

ANNUAL STATEMENT
For the Year Ended December 31, 2017
OF THE CONDITION AND AFFAIRS OF THE
UNITED STATES FIDELITY AND
GUARANTY COMPANY

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

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

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

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

OFFICERS

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

DIRECTORS

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

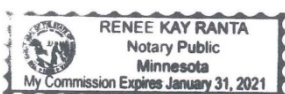
STATE OF MINNESOTA }
COUNTY OF RAMSEY } ss:

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

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

Subscribed and sworn to before me this

23rd day of January, 2018
Renee Kay Ranta Notary Public
My Commission Expires January 31, 2021



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,570,761,738	0	2,570,761,738	2,709,877,757
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	106,739,831	0	106,739,831	109,196,743
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(1,836,970), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....187,175,457, Schedule DA).....	185,338,487	0	185,338,487	26,501,054
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	2	0	2	2
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	27,139,720	0	27,139,720	9,421,917
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,889,979,779	0	2,889,979,779	2,854,997,473
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	27,398,049	0	27,398,049	30,525,127
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	126,872,769	7,561,053	119,311,716	116,925,936
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....5,315,263 earned but unbilled premiums).....	214,462,738	1,156,880	213,305,858	201,785,768
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	4,106,091	301,515	3,804,577	2,819,092
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	9,419,141	0	9,419,141	9,485,894
16.2 Funds held by or deposited with reinsured companies.....	87,031	0	87,031	178,682
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	17,317,043	0	17,317,043	24,733,816
19. Guaranty funds receivable or on deposit.....	179,518	0	179,518	196,524
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	79,397	79,397	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	12,482,896	241,070	12,241,826	10,437,551
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,302,384,451	9,339,915	3,293,044,537	3,252,085,863
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTAL (Lines 26 and 27).....	3,302,384,451	9,339,915	3,293,044,537	3,252,085,863

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Equities and deposits in pools and associations.....	6,098,406	0	6,098,406	3,355,748
2502. Amounts receivable under high deductible policies.....	2,409,695	241,070	2,168,625	2,528,640
2503. State surcharges receivable.....	2,017,944	0	2,017,944	2,001,947
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,956,852	0	1,956,852	2,551,217
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	12,482,896	241,070	12,241,826	10,437,551

UNITED STATES FIDELITY AND GUARANTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,338,840,544	1,289,848,813
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	63,696,627	54,573,388
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	311,265,380	303,430,050
4. Commissions payable, contingent commissions and other similar charges.....	31,044,579	29,736,706
5. Other expenses (excluding taxes, licenses and fees).....	27,240,856	28,579,376
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	15,177,341	16,034,033
7.1 Current federal and foreign income taxes (including \$.....21,726,374 on realized capital gains (losses)).....	1,819,911	4,085,782
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 \$.....2,196,942 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).....	457,756,058	436,553,848
10. Advance premium.....	678,732	678,732
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	2,512,531	2,332,459
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,450,683	8,754,793
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	2,748,437	2,813,735
15. Remittances and items not allocated.....	109,277	221,531
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	5,276,793	8,781,396
20. Derivatives.....	0	0
21. Payable for securities.....	0	0
22. Payable for securities lending.....	27,139,720	9,421,917
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.....	13,466,106	12,956,075
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,307,223,572	2,208,802,630
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,307,223,572	2,208,802,630
29. Aggregate write-ins for special surplus funds.....	2,620,072	2,941,902
30. Common capital stock.....	35,214,075	35,214,075
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	236,805,261	236,805,261
35. Unassigned funds (surplus).....	711,181,556	768,321,994
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).....	985,820,965	1,043,283,232
38. TOTAL (Page 2, Line 28, Col. 3).....	3,293,044,537	3,252,085,863

DETAILS OF WRITE-INS

2501. Investment real estate liability.....	15,128,199	14,998,793
2502. Escheat liability.....	865,086	865,086
2503. Retroactive reinsurance reserve assumed.....	53,091	53,508
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(2,580,270)	(2,961,313)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	13,466,106	12,956,075
2901. Special surplus from retroactive reinsurance.....	2,620,072	2,941,902
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	2,620,072	2,941,902
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

UNITED STATES FIDELITY AND GUARANTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	986,843,548	941,187,169
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	573,766,948	486,507,624
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	112,251,530	110,130,446
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	294,736,939	288,818,804
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	980,755,418	885,456,874
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	6,088,131	55,730,295
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	99,642,102	107,239,703
10. Net realized capital gains (losses) less capital gains tax of \$.....2,751,008 (Exhibit of Capital Gains (Losses)).....	(5,264,567)	5,554,164
11. Net investment gain (loss) (Lines 9 + 10).....	94,377,535	112,793,867
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....418,197 amount charged off \$....2,171,062).....	(1,752,865)	(1,702,210)
13. Finance and service charges not included in premiums.....	3,363,351	3,327,580
14. Aggregate write-ins for miscellaneous income.....	(305,271)	(302,206)
15. Total other income (Lines 12 through 14).....	1,305,214	1,323,163
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	101,770,880	169,847,326
17. Dividends to policyholders.....	2,001,227	1,899,886
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).....	99,769,654	167,947,440
19. Federal and foreign income taxes incurred.....	16,910,410	38,265,621
20. Net income (Line 18 minus Line 19) (to Line 22).....	82,859,243	129,681,819
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,043,283,232	1,408,920,456
22. Net income (from Line 20).....	82,859,243	129,681,819
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....141,976.....	(2,408,061)	3,576,428
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(7,274,797)	486,670
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(1,038,652)	617,860
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from Protected Cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(129,600,000)	(500,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(57,462,268)	(365,637,224)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	985,820,965	1,043,283,232
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.....	(5,244)	(129,657)
1402. Fines and penalties of regulatory authorities.....	(8,769)	(16,766)
1403. Other expense.....	(16,980)	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(274,278)	(155,784)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(305,271)	(302,206)
3701.	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	991,771,657	942,348,263
2. Net investment income.....	119,206,331	128,907,280
3. Miscellaneous income.....	1,305,214	1,323,163
4. Total (Lines 1 through 3).....	1,112,283,202	1,072,578,707
5. Benefit and loss related payments.....	515,493,574	491,064,733
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	399,956,738	386,640,201
8. Dividends paid to policyholders.....	1,821,154	1,690,472
9. Federal and foreign income taxes paid (recovered) net of \$.....2,990,208 tax on capital gains (losses).....	21,927,289	5,851,201
10. Total (Lines 5 through 9).....	939,198,756	885,246,607
11. Net cash from operations (Line 4 minus Line 10).....	173,084,446	187,332,100
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	336,818,691	724,478,968
12.2 Stocks.....	442,846	118,707
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	15,105
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	3,819,185
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	337,261,537	728,431,965
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	216,972,136	455,659,035
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	404,260
13.6 Miscellaneous applications.....	17,717,803	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	234,689,939	456,063,295
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	102,571,598	272,368,671
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.....	129,600,000	500,000,000
16.6 Other cash provided (applied).....	12,781,389	13,132,825
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(116,818,611)	(486,867,175)
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).....	158,837,433	(27,166,404)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	26,501,054	53,667,458
19.2 End of year (Line 18 plus Line 19.1).....	185,338,487	26,501,054
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchange of bonds.....	0	8,494,900

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	22,467,485	10,440,072	10,468,151	22,439,406
2. Allied lines.....	23,492,017	11,434,755	11,294,300	23,632,472
3. Farmowners multiple peril.....	8,457,019	3,709,296	4,075,694	8,090,621
4. Homeowners multiple peril.....	152,963,831	77,966,073	81,666,314	149,263,590
5. Commercial multiple peril.....	136,405,839	61,399,450	62,465,622	135,339,668
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	9,305,634	3,931,133	4,000,424	9,236,342
9. Inland marine.....	28,367,724	13,854,544	13,695,214	28,527,054
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(9)	(8)	(1)
11.2 Medical professional liability - claims-made.....	43,813	0	0	43,813
12. Earthquake.....	4,278,004	2,439,461	2,417,253	4,300,213
13. Group accident and health.....	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	0	0	0	0
16. Workers' compensation.....	175,209,223	66,093,707	64,557,915	176,745,014
17.1 Other liability - occurrence.....	86,366,023	35,013,358	36,827,733	84,551,647
17.2 Other liability - claims-made.....	24,230,124	13,906,112	13,919,834	24,216,402
17.3 Excess workers' compensation.....	758,959	288,635	270,197	777,397
18.1 Products liability - occurrence.....	5,907,425	2,425,678	2,426,542	5,906,561
18.2 Products liability - claims-made.....	1,088,254	543,614	490,691	1,141,176
19.1, 19.2 Private passenger auto liability.....	130,833,577	48,396,984	55,364,797	123,865,764
19.3, 19.4 Commercial auto liability.....	76,571,118	31,293,311	34,233,898	73,630,531
21. Auto physical damage.....	106,126,135	39,686,178	44,884,744	100,927,569
22. Aircraft (all perils).....	0	338	0	338
23. Fidelity.....	2,064,205	1,510,532	1,483,054	2,091,683
24. Surety.....	161,183	163,337	125,967	198,553
26. Burglary and theft.....	302,867	165,360	175,794	292,433
27. Boiler and machinery.....	9,436,250	4,268,019	4,345,080	9,359,188
28. Credit.....	49	198	205	42
29. International.....	149,628	319	200	149,747
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	1,142,840	651,544	551,509	1,242,875
32. Reinsurance - nonproportional assumed liability.....	688,274	429,832	397,570	720,535
33. Reinsurance - nonproportional assumed financial lines.....	70,142	45,798	44,424	71,516
34. Aggregate write-ins for other lines of business.....	10,463	70,936	0	81,399
35. TOTALS.....	1,006,898,105	430,128,564	450,183,120	986,843,548

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	10,463	70,936	0	81,399
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).....	10,463	70,936	0	81,399

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

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	10,455,404	94,420	(81,673)	.0	10,468,151
2.	Allied lines.....	11,101,590	192,843	(132)	.0	11,294,300
3.	Farmowners multiple peril.....	4,116,425	(40,731)	0	.0	4,075,694
4.	Homeowners multiple peril.....	81,666,405	(91)	0	.0	81,666,314
5.	Commercial multiple peril.....	62,950,964	(25,203)	(460,139)	.0	62,465,622
6.	Mortgage guaranty.....	0	0	0	.0	0
8.	Ocean marine.....	4,135,132	80,319	(215,026)	.0	4,000,424
9.	Inland marine.....	11,804,645	1,945,752	(55,183)	.0	13,695,214
10.	Financial guaranty.....	0	0	0	.0	0
11.1	Medical professional liability - occurrence.....	(8)	0	0	.0	(8)
11.2	Medical professional liability - claims-made.....	0	0	0	.0	0
12.	Earthquake.....	2,329,854	87,399	0	.0	2,417,253
13.	Group accident and health.....	0	0	0	.0	0
14.	Credit accident and health (group and individual).....	0	0	0	.0	0
15.	Other accident and health.....	0	0	0	.0	0
16.	Workers' compensation.....	70,660,507	12,355	(3,801,600)	(2,313,346)	64,557,915
17.1	Other liability - occurrence.....	37,754,977	(659,414)	(658,411)	390,581	36,827,733
17.2	Other liability - claims-made.....	11,059,008	2,858,986	1,839	.0	13,919,834
17.3	Excess workers' compensation.....	270,242	0	(44)	.0	270,197
18.1	Products liability - occurrence.....	2,445,716	1,075	(64,783)	44,534	2,426,542
18.2	Products liability - claims-made.....	482,131	(11,329)	19,889	.0	490,691
19.1, 19.2	Private passenger auto liability.....	55,364,797	0	0	.0	55,364,797
19.3, 19.4	Commercial auto liability.....	34,542,845	70,497	0	(379,444)	34,233,898
21.	Auto physical damage.....	44,863,920	20,824	0	.0	44,884,744
22.	Aircraft (all perils).....	0	0	0	.0	0
23.	Fidelity.....	804,549	678,505	0	.0	1,483,054
24.	Surety.....	19,063	106,904	0	.0	125,967
26.	Burglary and theft.....	114,912	60,882	0	.0	175,794
27.	Boiler and machinery.....	3,412,053	933,027	0	.0	4,345,080
28.	Credit.....	205	0	0	.0	205
29.	International.....	200	0	0	.0	200
30.	Warranty.....	0	0	0	.0	0
31.	Reinsurance - nonproportional assumed property.....	542,391	9,118	0	.0	551,509
32.	Reinsurance - nonproportional assumed liability.....	396,012	1,558	0	.0	397,570
33.	Reinsurance - nonproportional assumed financial lines.....	44,424	0	0	.0	44,424
34.	Aggregate write-ins for other lines of business.....	0	0	0	.0	0
35.	TOTALS.....	451,338,362	6,417,696	(5,315,263)	(2,257,675)	450,183,120
36.	Accrued retrospective premiums based on experience.....					2,257,675
37.	Earned but unbilled premiums.....					5,315,263
38.	Balance (sum of Lines 35 through 37).....					457,756,058

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.

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	22,467,485	0	0	0	22,467,485
2. Allied lines.....	0	23,492,017	0	0	0	23,492,017
3. Farmowners multiple peril.....	0	8,457,019	0	0	0	8,457,019
4. Homeowners multiple peril.....	0	152,963,831	0	0	0	152,963,831
5. Commercial multiple peril.....	0	136,405,839	0	0	0	136,405,839
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	9,305,634	78	78	0	9,305,634
9. Inland marine.....	0	28,367,724	0	0	0	28,367,724
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	43,813	0	0	0	43,813
12. Earthquake.....	0	4,278,004	0	0	0	4,278,004
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	(3,137,401)	169,535,895	5,336	(8,805,394)	0	175,209,223
17.1 Other liability - occurrence.....	0	86,366,023	(362,319)	(362,319)	0	86,366,023
17.2 Other liability - claims-made.....	0	24,230,124	0	0	0	24,230,124
17.3 Excess workers' compensation.....	0	758,959	0	0	0	758,959
18.1 Products liability - occurrence.....	0	5,907,425	0	0	0	5,907,425
18.2 Products liability - claims-made.....	0	1,088,254	0	0	0	1,088,254
19.1, 19.2 Private passenger auto liability.....	0	130,833,577	0	0	0	130,833,577
19.3, 19.4 Commercial auto liability.....	970	76,571,118	0	970	0	76,571,118
21. Auto physical damage.....	(80)	106,126,135	0	(80)	0	106,126,135
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	1,430	2,064,205	0	1,430	0	2,064,205
24. Surety.....	419,511	173,195	69	431,592	0	161,183
26. Burglary and theft.....	0	302,867	0	0	0	302,867
27. Boiler and machinery.....	0	9,436,250	0	0	0	9,436,250
28. Credit.....	0	49	0	0	0	49
29. International.....	0	149,628	0	0	0	149,628
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,142,840	935	935	0	1,142,840
32. Reinsurance - nonproportional assumed liability.....	XXX	688,274	0	0	0	688,274
33. Reinsurance - nonproportional assumed financial lines.....	XXX	70,142	0	0	0	70,142
34. Aggregate write-ins for other lines of business.....	0	10,463	0	0	0	10,463
35. TOTALS.....	(2,715,570)	1,001,236,788	(355,901)	(8,732,787)	0	1,006,898,105

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	10,463	0	0	0	10,463
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	10,463	0	0	0	10,463

(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.....	(935)	15,610,859	87,262	15,522,662	14,064,673	11,055,616	18,531,719	82.6
2. Allied lines.....	3,405	14,702,841	1,999	14,704,246	9,546,200	7,092,850	17,157,596	72.6
3. Farmowners multiple peril.....	0	5,544,734	0	5,544,734	4,208,304	2,057,801	7,695,237	95.1
4. Homeowners multiple peril.....	0	82,884,382	30,000	82,854,382	46,729,490	30,555,885	99,027,987	66.3
5. Commercial multiple peril.....	1,656,163	60,119,124	1,917,721	59,857,566	116,053,158	114,467,983	61,442,741	45.4
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	5,015,162	2,634	5,012,528	7,919,245	8,143,816	4,787,957	51.8
9. Inland marine.....	(33)	11,990,098	(33)	11,990,098	10,338,521	8,860,897	13,467,721	47.2
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	26,773	0	26,773	210,697	607,286	(369,815)	36,256,397.1
11.2 Medical professional liability - claims-made.....	0	155,126	0	155,126	1,397,849	1,919,891	(366,917)	(837.5)
12. Earthquake.....	0	70	0	70	14,779	(10,416)	25,265	0.6
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	(9,418)	(9,418)	0	0	0	0	0.0
16. Workers' compensation.....	26,916,818	102,433,215	47,837,813	81,512,220	616,272,634	605,237,566	92,547,288	52.4
17.1 Other liability - occurrence.....	9,975,428	41,102,323	10,976,498	40,101,253	160,998,812	168,002,071	33,097,994	39.1
17.2 Other liability - claims-made.....	0	13,400,127	990	13,399,137	63,372,178	63,195,626	13,575,689	56.1
17.3 Excess workers' compensation.....	6,492,784	712,936	6,592,784	612,936	27,001,230	26,123,169	1,490,998	191.8
18.1 Products liability - occurrence.....	9,787,440	4,594,840	9,852,416	4,529,864	27,110,420	28,356,537	3,283,747	55.6
18.2 Products liability - claims-made.....	0	99,562	0	99,562	1,699,200	1,395,360	403,401	35.3
19.1, 19.2 Private passenger auto liability.....	3,499,062	71,702,242	3,933,909	71,267,396	102,542,068	87,824,753	85,984,711	69.4
19.3, 19.4 Commercial auto liability.....	3,416,161	42,768,284	3,603,573	42,580,872	90,675,777	86,021,907	47,234,742	64.2
21. Auto physical damage.....	(1,873)	66,154,690	(400,543)	66,553,359	9,033,857	7,225,158	68,362,059	67.7
22. Aircraft (all perils).....	1,410	226,318	207,321	20,406	334,575	328,391	26,590	7,877.6
23. Fidelity.....	(38,142)	1,064,375	(38,142)	1,064,375	2,226,188	2,610,951	679,613	32.5
24. Surety.....	(2,581,258)	(247,630)	(2,794,151)	(34,736)	1,780,866	1,888,315	(142,185)	(71.6)
26. Burglary and theft.....	0	6,176	0	6,176	268,275	268,967	5,484	1.9
27. Boiler and machinery.....	0	3,019,119	0	3,019,119	2,249,457	1,847,374	3,421,202	36.6
28. Credit.....	0	447	319	128	217,534	217,662	0	0.0
29. International.....	0	40,455	0	40,455	311,793	416,778	(64,530)	(43.1)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	442,244	3,117	439,127	2,232,585	2,391,259	280,452	22.6
32. Reinsurance - nonproportional assumed liability.....	XXX	15,614,468	11,707,221	3,907,248	19,244,792	21,012,193	2,139,847	297.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	(39,016)	0	(39,016)	560,352	525,759	(4,424)	(6.2)
34. Aggregate write-ins for other lines of business.....	0	27,153	0	27,153	225,036	207,408	44,781	55.0
35. TOTALS.....	59,126,430	559,162,078	93,513,290	524,775,217	1,338,840,544	1,289,848,813	573,766,949	58.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	27,153	0	27,153	225,036	207,408	44,781	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	27,153	0	27,153	225,036	207,408	44,781	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.....	0	10,086,118	48,706	10,037,412	360,127	4,113,585	446,450	14,064,673	856,818
2. Allied lines.....	10,000	6,685,783	10,000	6,685,783	5,528	2,863,684	8,796	9,546,200	1,740,750
3. Farmowners multiple peril.....	0	2,536,779	0	2,536,779	0	1,671,525	0	4,208,304	676,713
4. Homeowners multiple peril.....	0	23,844,602	0	23,844,602	0	22,884,887	0	46,729,490	6,895,139
5. Commercial multiple peril.....	1,293,724	59,535,255	1,529,634	59,299,345	10,230,620	60,292,478	13,769,286	116,053,158	43,743,625
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	3,673,387	34,041	3,639,345	864,804	4,279,934	864,838	7,919,245	1,619,792
9. Inland marine.....	0	7,532,571	0	7,532,571	13,658	2,810,729	18,438	10,338,521	919,368
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	1	44,268	1	44,268	(422)	166,429	(422)	210,697	154,613
11.2 Medical professional liability - claims-made.....	0	917,385	0	917,385	0	480,463	0	1,397,849	210,297
12. Earthquake.....	0	0	0	0	0	14,779	0	14,779	18,774
13. Group accident and health.....	0	0	0	0	0	0	0	(a).....0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a).....0	0
16. Workers' compensation.....	221,130,026	566,284,010	480,873,375	306,540,661	151,161,419	465,248,392	306,677,837	616,272,634	100,338,578
17.1 Other liability - occurrence.....	9,429,285	50,775,348	14,332,563	45,872,070	28,840,010	117,973,255	31,686,523	160,998,812	67,482,395
17.2 Other liability - claims-made.....	492,034	20,326,989	492,034	20,326,989	1,269,560	43,060,881	1,285,252	63,372,178	18,528,838
17.3 Excess workers' compensation.....	132,847,464	11,359,190	132,847,464	11,359,190	94,424,876	16,378,669	95,161,505	27,001,230	2,125,311
18.1 Products liability - occurrence.....	11,306,983	6,737,589	11,943,288	6,101,283	2,523,300	21,321,768	2,835,931	27,110,420	29,336,405
18.2 Products liability - claims-made.....	0	304,874	0	304,874	1,756	1,394,327	1,758	1,699,200	1,297,363
19.1, 19.2 Private passenger auto liability.....	83,277,719	100,503,717	131,139,991	52,641,445	14,718,421	49,900,623	14,718,421	102,542,068	16,859,940
19.3, 19.4 Commercial auto liability.....	57,718,015	48,825,788	57,809,426	48,734,378	3,310,418	42,821,886	4,190,905	90,675,777	11,462,761
21. Auto physical damage.....	4,734	3,310,795	4,734	3,310,795	92,488	5,732,475	101,900	9,033,857	3,933,029
22. Aircraft (all perils).....	91,829	2,023,920	1,943,386	172,364	167,265	162,381	167,435	334,575	171,243
23. Fidelity.....	69,366	145,351	69,366	145,351	48,308	2,087,613	55,085	2,226,188	711,014
24. Surety.....	504,906	1,276,136	606,256	1,174,786	645,063	660,029	699,012	1,780,866	242,915
26. Burglary and theft.....	0	887	0	887	1,644	267,389	1,644	268,275	76,746
27. Boiler and machinery.....	0	1,125,372	0	1,125,372	0	1,124,084	0	2,249,457	361,383
28. Credit.....	0	72,908	153	72,755	0	144,779	0	217,534	7,309
29. International.....	0	134,681	0	134,681	0	177,112	0	311,793	49,803
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,441,112	0	1,441,112	XXX	791,473	0	2,232,585	185,614
32. Reinsurance - nonproportional assumed liability.....	XXX	27,657,642	15,917,908	11,739,734	XXX	7,505,058	0	19,244,792	1,136,191
33. Reinsurance - nonproportional assumed financial lines.....	XXX	89,437	0	89,437	XXX	470,914	0	560,352	45,116
34. Aggregate write-ins for other lines of business.....	0	9,771	0	9,771	0	215,265	0	225,036	77,538
35. TOTALS.....	518,176,085	957,261,666	849,602,325	625,835,426	308,967,611	877,016,869	472,979,362	1,338,840,544	311,265,380
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	9,771	0	9,771	0	215,265	0	225,036	77,538
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	9,771	0	9,771	0	215,265	0	225,036	77,538

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

UNITED STATES FIDELITY AND GUARANTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	24,148,593	0	0	24,148,593
1.2 Reinsurance assumed.....	53,771,798	0	0	53,771,798
1.3 Reinsurance ceded.....	24,296,468	0	0	24,296,468
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	53,623,923	0	0	53,623,923
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	98,896	0	98,896
2.2 Reinsurance assumed, excluding contingent.....	0	132,802,054	0	132,802,054
2.3 Reinsurance ceded, excluding contingent.....	0	93,304	0	93,304
2.4 Contingent - direct.....	0	2,195	0	2,195
2.5 Contingent - reinsurance assumed.....	0	9,206,161	0	9,206,161
2.6 Contingent - reinsurance ceded.....	0	2,275	0	2,275
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	142,013,727	0	142,013,727
3. Allowances to manager and agents.....	0	100,311	0	100,311
4. Advertising.....	68	3,204,382	0	3,204,450
5. Boards, bureaus and associations.....	373,751	3,558,673	536	3,932,960
6. Surveys and underwriting reports.....	22	3,695,685	0	3,695,707
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	36,427,242	65,923,415	838,923	103,189,580
8.2 Payroll taxes.....	2,611,987	4,281,983	33,211	6,927,181
9. Employee relations and welfare.....	6,758,187	10,790,171	90,026	17,638,384
10. Insurance.....	3,975,648	698,738	626	4,675,012
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,570,086	2,686,362	10,728	4,267,176
13. Rent and rent items.....	1,845,672	3,927,606	31,352	5,804,630
14. Equipment.....	326,299	1,573,926	1,727	1,901,952
15. Cost or depreciation of EDP equipment and software.....	818,424	13,340,424	17,256	14,176,104
16. Printing and stationery.....	103,565	310,742	2,129	416,436
17. Postage, telephone and telegraph, exchange and express.....	339,281	4,239,373	4,066	4,582,720
18. Legal and auditing.....	1,387,899	1,249,543	43,047	2,680,489
19. Totals (Lines 3 to 18).....	56,538,131	119,581,334	1,073,627	177,193,092
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....134,008.....	0	24,785,284	0	24,785,284
20.2 Insurance department licenses and fees.....	0	1,588,143	0	1,588,143
20.3 Gross guaranty association assessments.....	0	(55,460)	0	(55,460)
20.4 All other (excluding federal and foreign income and real estate).....	0	(55,064)	0	(55,064)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	26,262,901	0	26,262,901
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	2,089,476	6,878,977	123,050	9,091,503
25. Total expenses incurred.....	112,251,530	294,736,939	1,196,677	(a).....408,185,147
26. Less unpaid expenses - current year.....	311,265,380	73,026,000	436,775	384,728,155
27. Add unpaid expenses - prior year.....	303,430,050	73,846,605	503,510	377,780,165
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).....	104,416,200	295,557,545	1,263,412	401,237,156

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	2,867,728	16,214,441	128,056	19,210,225
2402. Service reimbursements.....	(433,372)	(4,021,662)	0	(4,455,034)
2403. Cost of computer software developed for internal use.....	(344,880)	(5,313,802)	(5,006)	(5,663,688)
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	2,089,476	6,878,977	123,050	9,091,503

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....1,622,473	.....1,585,401
1.1 Bonds exempt from U.S. tax.....	(a).....60,855,499	.....58,482,656
1.2 Other bonds (unaffiliated).....	(a).....31,074,158	.....30,358,644
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....6,200,000	.....6,200,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,802,558	.....1,800,908
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....2,357,595	.....2,357,595
9. Aggregate write-ins for investment income.....	.....54,745	.....54,745
10. Total gross investment income.....	.....103,967,027	.....100,839,948
11. Investment expenses.....		(g).....1,196,677
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....1,169
16. Total deductions (Lines 11 through 15).....		.....1,197,847
17. Net investment income (Line 10 minus Line 16).....		.....99,642,102

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....51,661	.....51,661
0902. Miscellaneous income.....	.....3,084	.....3,084
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....54,745	.....54,745
1501. Property and wind plans.....		.....1,169
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).....		.....1,169

- (a) Includes \$.....1,436,367 accrual of discount less \$.....17,940,712 amortization of premium and less \$.....340,278 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....1,435 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....(2,342,697)	.....0	.....(2,342,697)	.....(12,402)	.....0
1.2 Other bonds (unaffiliated).....	.....(587,601)	.....(25,647)	.....(613,248)	.....203,228	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....442,846	.....0	.....442,846	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(2,456,912)	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(459)	.....(459)	.....0	.....0
10. Total capital gains (losses).....	.....(2,487,452)	.....(26,107)	.....(2,513,559)	.....(2,266,085)	.....0

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....(459)	.....(459)	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....(459)	.....(459)	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,561,053	6,603,744	(957,309)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,156,880	1,072,331	(84,548)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	301,515	264,736	(36,779)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	79,397	79,397	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets.....	241,070	281,054	39,984
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	9,339,915	8,301,262	(1,038,652)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	9,339,915	8,301,262	(1,038,652)

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Amounts receivable under high deductible policies.....	241,070	281,054	39,984
2502.....	0	0	0
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	241,070	281,054	39,984

NOTES TO FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN****A. Accounting Practices:**

United States Fidelity and Guaranty Company (the Company) prepares its statutory financial statements in conformity with 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. United States Fidelity and Guaranty Company state basis	XXX	XXX	XXX	\$ 82,859,243	\$ 129,681,819
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>\$ 82,859,243</u>	<u>\$ 129,681,819</u>
<u>Surplus</u>					
5. United States Fidelity and Guaranty Company state basis	XXX	XXX	XXX	\$ 985,820,965	\$ 1,043,283,232
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>\$ 985,820,965</u>	<u>\$ 1,043,283,232</u>

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

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

C. Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

D. Going Concern:

Not applicable.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

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

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

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

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

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

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

	Amortized cost basis before other-than- temporary impairment	Other-than-temporary impairment recognized in loss	Fair value
(OTTI recognized in the quarter ending March 31, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending June 30, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending September 30, 2017)			
Present value of cash flows is less than amortized cost	\$ 28,093	\$ 25,647	\$ 5,585
(OTTI recognized in the quarter ending December 31, 2017)			
Present value of cash flows is less than amortized cost	\$ -	\$ -	\$ -
Annual Aggregate Total		<u>\$ 25,647</u>	

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

CUSIP	Amortized cost basis before other-than- temporary impairment	Present value of projected cash flows	Other-than- temporary impairment recognized in loss	Amortized cost basis after other- than-temporary impairment	Fair Value	Impairment Quarter
23321PJF6	\$ 28,093	\$ 2,446	<u>\$ 25,647</u>	\$ 2,446	\$ 5,585	Q3 - 2017
Total:			<u>\$ 25,647</u>			

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	\$	22,473	
	2. 12 Months or Longer	\$	-	
b. The aggregate related fair value of securities with unrealized losses:				
	1. Less than 12 Months	\$	3,537,750	
	2. 12 Months or Longer	\$	-	

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> \$ 27,139,720	<u>Fair Value</u> \$ 27,139,720
----------------------------------------------	----------------------------------------	------------------------------------

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):

Not applicable.

L. Restricted Assets:

1. Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted						Current Year				
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Restricted Asset Category	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	27,139,720	-	-	-	27,139,720	9,421,917	17,717,803	-	27,139,720	0.8%	0.8%
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%

NOTES TO FINANCIAL STATEMENTS

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)	
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%	
g. Placed under option contracts	-	-	-	-	-	-	-	-	0.0%	0.0%	
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	0.0%	0.0%	
i. FHLB capital stock	-	-	-	-	-	-	-	-	0.0%	0.0%	
j. On deposit with states	163,215,972	-	-	-	163,215,972	163,092,979	122,993	-	163,215,972	4.9%	5.0%
k. On deposit with other regulatory bodies	3,791,772	-	-	-	3,791,772	3,786,365	5,407	-	3,791,772	0.1%	0.1%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	15,212,506	-	-	-	15,212,506	15,341,665	(129,159)	-	15,212,506	0.5%	0.5%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 209,359,970	\$ -	\$ -	\$ -	\$ 209,359,970	\$ 191,642,926	\$ 17,717,044	\$ -	\$ 209,359,970	6.3%	6.4%

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

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
Bonds - Reinsurance	\$ 15,212,506	\$ -	\$ -	\$ -	\$ 15,212,506	\$ 15,341,665	\$ (129,159)	\$ 15,212,506	0.5%	0.5%
Total (c)	\$ 15,212,506	\$ -	\$ -	\$ -	\$ 15,212,506	\$ 15,341,665	\$ (129,159)	\$ 15,212,506	0.5%	0.5%

(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	\$ 27,139,720	\$ 27,139,720	0.8%	0.8%
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	\$ 27,139,720	\$ 27,139,720	0.8%	0.8%

* 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	\$ 27,139,720	1.2%

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

M. Working Capital Finance Investments:

Not applicable.

N. Offsetting and Netting of Assets and Liabilities:

Not applicable.

O. Structured Notes:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

P. 5* Securities:

Not applicable.

Q. Short Sales:

Not applicable.

R. Prepayment Penalty and Acceleration Fees:

	General Account	Protected Cell
1. Number of CUSIPs	32	-
2. Aggregate Amount of Investment Income	\$ 1,396,882	\$ -

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

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

B. At December 31, 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:

		December 31, 2017		
		Ordinary	Capital	Total
1.	a. Gross deferred tax assets	\$ 62,513,979	\$ 1,740,675	\$ 64,254,654
	b. Statutory valuation allowance adjustment	-	-	-
	c. Adjusted gross deferred tax assets	62,513,979	1,740,675	64,254,654
	d. Deferred tax assets nonadmitted	-	-	-
	e. Subtotal net admitted deferred tax assets	62,513,979	1,740,675	64,254,654
	f. Deferred tax liabilities	43,627,327	3,310,284	46,937,611
	g. Net admitted deferred tax asset/(liability)	\$ 18,886,652	\$ (1,569,609)	\$ 17,317,043

		December 31, 2016		
		Ordinary	Capital	Total
	a. Gross deferred tax assets	\$ 64,906,881	\$ 2,113,142	\$ 67,020,023
	b. Statutory valuation allowance adjustment	-	-	-
	c. Adjusted gross deferred tax assets	64,906,881	2,113,142	67,020,023
	d. Deferred tax assets nonadmitted	-	-	-
	e. Subtotal net admitted deferred tax assets	64,906,881	2,113,142	67,020,023
	f. Deferred tax liabilities	37,461,166	4,825,041	42,286,207
	g. Net admitted deferred tax asset/(liability)	\$ 27,445,715	\$ (2,711,899)	\$ 24,733,816

		Change		
		Ordinary	Capital	Total
	a. Gross deferred tax assets	\$ (2,392,902)	\$ (372,467)	\$ (2,765,369)
	b. Statutory valuation allowance adjustment	-	-	-
	c. Adjusted gross deferred tax assets	(2,392,902)	(372,467)	(2,765,369)
	d. Deferred tax assets nonadmitted	-	-	-
	e. Subtotal net admitted deferred tax assets	(2,392,902)	(372,467)	(2,765,369)
	f. Deferred tax liabilities	6,166,161	(1,514,757)	4,651,404
	g. Net admitted deferred tax asset/(liability)	\$ (8,559,063)	\$ 1,142,290	\$ (7,416,773)

2. Admission Calculation Components SSAP No. 101:

		December 31, 2017		
		Ordinary	Capital	Total
	a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 39,558,473	\$ 478,866	\$ 40,037,339
	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)	5,157,091	-	5,157,091
	1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	5,157,091	-	5,157,091
	2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	145,275,588
	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.	17,798,415	1,261,809	19,060,224

NOTES TO FINANCIAL STATEMENTS

d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	62,513,979	1,740,675	64,254,654
Deferred tax liabilities netted against deferred tax assets	43,627,327	3,310,284	46,937,611
Total	<u>\$ 18,886,652</u>	<u>\$ (1,569,609)</u>	<u>\$ 17,317,043</u>

December 31, 2016

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 44,210,621	\$ 471,914	\$ 44,682,535
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (the lesser of 2(b)1 and 2(b)2 below).	6,638,410	-	6,638,410
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	6,638,410	-	6,638,410
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	152,782,412
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities.	14,057,850	1,641,228	15,699,078
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>64,906,881</u>	<u>2,113,142</u>	<u>67,020,023</u>
Deferred tax liabilities netted against deferred tax assets	37,461,166	4,825,041	42,286,207
Total	<u>\$ 27,445,715</u>	<u>\$ (2,711,899)</u>	<u>\$ 24,733,816</u>

Change

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ (4,652,148)	\$ 6,952	\$ (4,645,196)
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).	(1,481,319)	-	(1,481,319)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	(1,481,319)	-	(1,481,319)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	xxxx	xxxx	(7,506,824)
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.	3,740,565	(379,419)	3,361,146
d. Deferred tax assets admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b)+ 2(c))	<u>(2,392,902)</u>	<u>(372,467)</u>	<u>(2,765,369)</u>
Deferred tax liabilities netted against deferred tax assets	6,166,161	(1,514,757)	4,651,404
Total	<u>\$ (8,559,063)</u>	<u>\$ 1,142,290</u>	<u>\$ (7,416,773)</u>

	<u>2017</u>	<u>2016</u>
3. a. Ratio percentage used to determine recovery period and threshold limitation amount.	635%	738%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 968,503,922	\$ 1,018,549,416

4. Impact of Tax Planning Strategies:

December 31, 2017

	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ 62,513,979	\$ 1,740,675
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e).	\$ 62,513,979	\$ 1,740,675
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

Change

	<u>Ordinary</u>	<u>Capital</u>
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c).	\$ (2,392,902)	\$ (372,467)
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e).	\$ (2,392,902)	\$ (372,467)
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	\$ 16,910,410	\$ 38,265,621	\$ (21,355,211)
Foreign	-	-	-
Subtotal	<u>16,910,410</u>	<u>38,265,621</u>	<u>(21,355,211)</u>
Federal income taxes on net capital gains	2,751,008	2,574,285	176,723
Federal and foreign income taxes incurred	<u>\$ 19,661,418</u>	<u>\$ 40,839,906</u>	<u>\$ (21,178,488)</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	\$ 39,563,042	\$ 28,652,174	\$ 10,910,868
Unearned premium reserve	19,254,262	30,606,282	(11,352,020)
Other	<u>3,696,675</u>	<u>5,648,425</u>	<u>(1,951,750)</u>
Total ordinary deferred tax assets	<u>\$ 62,513,979</u>	<u>\$ 64,906,881</u>	<u>\$ (2,392,902)</u>
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	-	-
Admitted ordinary deferred tax assets	<u>\$ 62,513,979</u>	<u>\$ 64,906,881</u>	<u>\$ (2,392,902)</u>
<u>Capital:</u>			
Investments	<u>\$ 1,740,675</u>	<u>\$ 2,113,142</u>	<u>\$ (372,467)</u>
Total capital deferred tax assets	<u>\$ 1,740,675</u>	<u>\$ 2,113,142</u>	<u>\$ (372,467)</u>
Statutory valuation allowance adjustment	-	-	-
Nonadmitted deferred tax assets	-	-	-
Admitted capital deferred tax assets	<u>\$ 1,740,675</u>	<u>\$ 2,113,142</u>	<u>\$ (372,467)</u>
Total admitted deferred tax assets:	<u>\$ 64,254,654</u>	<u>\$ 67,020,023</u>	<u>\$ (2,765,369)</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>
<u>Ordinary:</u>			
Investments	\$ 19,593,499	\$ 37,403,238	\$ (17,809,739)
Claim reserve method change	24,018,490	-	24,018,490
Other	<u>15,338</u>	<u>57,928</u>	<u>(42,590)</u>
Total ordinary deferred tax liabilities	<u>\$ 43,627,327</u>	<u>\$ 37,461,166</u>	<u>\$ 6,166,161</u>
<u>Capital:</u>			
Investments	<u>\$ 3,310,284</u>	<u>\$ 4,825,041</u>	<u>\$ (1,514,757)</u>
Total capital deferred tax liabilities	<u>\$ 3,310,284</u>	<u>\$ 4,825,041</u>	<u>\$ (1,514,757)</u>
Total deferred tax liabilities:	<u>\$ 46,937,611</u>	<u>\$ 42,286,207</u>	<u>\$ 4,651,404</u>
4. Net admitted deferred tax asset/(liability)	<u>\$ 17,317,043</u>	<u>\$ 24,733,816</u>	<u>\$ (7,416,773)</u>

NOTES TO FINANCIAL STATEMENTS

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 \$11,545,879.

The Company has recorded provisional amounts for tax imposed on 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 partnerships to be adjusted as final earnings from 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	\$ 64,254,654	\$ 67,020,023	\$ (2,765,369)
Total deferred tax liabilities	<u>46,937,611</u>	<u>42,286,207</u>	<u>4,651,404</u>
Net deferred tax asset/(liability)	<u>\$ 17,317,043</u>	<u>\$ 24,733,816</u>	<u>(7,416,773)</u>
Tax effect of unrealized gains (losses)			<u>141,976</u>
Change in net deferred income tax			<u>\$ (7,274,797)</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)	\$ 102,520,661
Taxes at statutory rate	35,882,231
Increase (decrease) attributable to:	
Nontaxable investment income	(19,623,765)
Tax reform	11,470,693
Other	<u>(792,944)</u>
	<u>\$ 26,936,215</u>
Federal and foreign taxes incurred	\$ 19,661,418
Change in net deferred taxes	<u>7,274,797</u>
Total statutory income tax	<u>\$ 26,936,215</u>
Effective tax rate	26.3%

- E.
 1. The Company has no net operating loss carry-forward available for tax purposes.
 2. The Company has \$19,851,865, \$40,073,758, and \$2,141,282 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
 3. The reporting entity has no protective tax deposits with the Internal Revenue Service (IRS) under Section 6603 of the IRS Code.
- F.
 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
 2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the IRS levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

In the event that the consolidated group develops an Alternative Minimum Tax (AMT), each company with an AMT on a separate company basis will be allocated a portion of the consolidated AMT. Settlement of the AMT will be made in the same manner and timing as the regular federal income tax. For 2017, the consolidated group does not expect to be in an AMT position. For 2018 and forward, the Tax Cuts and Jobs Act of 2017 repealed the AMT.

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

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

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

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

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

- (1) The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
- (2) TRV maintains a private short-term investment pool, known as the TRVMMLP, in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is

NOTES TO FINANCIAL STATEMENTS

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 \$5,276,793 and \$8,781,396 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	\$ 62,622,864	\$ 62,676,409
Amounts recoverable from reinsurers	9,419,141	9,485,894
Reinsurance payable on paid losses and LAE	60,300,916	52,187,155

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

- E. The Company is party to various guarantees with affiliates. See Note 14G for additional detail.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements, are as follows:

<u>TYPE OF CONTRACT AND DESCRIPTION</u>	<u>SERVICING COMPANY</u>	<u>OTHER PARTY</u>
Amended and Restated Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹

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

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

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

M. Not applicable.

N. Not applicable.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**A-D. Defined Benefit Plans:**

Not applicable.

E. Defined Contribution Plans:

Not applicable.

F. Multiemployer Plans:

Not applicable.

G. Consolidated/Holding Company Plans:**1. Employee Retirement Plans:**

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by TRV that provides benefits, primarily under a cash balance formula, for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$3,704,930 and \$3,657,932 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 \$102,072 and \$126,826 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

NOTES TO FINANCIAL STATEMENTS

allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$4,519,572 and \$4,316,197 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 2,000,000 shares of common capital stock authorized and 1,408,563 shares of common stock issued and outstanding with a par value of \$25 per share.

The Company paid ordinary dividends of \$129.6 million in 2017, to its parent company, Fire and Marine. In 2016, the Company paid ordinary dividends of \$284 million and extraordinary dividends of \$216 million for a total of \$500 million to Fire and Marine.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by the Company to shareholders without prior approval of the Insurance Commissioner of the State of Connecticut is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2018 without prior approval is \$98,582,096.

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 \$3,875,062.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments:

Not applicable.

B. Assessments:

1. The Company has accrued liabilities of \$10.2 million for guaranty fund and other insurance-related assessments and related recoverables of \$312 thousand at December 31, 2017. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

2. a. Assets recognized from paid and accrued premium tax offsets December 31, 2016	\$ 196,523
b. Decreases current year:	
Premium tax offset charged off	-
Premium tax offset applied	18,633
Premium tax offset refund	-
c. Increases current year:	
Premium tax offset accrued	<u>1,628</u>
d. Assets recognized from paid and accrued premium tax offsets December 31, 2017	<u>\$ 179,518</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 the Company and denied summary judgment for the reinsurers. The Court of Appeals largely affirmed the entry of summary judgment, but remanded two discrete issues for trial.

On November 7, 2016, the Company agreed to a settlement with one of the three defendants then remaining in this dispute. The Company received payment under the settlement in the fourth quarter of 2016 and, as a result, recognized a \$126 million pre-tax (\$82 million after-tax) 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 the Company 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 the Company 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, the Company 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:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. Product Warranties:

Not applicable.

F. Joint and Several Liabilities:

Not applicable.

G. All Other Contingencies:

1. The Company is a partner in a real estate joint venture. TRV is the guarantor of certain debt of the real estate joint venture. The Company entered into an agreement to reimburse TRV in the event that TRV is required to make payments under the guarantee. The Company has recorded a liability of \$15,128,199 on the balance sheet as of December 31, 2017 under this reimbursement agreement.

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be noted specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
Real estate joint venture	\$ 15,128,199	Surplus – Line 35. Dividends to stockholders	\$ 54,620,000	The Company's performance risk is probable based on operating results of this joint venture
Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees			\$ 54,620,000	
Current liability recognized in financial statements:				
Noncontingent liabilities			15,128,199	
Contingent liabilities			-	
Ultimate financial statement impact if action under the guarantee is required:				
Dividends to stockholders			<u>54,620,000</u>	
Total			<u>\$ 54,620,000</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

Not applicable.

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

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of Receivables Reported as Sales:

Not applicable.

B. Transfer and Servicing of Financial Assets:

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

C. Wash Sales:

Not applicable.

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

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS**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>
<u>Bonds</u>				
U.S. special revenue	\$ -	\$ 228,808	\$ -	\$ 228,808
Industrial and miscellaneous	-	1,292,003	-	1,292,003
Total securities at fair value	\$ -	\$ 1,520,811	\$ -	\$ 1,520,811

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 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:

<u>(At December 31, 2017)</u> <u>Description</u>	<u>Aggregate</u> <u>Fair Value</u>	<u>Admitted</u> <u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not</u> <u>Practicable</u> <u>(Carrying</u> <u>Value)</u>
Short term bonds	\$ 187,175,457	\$ 187,175,457	\$ 43,389,281	\$ 143,786,176	\$ -	\$ -
Long term bonds	2,652,257,568	2,570,761,738	25,088,087	2,627,169,481	-	-
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-

<u>(At December 31, 2016)</u> <u>Description</u>	<u>Aggregate</u> <u>Fair Value</u>	<u>Admitted</u> <u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not</u> <u>Practicable</u> <u>(Carrying</u> <u>Value)</u>
Short term bonds	\$ 26,379,289	\$ 26,379,349	\$ 6,365,964	\$ 20,013,325	\$ -	\$ -
Long term bonds	2,765,844,382	2,709,877,757	25,220,545	2,740,623,837	-	-
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-

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.

NOTES TO FINANCIAL STATEMENTS

2017 Schedule P:

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

Schedule P	<u>Accident Years</u>				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 & Prior</u>
Part 1A	\$ 57	\$ 72	\$ 78	\$ 11	\$ 131
Part 1B	42	51	16	5	8,865
Part 1C	262	98	304	203	2,378
Part 1D	16,493	13,691	11,952	13,787	184,213
Part 1E	3,366	2,521	774	700	12,883
Part 1F - Section 1	-	-	11	26	288
Part 1F - Section 2	-	431	29	28	1,086
Part 1G	11	45	(4)	26	2,954
Part 1H - Section 1	1,728	2,137	1,972	1,586	84,822
Part 1H - Section 2	1,392	1,509	522	342	8,804
Part 1M	-	-	-	-	107
Part 1N	-	-	-	6	1,222
Part 1O	11	5	59	503	16,769
Part 1P	-	27	20	22	374
Part 1R - Section 1	601	780	826	551	32,185
Part 1R - Section 2	8	171	27	24	595

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (1)	\$ (6)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(162)	(150)	(30)	(1,679)	-	(46)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	-	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(89)	-	-	-	-	-	-	-	-
Other Liability - CM	-	(269)	-	-	-	-	-	-	-
Special Property	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(21)	-	-	-	-	-	-	-	-
Reinsurance B	(70)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

E. State Transferable and Non-transferable Tax Credits:

Not applicable.

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:

	<u>Actual Cost</u>	<u>Book/Adjusted Carrying Value (excluding interest)</u>	<u>Fair Value</u>	<u>Other-Than-Temporary Impairment Losses Recognized</u>
Structured securities	\$ 2,648,081	\$ 2,097,665	\$ 3,351,285	\$ 1,420,409

G. Insurance-Linked Securities (ILS) Contracts:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**22. EVENTS SUBSEQUENT**

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

23. REINSURANCE**A. Unsecured Reinsurance Recoverables:****1. Affiliated Company Recoverables:**

The Company participates in the TRV Pool and/or other reinsurance programs with affiliates and takes credit for reinsurance ceded directly and indirectly to these companies. The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums at December 31, 2017, in connection with reinsurance agreements among affiliated insurers, were as follows:

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

<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
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

NOTES TO FINANCIAL STATEMENTS

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:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 457,761,472	\$ 54,918,661	\$ 2,196,942	\$ 263,572	\$ 455,564,530	\$ 54,655,089
All Other	-	-	-	-	-	-
Total	<u>\$ 457,761,472</u>	<u>\$ 54,918,661</u>	<u>\$ 2,196,942</u>	<u>\$ 263,572</u>	<u>\$ 455,564,530</u>	<u>\$ 54,655,089</u>
Direct Unearned Premium Reserve			\$ 2,191,528			

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$9,375,809 at December 31, 2017. This balance represents the Company's 4.41% pro rata share of the net amount of the TRV Pool (see Note 26):

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 4,622	\$ 9,375,956	\$ 4,769	\$ 9,375,809
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 4,622</u>	<u>\$ 9,375,956</u>	<u>\$ 4,769</u>	<u>\$ 9,375,809</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 414,540	\$ 8,173,169
(2) Adjustments - Prior Year(s)	(176,400)	6,666,670
(3) Adjustments - Current Year	-	(235,640)
(4) Current Total	<u>\$ 238,140</u>	<u>\$ 14,604,199</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 461,069	\$ 8,337,559
(2) Adjustments - Prior Year(s)	-	614,425
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 461,069</u>	<u>\$ 8,951,984</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 184,632	\$ 11,878,526
(2) Current Year	418	145,403
(3) Current Total	<u>\$ 185,050</u>	<u>\$ 12,023,929</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 46,529	\$ (164,390)
(2) Adjustments - Prior Year(s)	176,400	6,052,245
(3) Adjustments - Current Year	-	(235,640)
(4) Current Year Restricted Surplus	<u>222,929</u>	<u>2,397,143</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 3,255,072</u>

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 238,140	\$ -
Renaissance Reinsurance U.S. Inc. (10357)	-	3,996,199
XL Reinsurance America Inc. (20583)	-	3,360,258
TIG Insurance Company (25534)	-	3,224,849
Swiss Reinsurance America Corporation (25364)	-	749,867
Westport Insurance Corporation (39845)	-	728,259
Commercial Risk Reinsurance Co. Ltd. (AA-3190433)	-	590,940
Excalibur Reinsurance Corp. (39675)	-	465,257
Various	-	1,488,570
Total	<u>\$ 238,140</u>	<u>\$ 14,604,199</u>

NOTES TO FINANCIAL STATEMENTS

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	Total Paid Loss/LAE Recoverable	Amount Over 90 Days Past Due
Renaissance Reinsurance U.S. Inc. (10357)	\$ 1,751	\$ -
XL Reinsurance America Inc. (20583)	43,796	-
Westport Insurance Corporation (39845)	(1,443)	-
Various	9,561	-
Total	<u>\$ 53,665</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	\$ 4,106,091
2. Unsecured amount	550,580
3. Less: Nonadmitted amount (10%)	55,058
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>246,456</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 3,804,577</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 \$23,184,000, 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 Company. This favorable development was fully offset by unfavorable development for asbestos and environmental and other runoff exposures, primarily in "Prior" accident years.

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

26. INTERCOMPANY POOLING ARRANGEMENTS

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

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

<u>TRV Pool Participant</u>	NAIC Company Code	Pool Participation %
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

NOTES TO FINANCIAL STATEMENTS

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

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

As of December 31, 2017 the Company had a net receivable of \$11,741,089 from 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> \$ 122,972,613	Unrecorded Loss <u>Contingencies</u> \$ 122,972,613	
B.	<u>Life Insurance Company and Location</u> Fidelity & Guaranty Life Insurance Company, Baltimore, MD Brighthouse Life Insurance Company, Charlotte, NC Genworth Life and Annuity Insurance Company, Richmond, VA All other companies	Licensed in Company's <u>State of Domicile</u> Yes Yes Yes	Statement <u>Value of Annuities</u> \$ 35,974,557 12,353,956 9,117,267 65,526,833

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

1. Liability carried for premium deficiency reserves	\$	0
2. Date of the most recent evaluation of this liability	December 31, 2017	
3. Was anticipated investment income utilized in the calculation?		Yes

NOTES TO FINANCIAL STATEMENTS**31. HIGH DEDUCTIBLES****A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles:**

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

<u>Annual Statement</u> <u>Line of Business</u>	<u>Gross (of High</u> <u>Deductible) Loss</u> <u>Reserves</u>	<u>Reserve Credit</u> <u>for High</u> <u>Deductibles</u>	<u>Billed</u> <u>Recoverables</u> <u>on Paid Claims</u>	<u>Total High</u> <u>Deductibles</u> <u>and Billed</u> <u>Recoverables</u>
Workers' compensation	\$ 420,505,112	\$ 208,864,628	\$ 2,004,961	\$ 210,869,589
Commercial auto liability	38,152,681	22,091,226	259,576	22,350,802
Auto physical damage	476,462	422,092	3,242	425,334
Other liability	51,702,768	16,226,791	351,765	16,578,556
Products liability	22,225,523	5,417,735	151,214	5,568,949
Commercial multiple peril	429,591	11,320	2,923	14,243

2. Unsecured amounts of high deductibles:

a. Total high deductibles and billed recoverables on paid claims	\$ 255,807,473
b. Collateral on balance sheet	\$ 39,133,295
c. Collateral off balance sheet	\$ 218,960,829
d. Total unsecured deductibles and billed recoverables on paid claims	\$ (2,286,651)
e. Percentage unsecured	-0.89%

3. High deductible recoverable amounts on paid claims:

a. Amount of overdue nonadmitted (either due to aging or collateral)	\$ 241,070
b. Amount over 90 days overdue admitted	\$ 234,964
c. Total overdue (a+b)	\$ 476,034

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

<u>Counterparty Ranking</u>	<u>Top Ten Unsecured</u> <u>High Deductibles</u> <u>Amounts</u>
Counterparty 1	\$ 2,095,938
Counterparty 2	2,088,586
Counterparty 3	1,537,814
Counterparty 4	1,460,945
Counterparty 5	1,373,242
Counterparty 6	963,897
Counterparty 7	949,747
Counterparty 8	804,886
Counterparty 9	803,109
Counterparty 10	774,746

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 of facts and circumstances currently known and, using Company experience, multiple actuarial estimation methods. This includes estimates of payment patterns reflecting actual mortality, morbidity and settlement history that relate both to claims currently identified as tabular as well as claims not yet identified as tabular ("IBNR" tabular).

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

NOTES TO FINANCIAL STATEMENTS

The December 31, 2017 liabilities of the Company included \$89,682,992 and \$4,618,156 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	\$ 13,199,130	\$ 25,002,910
2.	Other Liability-Occurrence	<u>492,465</u>	<u>6,711,403</u>
3.	Total	<u>\$ 13,691,595</u>	<u>\$ 31,714,313</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 \$2,212,157.

B. Non-tabular reserves have not been discounted.

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

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

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

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

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

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

In 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 \$22.2 million direct payment and a \$21.1 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 \$22.8 million direct payment and a \$20.1 million net payment for asbestos.

1. <u>Direct Basis – Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 108,179,447	\$ 104,981,722	\$ 102,491,441	\$ 79,873,293	\$ 57,553,253
b. Incurred losses and LAE:	7,668,990	11,144,467	13,300,560	12,714,206	13,732,740
c. Calendar year payments for losses and LAE:	<u>10,866,715</u>	<u>13,634,748</u>	<u>35,918,708</u>	<u>35,034,246</u>	<u>11,667,657</u>
d. Ending reserves:	<u>\$ 104,981,722</u>	<u>\$ 102,491,441</u>	<u>\$ 79,873,293</u>	<u>\$ 57,553,253</u>	<u>\$ 59,618,336</u>
2. <u>Assumed Reinsurance Basis- Asbestos:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Beginning reserves:	\$ 9,911,764	\$ 9,503,741	\$ 8,213,624	\$ 7,301,883	\$ 8,656,466
b. Incurred losses and LAE:	710,010	233,333	326,340	2,923,830	1,234,800
c. Calendar year payments for losses and LAE:	<u>1,118,033</u>	<u>1,523,450</u>	<u>1,238,081</u>	<u>1,569,247</u>	<u>2,178,982</u>
d. Ending reserves:	<u>\$ 9,503,741</u>	<u>\$ 8,213,624</u>	<u>\$ 7,301,883</u>	<u>\$ 8,656,466</u>	<u>\$ 7,712,284</u>

NOTES TO FINANCIAL STATEMENTS

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:	\$ 104,350,557	\$ 103,177,705	\$ 103,497,670	\$ 79,270,592	\$ 57,996,581
b. Incurred losses and LAE:	8,379,000	11,025,000	9,702,000	9,904,860	9,896,040
c. Calendar year payments for losses and LAE:	<u>9,551,852</u>	<u>10,705,035</u>	<u>33,929,078</u>	<u>31,178,871</u>	<u>11,894,264</u>
d. Ending reserves:	<u>\$ 103,177,705</u>	<u>\$ 103,497,670</u>	<u>\$ 79,270,592</u>	<u>\$ 57,996,581</u>	<u>\$ 55,998,357</u>

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

1. Direct Basis:	\$ 41,470,873
2. Assumed Reinsurance Basis:	\$ 2,971,175
3. Net of Ceded Reinsurance Basis:	\$ 36,014,868

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

1. Direct Basis:	\$ 31,880,465
2. Assumed Reinsurance Basis:	\$ 503,943
3. Net of Ceded Reinsurance Basis:	\$ 27,875,180

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:	\$ 12,505,477	\$ 12,059,486	\$ 12,114,832	\$ 13,446,072	\$ 14,556,996
b. Incurred losses and LAE:	3,084,354	4,004,280	3,565,485	3,827,880	3,086,800
c. Calendar year payments for losses and LAE:	<u>3,530,345</u>	<u>3,948,934</u>	<u>2,234,245</u>	<u>2,716,956</u>	<u>3,411,907</u>
d. Ending reserves:	<u>\$ 12,059,486</u>	<u>\$ 12,114,832</u>	<u>\$ 13,446,072</u>	<u>\$ 14,556,996</u>	<u>\$ 14,231,889</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:	\$ 3,039,410	\$ 2,826,538	\$ 2,720,018	\$ 2,502,708	\$ 2,321,526
b. Incurred losses and LAE:	68,796	141,120	6,615	8,820	176,400
c. Calendar year payments for losses and LAE:	<u>281,668</u>	<u>247,640</u>	<u>223,925</u>	<u>190,002</u>	<u>668,268</u>
d. Ending reserves:	<u>\$ 2,826,538</u>	<u>\$ 2,720,018</u>	<u>\$ 2,502,708</u>	<u>\$ 2,321,526</u>	<u>\$ 1,829,658</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:	\$ 15,321,909	\$ 14,511,455	\$ 14,639,031	\$ 15,398,904	\$ 16,371,065
b. Incurred losses and LAE:	2,853,270	3,836,700	3,175,200	3,616,200	2,866,300
c. Calendar year payments for losses and LAE:	<u>3,663,724</u>	<u>3,709,124</u>	<u>2,415,327</u>	<u>2,644,039</u>	<u>3,683,117</u>
d. Ending reserves:	<u>\$ 14,511,455</u>	<u>\$ 14,639,031</u>	<u>\$ 15,398,904</u>	<u>\$ 16,371,065</u>	<u>\$ 15,554,248</u>

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

1. Direct Basis:	\$ 14,137,312
2. Assumed Reinsurance Basis:	\$ 1,036,350
3. Net of Ceded Reinsurance Basis:	\$ 14,771,658

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

1. Direct Basis:	\$ 5,691,521
2. Assumed Reinsurance Basis:	\$ (2,756)
3. Net of Ceded Reinsurance Basis:	\$ 5,544,466

NOTES TO FINANCIAL STATEMENTS

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

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

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2017 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2017, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

<u>Company Name</u>	<u>EIN</u>	<u>Company Name</u>	<u>EIN</u>
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE TRAVELERS CASUALTY COMPANY	41-1435765
BMR SPORTS PROPERTIES, INC.	52-1852190	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CAMPERDOWN CORPORATION	41-1762781	THE TRAVELERS INDEMNITY COMPANY	06-0566050
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925132	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TINDY FOREIGN, INC.	20-4403403
THE FAMILY BUSINESS INSTITUTE, INC.	56-1959031	TPC INVESTMENTS, INC.	06-1534005
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS (BERMUDA) LTD	98-0190863
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS GLOBAL, INC.	47-2215437
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
ST. PAUL FIRE AND MARINE INSURANCE COMPANY	41-0406690	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS MGA, INC.	75-2676034
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
TCI GLOBAL SERVICES, INC.	52-1965525	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT	06-0848755	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
THE PHOENIX INSURANCE COMPANY	06-0303275	TRAVELERS TEXAS MGA, INC.	27-4469564
THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569	UNITED STATES FIDELITY AND GUARANTY COMPANY	52-0515280
		USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
		YONKERS FINANCING CORPORATION	20-3033027

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Connecticut
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/26/2016
- 3.4 By what department or departments?
Insurance Department of Connecticut
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0.0%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Renée H. Davis, FCAS & MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company Laurel Village Fidelity Realty, Inc.
- 12.12 Number of parcels involved 8
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
Holds 727 apartment units in downtown Minneapolis, MN
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0			\$ 0

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers 0
- 20.23 Trustees, supreme or grand (Fraternal only) 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes No
- 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
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 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 No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 27,139,720

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 No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes 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 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: \$ 27,139,720

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 27,139,720

24.103 Total payable for securities lending reported on the liability page: \$ 27,139,720

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 No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 163,215,972

25.29 On deposit with other regulatory bodies \$ 3,791,772

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 15,212,506

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
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

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

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)
N/A		

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 2,757,937,196	\$ 2,839,433,025	\$ 81,495,829
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 2,757,937,196	\$ 2,839,433,025	\$ 81,495,829

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

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

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

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

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

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

32.2 If no, list exceptions:

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [X] No []

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 2,092,779

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	\$ 1,055,238

35.1 Amount of payments for legal expenses, if any? \$ 3,501,404

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

36.1	Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?	\$ 83,085
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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	\$	986,843,548	941,187,169	
2.3	Premium Ratio (2.1/2.2)		0.0%	0.0%	
2.4	Reserve Numerator	\$	0	0	
2.5	Reserve Denominator	\$	2,171,558,609	2,084,406,098	
2.6	Reserve Ratio (2.4/2.5)		0.0%	0.0%	
3.1	Does the reporting entity issue both participating and non-participating policies?				Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies	\$			11,785,011
3.22	Non-participating policies	\$			995,113,094
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?				Yes <input type="checkbox"/> No <input type="checkbox"/>
4.2	Does the reporting entity issue non-assessable policies?				Yes <input type="checkbox"/> No <input type="checkbox"/>
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 <input type="checkbox"/> No <input type="checkbox"/>
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation				Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
5.22	As a direct expense of the exchange				Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?				Yes <input type="checkbox"/> No <input type="checkbox"/>
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company's risk management practices include active monitoring of insured employee local-based concentrations. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages periodically and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.</u>				
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The Company uses various analyses and methods, including proprietary and third party computer modeling processes, to analyze catastrophic events and the associated risks to arrive at loss estimates. The Company uses these analyses and methods to make underwriting and reinsurance decisions designed to manage its exposure to catastrophic events. The Company's hurricane loss estimates for U.S. exposures include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The Company's loss estimates are based on the Company's catastrophe risk model estimates and include loss from the hurricane hazards of wind and storm surge. The Company's loss estimates for earthquakes reflect U.S. exposures and include property exposures and workers' compensation exposures. The Company's loss estimates for terrorism reflect U.S. exposures and include property exposures. The Company also develops conventional attack loss estimates for combined property and workers' compensation exposures for comparison and adherence with aggregate enterprise guidelines. To best assess risk, the Company conducts site engineering analyses on buildings with large exposures. Property exposures are analyzed to determine locations of concentration. Spanning the U.S., this includes California, Florida, New Madrid, the Northeast, the Gulf States and the Mid-Atlantic States.</u>				

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
The Company's all region aggregate catastrophe treaty does not contain a reinstatement provision but does allow for recoveries under multiple event loss scenarios. The Company's northeast region catastrophe treaty applies per occurrence and provides for one reinstatement. Additionally, the Company buys property catastrophe cat bonds for designated perils covering the northeast region. Those bonds apply per occurrence but do not have a reinstatement provision. The Company believes that its reinsurance programs along with the Company's surplus are adequate to cover its exposures in a catastrophic event.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 7
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 3,064,869
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 540,859
- 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? \$ 4,156,308
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:													
12.41	From	0.0%												
12.42	To	0.0%												
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes <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	\$ 249,506,796												
12.62	Collateral and other funds	\$ 90,983,487												
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 1,764,000												
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:													
	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%; text-align: center;">2</td> <td style="width: 10%; text-align: center;">3</td> <td style="width: 10%; text-align: center;">4</td> <td style="width: 10%; text-align: center;">5</td> </tr> <tr> <td></td> <td style="text-align: center;">Direct Losses Incurred</td> <td style="text-align: center;">Direct Losses Unpaid</td> <td style="text-align: center;">Direct Written Premium</td> <td style="text-align: center;">Direct Premium Unearned</td> <td style="text-align: center;">Direct Premium Earned</td> </tr> </table>		1	2	3	4	5		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned	
	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).....	491,841,774	469,047,327	450,484,202	446,288,664	485,591,400
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	185,034,152	173,608,493	159,672,982	153,775,653	152,023,576
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	316,568,650	305,966,272	300,713,882	299,987,234	304,410,746
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,818,551	3,090,540	7,770,802	2,235,608	3,743,570
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,902,191	2,212,094	2,367,579	2,749,850	2,505,847
6. Total (Line 35).....	998,165,318	953,924,726	921,009,447	905,037,008	948,275,138
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).....	501,008,516	475,654,159	450,558,396	432,406,341	426,192,970
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	185,034,232	173,685,934	159,646,286	153,775,134	152,023,865
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	316,568,572	305,969,467	300,716,874	299,987,141	304,401,913
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,385,528	2,589,753	2,996,912	1,395,857	2,939,013
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,901,256	2,210,528	2,454,429	2,746,456	2,549,053
12. Total (Line 35).....	1,006,898,105	960,109,841	916,372,898	890,310,928	888,106,814
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	6,088,131	55,730,295	94,362,334	80,472,484	74,855,294
14. Net investment gain (loss) (Line 11).....	94,377,535	112,793,867	205,942,711	175,394,894	183,039,079
15. Total other income (Line 15).....	1,305,214	1,323,163	1,202,427	1,078,511	8,613,574
16. Dividends to policyholders (Line 17).....	2,001,227	1,899,886	1,516,298	1,387,633	1,283,318
17. Federal and foreign income taxes incurred (Line 19).....	16,910,410	38,265,621	15,713,090	48,759,943	41,024,970
18. Net income (Line 20).....	82,859,243	129,681,819	284,278,084	206,798,314	224,199,659
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,293,044,537	3,252,085,863	3,565,324,870	4,677,408,630	4,653,938,415
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	119,311,716	116,925,936	111,957,364	116,174,725	105,874,830
20.2 Deferred and not yet due (Line 15.2).....	213,305,858	201,785,768	189,033,416	181,593,244	176,379,231
20.3 Accrued retrospective premiums (Line 15.3).....	3,804,577	2,819,092	3,528,173	3,698,466	4,196,232
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,307,223,572	2,208,802,630	2,156,404,414	2,211,176,642	2,169,502,708
22. Losses (Page 3, Line 1).....	1,338,840,544	1,289,848,813	1,277,334,379	1,287,065,066	1,309,708,421
23. Loss adjustment expenses (Page 3, Line 3).....	311,265,380	303,430,050	294,353,863	313,389,017	288,275,595
24. Unearned premiums (Page 3, Line 9).....	457,756,058	436,553,848	417,241,796	402,397,960	393,262,807
25. Capital paid up (Page 3, Lines 30 & 31).....	35,214,075	35,214,075	35,214,075	35,214,075	35,214,075
26. Surplus as regards policyholders (Page 3, Line 37).....	985,820,965	1,043,283,232	1,408,920,456	2,466,231,987	2,484,435,707
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	173,084,446	187,332,100	248,686,227	205,881,308	245,127,967
Risk-Based Capital Analysis					
28. Total adjusted capital.....	985,820,965	1,043,283,232	1,408,920,456	2,466,231,987	2,484,435,707
29. Authorized control level risk-based capital.....	152,645,773	137,989,233	133,858,472	134,593,795	130,970,065
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).....	89.0	94.9	94.5	94.8	96.3
31. Stocks (Lines 2.1 & 2.2).....	3.7	3.8	3.3	2.8	2.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	6.4	0.9	1.7	2.0	0.8
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8).....	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.9	0.3	0.4	0.3	0.0
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).....	106,739,831	109,196,743	105,496,780	119,957,084	120,235,267
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	0	0	0	0	0
48. Total of above lines 42 to 47.....	106,739,831	109,196,743	105,496,780	119,957,084	120,235,267
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	10.8	10.5	7.5	4.9	4.8

UNITED STATES FIDELITY AND GUARANTY COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2017	2016	2015	2014	2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(2,408,061)	3,576,428	(14,706,713)	(183,773)	1,113,753
52. Dividends to stockholders (Line 35).....	(129,600,000)	(500,000,000)	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38).....	(57,462,268)	(365,637,224)	(1,057,311,531)	(18,203,720)	(143,031,865)
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).....	337,083,121	353,621,488	343,643,154	353,619,739	371,770,331
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	108,465,296	90,252,851	74,939,641	77,513,578	77,131,923
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	158,466,411	133,264,336	126,784,716	130,554,553	143,101,372
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(1,744,017)	1,761,573	2,056,515	88,435,504	(32,716,787)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	16,017,696	4,660,771	6,127,078	48,223,574	2,618,316
59. Total (Line 35).....	618,288,508	583,561,019	553,551,104	698,346,948	561,905,155
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).....	254,285,139	249,732,092	229,296,779	216,559,886	218,510,989
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	108,776,611	88,725,378	76,216,715	76,905,232	76,965,645
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	156,308,735	131,263,231	124,002,160	128,277,882	139,512,164
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,097,374	1,933,402	1,750,560	2,863,885	518,338
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,307,358	2,339,087	3,207,497	5,344,573	3,621,019
65. Total (Line 35).....	524,775,217	473,993,190	434,473,711	429,951,457	439,128,155
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	46.2	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	10.5	9.1	8.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	29.1	29.9	30.2	29.9	29.2
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).....	102.1	92.0	65.0	36.1	35.7
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(21,931)	(19,435)	(29,247)	(49,007)	(21,498)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.1)	(1.4)	(1.2)	(2.0)	(0.8)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(36,616)	(49,106)	(70,210)	(67,418)	(47,895)
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).....	(2.6)	(2.0)	(2.8)	(2.6)	(1.9)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported-Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	33,719	8,188	12,382	1,281	4,910	60	41	41,482	XXX
2. 2008.....	901,921	89,389	812,532	466,493	48,632	40,317	3,011	45,730	671	20,791	500,226	XXX
3. 2009.....	889,664	71,759	817,905	419,645	28,045	37,475	2,113	44,569	515	22,347	471,016	XXX
4. 2010.....	883,980	64,914	819,066	465,507	26,627	41,120	1,946	45,386	416	23,344	523,024	XXX
5. 2011.....	916,251	63,243	853,008	565,127	37,041	43,202	2,353	47,028	450	25,270	615,514	XXX
6. 2012.....	940,985	69,626	871,359	543,646	84,849	42,561	4,315	48,709	760	24,384	544,992	XXX
7. 2013.....	952,126	75,172	876,954	400,091	24,345	36,368	1,424	45,598	1,153	20,757	455,135	XXX
8. 2014.....	951,824	70,731	881,093	381,073	25,395	33,835	1,957	43,710	1,095	19,524	430,172	XXX
9. 2015.....	966,482	64,336	902,146	348,866	19,117	23,665	953	43,799	875	18,776	395,386	XXX
10. 2016.....	1,002,377	61,190	941,187	322,766	14,366	14,198	634	45,016	160	20,557	366,821	XXX
11. 2017.....	1,042,094	55,251	986,844	258,710	7,520	6,081	214	38,833	67	13,974	295,824	XXX
12. Totals.....	XXX	XXX	XXX	4,205,642	324,125	331,205	20,199	453,290	6,222	209,765	4,639,591	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.....	279,155	84,251	184,067	33,956	26,845	3,144	51,449	5,879	27,578	51	981	441,813	XXX
2. 2008.....	13,085	1,233	14,930	2,053	1,315	64	3,130	442	847	(1)	314	29,516	XXX
3. 2009.....	14,735	3,285	14,796	2,007	1,196	37	2,703	95	841	(1)	294	28,848	XXX
4. 2010.....	17,420	2,179	17,275	1,159	1,774	50	3,100	160	1,107	1	454	37,126	XXX
5. 2011.....	21,305	1,528	20,098	1,309	2,101	(0)	4,371	92	1,504	(1)	768	46,451	XXX
6. 2012.....	27,380	2,785	29,557	2,836	2,935	87	7,727	118	2,025	9	1,101	63,789	XXX
7. 2013.....	35,172	3,881	38,341	4,392	3,951	231	11,879	120	3,203	10	1,682	83,912	XXX
8. 2014.....	49,763	6,114	44,812	3,469	5,878	353	14,140	292	4,845	28	2,918	109,182	XXX
9. 2015.....	65,343	7,016	74,870	7,430	8,082	264	15,167	338	7,996	36	4,552	156,374	XXX
10. 2016.....	96,317	8,500	119,063	8,046	9,516	311	24,841	370	8,928	75	6,934	241,363	XXX
11. 2017.....	144,854	17,921	234,151	12,297	10,085	424	32,751	580	21,157	45	17,836	411,731	XXX
12. Totals.....	764,529	138,694	791,961	78,956	73,679	4,964	171,258	8,487	80,031	252	37,835	1,650,106	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	345,015	96,799
2. 2008.	585,847	56,105	529,741	65.0	62.8	65.2	0	0	4.41	24,730	4,786
3. 2009.	535,960	36,095	499,865	60.2	50.3	61.1	0	0	4.41	24,239	4,609
4. 2010.	592,688	32,538	560,150	67.0	50.1	68.4	0	0	4.41	31,356	5,770
5. 2011.	704,736	42,772	661,964	76.9	67.6	77.6	0	0	4.41	38,566	7,884
6. 2012.	704,540	95,759	608,782	74.9	137.5	69.9	0	0	4.41	51,316	12,474
7. 2013.	574,604	35,557	539,046	60.3	47.3	61.5	0	0	4.41	65,240	18,672
8. 2014.	578,056	38,703	539,353	60.7	54.7	61.2	0	0	4.41	84,991	24,191
9. 2015.	587,788	36,028	551,760	60.8	56.0	61.2	0	0	4.41	125,767	30,608
10. 2016.	640,647	32,462	608,184	63.9	53.1	64.6	0	0	4.41	198,833	42,530
11. 2017.	746,622	39,067	707,555	71.6	70.7	71.7	0	0	4.41	348,787	62,944
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,338,841	311,265

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.....	1,289,840	1,238,496	1,202,147	1,181,750	1,159,986	1,147,138	1,120,532	1,115,766	1,111,380	1,116,519	5,139	753
2. 2008.....	509,113	513,963	511,233	499,903	494,379	492,682	487,649	485,791	485,316	485,106	(210)	(685)
3. 2009.....	XXX	477,722	474,629	473,334	469,556	465,356	463,379	462,136	458,593	456,331	(2,261)	(5,805)
4. 2010.....	XXX	XXX	509,403	526,624	524,634	521,378	519,765	518,850	518,018	515,676	(2,342)	(3,174)
5. 2011.....	XXX	XXX	XXX	622,377	628,429	629,536	625,452	624,169	618,942	615,738	(3,204)	(8,432)
6. 2012.....	XXX	XXX	XXX	XXX	575,312	574,701	568,097	562,850	561,755	560,609	(1,146)	(2,240)
7. 2013.....	XXX	XXX	XXX	XXX	XXX	506,088	503,001	497,112	494,919	493,297	(1,623)	(3,816)
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	509,528	501,484	499,374	493,949	(5,425)	(7,535)
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	508,764	509,188	503,082	(6,106)	(5,682)
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	561,823	557,071	(4,752)	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	650,477	XXX	XXX
12. Totals.....											(21,931)	(36,616)

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	168,493	298,725	383,829	447,169	497,115	543,885	584,339	639,599	676,231	XXX	XXX
2. 2008.....	196,644	299,574	355,177	392,125	417,743	433,208	441,628	447,012	451,974	455,166	XXX	XXX
3. 2009.....	XXX	184,411	284,554	336,360	371,630	395,425	408,356	418,133	423,473	426,962	XXX	XXX
4. 2010.....	XXX	XXX	207,544	319,846	378,049	418,946	445,875	462,288	472,190	478,054	XXX	XXX
5. 2011.....	XXX	XXX	XXX	285,984	412,782	473,924	514,849	543,445	559,490	568,935	XXX	XXX
6. 2012.....	XXX	XXX	XXX	XXX	235,861	357,891	412,476	454,811	480,582	497,043	XXX	XXX
7. 2013.....	XXX	XXX	XXX	XXX	XXX	191,020	290,032	345,361	383,962	410,690	XXX	XXX
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	192,033	289,140	345,015	387,557	XXX	XXX
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	189,732	293,751	352,461	XXX	XXX
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	207,798	321,964	XXX	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	257,058	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.....	737,656	606,083	504,867	436,513	383,673	348,444	297,558	270,832	227,623	210,551
2. 2008.....	204,100	125,923	89,460	58,613	43,398	35,206	26,027	21,175	18,694	16,620
3. 2009.....	XXX	193,389	112,258	79,680	55,345	39,987	31,000	25,408	19,996	16,586
4. 2010.....	XXX	XXX	187,493	118,264	77,373	52,653	37,601	29,691	24,268	20,424
5. 2011.....	XXX	XXX	XXX	205,713	121,018	83,574	56,751	41,982	31,377	24,667
6. 2012.....	XXX	XXX	XXX	XXX	212,122	126,963	82,933	57,022	44,754	35,983
7. 2013.....	XXX	XXX	XXX	XXX	XXX	201,025	124,599	82,334	60,206	47,277
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	212,668	125,471	85,928	56,968
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	209,151	127,491	84,108
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	231,192	137,570
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	256,736

UNITED STATES FIDELITY AND GUARANTY COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	24,060	27,568	0	2,445,553	2,159,580	27,237,853	0	0
2. Alaska.....AK	L	1,571	(575)	0	16,815	(152,328)	1,596,661	0	0
3. Arizona.....AZ	L	(287,378)	127,252	0	349,062	114,410	8,715,772	0	0
4. Arkansas.....AR	L	418	1,670	0	647,564	844,292	9,191,010	0	0
5. California.....CA	L	1,034	221,538	0	11,102,554	(884,772)	144,429,211	0	0
6. Colorado.....CO	L	25,070	24,827	0	743,087	(136,292)	4,094,884	0	0
7. Connecticut.....CT	L	8,673	11,073	0	876,503	152,514	7,433,414	0	0
8. Delaware.....DE	L	170	305	0	(307,679)	(1,231,357)	2,239,887	0	0
9. District of Columbia.....DC	L	23,450	795,758	0	(4,864)	119,039	510,491	0	0
10. Florida.....FL	L	4,945	8,564	0	1,703,206	2,296,186	39,299,876	0	0
11. Georgia.....GA	L	10,916	13,402	0	428,372	(396,889)	10,335,975	0	0
12. Hawaii.....HI	L	165	321	0	467	(109,412)	752,790	0	0
13. Idaho.....ID	L	0	95	0	10,201	91,271	1,214,253	0	0
14. Illinois.....IL	L	7,458	11,026	0	2,437,353	(310,085)	16,526,068	0	0
15. Indiana.....IN	L	17,149	21,612	0	3,627,807	4,105,264	8,853,762	0	0
16. Iowa.....IA	L	100	513	0	490,760	168,526	7,252,873	0	0
17. Kansas.....KS	L	4,343	4,621	0	(198,747)	1,561,674	5,935,833	0	0
18. Kentucky.....KY	L	11,231	9,687	0	334,681	(243,743)	14,491,957	0	0
19. Louisiana.....LA	L	36,593	38,192	0	1,918,016	1,196,976	12,966,589	21	0
20. Maine.....ME	L	200	512	0	295,371	628,254	3,510,751	0	0
21. Maryland.....MD	L	105,721	106,914	0	1,001,918	(725,007)	5,275,297	57	0
22. Massachusetts.....MA	L	53,757	114,461	0	528,784	(495,870)	15,107,746	60	0
23. Michigan.....MI	L	4,723	6,292	0	4,235,857	3,022,556	123,065,688	0	0
24. Minnesota.....MN	L	560	1,424	0	907,323	(529,932)	9,434,712	0	0
25. Mississippi.....MS	L	0	1,848	0	1,868,829	1,726,420	23,093,709	0	0
26. Missouri.....MO	L	4,636	4,723	0	5,827,121	7,291,885	14,301,970	0	0
27. Montana.....MT	L	2,070	2,561	0	458,205	(201,001)	2,700,589	0	0
28. Nebraska.....NE	L	2,638	3,496	0	(79,262)	(438,546)	3,943,541	0	0
29. Nevada.....NV	L	25,246	25,447	0	76,648	(292,085)	3,135,308	18	0
30. New Hampshire.....NH	L	200	457	0	31,064	(68,121)	1,132,255	0	0
31. New Jersey.....NJ	L	32,436	293,496	0	3,360,114	1,062,977	49,258,288	31	0
32. New Mexico.....NM	L	(964)	6,093	0	(205,492)	(1,737,517)	12,545,903	0	0
33. New York.....NY	L	72,322	76,248	0	(3,852)	(3,807,372)	31,134,758	0	0
34. North Carolina.....NC	L	14,199	18,112	0	675,469	1,556,648	11,778,815	0	0
35. North Dakota.....ND	L	12,100	9,400	0	211,540	362,991	461,277	0	0
36. Ohio.....OH	L	13,961	15,249	0	150,585	(1,538,360)	10,856,511	0	0
37. Oklahoma.....OK	L	500	433	0	436,049	188,387	15,602,422	0	0
38. Oregon.....OR	L	(513,532)	(429,259)	0	428,367	(125,351)	5,689,734	0	0
39. Pennsylvania.....PA	L	103,282	85,116	0	3,894,474	4,494,292	47,536,754	59	0
40. Rhode Island.....RI	L	0	179	0	30,604	(92,056)	2,556,737	0	0
41. South Carolina.....SC	L	7,451	5,705	0	353,637	(279,086)	10,251,830	0	0
42. South Dakota.....SD	L	0	8	0	149,101	17,914	1,044,528	0	0
43. Tennessee.....TN	L	9,981	10,911	0	492,816	1,506,030	17,630,022	0	0
44. Texas.....TX	L	(708,152)	25,797	0	1,950,674	(124,295)	32,695,824	0	0
45. Utah.....UT	L	(3,810)	(3,618)	0	50,100	(244,177)	2,499,739	0	0
46. Vermont.....VT	L	0	438	0	691,557	73,259	3,116,393	0	0
47. Virginia.....VA	L	(9,577)	23,175	0	1,208,433	(1,313,202)	20,451,461	0	0
48. Washington.....WA	L	300	978	0	923,236	573,368	2,564,717	0	0
49. West Virginia.....WV	L	24,259	25,019	0	666,619	817,774	2,142,601	0	0
50. Wisconsin.....WI	L	(1,866,554)	(910,292)	0	1,879,150	(4,629,889)	19,154,776	0	0
51. Wyoming.....WY	L	6,509	7,736	0	(900)	17,868	352,888	0	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	L	0	0	0	11,581	(214,451)	16,484	0	0
55. US Virgin Islands.....VI	L	0	0	0	0	(2,503)	3,323	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	(9,647)	17,189	0	0
59. Totals.....(a) ..53		(2,715,570)	846,508	0	59,126,430	15,817,008	827,143,696	249	0

DETAILS OF WRITE-INS

58001. ZZZ Other Alien.....	XXX	0	0	0	0	(9,650)	17,184	0	0
58002. GBR United Kingdom.....	XXX	0	0	0	0	3	5	0	0
58003.	XXX	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	(9,647)	17,189	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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