7,843,774	(3,534,785)	50,387,938	71	0
51. Wyoming.....WY	L	12,971,645	12,865,017	0	8,784,959	8,170,676	20,308,851	11,861	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	3,334	3,262	0	0	(498)	4,799	0	0
54. Puerto Rico.....PR	L	50,305	58,091	0	0	(391,594)	985,495	0	0
55. US Virgin Islands.....VI	L	0	6,157	0	130,000	(20,661)	114,205	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	L	95,647,489	97,916,196	0	110,206,722	59,398,826	228,750,665	0	0
58. Aggregate Other Alien.....OT	XXX	1,103,965	1,734,250	0	270,520	(1,263,412)	8,625,347	0	0
59. Totals.....	(a) 54	413,785,612	434,905,338	91,292	571,995,357	248,128,967	1,989,449,807	240,815	0

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	548,501	1,169,722	0	0	0	0	0	0
58002. CYM Cayman Islands.....	XXX	334,931	328,235	0	0	0	0	0	0
58003. ISR Israel.....	XXX	132,235	125,963	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	88,298	110,328	0	270,520	(1,263,412)	8,625,347	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	1,103,965	1,734,250	0	270,520	(1,263,412)	8,625,347	0	0

(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 (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (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 - Location of property; 2 Allied Lines - Location of property; 3 Farmowners - Location of property; 4 Homeowners - Location of property; 5 CMP - Location of property; 8 Ocean Marine - Address of insured or state of principal exposure, except builders risks which are allocated on location of risk; 9 Inland Marine - Location of insured or state of principal exposure; 10 Financial guaranty - Location of risk; 11 Medical malpractice - Location of risk; 12 Earthquake - Location of property; 13 Group A&H - Location of risk; 15 Other A&H - Location of insured; 16 Workers' compensation - Location of employee's workplace; 17 Other liability - Location of risk; 18 Products Liability - Location of risk; 19 Auto liability - Location of garage; 21 Auto physical damage - Location of garage; 22 Aircraft - Location of airport from which insured's aircraft operates; 23 Fidelity - Location of insured; 24 Surety - Contract Surety: Project location; All Other Surety: Obligor location; 26 Burglary and theft - Location of property; 27 Boiler and machinery - Location of property; 28 Credit - Location of risk; 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.

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

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	... Camperdown Corporation	Delaware	41-1762781
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... Aprilgrange Limited	United Kingdom	
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... F&G U.K. Underwriters Limited	United Kingdom	
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Travelers Constitution State Insurance Company (41750) *	Connecticut	41-1435766	... Travelers Syndicate Management Limited	United Kingdom	
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Discover Property & Casualty Insurance Company (36463) *	Connecticut	36-2999370	... St. Paul Surety Europe Limited	United Kingdom	
... .. St. Paul Protective Insurance Company (19224) *	Connecticut	36-2542404	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Discover Specialty Insurance Company (10213) *	Connecticut	52-1925132	... Travelers London Limited	United Kingdom	
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... Travelers Management Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... .. Travelers Professional Risks Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... Simply Business Holdings Limited	United Kingdom	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... .. Simply Business Group Limited	United Kingdom	
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... .. Xbridge Holdings Limited	United Kingdom	
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... .. Xbridge Acquisitions Limited	United Kingdom	
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... .. Simply Business Holdings, Inc.	Delaware	
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... .. Simply Business, Inc.	Massachusetts	
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... .. Xbridge Limited	United Kingdom	
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. USF&G Capital I	Delaware	52-1953822	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. USF&G Capital III	Delaware	52-2044075	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. 350 Market Street, LLC	Delaware	38-4046010	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. Travelers Special Services Limited	United Kingdom		... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Lone Rock Timber Investments II, LLC (90%)	Delaware	32-0447309
... .. English Turn Fidelity Realty, Inc.	Minnesota	52-1466734	... .. Travelers (Bermuda) Limited *	Bermuda	AA-3194119
... .. English Turn LLC (99%)	Minnesota	59-2635727	... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. Fidelity English Turn Club LLC (99%)	Minnesota	59-2709441	... .. TPC Investments Inc.	Connecticut	06-1534005
... .. English Turn LLC (1%)	Minnesota	59-2635727	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. English Turn Realty Management, Inc.	Minnesota	52-1715225	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. Fidelity English Turn Club LLC (1%)	Minnesota	59-2709441	... .. Travelers MGA, Inc.	Texas	75-2676034
... .. 8527512 Canada Inc. (22.48%)	Canada		... .. 8527512 Canada Inc. (77.52%)	Canada	
... .. The Dominion of Canada General Insurance Company *	Canada	AA-1560270	... .. The Dominion of Canada General Insurance Company *	Canada	AA-1560270
... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480	... .. Travelers Insurance Company of Canada *	Canada	AA-1560039
... .. Symmetry Growth Capital II, LLC	Minnesota	76-0753165	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. Upper Lake Growth Capital, LLC (99%)	Minnesota	41-1927945	... .. Travelers Global, Inc.	Delaware	47-2215437
... .. Vesbridge Partners, LP (85%)	Minnesota	20-1222630	... .. Travelers Brazil Holding, LLC	Delaware	47-2215437
... .. Windamere II, LLC (99%)	Minnesota	41-1963936	... .. Travelers Brazil Acquisition LLC	Delaware	47-2215437

Notes:

* Denotes affiliated insurer

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

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

...	J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (49.5%)	Brazil		... .. Travelers Distribution Alliance, Inc.	Delaware	62-1657094
...	J. Malucelli Resseguradora S.A. *	Brazil	AA-2230021	... .. Travelers TLD, LLC	Delaware	06-0566050
...	J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		... .. Tiercel, LLC	Delaware	06-0566050
...	J. Malucelli Seguradora S.A. *	Brazil	AA-2230002	... .. Redstart, LLC	Delaware	06-0566050
...	J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
...	J. Malucelli Latam S.A. (49.5%)	Brazil		... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
...	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 Family Business Institute LLC	Delaware	56-1959031			
...	IHP Capital Partners Fund VIII, L.P. (97%)	Delaware	82-0925474			
...	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			
...	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			

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Notes:

* Denotes affiliated insurer

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

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