



ANNUAL STATEMENT
For the Year Ended December 31, 2017
OF THE CONDITION AND AFFAIRS OF
THE TRAVELERS
INDEMNITY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 25658 Employer's ID Number 06-0566050
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MARCH 25, 1903 COMMENCED BUSINESS, MAY 12, 1906

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

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

DIRECTORS

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

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

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

Subscribed and sworn to before me this

23rd day of January, 2018

Notary Public signature and My Commission Expires September 30, 2022



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	12,512,531,773	0	12,512,531,773	12,073,733,311
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	25,441,367	0	25,441,367	25,662,643
2.2 Common stocks.....	3,402,382,468	1,396,490	3,400,985,978	3,561,042,588
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).....	348,836,603	0	348,836,603	342,636,751
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(658,100,824), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....1,225,502,608, Schedule DA).....	567,401,784	0	567,401,784	636,123,504
6. Contract loans (including \$.....0 premium notes).....	2,722,698	2,722,698	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	1,052,263,234	170,866,901	881,396,333	859,446,817
9. Receivables for securities.....	20,468,507	0	20,468,507	0
10. Securities lending reinvested collateral assets (Schedule DL).....	46,564,397	0	46,564,397	36,497,489
11. Aggregate write-ins for invested assets.....	(912,823)	0	(912,823)	(925,474)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	17,977,700,009	174,986,089	17,802,713,919	17,534,217,628
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	110,790,844	0	110,790,844	119,584,479
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	362,382,252	39,931,273	322,450,979	330,505,553
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....28,070,855 earned but unbilled premiums).....	1,134,486,146	6,109,689	1,128,376,458	1,067,538,300
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	21,685,003	1,592,353	20,092,651	14,888,130
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,250,760,525	0	1,250,760,525	1,238,544,702
16.2 Funds held by or deposited with reinsured companies.....	1,483,522	0	1,483,522	1,415,757
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.....	77,663,811	0	77,663,811	0
18.2 Net deferred tax asset.....	291,025,555	25,876,674	265,148,881	453,253,948
19. Guaranty funds receivable or on deposit.....	984,546	0	984,546	1,120,977
20. Electronic data processing equipment and software.....	52,320,333	0	52,320,333	68,073,161
21. Furniture and equipment, including health care delivery assets (\$.....0).....	176,521,101	176,521,101	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.....	1,194,179,704	832,515,887	361,663,817	351,326,166
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	22,651,983,351	1,257,533,066	21,394,450,285	21,180,468,800
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	22,651,983,351	1,257,533,066	21,394,450,285	21,180,468,800

DETAILS OF WRITE-INS

1101. Deferred gain.....	(912,823)	0	(912,823)	(925,474)
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).....	(912,823)	0	(912,823)	(925,474)
2501. COLI supplemental benefits trust.....	137,911,858	0	137,911,858	132,546,701
2502. Suspense, undistributed payments.....	66,593,575	0	66,593,575	60,122,044
2503. Equities and deposits in pools and associations.....	52,271,858	0	52,271,858	46,726,581
2598. Summary of remaining write-ins for Line 25 from overflow page.....	937,402,414	832,515,887	104,886,527	111,930,841
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,194,179,704	832,515,887	361,663,817	351,326,166

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,077,173,895	6,818,327,023
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,257,474,576	1,099,275,785
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,645,533,666	1,604,381,209
4. Commissions payable, contingent commissions and other similar charges.....	164,370,223	157,463,155
5. Other expenses (excluding taxes, licenses and fees).....	140,569,334	147,347,234
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	78,872,444	83,396,790
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	50,083,407
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 \$.....8,391,675,878 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).....	2,417,498,323	2,305,527,071
10. Advance premium.....	67,501,496	75,941,219
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	13,269,126	12,318,133
12. Ceded reinsurance premiums payable (net of ceding commissions).....	45,918,040	47,524,102
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	104,143,998	118,595,089
14. Amounts withheld or retained by company for account of others.....	1,119,699,423	1,121,368,666
15. Remittances and items not allocated.....	251,239,245	223,110,444
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	37,748,512	51,493,354
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	18,321,124	123,619,006
20. Derivatives.....	0	0
21. Payable for securities.....	(75,284)	19,591,786
22. Payable for securities lending.....	46,564,397	36,497,489
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.....	88,405,253	81,140,966
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	14,574,227,790	14,177,001,927
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	14,574,227,790	14,177,001,927
29. Aggregate write-ins for special surplus funds.....	13,837,072	15,536,711
30. Common capital stock.....	10,790,700	10,790,700
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.....	4,234,154,921	4,234,154,921
35. Unassigned funds (surplus).....	2,561,439,802	2,742,984,541
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	6,820,222,495	7,003,466,873
38. TOTAL (Page 2, Line 28, Col. 3).....	21,394,450,285	21,180,468,800

DETAILS OF WRITE-INS

2501. Escheat liability.....	101,112,198	95,737,177
2502. Other liabilities tri-party/tax credit bonds.....	286,561	859,684
2503. Retroactive reinsurance reserve assumed.....	280,381	282,586
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(13,273,889)	(15,738,482)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	88,405,253	81,140,966
2901. Special surplus from retroactive reinsurance.....	13,837,072	15,536,711
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	13,837,072	15,536,711
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	5,211,733,518	4,970,624,887
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,030,277,203	2,569,459,514
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	592,828,543	581,697,455
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,556,697,197	1,525,880,233
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,179,802,943	4,677,037,202
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	31,930,575	293,587,685
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	886,380,097	868,854,936
10. Net realized capital gains (losses) less capital gains tax of \$.....1,496,197 (Exhibit of Capital Gains (Losses)).....	(19,964,024)	1,065,840
11. Net investment gain (loss) (Lines 9 + 10).....	866,416,073	869,920,776
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,208,575 amount charged off \$.....11,465,769).....	(9,257,195)	(8,989,679)
13. Finance and service charges not included in premiums.....	17,762,457	17,573,545
14. Aggregate write-ins for miscellaneous income.....	41,248,704	176,443,409
15. Total other income (Lines 12 through 14).....	49,753,966	185,027,275
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	948,100,614	1,348,535,736
17. Dividends to policyholders.....	10,568,835	10,033,637
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).....	937,531,779	1,338,502,098
19. Federal and foreign income taxes incurred.....	(12,802,009)	238,355,487
20. Net income (Line 18 minus Line 19) (to Line 22).....	950,333,788	1,100,146,611
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	7,003,466,873	6,844,590,214
22. Net income (from Line 20).....	950,333,788	1,100,146,611
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....3,739,608.....	(148,073,876)	(20,307,164)
25. Change in net unrealized foreign exchange capital gain (loss).....	538,633	503,879
26. Change in net deferred income tax.....	(332,583,946)	(79,210,076)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	126,794,645	48,844,761
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	13,744,842	41,898,649
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.....	(794,000,000)	(933,000,000)
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.....	1,536	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(183,244,378)	158,876,660
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	6,820,222,495	7,003,466,873
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.....	34,815,063	174,544,934
1402. Change in COLI cash values.....	8,146,580	3,071,523
1403. Other assets tri-party/tax credit bond income.....	175,901	330,184
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,888,841)	(1,503,232)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	41,248,704	176,443,409
3701. Unrealized deferred tri-party tax credit bonds.....	1,536	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).....	1,536	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,249,974,607	4,984,674,665
2. Net investment income.....	968,964,268	953,759,708
3. Miscellaneous income.....	49,753,966	185,027,275
4. Total (Lines 1 through 3).....	6,268,692,841	6,123,461,649
5. Benefit and loss related payments.....	2,625,515,128	2,347,442,462
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,111,266,080	2,042,768,506
8. Dividends paid to policyholders.....	9,617,842	8,927,684
9. Federal and foreign income taxes paid (recovered) net of \$.....2,722,263 tax on capital gains (losses).....	116,441,405	184,303,297
10. Total (Lines 5 through 9).....	4,862,840,455	4,583,441,950
11. Net cash from operations (Line 4 minus Line 10).....	1,405,852,386	1,540,019,699
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,417,530,085	2,425,983,744
12.2 Stocks.....	6,057,025	22,326,586
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	26,963
12.5 Other invested assets.....	87,882,746	103,220,702
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	21,140,792
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,511,469,856	2,572,698,786
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,913,172,651	2,873,895,988
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	19,223,645	16,634,515
13.5 Other invested assets.....	92,029,276	133,089,290
13.6 Miscellaneous applications.....	50,202,485	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,074,628,057	3,023,619,792
14. Net increase (decrease) in contract loans and premium notes.....	934,539	(1,929,209)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(564,092,740)	(448,991,797)
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.....	794,000,000	933,000,000
16.6 Other cash provided (applied).....	(116,481,365)	(52,931,230)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(910,481,365)	(985,931,230)
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).....	(68,721,720)	105,096,673
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	636,123,504	531,026,831
19.2 End of year (Line 18 plus Line 19.1).....	567,401,784	636,123,504
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	35,896,980	41,074,434
20.0002 Interest payment received in securities.....	3,305,038	2,085,729
20.0003 Other assets tri-party/tax credit bonds.....	1,316,943	0
20.0004 Stock distribution from limited partnerships.....	34,803	2,109,028
20.0005 Tax credits from certified capital company (CAPCO).....	46,635	43,509

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.....	118,654,814	55,135,892	55,284,183	118,506,523
2.	Allied lines.....	124,065,548	60,388,989	59,647,221	124,807,316
3.	Farmowners multiple peril.....	44,663,031	19,589,457	21,524,468	42,728,020
4.	Homeowners multiple peril.....	807,829,394	411,752,797	431,294,433	788,287,759
5.	Commercial multiple peril.....	720,383,668	324,261,496	329,892,137	714,753,027
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	49,144,717	20,761,015	21,126,958	48,778,774
9.	Inland marine.....	149,815,029	73,168,326	72,326,876	150,656,479
10.	Financial guaranty.....	0	0	0	0
11.1	Medical professional liability - occurrence.....	0	(46)	(40)	(5)
11.2	Medical professional liability - claims-made.....	231,386	0	0	231,386
12.	Earthquake.....	22,592,906	12,883,232	12,765,946	22,710,191
13.	Group accident and health.....	148	7,978	6,560	1,566
14.	Credit accident and health (group and individual).....	0	0	0	0
15.	Other accident and health.....	15,893	(1,971)	29	13,893
16.	Workers' compensation.....	925,311,309	349,052,700	340,941,908	933,422,100
17.1	Other liability - occurrence.....	456,114,437	184,911,814	194,493,857	446,532,394
17.2	Other liability - claims-made.....	127,963,624	73,440,669	73,513,136	127,891,156
17.3	Excess workers' compensation.....	4,008,200	1,524,335	1,426,961	4,105,574
18.1	Products liability - occurrence.....	31,198,169	12,810,440	12,815,003	31,193,606
18.2	Products liability - claims-made.....	5,747,263	2,870,921	2,591,430	6,026,755
19.1, 19.2	Private passenger auto liability.....	690,955,554	255,593,142	292,391,408	654,157,288
19.3, 19.4	Commercial auto liability.....	404,385,788	165,265,581	180,795,349	388,856,019
21.	Auto physical damage.....	560,471,128	209,589,815	237,044,373	533,016,570
22.	Aircraft (all perils).....	0	1,783	0	1,783
23.	Fidelity.....	10,901,436	7,977,392	7,832,275	11,046,552
24.	Surety.....	871,738	862,611	665,254	1,069,095
26.	Burglary and theft.....	1,599,495	873,296	928,402	1,544,389
27.	Boiler and machinery.....	49,834,526	22,540,171	22,947,148	49,427,549
28.	Credit.....	259	1,045	1,080	223
29.	International.....	790,211	1,685	1,058	790,838
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	6,035,543	3,440,923	2,912,619	6,563,847
32.	Reinsurance - nonproportional assumed liability.....	3,634,897	2,270,019	2,099,640	3,805,277
33.	Reinsurance - nonproportional assumed financial lines.....	370,434	241,866	234,610	377,691
34.	Aggregate write-ins for other lines of business.....	55,257	374,626	0	429,883
35.	TOTALS.....	5,317,645,804	2,271,591,997	2,377,504,283	5,211,733,518

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	55,257	374,626	0	429,883
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).....	55,257	374,626	0	429,883

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		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.....	55,216,864	498,647	(431,328)	.0	55,284,183
2.	Allied lines.....	58,629,483	1,018,436	(699)	.0	59,647,221
3.	Farmowners multiple peril.....	21,739,578	(215,110)	0	.0	21,524,468
4.	Homeowners multiple peril.....	431,294,915	(482)	0	.0	431,294,433
5.	Commercial multiple peril.....	332,455,315	(133,100)	(2,430,079)	.0	329,892,137
6.	Mortgage guaranty.....	0	0	0	.0	0
8.	Ocean marine.....	21,838,374	424,178	(1,135,593)	.0	21,126,958
9.	Inland marine.....	62,342,442	10,275,863	(291,429)	.0	72,326,876
10.	Financial guaranty.....	0	0	0	.0	0
11.1	Medical professional liability - occurrence.....	(40)	0	0	.0	(40)
11.2	Medical professional liability - claims-made.....	0	0	0	.0	0
12.	Earthquake.....	12,304,378	461,569	0	.0	12,765,946
13.	Group accident and health.....	6,560	0	0	.0	6,560
14.	Credit accident and health (group and individual).....	0	0	0	.0	0
15.	Other accident and health.....	29	0	0	.0	29
16.	Workers' compensation.....	373,170,785	65,250	(20,076,932)	(12,217,194)	340,941,908
17.1	Other liability - occurrence.....	199,390,794	(3,482,482)	(3,477,185)	2,062,729	194,493,857
17.2	Other liability - claims-made.....	58,404,604	15,098,819	9,713	0	73,513,136
17.3	Excess workers' compensation.....	1,427,194	0	(233)	0	1,426,961
18.1	Products liability - occurrence.....	12,916,263	5,677	(342,130)	235,193	12,815,003
18.2	Products liability - claims-made.....	2,546,221	(59,829)	105,038	0	2,591,430
19.1, 19.2	Private passenger auto liability.....	292,391,408	0	0	0	292,391,408
19.3, 19.4	Commercial auto liability.....	182,426,952	372,310	0	(2,003,913)	180,795,349
21.	Auto physical damage.....	236,934,398	109,975	0	0	237,044,373
22.	Aircraft (all perils).....	0	0	0	0	0
23.	Fidelity.....	4,248,967	3,583,308	0	0	7,832,275
24.	Surety.....	100,677	564,578	0	0	665,254
26.	Burglary and theft.....	606,871	321,531	0	0	928,402
27.	Boiler and machinery.....	18,019,664	4,927,484	0	0	22,947,148
28.	Credit.....	1,080	0	0	0	1,080
29.	International.....	1,058	0	0	0	1,058
30.	Warranty.....	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	2,864,465	48,154	0	0	2,912,619
32.	Reinsurance - nonproportional assumed liability.....	2,091,411	8,228	0	0	2,099,640
33.	Reinsurance - nonproportional assumed financial lines.....	234,610	0	0	0	234,610
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	2,383,605,320	33,893,003	(28,070,855)	(11,923,185)	2,377,504,283
36.	Accrued retrospective premiums based on experience.....					11,923,185
37.	Earned but unbilled premiums.....					28,070,855
38.	Balance (sum of Lines 35 through 37).....					2,417,498,323

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.

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.....	146,152,850	445,541,429	137,768	390,927,857	82,249,375	118,654,814
2.	Allied lines.....	202,365,421	440,425,908	(25,263)	408,633,245	110,067,273	124,065,548
3.	Farmowners multiple peril.....	24,995,902	168,139,242	0	147,106,103	1,366,010	44,663,031
4.	Homeowners multiple peril.....	44,088,390	3,485,988,746	0	2,660,738,204	61,509,538	807,829,394
5.	Commercial multiple peril.....	271,893,134	3,001,479,089	4,719,208	2,374,054,657	183,653,106	720,383,668
6.	Mortgage guaranty.....	0	0	0	0	0	0
8.	Ocean marine.....	(24,095)	231,692,242	2,218	161,947,518	20,578,130	49,144,717
9.	Inland marine.....	11,701,394	672,586,856	11,949	493,444,012	41,041,157	149,815,029
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.....	8,327	990,874	0	762,115	5,700	231,386
12.	Earthquake.....	35,890,679	90,882,220	0	74,413,994	29,765,999	22,592,906
13.	Group accident and health.....	0	148	0	0	0	148
14.	Credit accident and health (group and individual).....	0	0	0	0	0	0
15.	Other accident and health.....	0	15,893	0	0	0	15,893
16.	Workers' compensation.....	407,343,330	3,948,574,866	86,949,363	3,047,688,670	469,867,580	925,311,309
17.1	Other liability - occurrence.....	361,760,440	1,668,321,980	2,714,702	1,503,457,967	73,224,718	456,114,437
17.2	Other liability - claims-made.....	20,950,942	541,639,568	2,003,902	421,472,292	15,158,497	127,963,624
17.3	Excess workers' compensation.....	0	17,229,083	0	13,201,762	19,120	4,008,200
18.1	Products liability - occurrence.....	16,726,148	117,536,247	(16)	102,757,042	307,167	31,198,169
18.2	Products liability - claims-made.....	0	25,455,726	0	18,929,694	778,769	5,747,263
19.1, 19.2	Private passenger auto liability.....	8,449,352	2,973,150,768	10,037,090	2,275,792,215	24,889,442	690,955,554
19.3, 19.4	Commercial auto liability.....	240,087,934	1,530,064,866	25,981,948	1,332,237,647	59,511,312	404,385,788
21.	Auto physical damage.....	69,487,766	2,344,984,079	3,430,729	1,846,017,191	11,414,254	560,471,128
22.	Aircraft (all perils).....	0	0	0	0	0	0
23.	Fidelity.....	77,411	46,729,883	0	35,905,934	(76)	10,901,436
24.	Surety.....	329,005	3,692,385	0	3,145,367	4,285	871,738
26.	Burglary and theft.....	6,141	9,564,097	0	6,133,072	1,837,671	1,599,495
27.	Boiler and machinery.....	17,289,662	98,780,610	101,164,217	164,139,392	3,260,571	49,834,526
28.	Credit.....	0	1,112	0	853	0	259
29.	International.....	0	3,392,920	0	2,602,709	0	790,211
30.	Warranty.....	0	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	XXX	128,820	25,775,432	19,879,198	(10,490)	6,035,543
32.	Reinsurance - nonproportional assumed liability.....	XXX	15,811,767	7,659	11,972,219	212,310	3,634,897
33.	Reinsurance - nonproportional assumed financial lines.....	XXX	1,590,529	0	1,220,095	0	370,434
34.	Aggregate write-ins for other lines of business.....	0	237,257	0	182,000	0	55,257
35.	TOTALS.....	1,879,580,132	21,884,629,210	262,910,905	17,518,763,024	1,190,711,418	5,317,645,804

DETAILS OF WRITE-INS

3401.	Tribal workers' compensation.....	0	237,257	0	182,000	0	55,257
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	237,257	0	182,000	0	55,257

(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.....	113,500,040	260,466,075	291,988,158	81,977,957	74,278,059	58,386,686	97,869,331	82.6
2. Allied lines.....	97,682,532	285,077,106	305,103,878	77,655,760	50,415,187	37,458,609	90,612,338	72.6
3. Farmowners multiple peril.....	12,559,297	115,237,103	98,513,665	29,282,735	22,224,806	10,867,615	40,639,926	95.1
4. Homeowners multiple peril.....	15,386,279	1,865,193,292	1,443,010,737	437,568,833	246,786,802	161,371,098	522,984,537	66.3
5. Commercial multiple peril.....	136,636,932	1,295,063,657	1,115,582,067	316,118,522	612,897,509	604,525,916	324,490,114	45.4
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	3,586	118,994,563	92,526,090	26,472,059	41,822,955	43,008,953	25,286,060	51.8
9. Inland marine.....	5,949,877	290,533,161	233,161,184	63,321,853	54,599,579	46,795,986	71,125,447	47.2
10. Financial guaranty.....	0	0	0	0	1	1	0	0.0
11.1 Medical professional liability - occurrence.....	0	621,950	480,555	141,395	1,112,728	3,207,184	(1,953,061)	36,711,669.4
11.2 Medical professional liability - claims-made.....	17,500	3,510,998	2,709,250	819,248	7,382,288	10,139,289	(1,937,752)	(837.5)
12. Earthquake.....	0	1,581	1,212	368	78,050	(55,010)	133,428	0.6
13. Group accident and health.....	0	56,292	0	56,292	611,648	712,445	(44,505)	(2,842.2)
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	26,152	(84,039)	0	(57,887)	5,905,534	5,691,972	155,675	1,120.5
16. Workers' compensation.....	235,024,953	1,965,826,619	1,770,370,921	430,480,651	3,254,646,135	3,196,367,967	488,758,819	52.4
17.1 Other liability - occurrence.....	88,075,467	935,504,174	811,797,747	211,781,894	850,263,558	887,249,040	174,796,412	39.1
17.2 Other liability - claims-made.....	5,004,151	321,896,981	256,137,890	70,763,242	334,679,817	333,747,414	71,695,645	56.1
17.3 Excess workers' compensation.....	3,433,746	8,292,047	8,488,766	3,237,027	142,598,332	137,961,135	7,874,224	191.8
18.1 Products liability - occurrence.....	5,536,993	107,845,114	89,459,085	23,923,022	143,174,990	149,755,956	17,342,055	55.6
18.2 Products liability - claims-made.....	0	2,363,910	1,838,107	525,803	8,973,777	7,369,148	2,130,431	35.3
19.1, 19.2 Private passenger auto liability.....	10,702,299	1,629,161,827	1,263,488,246	376,375,880	541,543,041	463,818,253	454,100,668	69.4
19.3, 19.4 Commercial auto liability.....	109,727,750	907,539,947	792,390,488	224,877,209	478,875,019	454,297,098	249,455,130	64.2
21. Auto physical damage.....	41,467,503	1,480,592,782	1,170,580,070	351,480,215	47,709,446	38,157,372	361,032,289	67.7
22. Aircraft (all perils).....	(70,675)	524,348	345,904	107,769	1,766,951	1,734,293	140,428	7,877.6
23. Fidelity.....	29,057	37,604,680	32,012,578	5,621,159	11,756,897	13,788,898	3,589,158	32.5
24. Surety.....	(151,185)	(351,743)	(319,478)	(183,449)	9,405,070	9,972,527	(750,906)	(70.2)
26. Burglary and theft.....	0	138,086	105,471	32,615	1,416,811	1,420,462	28,964	1.9
27. Boiler and machinery.....	2,451,393	67,491,618	53,998,504	15,944,507	11,879,785	9,756,314	18,067,978	36.6
28. Credit.....	0	2,900	2,224	675	1,148,838	1,149,513	0	0.1
29. International.....	0	917,343	703,694	213,649	1,646,634	2,201,078	(340,794)	(43.1)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	11,496,645	9,177,537	2,319,107	11,790,679	12,628,668	1,481,118	22.6
32. Reinsurance - nonproportional assumed liability.....	XXX	99,892,133	79,257,260	20,634,874	101,635,196	110,969,154	11,300,916	297.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	(884,717)	(678,666)	(206,051)	2,959,318	2,776,630	(23,363)	(6.2)
34. Aggregate write-ins for other lines of business.....	0	615,706	472,308	143,398	1,188,455	1,095,358	236,495	55.0
35. TOTALS.....	882,993,647	11,811,142,138	9,922,705,453	2,771,430,333	7,077,173,895	6,818,327,023	3,030,277,206	58.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	615,706	472,308	143,398	1,188,455	1,095,358	236,495	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).....	0	615,706	472,308	143,398	1,188,455	1,095,358	236,495	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.....	93,369,331	232,406,932	272,766,892	53,009,371	1,124,187	44,577,361	24,432,860	74,278,059	4,525,016
2. Allied lines.....	71,448,195	212,314,169	248,453,543	35,308,820	15,666,750	97,089,779	97,650,162	50,415,187	9,193,210
3. Farmowners multiple peril.....	3,212,395	70,175,426	59,990,638	13,397,183	4,742,971	33,919,990	29,835,338	22,224,806	3,573,841
4. Homeowners multiple peril.....	5,857,107	534,836,819	414,766,311	125,927,616	3,791,395	516,738,079	399,670,288	246,786,802	36,414,463
5. Commercial multiple peril.....	137,335,667	1,291,362,309	1,115,527,511	313,170,465	142,030,724	1,180,642,860	1,022,946,540	612,897,509	231,017,927
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	1,000,002	88,989,956	70,769,923	19,220,036	7,803,980	104,179,202	89,380,263	41,822,955	8,554,415
9. Inland marine.....	10,290,981	203,566,956	174,077,078	39,780,859	2,896,804	58,909,079	46,987,163	54,599,579	4,855,354
10. Financial guaranty.....	0	0	0	0	0	0	(1)	1	0
11.1 Medical professional liability - occurrence.....	0	1,003,803	770,017	233,786	3,618,126	4,743,822	7,483,006	1,112,728	816,539
11.2 Medical professional liability - claims-made.....	0	20,835,678	15,990,803	4,844,875	3,478,170	6,699,624	7,640,382	7,382,288	1,110,615
12. Earthquake.....	0	0	0	0	13,658	559,648	495,257	78,050	99,152
13. Group accident and health.....	0	351,621	0	351,621	0	389,762	129,735	(a) 611,648	117,924
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	431,284	1,099,548	1,838	1,528,994	1,016,107	3,776,952	416,518	(a) 5,905,534	1,567,492
16. Workers' compensation.....	1,356,756,502	7,365,376,771	7,103,237,193	1,618,896,079	1,029,797,927	7,113,348,669	6,507,396,539	3,254,646,135	529,905,950
17.1 Other liability - occurrence.....	210,513,931	938,311,632	906,566,929	242,258,634	560,927,012	2,379,436,094	2,332,358,183	850,263,558	356,386,636
17.2 Other liability - claims-made.....	23,198,227	498,009,642	413,857,399	107,350,470	55,826,680	987,321,657	815,818,990	334,679,817	97,854,101
17.3 Excess workers' compensation.....	0	307,047,950	247,058,034	59,989,916	97,820	383,857,695	301,347,098	142,598,332	11,224,148
18.1 Products liability - occurrence.....	15,186,635	139,380,391	122,345,045	32,221,981	109,057,918	413,799,245	411,904,155	143,174,990	154,930,814
18.2 Products liability - claims-made.....	0	6,918,651	5,308,555	1,610,096	947,211	31,900,063	25,483,592	8,973,777	6,851,603
19.1, 19.2 Private passenger auto liability.....	71,486,215	1,551,564,497	1,345,041,798	278,008,914	8,996,812	1,142,608,774	888,071,459	541,543,041	89,040,376
19.3, 19.4 Commercial auto liability.....	139,101,935	1,182,609,876	1,064,336,830	257,374,981	132,268,318	868,538,733	779,307,012	478,875,019	60,536,898
21. Auto physical damage.....	4,149,917	71,989,299	58,654,297	17,484,919	16,580,574	113,645,097	100,001,145	47,709,446	20,771,049
22. Aircraft (all perils).....	139,443	28,704,549	27,933,708	910,283	1,281,908	16,443,182	16,868,423	1,766,951	904,366
23. Fidelity.....	119	3,314,909	2,547,401	767,628	7,129,053	44,305,282	40,445,065	11,756,897	3,754,993
24. Surety.....	2,324,503	25,414,694	21,534,944	6,204,253	11,714,576	10,735,882	19,249,641	9,405,070	1,282,882
26. Burglary and theft.....	(1)	20,110	15,426	4,684	9,141	7,025,064	5,622,078	1,416,811	405,307
27. Boiler and machinery.....	1,124,339	24,399,832	19,580,878	5,943,292	3,518,298	22,701,404	20,283,209	11,879,785	1,908,530
28. Credit.....	0	1,649,778	1,265,545	384,233	0	3,282,975	2,518,370	1,148,838	38,598
29. International.....	0	3,053,995	2,342,719	711,275	17,323	4,051,063	3,133,027	1,646,634	263,018
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	37,749,547	30,138,779	7,610,769	XXX	28,033,773	23,853,863	11,790,679	980,263
32. Reinsurance - nonproportional assumed liability.....	XXX	346,447,441	284,447,803	61,999,638	XXX	198,134,946	158,499,388	101,635,196	6,000,428
33. Reinsurance - nonproportional assumed financial lines.....	XXX	2,290,557	1,818,222	472,334	XXX	10,838,206	8,351,223	2,959,318	238,266
34. Aggregate write-ins for other lines of business.....	0	221,555	169,955	51,600	0	4,881,299	3,744,445	1,188,455	409,492
35. TOTALS.....	2,146,926,728	15,191,418,892	14,031,316,015	3,307,029,604	2,124,353,443	15,837,115,262	14,191,324,414	7,077,173,895	1,645,533,666
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	221,555	169,955	51,600	0	4,881,299	3,744,445	1,188,455	409,492
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	221,555	169,955	51,600	0	4,881,299	3,744,445	1,188,455	409,492

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	179,496,073	0	0	179,496,073
1.2 Reinsurance assumed.....	1,122,778,649	0	0	1,122,778,649
1.3 Reinsurance ceded.....	1,019,092,304	0	0	1,019,092,304
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	283,182,418	0	0	283,182,418
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	236,111,913	0	236,111,913
2.2 Reinsurance assumed, excluding contingent.....	0	2,923,982,170	0	2,923,982,170
2.3 Reinsurance ceded, excluding contingent.....	0	2,458,713,450	0	2,458,713,450
2.4 Contingent - direct.....	0	9,512,943	0	9,512,943
2.5 Contingent - reinsurance assumed.....	0	197,877,691	0	197,877,691
2.6 Contingent - reinsurance ceded.....	0	158,771,672	0	158,771,672
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	749,999,595	0	749,999,595
3. Allowances to manager and agents.....	0	529,768	0	529,768
4. Advertising.....	371	16,923,055	0	16,923,426
5. Boards, bureaus and associations.....	1,973,981	18,794,036	3,471	20,771,488
6. Surveys and underwriting reports.....	121	19,517,583	0	19,517,704
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	192,398,432	348,239,092	8,532,434	549,169,958
8.2 Payroll taxes.....	13,788,324	22,616,149	228,556	36,633,029
9. Employee relations and welfare.....	35,705,010	57,005,485	782,488	93,492,983
10. Insurance.....	20,983,838	3,690,459	11,351	24,685,648
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	8,294,015	14,187,922	100,279	22,582,216
13. Rent and rent items.....	9,756,504	20,753,713	422,532	30,932,749
14. Equipment.....	1,722,493	8,313,072	3,258,102	13,293,667
15. Cost or depreciation of EDP equipment and software.....	4,322,112	70,459,819	165,581	74,947,512
16. Printing and stationery.....	547,253	1,641,166	25,812	2,214,231
17. Postage, telephone and telegraph, exchange and express.....	1,790,831	22,390,207	41,396	24,222,434
18. Legal and auditing.....	7,325,478	6,605,395	276,816	14,207,689
19. Totals (Lines 3 to 18).....	298,608,763	631,666,921	13,848,818	944,124,502
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....707,721.....	0	130,895,525	0	130,895,525
20.2 Insurance department licenses and fees.....	0	8,387,265	0	8,387,265
20.3 Gross guaranty association assessments.....	0	(292,896)	0	(292,896)
20.4 All other (excluding federal and foreign income and real estate).....	0	(290,805)	0	(290,805)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	138,699,088	0	138,699,088
21. Real estate expenses.....	0	0	22,202,492	22,202,492
22. Real estate taxes.....	0	0	6,779,139	6,779,139
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	11,037,362	36,331,593	1,652,354	49,021,309
25. Total expenses incurred.....	592,828,543	1,556,697,197	44,482,803	(a).....2,194,008,543
26. Less unpaid expenses - current year.....	1,645,533,666	379,790,995	4,021,005	2,029,345,666
27. Add unpaid expenses - prior year.....	1,604,381,209	384,183,666	4,023,379	1,992,588,254
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).....	551,676,086	1,561,089,868	44,485,177	2,157,251,131

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	15,147,462	85,633,855	1,684,786	102,466,103
2402. Service reimbursements.....	(2,288,714)	(21,239,117)	0	(23,527,830)
2403. Cost of computer software developed for internal use.....	(1,821,387)	(28,063,145)	(32,432)	(29,916,964)
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).....	11,037,362	36,331,593	1,652,354	49,021,309

(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).....14,067,291	.....15,550,250
1.1 Bonds exempt from U.S. tax.....	(a).....182,893,750	.....172,136,076
1.2 Other bonds (unaffiliated).....	(a).....210,879,082	.....211,381,913
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....1,680,934	.....1,667,674
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....234,549	.....234,549
2.21 Common stocks of affiliates.....	.....354,600,000	.....354,600,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....54,716,710	.....54,716,710
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....10,558,067	.....10,517,313
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....122,021,599	.....122,054,444
9. Aggregate write-ins for investment income.....	.....1,059,098	.....1,059,098
10. Total gross investment income.....	.....952,711,080	.....943,918,026
11. Investment expenses.....		(g).....44,482,803
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....9,801
14. Depreciation on real estate and other invested assets.....		(i).....13,023,794
15. Aggregate write-ins for deductions from investment income.....		.....21,532
16. Total deductions (Lines 11 through 15).....		.....57,537,930
17. Net investment income (Line 10 minus Line 16).....		.....886,380,097

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....715,812	.....715,812
0902. Securities lending income.....	.....270,705	.....270,705
0903. Miscellaneous income.....	.....72,582	.....72,582
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....1,059,098	.....1,059,098
1501. Management fees.....		.....21,532
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).....		.....21,532

- (a) Includes \$.....9,262,258 accrual of discount less \$.....68,582,252 amortization of premium and less \$.....4,615,990 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 \$.....54,716,710 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....3,308 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 \$.....13,023,794 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.....	.....(21,994)	.....0	.....(21,994)	.....736,470	.....0
1.1 Bonds exempt from U.S. tax.....	.....(5,202,024)	.....0	.....(5,202,024)	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....1,024,325	.....(1,368,241)	.....(343,917)	.....4,048,951	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....273,348	.....0	.....273,348	.....518,306	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....237,373	.....(361,866)	.....(124,493)	.....(256,302)	.....3,674
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(156,367,824)	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....(135,063)	.....(12,829,035)	.....(12,964,098)	.....6,973,480	.....530,083
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(84,649)	.....(84,649)	.....12,651	.....4,876
10. Total capital gains (losses).....	.....(3,824,035)	.....(14,643,792)	.....(18,467,827)	.....(144,334,268)	.....538,633

DETAILS OF WRITE-INS

0901. Real gain LTBD impair recovery.....	.....0	.....289,059	.....289,059	.....0	.....0
0902. Foreign exchange.....	.....0	.....(373,708)	.....(373,708)	.....0	.....4,876
0903. Deferred gain.....	.....0	.....0	.....0	.....12,651	.....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	.....(84,649)	.....(84,649)	.....12,651	.....4,876

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.....	1,396,490	3,094,118	1,697,628
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.....	2,722,698	1,788,159	(934,539)
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	170,866,901	199,288,218	28,421,316
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).....	174,986,089	204,170,494	29,184,404
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.....	39,931,273	34,875,552	(5,055,722)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,109,689	5,663,374	(446,315)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,592,353	1,398,116	(194,236)
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.....	25,876,674	174,095,161	148,218,487
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.....	176,521,101	173,896,336	(2,624,765)
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.....	832,515,887	790,228,678	(42,287,209)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,257,533,066	1,384,327,710	126,794,645
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	1,257,533,066	1,384,327,710	126,794,645

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other assets nonadmitted.....	822,799,357	763,952,197	(58,847,160)
2502. Miscellaneous ledger balances.....	8,437,881	24,786,668	16,348,788
2503. Amounts receivable under high deductible policies.....	1,278,649	1,489,813	211,164
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).....	832,515,887	790,228,678	(42,287,209)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

The Travelers Indemnity 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. The Travelers Indemnity Company state basis	XXX	XXX	XXX	\$ 950,333,788	\$ 1,100,146,611
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>\$ 950,333,788</u>	<u>\$ 1,100,146,611</u>
<u>Surplus</u>					
5. The Travelers Indemnity Company state basis	XXX	XXX	XXX	\$ 6,820,222,495	\$ 7,003,466,873
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>\$ 6,820,222,495</u>	<u>\$ 7,003,466,873</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 also exercises 100% control over The Travelers Lloyds Insurance Company, an unincorporated association, reported on Schedule BA based on the underlying statutory equity of its financial statements.

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

D. Going Concern:

Not applicable.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

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

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method:

Not applicable.

B. Statutory Merger:

On January 1, 2017, the Company's subsidiary, Commercial Guaranty Insurance Company (CGIC), a Delaware domiciled insurance entity was merged with and into the Company. In accordance with SSAP No. 68, *Business Combinations and Goodwill*, the statutory merger method was utilized in merging the two entities, of which the Company was the surviving entity. The Company cancelled and retired all of the issued and outstanding common stock of CGIC.

Details of the results of operations for the previously separate entities for the year ending December 31, 2016 were as follows:

	The Company	CGIC
Net underwriting gain (loss)	\$ 293,613,052	\$ (25,368)
Net investment gain	869,960,209	960,567
Other income	185,027,275	-
Net income before dividends to policyholders, after capital gains tax and before federal and foreign income taxes	1,348,600,536	935,199
Dividends to policyholders	10,033,637	-
Federal and foreign income taxes incurred	238,249,739	105,747
Net income	<u>\$ 1,100,317,160</u>	<u>\$ 829,452</u>

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

C. Impairment Loss:

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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

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

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

2. Not applicable.

3. The Company had no loan-backed or structured securities with other-than-temporary impairments recognized in 2017.

NOTES TO FINANCIAL STATEMENTS

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

a. The aggregate amount of unrealized losses:		
	1. Less than 12 Months	\$ 4,825,083
	2. 12 Months or Longer	\$ 5,081,672
b. The aggregate related fair value of securities with unrealized losses:		
	1. Less than 12 Months	\$ 609,174,149
	2. 12 Months or Longer	\$ 326,322,358

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> 30 Days or Less	<u>Amortized Cost</u>	<u>Fair Value</u>
	\$ 46,564,397	\$ 46,564,397

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:

Not applicable.

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

The Company has investments in certain federal and state sponsored LIHTC properties. The federally sponsored LIHTC property investments primarily generate federal tax credits which allow the Company to offset federal taxes and are projected to be available through 2028. The state sponsored LIHTC property investments primarily generate premium tax credits which allow the Company to offset premium taxes in Georgia and are projected to be available through 2028. At December 31, 2017, the Company had unfunded commitments of \$15,990,536 related to LIHTC investments.

During the years ended December 31, 2017 and 2016, \$6,114,539 and \$5,469,608, respectively, of tax benefits related to LIHTC were recognized. The balance of the investments in LIHTC at December 31, 2017 and 2016 was \$38,997,504 and \$36,933,595, respectively.

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

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

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets:

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	46,564,397	-	-	-	46,564,397	36,497,489	10,066,908	-	46,564,397	0.2%	0.2%
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	1,233,445,703	-	-	-	1,233,445,703	1,203,968,306	29,477,397	-	1,233,445,703	5.4%	5.8%
k. On deposit with other regulatory bodies	36,860,859	-	-	-	36,860,859	37,527,508	(666,649)	-	36,860,859	0.2%	0.2%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	15,291,237	-	-	-	15,291,237	15,431,507	(140,270)	-	15,291,237	0.1%	0.1%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$1,332,162,196	\$ -	\$ -	\$ -	\$1,332,162,196	\$1,293,424,810	\$ 38,737,385	\$ -	\$1,332,162,196	5.9%	6.2%

(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							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Bonds - Reinsurance	\$ 15,291,237	\$ -	\$ -	\$ -	\$ 15,291,237	\$ 15,431,507	\$ (140,270)	\$ 15,291,237	0.1%	0.1%
Total (c)	\$ 15,291,237	\$ -	\$ -	\$ -	\$ 15,291,237	\$ 15,431,507	\$ (140,270)	\$ 15,291,237	0.1%	0.1%

(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

Collateral Assets	1	2	3	4
	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted) *	% of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents, and Short-Term Investments	\$ 46,564,397	\$ 46,564,397	0.2%	0.2%
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	\$ 46,564,397	\$ 46,564,397	0.2%	0.2%

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

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

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	\$ 46,564,397	0.3%

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

NOTES TO FINANCIAL STATEMENTS

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	70	-
2. Aggregate Amount of Investment Income	\$ 6,079,237	\$ -

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 \$12,976,564 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

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

B. At December 31, 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	\$ 536,712,350	\$ 43,586,857	\$ 580,299,207
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	536,712,350	43,586,857	580,299,207
d. Deferred tax assets nonadmitted	-	25,876,674	25,876,674
e. Subtotal net admitted deferred tax assets	536,712,350	17,710,183	554,422,533
f. Deferred tax liabilities	272,509,017	16,764,635	289,273,652
g. Net admitted deferred tax asset/(liability)	<u>\$ 264,203,333</u>	<u>\$ 945,548</u>	<u>\$ 265,148,881</u>
	<u>December 31, 2016</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ 787,591,763	\$ 73,390,238	\$ 860,982,001
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	787,591,763	73,390,238	860,982,001
d. Deferred tax assets nonadmitted	129,683,933	44,411,228	174,095,161
e. Subtotal net admitted deferred tax assets	657,907,830	28,979,010	686,886,840
f. Deferred tax liabilities	208,962,188	24,670,704	233,632,892
g. Net admitted deferred tax asset/(liability)	<u>\$ 448,945,642</u>	<u>\$ 4,308,306</u>	<u>\$ 453,253,948</u>
	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross deferred tax assets	\$ (250,879,413)	\$ (29,803,381)	\$ (280,682,794)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred tax assets	(250,879,413)	(29,803,381)	(280,682,794)
d. Deferred tax assets nonadmitted	(129,683,933)	(18,534,554)	(148,218,487)
e. Subtotal net admitted deferred tax assets	(121,195,480)	(11,268,827)	(132,464,307)
f. Deferred tax liabilities	63,546,829	(7,906,069)	55,640,760
g. Net admitted deferred tax asset/(liability)	<u>\$ (184,742,309)</u>	<u>\$ (3,362,758)</u>	<u>\$ (188,105,067)</u>

NOTES TO FINANCIAL STATEMENTS

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.	\$ 179,189,259	\$ 945,548	\$ 180,134,807
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)	113,874,619	-	113,874,619
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	113,874,619	-	113,874,619
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	975,412,992
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.	243,648,472	16,764,635	260,413,107
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>536,712,350</u>	<u>17,710,183</u>	<u>554,422,533</u>
Deferred tax liabilities netted against deferred tax assets	<u>272,509,017</u>	<u>16,764,635</u>	<u>289,273,652</u>
Total	<u>\$ 264,203,333</u>	<u>\$ 945,548</u>	<u>\$ 265,148,881</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.	\$ 370,507,165	\$ 4,345,140	\$ 374,852,305
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).	78,423,159	-	78,423,159
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	78,423,159	-	78,423,159
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	977,277,128
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.	208,977,506	24,633,870	233,611,376
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>657,907,830</u>	<u>28,979,010</u>	<u>686,886,840</u>
Deferred tax liabilities netted against deferred tax assets	<u>208,962,188</u>	<u>24,670,704</u>	<u>233,632,892</u>
Total	<u>\$ 448,945,642</u>	<u>\$ 4,308,306</u>	<u>\$ 453,253,948</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.	\$ (191,317,906)	\$ (3,399,592)	\$ (194,717,498)
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).	35,451,460	-	35,451,460
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	35,451,460	-	35,451,460
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(1,864,136)
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.	34,670,966	(7,869,235)	26,801,731
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>(121,195,480)</u>	<u>(11,268,827)</u>	<u>(132,464,307)</u>
Deferred tax liabilities netted against deferred tax assets	<u>63,546,829</u>	<u>(7,906,069)</u>	<u>55,640,760</u>
Total	<u>\$ (184,742,309)</u>	<u>\$ (3,362,758)</u>	<u>\$ (188,105,067)</u>

	<u>2017</u>	<u>2016</u>
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	504%	564%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 6,502,753,281	\$ 6,515,180,848

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies:

	<u>December 31, 2017</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ 536,712,350	\$ 43,586,857
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).	\$ 536,712,350	\$ 17,710,183
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>December 31, 2016</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ 787,591,763	\$ 73,390,238
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).	\$ 657,907,830	\$ 28,979,010
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ (250,879,413)	\$ (29,803,381)
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).	\$ (121,195,480)	\$ (11,268,827)
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	\$ (12,806,817)	\$ 238,343,851	\$ (251,150,668)
Foreign	4,808	11,635	(6,827)
Subtotal	(12,802,009)	238,355,486	(251,157,495)
Federal income taxes on net capital gains	1,496,197	317,734	1,178,463
Federal and foreign income taxes incurred	<u>\$ (11,305,812)</u>	<u>\$ 238,673,220</u>	<u>\$ (249,979,032)</u>

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

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>Change</u>
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 209,208,980	\$ 151,846,203	\$ 57,362,777
Unearned premium reserve	104,369,992	166,702,779	(62,332,787)
Fixed assets	29,797,177	49,407,522	(19,610,345)
Compensation and benefits accrual	116,394,869	272,241,809	(155,846,940)
Nonadmitted assets	55,574,657	105,809,761	(50,235,104)
Other	21,366,675	41,583,689	(20,217,014)
Total ordinary deferred tax assets	<u>\$ 536,712,350</u>	<u>\$ 787,591,763</u>	<u>\$ (250,879,413)</u>
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	129,683,933	(129,683,933)
Admitted ordinary deferred tax assets	<u>\$ 536,712,350</u>	<u>\$ 657,907,830</u>	<u>\$ (121,195,480)</u>
<u>Capital:</u>			
Investments	\$ 43,586,857	\$ 73,390,238	\$ (29,803,381)
Total capital deferred tax assets	<u>\$ 43,586,857</u>	<u>\$ 73,390,238</u>	<u>\$ (29,803,381)</u>

NOTES TO FINANCIAL STATEMENTS

Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	<u>25,876,674</u>	<u>44,411,228</u>	<u>(18,534,554)</u>
Admitted capital deferred tax assets	<u>\$ 17,710,183</u>	<u>\$ 28,979,010</u>	<u>\$ (11,268,827)</u>
Total admitted deferred tax assets:	<u>\$ 554,422,533</u>	<u>\$ 686,886,840</u>	<u>\$ (132,464,307)</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	\$ 78,732,963	\$ 105,712,576	\$ (26,979,613)
Claim reserve method change	126,919,474	-	126,919,474
Compensation and benefits accrual	63,586,062	97,280,624	(33,694,562)
Other	<u>3,270,518</u>	<u>5,968,988</u>	<u>(2,698,470)</u>
Total ordinary deferred tax liabilities	<u>\$ 272,509,017</u>	<u>\$ 208,962,188</u>	<u>\$ 63,546,829</u>
Capital:			
Investments	\$ 16,764,635	\$ 24,670,704	\$ (7,906,069)
Total capital deferred tax liabilities	<u>\$ 16,764,635</u>	<u>\$ 24,670,704</u>	<u>\$ (7,906,069)</u>
Total deferred tax liabilities:	<u>\$ 289,273,652</u>	<u>\$ 233,632,892</u>	<u>\$ 55,640,760</u>
4. Net admitted deferred tax asset/(liability)	<u>\$ 265,148,881</u>	<u>\$ 453,253,948</u>	<u>\$ (188,105,067)</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 \$194,771,737.

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	\$ 580,299,207	\$ 860,982,001	\$ (280,682,794)
Total deferred tax liabilities	<u>289,273,652</u>	<u>233,632,892</u>	<u>55,640,760</u>
Net deferred tax asset/(liability)	<u>\$ 291,025,555</u>	<u>\$ 627,349,109</u>	<u>(336,323,554)</u>
Tax effect of unrealized gains (losses)			<u>3,739,608</u>
Change in net deferred income tax			<u>\$ (332,583,946)</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)	\$ 939,027,976
Taxes at statutory rate	328,659,792
Increase (decrease) attributable to:	
Nontaxable investment income	(202,670,661)
Tax reform	198,013,228
Other	<u>(2,724,225)</u>
	<u>\$ 321,278,134</u>
Federal and foreign taxes incurred	\$ (11,305,812)
Change in net deferred taxes	<u>332,583,946</u>
Total statutory income tax	<u>\$ 321,278,134</u>
Effective tax rate	34.2%

- E. 1. The Company has no net operating loss carry-forward available for tax purposes.
2. The Company has \$27,503,729, \$202,254,818, and \$22,557,368 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.

NOTES TO FINANCIAL STATEMENTS

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. 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 Company. 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 the Company. 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 \$18,321,124 and \$123,618,263 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	\$ 15,184,675	\$ 36,137,838
Amounts recoverable from reinsurers	1,065,835,721	942,220,850
Reinsurance payable on paid losses and LAE	1,256,389,605	1,097,503,031

These balances were settled net through the intercompany settlement process during January 2018 and January 2017, respectively.

- E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets or liabilities.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements, are as follows:

<u>TYPE OF CONTRACT AND DESCRIPTION</u>	<u>SERVICING COMPANY</u>	<u>OTHER PARTY</u>
Amended and Restated Service Expense Reimbursement	The Travelers Companies, Inc.	The Travelers Indemnity Company
Amended and Restated Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Corporate Services	The Travelers Indemnity Company	First Floridian Auto and Home Insurance Company
Corporate Services	The Travelers Indemnity Company	The Premier Insurance Company of Massachusetts
Service Agreement	The Travelers Indemnity Company	8527512 Canada Inc.
Amended and Restated Service and Reimbursement Agreement	The Travelers Indemnity Company	The Dominion of Canada General Insurance Company
Service Agreement	The Travelers Indemnity Company	Travelers Management Limited
Investment Management Services Agreement	The Travelers Indemnity Company	Travelers Casualty and Surety Company of Europe Limited
Investment Management Services Agreement	The Travelers Indemnity Company	Travelers Syndicate Management Limited
Investment Management Services Agreement	The Travelers Indemnity Company	Travelers Insurance Company Limited
Amended and Restated Service and Reimbursement Agreement	The Travelers Indemnity Company	Travelers Insurance Company of Canada
Claims Handling Agreement	The Travelers Indemnity Company	Travelers Syndicate Management Limited
Payment Agreement	The Travelers Indemnity Company	Travelers Management Limited
Research and Development Service Agreement	The Travelers Indemnity Company	Travelers Management Limited

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

NOTES TO FINANCIAL STATEMENTS

G. All of the issued and outstanding common stock of the Company is owned by Travelers Insurance Group Holdings, Inc. (TIGHI), an indirect subsidiary of TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. 1. The Company directly owns Jupiter Holdings, Inc. (Jupiter), a downstream noninsurance holding company. Jupiter directly owns American Equity Insurance Company (AEQ), an Arizona domiciled insurer, and Northland Insurance Company (NLI), a Connecticut domiciled insurer. AEQ directly owns American Equity Specialty Insurance Company, a Connecticut domiciled insurer. NLI directly owns Northfield Insurance Company, an Iowa domiciled insurer, and Northland Casualty Company, a Connecticut domiciled insurer.

2. The carrying value of the Company's investment in Jupiter was \$624,836,867 at December 31, 2017.

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

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

5. Jupiter does not have any material assets other than the ownership of its insurance subsidiaries. Jupiter 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 8bi entities):

SCA Entity	Percentage Of SCA Ownership	12/31/2017 Gross Amount	12/31/2017 Admitted Amount	12/31/2017 Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Travelers Distribution Alliance, Inc.	100.00%	\$ 373,103	\$ -	\$ 373,103
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 373,103	\$ -	\$ 373,103
c. SSAP No. 97 8b(iii) Entities				
Jupiter Holdings, Inc.	100.00%	\$ 624,836,867	\$ 624,836,867	\$ -
TINDY Foreign, Inc.	100.00%	90,789,755	89,766,368	1,023,387
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 715,626,622	\$ 714,603,235	\$ 1,023,387
d. SSAP No. 97 8b(iv) Entities				
Travelers Casualty and Surety Company of Europe	100.00%	\$ 20,012,642	\$ 20,012,642	\$ -
Total SSAP No. 97 8b(iv) Entities	XXX	\$ 20,012,642	\$ 20,012,642	\$ -
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	\$ 736,012,367	\$ 734,615,877	\$ 1,396,490
f. Aggregate Total	XXX	\$ 736,012,367	\$ 734,615,877	\$ 1,396,490

2. NAIC filing response information:

SCA Entity	Type of NAIC Filing	Date of Filing to the NAIC	12/31/2016 NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Travelers Distribution Alliance, Inc.	S1	5/11/2017		Y		
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
Jupiter Holdings, Inc.	S2	5/9/2017	\$ 653,728,570	Y	N	
TINDY Foreign, Inc.	S2	12/19/2017	89,688,000	Y	N	
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ 743,416,570	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Travelers Casualty and Surety Company of Europe	S2	6/12/2017	\$ 19,791,416	Y	N	
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ 19,791,416	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities)	XXX	XXX	\$ 763,207,986	XXX	XXX	XXX
f. Aggregate Total	XXX	XXX	\$ 763,207,986	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 \$19,568,172 and \$19,327,630 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 \$539,111 and \$670,109 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 \$23,870,840 and \$22,805,071 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 150,000 shares of common capital stock authorized and 107,907 shares issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$794 million and \$933 million to its parent company, TIGHI, in 2017 and 2016, respectively.

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 \$950,333,788.

There are no restrictions on the use of the Company's unassigned funds and such funds are held for the benefit of the shareholder, except for the dividend restrictions indicated above.

The change in the balance of special surplus from retroactive reinsurance is a result of ongoing activity occurring in 2017. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$1,776,227,148.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

At December 31, 2017, the Company had commitments to fund investments of \$207.4 million.

B. Assessments:

1. The Company has accrued liabilities of \$53.8 million for guaranty fund and other insurance-related assessments and related recoverables of \$1.7 million 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	\$ 1,119,373
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	338,637
Premium tax offset refund	-
c. Increases current year:	
Premium tax offset accrued	<u>203,810</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2017	<u>\$ 984,546</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	\$ 305,349

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. 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.

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
Sale of businesses	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	\$ 2,000,000	The Company has assessed the performance risk as remote under these guarantees

NOTES TO FINANCIAL STATEMENTS

Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees

	\$ 2,000,000
--	--------------

Current liability recognized in financial statements:

Noncontingent liabilities	-
Contingent liabilities	-

Ultimate financial statement impact if action under the guarantee is required:

Expense	2,000,000
Total	<u>\$ 2,000,000</u>

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

1. At December 31, 2017, the Company is a party to various lease agreements for office space, office equipment, data processing equipment, automobiles, and other equipment. The office space and data processing equipment leases are for various periods of time. The other leases generally do not exceed five years. Total rental expense under operating leases for the Company for 2017 and 2016 was \$168,827,395 and \$171,506,592, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement. Total rental income from subleases for 2017 and 2016 was \$61,310 and \$661,001, respectively.

There are numerous leases with renewal terms, none of which are material to the Company.

2. Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$463,596,548 at December 31, 2017. This is offset by the aggregate future minimum rental payments to be received by the Company under subleases totaling \$20,291.

At December 31, 2017, the minimum aggregate future rental commitments are as follows:

Year Ending <u>December 31</u>	<u>Operating Leases</u>
2018	\$ 112,267,008
2019	91,747,169
2020	75,668,959
2021	63,164,353
2022	41,158,306
2023 and later years	<u>79,590,753</u>
Total	<u>\$ 463,596,548</u>

3. Sale-Leaseback Transactions:

Not applicable.

B. Lessor 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 \$207.4 million at December 31, 2017.

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

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**A. Transfers of Receivables Reported as Sales:**

Not applicable.

B. Transfer and Servicing of Financial Assets:

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

C. Wash Sales:

Not applicable.

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

Not applicable.

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

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

20. FAIR VALUE MEASUREMENTS

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

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

A. 1. Securities measured and reported at fair value as of December 31, 2017:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ 2,970,810	\$ 26,054,328	\$ -	\$ 29,025,138
Preferred stock				
Nonredeemable	5,399,005	1,562,987	-	6,961,992
Common stock				
Industrial and miscellaneous	-	13,979	-	13,979
Total securities at fair value	\$ 8,369,815	\$ 27,631,294	\$ -	\$ 36,001,109

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

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

2. Not applicable.

3. Not applicable.

4. 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 fair value is based on observable market information rather than market quotes. Accordingly, the estimates of fair value for such common stock are included in the amount disclosed in Level 2 of the hierarchy.

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	Admitted	Level 1	Level 2	Level 3	Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>				<u>Practicable</u>
Short term bonds	\$ 1,225,502,608	\$ 1,225,502,608	\$ 284,084,671	\$ 941,417,937	\$ -	-
Long term bonds	12,797,780,508	12,512,531,773	323,467,158	12,433,020,933	41,292,417	-
Preferred stock	29,077,092	25,441,367	10,575,005	18,502,087	-	-
Common stock	13,979	13,979	-	13,979	-	-

NOTES TO FINANCIAL STATEMENTS

(At December 31, 2016)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practicable</u>
						<u>(Carrying</u>
						<u>Value)</u>
Cash equivalents	\$ 44,400,000	\$ 44,400,000	\$ -	\$ 44,400,000	\$ -	\$ -
Short term bonds	1,107,726,271	1,107,727,644	267,581,405	840,144,866	-	-
Long term bonds	12,212,234,267	12,043,238,451	344,835,089	11,846,965,565	20,433,613	-
Preferred stock	28,821,719	25,662,643	10,170,170	18,651,549	-	-
Common stock	5,400,392	5,400,392	5,383,573	16,819	-	-

D. Not applicable.

21. OTHER ITEMS

A. Unusual or Infrequent Items:

Not applicable.

B. Troubled Debt Restructuring – Debtors:

Not applicable.

C. Other Disclosures:

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

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	Accident Years					2003 & Prior
	2007	2006	2005	2004	2003	
Part 1A	\$ 303	\$ 378	\$ 410	\$ 58	\$ 689	
Part 1B	224	267	83	24	46,816	
Part 1C	1,383	517	1,607	1,072	12,559	
Part 1D	87,100	72,304	63,123	72,809	972,860	
Part 1E	17,777	13,312	4,089	3,695	68,036	
Part 1F - Section 1	-	2	58	135	1,522	
Part 1F - Section 2	-	2,278	155	147	5,736	
Part 1G	58	240	(23)	137	15,602	
Part 1H - Section 1	9,124	11,286	10,415	8,373	447,959	
Part 1H - Section 2	7,353	7,970	2,756	1,807	46,495	
Part 1M	-	-	-	-	566	
Part 1N	(3)	-	2	31	6,451	
Part 1O	60	27	313	2,656	88,559	
Part 1P	-	140	106	116	1,976	
Part 1R - Section 1	3,174	4,118	4,361	2,910	169,975	
Part 1R - Section 2	41	904	141	125	3,145	

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):

	2002	2001	2000	1999	1998	1997	1996	1995	1994
Commercial Auto	\$ (4)	\$ (32)	\$ (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(858)	(794)	(159)	(8,869)	-	(243)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(471)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(1,420)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(111)	-	-	-	-	-	-	-	-
Reinsurance B	(368)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

1. Description of State Transferable and Non-transferable Tax Credits

	State	Carrying Value	Unused Amount
Innovatepa	PA	\$ 1,411,428	\$ 1,404,848
Enhanced Capital Tennessee Tax Credit	TN	1,246,813	1,234,009
Petros – Pacesetter Arkansas Fund I	AR	524,525	519,374
Heartland Arkansas Equity Fund I LLC	AR	520,329	516,700
Petros – Pacesetter Oregon Fund I S2016-1	OR	158,528	157,779
Petros Wyoming Fund Series 2014	WY	88,413	85,331
Advantage Capital 2013 State TC Series E	NE	27,106	25,690

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

3. Not applicable.

4. State Tax Credits Admitted and Nonadmitted:

	Total Admitted	Total Nonadmitted
Transferable	\$ 3,977,142	\$ -
Non-transferable	-	-

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

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

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

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

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

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

Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 34,790,198	\$ 33,845,776	\$ 45,071,862	\$ 9,890,815
Structured securities	<u>15,685,487</u>	<u>12,466,016</u>	<u>18,436,604</u>	<u>5,957,096</u>
Total	<u>\$ 50,475,685</u>	<u>\$ 46,311,792</u>	<u>\$ 63,508,466</u>	<u>\$ 15,847,911</u>

G. Insurance-Linked Securities (ILS) Contracts:

The Company has catastrophe protection through an indemnity reinsurance agreement with Long Point Re III Ltd. (Long Point Re III), an independent Cayman Islands company licensed as a Class C insurer in the Cayman Islands. The reinsurance agreement expires in May 2018 and meets the requirements to be accounted for as reinsurance in accordance with the guidance for reinsurance contracts. In connection with the reinsurance agreement, Long Point Re III issued notes (generally referred to as "catastrophe bonds") to investors in amounts equal to the full coverage provided under the reinsurance agreement as described below. The proceeds were deposited in a reinsurance trust account. The businesses covered by this reinsurance agreement are subsets of the Company's overall insurance portfolio, comprising specified property coverages spread across the following geographic locations: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia and Vermont.

The reinsurance agreement with Long Point Re III provides coverage of up to \$300 million to the Company for losses from tropical cyclones, earthquakes, severe thunderstorms or winter storms in the locations listed above. The attachment point and maximum limit under this agreement are reset annually to adjust the expected loss of the layer within a predetermined range. Until and including May 15, 2018, the Company is entitled to begin recovering amounts under this reinsurance agreement if the covered losses in the covered area for a single occurrence reach an initial attachment amount of \$2.346 billion. The full \$300 million coverage amount is available on a proportional basis until such covered losses reach a maximum \$2.846 billion.

The Company has not incurred any losses that have resulted or are expected to result in a recovery under the Long Point Re III agreement since its inception.

22. EVENTS SUBSEQUENT

On January 1, 2018, in accordance with a Plan of Merger the Company's subsidiary, The Premier Insurance Company of Massachusetts (Premier) merged with and into the Company, with the Company being the surviving corporation. At the time of the merger, Premier had a statutory carrying value of \$230,189,369.

All required regulatory approvals were obtained by the Company and Premier in connection with the Plan of Merger dated December 14, 2017.

The Company had no additional 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):

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

NOTES TO FINANCIAL STATEMENTS

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:

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
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
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 policyholders' surplus, were as follows:

	<u>Group Code</u>	<u>F.E.I.N.</u>	<u>Amount</u>
National Workers Compensation Reinsurance Pool	0000	AA-9992118	\$ 1,691,971,246
Michigan Catastrophe Claim Association	0000	AA-9991159	408,693,711
Swiss Reinsurance America Corporation	0181	13-1675535	395,951,608
Munich Reinsurance America Inc.	0361	13-4924125	240,215,203

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

B. Reinsurance Recoverable in Dispute:

There are no reinsurance recoverables with individual reinsurers, on paid and unpaid (including IBNR) losses, in dispute which exceed 5% of the Company's policyholders' surplus. In addition, the aggregate of all disputed items does not exceed 10% of the Company's policyholders' surplus.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 9,905,628,514	\$ 1,188,400,275	\$ 7,964,180,599	\$ 955,480,452	\$ 1,941,447,915	\$ 232,919,823
All Other	<u>108,201,640</u>	<u>12,981,191</u>	<u>427,495,279</u>	<u>51,287,559</u>	<u>(319,293,639)</u>	<u>(38,306,368)</u>
Total	<u>\$10,013,830,154</u>	<u>\$ 1,201,381,466</u>	<u>\$ 8,391,675,878</u>	<u>\$ 1,006,768,011</u>	<u>\$ 1,622,154,276</u>	<u>\$ 194,613,455</u>

Direct Unearned Premium Reserve \$ 795,344,047

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$49,515,321 at December 31, 2017. This balance represents the Company's 23.29% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 12,323,980	\$ 200,281,357	\$ 163,090,016	\$ 49,515,321
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 12,323,980</u>	<u>\$ 200,281,357</u>	<u>\$ 163,090,016</u>	<u>\$ 49,515,321</u>

D. Uncollectible Reinsurance:

The Company has written off as uncollectible/(recovered) in the current year, certain reinsurance balances due (from the companies listed below) in the amount of \$1,321,915 which is reflected as:

a. Losses incurred	\$ 1,321,915
b. Loss adjustment expenses incurred	-
c. Premiums earned	-
d. Other	-
e.	
<u>Company</u>	<u>Amount</u>
Excalibur Reinsurance Corporation	\$ 1,205,560
International Casualty Company SPC, Inc.	734,133
American Motorists Insurance Company	337,623
Restaurant Reinsurance Limited	249,296
American Mutual Liability Insurance Co.	100,529
Mission Insurance Company	(1,771,689)
All Others (less than \$100,000)	<u>466,463</u>
Total	<u>\$ 1,321,915</u>

E. Commutation of Ceded Reinsurance:

The Company has reported in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

a. Losses incurred	\$ (526,114)
b. Loss adjustment expenses incurred	-
c. Premiums earned	-
d. Other gain/(loss)	1,789,153
e.	
<u>Company</u>	<u>Amount</u>
Hyundai Marine & Fire Ins Co., Ltd.	\$ 690,771
Generali Italia SpA	665,615
American Farmers & Ranchers Insurance Company	581,600
RSC Insurance Services Ltd.	225,284
Generali Assurances Generales S.A.	67,997
Safe Trucking Insurance Limited	50,000
PS Insurance Company Limited	24,000
Lansdowne Insurance Company Limited	<u>10,000</u>
Total gain/(loss)	<u>\$ 2,315,267</u>

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,189,260	\$ 43,163,968
(2) Adjustments - Prior Year(s)	(931,600)	35,207,878
(3) Adjustments - Current Year	-	(1,244,459)
(4) Current Total	<u>\$ 1,257,660</u>	<u>\$ 77,127,387</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,434,990	\$ 44,032,142
(2) Adjustments - Prior Year(s)	-	3,244,888
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 2,434,990</u>	<u>\$ 47,277,030</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 975,074	\$ 62,732,621
(2) Current Year	2,205	767,901
(3) Current Total	<u>\$ 977,279</u>	<u>\$ 63,500,522</u>

NOTES TO FINANCIAL STATEMENTS

d. Special Surplus From Retroactive Reinsurance:

(1) Initial Surplus Gain or Loss	\$ 245,730	\$ (868,174)
(2) Adjustments - Prior Year(s)	931,600	31,962,990
(3) Adjustments - Current Year	<u>-</u>	<u>(1,244,459)</u>
(4) Current Year Restricted Surplus	<u>1,177,330</u>	<u>12,659,741</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 17,190,616</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)	\$ 1,257,660	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	21,104,640
XL Reinsurance America Inc. (20583)	-	17,746,123
TIG Insurance Company (25534)	-	17,031,007
Swiss Reinsurance America Corporation (25364)	-	3,960,181
Westport Insurance Corporation (39845)	-	3,846,067
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	3,120,860
Excalibur Reinsurance Corp. (39675)	-	2,457,104
Various	-	7,861,405
Total	<u>\$ 1,257,660</u>	<u>\$ 77,127,387</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	<u>Total Paid Loss/LAE Recoverable</u>	<u>Amount Over 90 Days Past Due</u>
Renaissance Reinsurance U.S. Inc. (10357)	\$ 9,245	\$ -
XL Reinsurance America Inc. (20583)	231,292	-
Westport Insurance Corporation (39845)	(7,621)	-
Various	<u>50,494</u>	<u>-</u>
Total	<u>\$ 283,410</u>	<u>\$ -</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

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

Not applicable.

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

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

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

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

C. See Schedule P - Part 7A.

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 21,685,003
2. Unsecured amount	2,907,710
3. Less: Nonadmitted amount (10%)	290,771
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>1,301,581</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 20,092,651</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 \$122,369,000, 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.

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

NOTES TO FINANCIAL STATEMENTS

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 the Company. 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 the Company. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by the Company 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 the Company 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 payable of \$175,369,209 to affiliates as a result of its intercompany pooling 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.	Loss Reserves <u>Eliminated by Annuities</u> \$ 649,440,400	Unrecorded Loss <u>Contingencies</u> \$ 649,440,400	
B.	<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
	Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$ 189,988,082
	Brighthouse Life Insurance Company, Charlotte, NC	Yes	65,243,457
	Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	48,149,920
	All other companies		346,058,941

28. HEALTH CARE RECEIVABLES

Not applicable.

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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 Line of Business</u>	<u>Gross (of High Deductible) Loss Reserves</u>	<u>Reserve Credit for High Deductibles</u>	<u>Billed Recoverables on Paid Claims</u>	<u>Total High Deductibles and Billed Recoverables</u>
Workers' compensation	\$ 2,220,762,825	\$ 1,103,051,519	\$ 10,588,556	\$ 1,113,640,075
Commercial auto liability	201,491,145	116,667,720	1,370,867	118,038,587
Auto physical damage	2,516,282	2,229,144	17,120	2,246,264
Other liability	273,051,581	85,696,591	1,857,736	87,554,327
Products liability	117,376,968	28,612,029	798,587	29,410,616
Commercial multiple peril	2,268,747	59,783	15,436	75,219

2. Unsecured amounts of high deductibles:

a. Total high deductibles and billed recoverables on paid claims	\$ 1,350,965,088
b. Collateral on balance sheet	\$ 206,669,940
c. Collateral off balance sheet	\$ 1,156,371,365
d. Total unsecured deductibles and billed recoverables on paid claims	\$ (12,076,217)
e. Percentage unsecured	-0.89%

3. High deductible recoverable amounts on paid claims:

a. Amount of overdue nonadmitted (either due to aging or collateral)	\$ 1,278,649
b. Amount over 90 days overdue admitted	\$ 1,240,886
c. Total overdue (a+b)	\$ 2,519,535

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

<u>Counterparty Ranking</u>	<u>Top Ten Unsecured High Deductibles Amounts</u>
Counterparty 1	\$ 11,069,026
Counterparty 2	11,030,198
Counterparty 3	8,121,471
Counterparty 4	7,715,511
Counterparty 5	7,252,338
Counterparty 6	5,090,511
Counterparty 7	5,015,783
Counterparty 8	4,250,749
Counterparty 9	4,241,364
Counterparty 10	4,091,575

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

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

NOTES TO FINANCIAL STATEMENTS

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 \$473,631,945 and \$24,389,309 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	\$ 69,706,970	\$ 132,044,848
2. Other Liability-Occurrence	<u>2,600,794</u>	<u>35,444,119</u>
3. Total	<u>\$ 72,307,764</u>	<u>\$ 167,488,967</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 \$11,682,796.

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 23.29%.

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 \$117.0 million direct payment and a \$111.2 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 \$120.6 million direct payment and a \$106.2 million net payment for asbestos.

<u>1. Direct Basis – Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 571,315,038	\$ 554,427,278	\$ 541,275,658	\$ 421,825,167	\$ 303,949,036
b. Incurred losses and LAE:	40,501,310	58,855,926	70,242,640	67,146,001	72,525,060
c. Calendar year payments for losses and LAE:	<u>57,389,070</u>	<u>72,007,546</u>	<u>189,693,131</u>	<u>185,022,132</u>	<u>61,618,989</u>
d. Ending reserves:	<u>\$ 554,427,278</u>	<u>\$ 541,275,658</u>	<u>\$ 421,825,167</u>	<u>\$ 303,949,036</u>	<u>\$ 314,855,107</u>

NOTES TO FINANCIAL STATEMENTS

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:	\$ 52,345,799	\$ 50,190,955	\$ 43,377,615	\$ 38,562,546	\$ 45,716,341
b. Incurred losses and LAE:	3,749,690	1,232,274	1,723,460	15,441,270	6,521,200
c. Calendar year payments for losses and LAE:	<u>5,904,534</u>	<u>8,045,614</u>	<u>6,538,529</u>	<u>8,287,475</u>	<u>11,507,594</u>
d. Ending reserves:	<u>\$ 50,190,955</u>	<u>\$ 43,377,615</u>	<u>\$ 38,562,546</u>	<u>\$ 45,716,341</u>	<u>\$ 40,729,947</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:	\$ 551,093,986	\$ 544,899,947	\$ 546,589,737	\$ 418,642,199	\$ 306,290,337
b. Incurred losses and LAE:	44,251,000	58,225,000	51,238,000	52,309,340	52,262,760
c. Calendar year payments for losses and LAE:	<u>50,445,039</u>	<u>56,535,210</u>	<u>179,185,538</u>	<u>164,661,202</u>	<u>62,815,740</u>
d. Ending reserves:	<u>\$ 544,899,947</u>	<u>\$ 546,589,737</u>	<u>\$ 418,642,199</u>	<u>\$ 306,290,337</u>	<u>\$ 295,737,357</u>

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

1. Direct Basis:	\$ 219,015,109
2. Assumed Reinsurance Basis:	\$ 15,691,307
3. Net of Ceded Reinsurance Basis:	\$ 190,200,968

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

1. Direct Basis:	\$ 168,366,446
2. Assumed Reinsurance Basis:	\$ 2,661,411
3. Net of Ceded Reinsurance Basis:	\$ 147,213,820

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:	\$ 66,043,669	\$ 63,688,310	\$ 63,980,605	\$ 71,011,122	\$ 76,878,109
b. Incurred losses and LAE:	16,289,026	21,147,320	18,829,965	20,215,721	16,301,940
c. Calendar year payments for losses and LAE:	<u>18,644,385</u>	<u>20,855,025</u>	<u>11,799,448</u>	<u>14,348,734</u>	<u>18,018,895</u>
d. Ending reserves:	<u>\$ 63,688,310</u>	<u>\$ 63,980,605</u>	<u>\$ 71,011,122</u>	<u>\$ 76,878,109</u>	<u>\$ 75,161,154</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:	\$ 16,051,671	\$ 14,927,457	\$ 14,364,907	\$ 13,217,254	\$ 12,260,401
b. Incurred losses and LAE:	363,324	745,280	34,935	46,580	931,600
c. Calendar year payments for losses and LAE:	<u>1,487,538</u>	<u>1,307,830</u>	<u>1,182,588</u>	<u>1,003,433</u>	<u>3,529,244</u>
d. Ending reserves:	<u>\$ 14,927,457</u>	<u>\$ 14,364,907</u>	<u>\$ 13,217,254</u>	<u>\$ 12,260,401</u>	<u>\$ 9,662,757</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:	\$ 80,917,742	\$ 76,637,591	\$ 77,311,346	\$ 81,324,369	\$ 86,458,529
b. Incurred losses and LAE:	15,068,630	20,262,300	16,768,800	19,097,801	15,137,440
c. Calendar year payments for losses and LAE:	<u>19,348,781</u>	<u>19,588,545</u>	<u>12,755,777</u>	<u>13,963,641</u>	<u>19,451,204</u>
d. Ending reserves:	<u>\$ 76,637,591</u>	<u>\$ 77,311,346</u>	<u>\$ 81,324,369</u>	<u>\$ 86,458,529</u>	<u>\$ 82,144,765</u>

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

1. Direct Basis:	\$ 74,661,679
2. Assumed Reinsurance Basis:	\$ 5,473,153
3. Net of Ceded Reinsurance Basis:	\$ 78,011,770

NOTES TO FINANCIAL STATEMENTS

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

1. Direct Basis:	\$	30,057,942
2. Assumed Reinsurance Basis:	\$	(14,556)
3. Net of Ceded Reinsurance Basis	\$	29,281,318

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

In prior years, the Company underwrote insurance guaranteeing the structured settlements of certain life insurers. The Company no longer writes such guarantees. At December 31, 2017 and 2016, the Company's aggregate net amount of guarantees of principal and interest for such structured settlements was approximately \$8.0 million and \$8.7 million, respectively.

Also in prior years, the Company underwrote financial guaranty insurance representing the Company's participation in MBIA's guarantee of municipal bond obligations. The Company has no net exposure for the guarantee of principal and interest for such securities as the Company's participation in MBIA has been reinsured. The gross amount of such financial guarantees was not material at December 31, 2017 and 2016.

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?
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
Commercial Guaranty Insurance Company	38385	DE

- 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 [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES 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 [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [X] 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	Compeer Financial, ACA	Failure to comply with contract.	\$ 4,675,000
0	DNB Bank ASA	Failure to comply with contract.	\$ 4,985,000
0	Farm Credit East, ACA	Failure to comply with contract.	\$ 200,000
0	Farm Credit Services of America, ACA	Failure to comply with contract.	\$ 2,995,000
0	Farm Credit System	Failure to comply with contract.	\$ 4,750,000
0	Federal Home Loan Bank of Atlanta	Failure to comply with contract.	\$ 2,325,000
0	Federal Home Loan Bank of Dallas	Failure to comply with contract.	\$ 850,000
0	Intesa Sanpaolo SpA	Failure to comply with contract.	\$ 26,774,227
0	Royal Bank of Scotland Plc	Failure to comply with contract.	\$ 49,182,819
0	Swedbank AB (publ)	Failure to comply with contract.	\$ 900,000
0	UniCredit SpA	Failure to comply with contract.	\$ 83,300,668
071212128	1st Source Bank	Failure to comply with contract.	\$ 3,889,200
221371709	Adirondack Bank	Failure to comply with contract.	\$ 825,000
111300958	Amarillo National Bank	Failure to comply with contract.	\$ 3,765,000
103100616	American Heritage Bank	Failure to comply with contract.	\$ 165,000
104000854	American National Bank	Failure to comply with contract.	\$ 280,000
061201754	Ameris Bank	Failure to comply with contract.	\$ 744,000
082900872	Arvest Bank	Failure to comply with contract.	\$ 10,000
107002448	Bank of Colorado	Failure to comply with contract.	\$ 1,200,000
122041235	Bank of Hope	Failure to comply with contract.	\$ 1,510,000
071119289	Bank of Rantoul	Failure to comply with contract.	\$ 250,000
121101037	Bank of Stockton	Failure to comply with contract.	\$ 1,255,000
082907273	Bank of the Ozarks	Failure to comply with contract.	\$ 455,000
112206297	Bank of the Southwest	Failure to comply with contract.	\$ 92,500
267090594	BankUnited, National Association	Failure to comply with contract.	\$ 3,700,000
081222593	Banterra Bank	Failure to comply with contract.	\$ 525,000
071026576	Belmont Bank & Trust Company	Failure to comply with contract.	\$ 25,000
021406667	BNB Bank	Failure to comply with contract.	\$ 2,350,000
011002343	Boston Private Bank & Trust Company	Failure to comply with contract.	\$ 671,000
091914464	Bremer Bank, National Association	Failure to comply with contract.	\$ 1,000,000
026004802	Brown Brothers Harriman Trust Company, National Association	Failure to comply with contract.	\$ 4,230,000

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

062206295	Cadence Bank, N.A.	Failure to comply with contract.	\$ 1,231,000
122243884	California United Bank	Failure to comply with contract.	\$ 1,975,000
081000605	Cass Commercial Bank	Failure to comply with contract.	\$ 1,028,895
122203950	Cathay Bank	Failure to comply with contract.	\$ 2,450,000
081500859	Central Bank of Boone County	Failure to comply with contract.	\$ 71,000
081004601	Central Bank of St. Louis	Failure to comply with contract.	\$ 868,000
101005483	Central Bank of the Midwest	Failure to comply with contract.	\$ 2,898,615
111907199	Central National Bank	Failure to comply with contract.	\$ 50,000
072410013	Chemical Bank	Failure to comply with contract.	\$ 134,000
322270288	CIT Bank, National Association	Failure to comply with contract.	\$ 2,100,000
122234149	Citizens Business Bank	Failure to comply with contract.	\$ 4,485,000
065300211	Citizens National Bank of Meridian	Failure to comply with contract.	\$ 600,000
051904524	City National Bank of West Virginia	Failure to comply with contract.	\$ 10,000
051502599	Clear Mountain Bank	Failure to comply with contract.	\$ 1,150,000
125108272	Columbia State Bank	Failure to comply with contract.	\$ 1,000,000
101000019	Commerce Bank	Failure to comply with contract.	\$ 16,577,000
021305386	Community Bank, National Association	Failure to comply with contract.	\$ 3,158,000
101001306	Country Club Bank	Failure to comply with contract.	\$ 652,400
031302971	Customers Bank	Failure to comply with contract.	\$ 32,400
243074385	Dollar Bank, Federal Savings Bank	Failure to comply with contract.	\$ 865,000
055003298	EagleBank	Failure to comply with contract.	\$ 96,935
011301798	Eastern Bank	Failure to comply with contract.	\$ 7,605,000
081006162	Enterprise Bank & Trust	Failure to comply with contract.	\$ 2,323,000
121108441	Farmers & Merchants Bank of Central California	Failure to comply with contract.	\$ 492,000
073903244	Farmers & Merchants Savings Bank	Failure to comply with contract.	\$ 1,000,000
301171353	Fidelity Bank	Failure to comply with contract.	\$ 124,000
122243994	First Choice Bank	Failure to comply with contract.	\$ 355,000
074911578	First Farmers Bank & Trust	Failure to comply with contract.	\$ 65,500
071102076	First Mid-Illinois Bank & Trust, National Association	Failure to comply with contract.	\$ 405,290
071901604	First Midwest Bank	Failure to comply with contract.	\$ 2,300,000
103101107	First National Bank and Trust Company of Okmulgee	Failure to comply with contract.	\$ 152,000
064102371	First National Bank of Manchester	Failure to comply with contract.	\$ 840,000
104000016	First National Bank of Omaha	Failure to comply with contract.	\$ 1,100,000
222370440	First Niagara Bank, National Association	Failure to comply with contract.	\$ 300,000
121045106	First Republic Bank	Failure to comply with contract.	\$ 1,240,000
111308057	FirstBank Southwest	Failure to comply with contract.	\$ 580,000
236073801	Firsttrust Savings Bank	Failure to comply with contract.	\$ 1,220,000
042108397	Forcht Bank, National Association	Failure to comply with contract.	\$ 50,000
091408734	Great Western Bank	Failure to comply with contract.	\$ 2,390,235
122039399	Hanmi Bank	Failure to comply with contract.	\$ 7,657,864
121142287	Heritage Bank of Commerce	Failure to comply with contract.	\$ 928,000
071925402	Hinsdale Bank & Trust Company	Failure to comply with contract.	\$ 200,000
265270413	IBERIABANK	Failure to comply with contract.	\$ 363,000
084008426	Independent Bank	Failure to comply with contract.	\$ 133,000
122240706	International City Bank, Federal Savings Bank	Failure to comply with contract.	\$ 150,000
101100029	INTRUST Bank, National Association	Failure to comply with contract.	\$ 1,290,000
111001040	Inwood National Bank	Failure to comply with contract.	\$ 50,000
114000763	Jefferson Bank	Failure to comply with contract.	\$ 75,000
091915654	KleinBank	Failure to comply with contract.	\$ 375,000
101101536	KS StateBank	Failure to comply with contract.	\$ 1,850,000
071925334	Lake Forest Bank & Trust Company, National Association	Failure to comply with contract.	\$ 1,000,000
081200531	Mercantile Bank	Failure to comply with contract.	\$ 3,400,000
081514748	Mid America Bank	Failure to comply with contract.	\$ 418,000
303087995	MidFirst Bank	Failure to comply with contract.	\$ 1,847,000
091018302	Minnesota Bank & Trust	Failure to comply with contract.	\$ 100,000
021272778	Morgan Stanley Private Bank, National Association	Failure to comply with contract.	\$ 200,000
104002894	Mutual of Omaha Bank	Failure to comply with contract.	\$ 1,900,000
021303618	NBT Bank, National Association	Failure to comply with contract.	\$ 101,000
122400779	Nevada State Bank	Failure to comply with contract.	\$ 1,344,715
075917937	Nicolet National Bank	Failure to comply with contract.	\$ 150,000
042000550	North Side Bank and Trust Company	Failure to comply with contract.	\$ 444,000
011303097	Northern Bank & Trust Company	Failure to comply with contract.	\$ 750,000
226071457	Northfield Bank	Failure to comply with contract.	\$ 418,400

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

211672683	Northfield Savings Bank	Failure to comply with contract.	\$ 1,400,000
041212637	Old Fort Banking Company	Failure to comply with contract.	\$ 200,000
086300012	Old National Bank	Failure to comply with contract.	\$ 1,340,000
123205135	Pacific Continental Bank	Failure to comply with contract.	\$ 215,000
081303920	Peoples Trust & Savings Bank	Failure to comply with contract.	\$ 565,000
064008637	Pinnacle Bank	Failure to comply with contract.	\$ 3,746,800
111322994	PlainsCapital Bank	Failure to comply with contract.	\$ 412,000
113122655	Prosperity Bank	Failure to comply with contract.	\$ 250,000
221272303	Provident Bank	Failure to comply with contract.	\$ 132,000
065205264	Red River Bank	Failure to comply with contract.	\$ 3,850,000
043306855	S&T Bank	Failure to comply with contract.	\$ 135,500
062006505	ServisFirst Bank	Failure to comply with contract.	\$ 560,000
026013576	Signature Bank	Failure to comply with contract.	\$ 8,391,847
121140399	Silicon Valley Bank	Failure to comply with contract.	\$ 3,796,049
082900432	Simmons Bank	Failure to comply with contract.	\$ 298,000
064209216	SmartBank	Failure to comply with contract.	\$ 62,261
111900756	Southwest Bank	Failure to comply with contract.	\$ 657,629
081519073	Sterling Bank	Failure to comply with contract.	\$ 407,000
221970443	Sterling National Bank	Failure to comply with contract.	\$ 345,000
061100606	Synovus Bank	Failure to comply with contract.	\$ 3,850,000
111923238	Texas Bank and Trust Company	Failure to comply with contract.	\$ 245,000
075917843	Town Bank	Failure to comply with contract.	\$ 144,000
121135045	Tri Counties Bank	Failure to comply with contract.	\$ 150,000
123205054	Umpqua Bank	Failure to comply with contract.	\$ 1,000,000
104910795	Union Bank and Trust Company	Failure to comply with contract.	\$ 750,000
021210057	Unity Bank	Failure to comply with contract.	\$ 1,075,000
031913438	Univest Bank and Trust Co.	Failure to comply with contract.	\$ 222,000
021201383	Valley National Bank	Failure to comply with contract.	\$ 1,462,000
091017196	Venture Bank	Failure to comply with contract.	\$ 100,000
111024865	Veritex Community Bank	Failure to comply with contract.	\$ 583,000
071925460	Village Bank & Trust	Failure to comply with contract.	\$ 325,000
243374221	Washington Financial Bank	Failure to comply with contract.	\$ 134,000
125100089	Washington Trust Bank	Failure to comply with contract.	\$ 283,000
054001699	WashingtonFirst Bank	Failure to comply with contract.	\$ 169,000
211170101	Webster Bank, National Association	Failure to comply with contract.	\$ 6,666,250
043400036	WesBanco Bank, Inc.	Failure to comply with contract.	\$ 160,000
071925389	Wheaton Bank & Trust Company	Failure to comply with contract.	\$ 1,335,000
031100102	Wilmington Savings Fund Society, FSB	Failure to comply with contract.	\$ 1,020,000
071925444	Wintrust Bank	Failure to comply with contract.	\$ 4,385,000
075907594	Wisconsin Bank & Trust	Failure to comply with contract.	\$ 1,015,000
026007443	Woori America Bank	Failure to comply with contract.	\$ 350,000

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

FINANCIAL

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] 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. \$ 46,564,397
- 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: \$ 46,564,397
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 46,564,397
- 24.103 Total payable for securities lending reported on the liability page: \$ 46,564,397
- 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 \$ 1,233,445,703
- 25.29 On deposit with other regulatory bodies \$ 36,860,859
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 15,291,237
- 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 [] No [X]

- 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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Citigroup Inc.	Special Equity Transactions Group, 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]

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

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

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

1 Name of Firm or Individual	2 Affiliation
Assets are internally managed by the reporting entity	I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [] No []

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 13,738,034,379	\$ 14,023,283,117	\$ 285,248,738
30.2	Preferred Stocks	\$ 25,441,367	\$ 29,077,092	\$ 3,635,725
30.3	Totals	\$ 13,763,475,746	\$ 14,052,360,209	\$ 288,884,463

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:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist.
- Issuer or obligor is current on all contracted interest and principal payments.
- 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 [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 11,052,338

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	\$ 5,572,899

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

35.1 Amount of payments for legal expenses, if any? \$ 18,491,542

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? \$ 438,786

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	\$	5,211,733,518	\$	4,970,624,887
2.3	Premium Ratio (2.1/2.2)		0.0%		0.0%
2.4	Reserve Numerator	\$	8,209,188	\$	8,325,166
2.5	Reserve Denominator	\$	12,397,680,460	\$	11,827,511,088
2.6	Reserve Ratio (2.4/2.5)		0.1%		0.1%
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		\$		62,238,755
3.22	Non-participating policies		\$		5,255,407,049
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 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 and workers' compensation exposures. The Company also develops conventional attack loss estimates for combined property and workers' compensation exposures for comparison and adherence with aggregate enterprise guidelines. To best assess risk, the Company conducts site engineering analyses on buildings with large exposures. Property exposures are analyzed to determine locations of concentration. Spanning the U.S., this includes California, Florida, New Madrid, the Northeast, the Gulf States and the Mid-Atlantic States.</u>				
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?				

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

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>				
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss: <u>The Company's all region aggregate catastrophe treaty does not contain a reinstatement provision but does allow for recoveries under multiple event loss scenarios. The Company's northeast region catastrophe treaty applies per occurrence and provides for one reinstatement. Additionally, the Company buys property catastrophe cat bonds for designated perils covering the northeast region. Those bonds apply per occurrence but do not have a reinstatement provision. The Company believes that its reinsurance programs along with the Company's surplus are adequate to cover its exposures in a catastrophic event.</u>					
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	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 <input checked="" type="checkbox"/> No <input type="checkbox"/>				
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
8.2	If yes, give full information					
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.					
9.4	Except for transactions meeting the requirements of paragraph 31 of <i>SSAP No. 62R, Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.					
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>				
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
11.2	If yes, give full information					
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">\$ 16,186,123</td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="text-align: right; border-top: 1px solid black;">\$ 2,856,375</td> </tr> </table>		\$ 16,186,123		\$ 2,856,375
	\$ 16,186,123					
	\$ 2,856,375					
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?	\$ 21,950,208				
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>				
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From	0.0%				

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

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 <input checked="" type="checkbox"/> No <input type="checkbox"/>
12.6	If yes, state the amount thereof at December 31 of current year:										
12.61	Letters of Credit									\$ 1,317,690,087	
12.62	Collateral and other funds									\$ 480,500,095	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):										\$ 9,316,000
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.										2
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?										Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>Per the Company's Reinsurance Allocation Agreement and Pooling Agreement.</u>										
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?										Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
14.5	If the answer to 14.4 is no, please explain:										
15.1	Has the reporting entity guaranteed any financed premium accounts?										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
15.2	If yes, give full information										
16.1	Does the reporting entity write any warranty business?										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	If yes, disclose the following information for each of the following types of warranty coverage:										
		1	2	3	4	5					
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned					
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
	* Disclose type of coverage:										
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5									\$ 0	
17.12	Unfunded portion of Interrogatory 17.11									\$ 0	
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11									\$ 0	
17.14	Case reserves portion of Interrogatory 17.11									\$ 0	
17.15	Incurred but not reported portion of Interrogatory 17.11									\$ 0	
17.16	Unearned premium portion of Interrogatory 17.11									\$ 0	
17.17	Contingent commission portion of Interrogatory 17.11									\$ 0	
	Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above.										
17.18	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5									\$ 0	
17.19	Unfunded portion of Interrogatory 17.18									\$ 0	
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18									\$ 0	
17.21	Case reserves portion of Interrogatory 17.18									\$ 0	
17.22	Incurred but not reported portion of Interrogatory 17.18									\$ 0	
17.23	Unearned premium portion of Interrogatory 17.18									\$ 0	
17.24	Contingent commission portion of Interrogatory 17.18									0	
18.1	Do you act as a custodian for health savings accounts?										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.										\$ 0
18.3	Do you act as an administrator for health savings accounts?										Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
18.4	If yes, please provide the balance of the funds administered as of the reporting date.										\$ 0

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 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).....	12,005,977,439	11,544,194,926	11,065,007,301	10,637,304,953	10,407,237,901
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	4,473,144,022	4,230,878,824	3,931,508,047	3,786,972,513	3,952,338,943
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	7,450,208,564	7,207,228,798	7,111,071,308	7,107,994,849	7,159,659,512
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	54,476,015	58,721,601	63,600,477	66,441,951	72,580,933
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	43,314,206	50,287,569	55,758,246	65,107,412	62,055,637
6. Total (Line 35).....	24,027,120,246	23,091,311,718	22,226,945,378	21,663,821,677	21,653,872,927
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).....	2,645,915,730	2,512,014,836	2,379,479,615	2,283,615,363	2,179,296,101
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	977,198,920	917,266,525	843,120,631	812,114,020	772,374,348
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,671,855,336	1,615,879,558	1,588,139,674	1,584,285,822	1,548,706,653
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	12,634,943	13,689,146	16,266,885	9,692,507	17,725,574
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	10,040,875	11,674,193	12,962,281	14,504,525	13,462,004
12. Total (Line 35).....	5,317,645,804	5,070,524,258	4,839,969,085	4,704,212,238	4,531,564,678
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	31,930,575	293,587,685	497,288,921	426,858,901	394,643,996
14. Net investment gain (loss) (Line 11).....	866,416,073	869,920,776	887,913,157	766,320,225	819,555,946
15. Total other income (Line 15).....	49,753,966	185,027,275	25,818,300	35,842,230	81,174,330
16. Dividends to policyholders (Line 17).....	10,568,835	10,033,637	8,007,842	7,328,336	6,777,433
17. Federal and foreign income taxes incurred (Line 19).....	(12,802,009)	238,355,487	238,882,111	279,508,777	222,932,588
18. Net income (Line 20).....	950,333,788	1,100,146,611	1,164,130,425	942,184,243	1,065,664,252
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	21,394,450,285	21,180,468,800	20,817,833,762	20,724,465,599	20,662,613,986
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	322,450,979	330,505,553	323,564,217	320,498,835	354,064,992
20.2 Deferred and not yet due (Line 15.2).....	1,128,376,458	1,067,538,300	1,000,301,503	961,010,163	933,467,795
20.3 Accrued retrospective premiums (Line 15.3).....	20,092,651	14,888,130	18,632,915	19,532,263	22,161,051
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	14,574,227,790	14,177,001,927	13,973,243,548	14,091,059,403	13,956,488,515
22. Losses (Page 3, Line 1).....	7,077,173,895	6,818,327,023	6,752,243,538	6,803,744,952	6,927,362,737
23. Loss adjustment expenses (Page 3, Line 3).....	1,645,533,666	1,604,381,209	1,556,633,166	1,658,228,404	1,525,340,357
24. Unearned premiums (Page 3, Line 9).....	2,417,498,323	2,305,527,071	2,203,577,313	2,125,708,319	2,077,407,720
25. Capital paid up (Page 3, Lines 30 & 31).....	10,790,700	10,790,700	10,790,700	10,790,700	10,790,700
26. Surplus as regards policyholders (Page 3, Line 37).....	6,820,222,495	7,003,466,873	6,844,590,214	6,633,406,196	6,706,125,470
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,405,852,386	1,540,019,699	1,038,154,757	1,111,608,723	528,685,591
Risk-Based Capital Analysis					
28. Total adjusted capital.....	6,820,222,495	7,003,466,873	6,844,590,214	6,633,406,196	6,706,125,470
29. Authorized control level risk-based capital.....	1,301,903,007	1,166,410,162	1,156,999,216	1,166,217,225	1,147,046,627
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	70.3	68.8	68.1	68.2	74.1
31. Stocks (Lines 2.1 & 2.2).....	19.2	20.5	21.7	21.6	20.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	2.0	2.0	2.0	1.4	1.3
34. Cash, cash equivalents and short-term investments (Line 5).....	3.2	3.6	3.1	4.0	0.0
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).....	5.0	4.9	4.8	4.4	3.5
38. Receivables for securities (Line 9).....	0.1	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.3	0.2	0.3	0.4	0.3
40. Aggregate write-ins for invested assets (Line 11).....	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	3,402,368,490	3,558,736,314	3,651,378,395	3,642,514,272	3,471,091,800
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.....	412,957,570	434,414,830	429,923,492	420,534,315	372,275,324
48. Total of above lines 42 to 47.....	3,815,326,060	3,993,151,144	4,081,301,887	4,063,048,587	3,843,367,124
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).....	55.9	57.0	59.6	61.3	57.3

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).....	(148,073,876)	(20,307,164)	7,383,916	204,790,254	235,642,281
52. Dividends to stockholders (Line 35).....	(794,000,000)	(933,000,000)	(1,068,000,000)	(1,242,000,000)	(1,701,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(183,244,378)	158,876,660	211,184,018	(72,719,274)	(413,160,605)
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).....	6,340,086,426	6,436,771,643	5,880,643,411	5,608,129,362	5,782,415,991
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,575,408,743	2,113,883,798	1,855,771,152	1,886,003,844	2,938,172,907
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	3,629,471,392	3,068,798,316	2,907,627,703	3,003,547,347	3,374,833,170
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	38,665,163	47,022,719	39,484,931	136,697,456	9,513,611
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	110,504,061	65,986,646	94,504,950	142,626,173	112,117,399
59. Total (Line 35).....	12,694,135,786	11,732,463,122	10,778,032,147	10,777,004,181	12,217,053,079
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).....	1,342,925,372	1,318,879,911	1,210,957,366	1,143,691,557	1,357,149,850
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	574,468,769	468,574,619	402,514,130	406,150,308	400,804,614
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	825,494,424	693,224,633	654,877,614	677,458,464	795,556,753
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	5,793,837	10,343,729	9,845,152	16,372,082	2,849,629
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	22,747,930	12,353,139	16,939,367	28,225,648	19,123,247
65. Total (Line 35).....	2,771,430,333	2,503,376,029	2,295,133,629	2,271,898,059	2,575,484,092
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).....	58.1	51.7	47.1	46.1	48.9
68. Loss expenses incurred (Line 3).....	11.4	11.7	11.7	14.3	12.0
69. Other underwriting expenses incurred (Line 4).....	29.9	30.7	30.8	30.4	30.6
70. Net underwriting gain (loss) (Line 8).....	0.6	5.9	10.4	9.2	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).....	28.3	29.9	29.8	29.3	29.5
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	63.4	58.7	60.5	60.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	78.0	72.4	70.7	70.9	67.6
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(115,741)	(102,472)	(155,676)	(262,011)	(113,859)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(1.7)	(1.5)	(2.3)	(3.9)	(1.6)
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).....	(193,107)	(260,362)	(375,193)	(359,548)	(253,141)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(2.8)	(3.9)	(5.6)	(5.1)	(3.6)

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

Yes [X] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	178,056	43,266	65,435	6,775	25,973	341	216	219,082	XXX
2. 2008.....	4,768,007	474,749	4,293,257	2,463,749	256,904	212,920	15,899	241,952	3,596	109,803	2,642,222	XXX
3. 2009.....	4,700,388	378,884	4,321,504	2,216,247	148,128	197,931	11,177	235,849	2,796	118,016	2,487,924	XXX
4. 2010.....	4,671,770	343,666	4,328,104	2,459,355	140,626	217,160	10,275	240,137	2,250	123,286	2,763,503	XXX
5. 2011.....	4,843,587	336,512	4,507,076	2,984,705	195,630	228,159	12,427	248,696	2,432	133,456	3,251,072	XXX
6. 2012.....	4,973,160	369,141	4,604,019	2,871,127	448,120	224,774	22,788	257,795	4,185	128,774	2,878,602	XXX
7. 2013.....	5,164,888	531,315	4,633,573	2,113,089	128,582	192,067	7,522	241,270	6,143	109,624	2,404,179	XXX
8. 2014.....	5,031,619	376,146	4,655,474	2,012,774	134,124	178,690	10,333	231,189	5,838	103,111	2,272,359	XXX
9. 2015.....	5,107,682	342,328	4,765,354	1,842,427	100,966	124,981	5,031	231,534	4,669	99,161	2,088,276	XXX
10. 2016.....	5,295,864	325,239	4,970,625	1,704,611	75,897	74,983	3,347	237,808	869	108,564	1,937,290	XXX
11. 2017.....	5,504,229	292,495	5,211,734	1,366,295	39,712	32,113	1,128	205,139	383	73,798	1,562,323	XXX
12. Totals.....	XXX	XXX	XXX	22,212,434	1,711,955	1,749,215	106,702	2,397,343	33,502	1,107,807	24,506,832	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.....	1,475,782	445,150	975,185	178,794	141,841	16,631	272,956	31,121	145,698	365	5,180	2,339,401	XXX
2. 2008.....	69,105	6,512	78,848	10,840	6,942	338	16,531	2,335	4,512	(2)	1,659	155,914	XXX
3. 2009.....	77,820	17,347	78,125	10,600	6,317	194	14,271	503	4,481	(3)	1,553	152,374	XXX
4. 2010.....	92,569	11,508	91,232	6,123	9,371	263	16,372	844	5,906	9	2,398	196,703	XXX
5. 2011.....	112,515	8,068	106,227	6,910	11,094	(1)	23,089	488	7,984	(3)	4,058	245,447	XXX
6. 2012.....	144,596	14,708	156,769	15,372	15,502	460	41,139	933	10,731	47	5,815	337,218	XXX
7. 2013.....	185,751	20,498	202,701	23,190	20,865	1,219	62,750	611	16,954	54	8,884	443,448	XXX
8. 2014.....	262,805	32,291	236,985	18,481	31,044	1,865	74,802	1,633	25,628	148	15,412	576,846	XXX
9. 2015.....	345,089	37,053	395,937	39,520	42,680	1,392	80,240	1,884	42,267	191	24,038	826,173	XXX
10. 2016.....	508,666	44,892	630,244	43,932	50,258	1,642	131,433	2,197	47,190	395	36,622	1,274,733	XXX
11. 2017.....	765,001	94,643	1,238,433	66,780	53,262	2,241	172,733	2,831	111,912	396	94,197	2,174,450	XXX
12. Totals.....	4,039,700	732,671	4,190,686	420,542	389,176	26,245	906,316	45,380	423,263	1,597	199,815	8,722,708	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	1,827,024	512,377
2. 2008.	3,094,559	296,423	2,798,136	64.9	62.4	65.2	0	0	23.29	130,600	25,314
3. 2009.	2,831,041	190,743	2,640,298	60.2	50.3	61.1	0	0	23.29	127,999	24,375
4. 2010.	3,132,103	171,897	2,960,205	67.0	50.0	68.4	0	0	23.29	166,170	30,533
5. 2011.	3,722,469	225,951	3,496,518	76.9	67.1	77.6	0	0	23.29	203,763	41,683
6. 2012.	3,722,434	506,614	3,215,820	74.9	137.2	69.8	0	0	23.29	271,286	65,933
7. 2013.	3,035,447	187,819	2,847,627	58.8	35.3	61.5	0	0	23.29	344,764	98,684
8. 2014.	3,053,917	204,712	2,849,205	60.7	54.4	61.2	0	0	23.29	449,018	127,828
9. 2015.	3,105,155	190,706	2,914,449	60.8	55.7	61.2	0	0	23.29	664,453	161,720
10. 2016.	3,385,194	173,171	3,212,023	63.9	53.2	64.6	0	0	23.29	1,050,086	224,647
11. 2017.	3,944,887	208,114	3,736,773	71.7	71.2	71.7	0	0	23.29	1,842,011	332,439
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,077,174	1,645,534

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.....	6,828,940	6,556,032	6,364,547	6,256,425	6,141,723	6,073,798	5,930,540	5,904,179	5,880,984	5,908,587	27,604	4,409
2. 2008.....	2,689,474	2,714,723	2,700,268	2,640,155	2,610,980	2,602,021	2,575,415	2,565,601	2,563,097	2,561,979	(1,118)	(3,622)
3. 2009.....	XXX	2,523,310	2,506,858	2,500,021	2,480,066	2,457,657	2,447,209	2,440,647	2,421,933	2,409,964	(11,969)	(30,683)
4. 2010.....	XXX	XXX	2,692,121	2,782,726	2,772,169	2,754,974	2,746,251	2,741,398	2,737,245	2,724,875	(12,370)	(16,523)
5. 2011.....	XXX	XXX	XXX	3,287,349	3,319,236	3,325,087	3,303,444	3,296,667	3,269,059	3,252,072	(16,987)	(44,596)
6. 2012.....	XXX	XXX	XXX	XXX	3,038,873	3,035,647	3,000,635	2,972,903	2,967,110	2,960,997	(6,113)	(11,906)
7. 2013.....	XXX	XXX	XXX	XXX	XXX	2,673,248	2,656,926	2,625,841	2,614,269	2,605,573	(8,696)	(20,268)
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	2,691,410	2,648,917	2,637,772	2,609,085	(28,687)	(39,832)
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,687,241	2,689,454	2,657,155	(32,299)	(30,086)
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,967,105	2,942,000	(25,105)	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,435,289	XXX	XXX
12. Totals.....											(115,741)	(193,107)

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	891,272	1,579,863	2,030,339	2,365,506	2,629,478	2,877,790	3,091,770	3,383,746	3,577,196	XXX	XXX
2. 2008.....	1,038,516	1,582,148	1,875,800	2,070,933	2,206,230	2,287,898	2,332,367	2,360,801	2,387,006	2,403,866	XXX	XXX
3. 2009.....	XXX	973,917	1,502,790	1,776,387	1,962,656	2,088,323	2,156,614	2,208,247	2,236,449	2,254,872	XXX	XXX
4. 2010.....	XXX	XXX	1,096,517	1,689,838	1,997,253	2,213,265	2,355,494	2,442,258	2,494,605	2,525,615	XXX	XXX
5. 2011.....	XXX	XXX	XXX	1,510,481	2,180,133	2,503,037	2,719,166	2,870,190	2,954,925	3,004,807	XXX	XXX
6. 2012.....	XXX	XXX	XXX	XXX	1,245,643	1,890,109	2,178,380	2,401,959	2,538,058	2,624,992	XXX	XXX
7. 2013.....	XXX	XXX	XXX	XXX	XXX	1,008,818	1,531,832	1,824,036	2,027,898	2,169,052	XXX	XXX
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	1,014,160	1,527,252	1,822,340	2,047,008	XXX	XXX
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,002,007	1,551,351	1,861,411	XXX	XXX
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,097,418	1,700,351	XXX	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,357,567	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.....	3,905,760	3,210,659	2,675,743	2,314,311	2,035,129	1,849,208	1,576,633	1,433,911	1,205,770	1,116,763
2. 2008.....	1,078,625	665,343	472,757	309,573	229,217	185,957	137,456	111,831	98,728	87,770
3. 2009.....	XXX	1,021,689	593,023	421,074	292,556	211,198	163,717	134,186	105,609	87,581
4. 2010.....	XXX	XXX	990,800	624,846	408,847	278,293	198,597	156,805	128,166	107,862
5. 2011.....	XXX	XXX	XXX	1,086,685	639,351	441,605	299,874	221,873	165,867	130,366
6. 2012.....	XXX	XXX	XXX	XXX	1,120,786	671,043	438,381	301,518	236,712	190,334
7. 2013.....	XXX	XXX	XXX	XXX	XXX	1,062,046	658,385	435,196	318,343	249,938
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	1,123,640	662,873	454,039	301,056
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,104,934	673,645	444,484
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,220,982	726,542
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,355,873

THE TRAVELERS INDEMNITY 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	29,619,699	28,113,615	73,617	29,441,065	49,390,127	67,246,669	25,439	0
2. Alaska.....AK	L	3,193,977	3,047,198	800	1,464,509	1,162,531	3,529,550	331	0
3. Arizona.....AZ	L	50,998,544	51,321,725	3,580	41,007,297	26,946,495	95,243,993	43,251	0
4. Arkansas.....AR	L	23,080,873	21,612,094	22,763	5,708,827	8,583,372	75,118,244	19,361	0
5. California.....CA	L	(40,290)	(66,548)	0	5,124,449	(1,994,533)	48,667,804	0	0
6. Colorado.....CO	L	47,229,609	45,701,277	34,295	33,112,056	29,363,824	109,709,919	52,178	0
7. Connecticut.....CT	L	33,584,015	32,654,790	57,513	22,814,079	15,988,097	107,406,391	40,464	0
8. Delaware.....DE	L	5,991,608	6,110,111	189	3,778,651	1,656,751	20,840,914	8,432	0
9. District of Columbia.....DC	L	11,757,480	11,605,925	21,622	14,030,573	23,108,475	49,354,748	8,132	0
10. Florida.....FL	L	50,696,378	48,942,920	1,500	36,743,104	36,331,897	191,316,700	25,882	0
11. Georgia.....GA	L	44,251,247	43,534,511	31,388	18,678,296	13,345,842	61,160,654	58,392	0
12. Hawaii.....HI	L	4,355,307	4,504,966	0	1,350,705	803,378	15,521,820	729	0
13. Idaho.....ID	L	6,736,307	7,027,857	3,345	3,169,427	1,816,344	8,616,453	8,896	0
14. Illinois.....IL	L	81,486,018	81,882,085	131,597	38,549,066	39,590,768	158,744,777	70,711	0
15. Indiana.....IN	L	45,378,621	42,969,411	15,224	23,694,010	27,003,629	50,870,728	18,569	0
16. Iowa.....IA	L	14,043,006	14,868,750	4,742	5,947,834	2,660,597	39,255,210	5,534	0
17. Kansas.....KS	L	20,700,113	22,331,921	28,433	8,674,091	5,074,525	58,516,467	13,959	0
18. Kentucky.....KY	L	17,267,202	17,562,788	105,961	11,691,167	4,841,426	69,113,398	10,953	0
19. Louisiana.....LA	L	31,691,862	29,106,126	44,289	17,169,047	14,597,306	60,219,903	19,268	0
20. Maine.....ME	L	5,690,628	5,806,147	13	2,917,903	(15,052,476)	13,928,960	5,470	0
21. Maryland.....MD	L	49,748,497	51,651,460	9,284	21,446,648	24,998,793	87,284,458	73,649	0
22. Massachusetts.....MA	L	129,623,022	130,240,611	256,234	59,456,353	76,827,337	290,891,825	377,847	0
23. Michigan.....MI	L	64,457,012	68,033,693	56,187	35,312,918	61,420,110	146,738,629	39,025	0
24. Minnesota.....MN	L	40,142,899	40,627,940	18,534	18,120,024	17,115,949	68,398,695	23,441	0
25. Mississippi.....MS	L	28,390,650	28,550,161	25,438	12,520,086	12,417,998	54,921,804	24,958	0
26. Missouri.....MO	L	31,340,826	32,720,824	7,984	13,469,467	12,650,061	64,828,417	29,316	462
27. Montana.....MT	L	8,514,531	8,588,723	9,235	4,256,454	1,428,417	7,794,564	10,912	0
28. Nebraska.....NE	L	17,759,262	16,805,473	28,463	27,955,951	35,329,557	65,220,996	10,716	0
29. Nevada.....NV	L	24,963,229	23,008,560	1,576	4,619,251	6,332,080	26,038,591	23,096	0
30. New Hampshire.....NH	L	9,725,900	10,155,655	2,904	2,428,857	2,029,072	36,976,066	11,529	0
31. New Jersey.....NJ	L	102,427,086	97,186,123	3,651,719	41,553,485	44,680,519	310,113,454	113,679	0
32. New Mexico.....NM	L	16,775,018	16,240,892	25,716	8,685,457	7,845,758	22,982,961	16,980	0
33. New York.....NY	L	261,645,042	241,606,623	69,919	79,320,134	104,611,089	519,015,711	299,391	0
34. North Carolina.....NC	L	53,255,347	52,950,205	25,451	22,073,673	18,861,949	93,024,801	111,235	0
35. North Dakota.....ND	L	4,735,590	5,206,213	3,312	795,656	1,615,144	5,018,746	1,581	1,652
36. Ohio.....OH	L	41,625,592	40,109,275	6,679	20,216,877	21,982,159	58,122,911	19,089	0
37. Oklahoma.....OK	L	27,060,535	27,608,699	32,777	11,684,485	10,392,842	30,238,607	1,113	0
38. Oregon.....OR	L	14,398,327	14,413,213	8,425	10,250,297	12,131,906	19,098,272	16,806	0
39. Pennsylvania.....PA	L	90,985,292	92,190,249	58,688	31,014,760	30,676,750	201,631,440	267,618	0
40. Rhode Island.....RI	L	7,329,595	7,713,349	66	3,019,787	3,825,859	14,161,039	8,175	0
41. South Carolina.....SC	L	20,903,055	18,917,474	4,269	7,283,984	9,411,607	39,607,914	20,236	0
42. South Dakota.....SD	L	6,340,203	6,444,422	14,321	1,528,298	390,109	15,191,095	5,021	0
43. Tennessee.....TN	L	61,479,116	60,730,641	7,810	25,541,787	39,729,934	182,857,975	40,693	0
44. Texas.....TX	L	116,112,840	118,336,218	88,447	52,465,950	70,463,337	349,618,356	126,160	0
45. Utah.....UT	L	9,678,677	9,877,672	7,855	1,962,442	2,944,198	12,877,341	15,662	0
46. Vermont.....VT	L	4,189,686	4,391,838	199	2,027,664	1,024,723	17,616,761	4,805	0
47. Virginia.....VA	L	34,653,395	35,079,840	24,430	12,623,898	3,254,860	98,944,753	41,953	0
48. Washington.....WA	L	24,993,447	23,930,701	2,610	9,387,225	11,330,752	27,996,740	34,146	0
49. West Virginia.....WV	L	11,089,494	11,166,060	19,002	4,068,623	3,619,025	28,146,324	4,948	0
50. Wisconsin.....WI	L	33,490,807	38,669,531	3,139	10,008,070	18,024,681	59,177,997	9,184	0
51. Wyoming.....WY	L	3,733,578	4,062,832	5,948	1,289,264	725,749	1,831,099	3,416	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	14,674	18,889	0	155	155	0	1	0
54. Puerto Rico.....PR	L	273,072	308,035	0	144,948	7,873,288	8,041,035	12	0
55. US Virgin Islands.....VI	L	(1)	(1)	0	0	1,474,242	1,694,243	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	12,633	12,870	0	1,394,568	(38,662)	793,248	0	0
59. Totals.....	(a) 54	1,879,580,132	1,856,192,633	5,057,492	882,993,647	962,619,721	4,271,280,171	2,222,341	2,114

DETAILS OF WRITE-INS

58001. ZZZ Other Alien.....	XXX	12,633	12,870	0	(38,965)	(35,722)	632,445	0	0
58002. MEX Mexico.....	XXX	0	0	0	1,433,533	0	160,391	0	0
58003. SGP Singapore.....	XXX	0	0	0	0	(112)	412	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	(2,828)	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	12,633	12,870	0	1,394,568	(38,662)	793,248	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
...	J. Malucelli 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				

96.1

Notes:

* Denotes affiliated insurer

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

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