



ANNUAL STATEMENT

For the Year Ended December 31, 2005
of the Condition and Affairs of the

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

NAIC Group Code.....3548, 3548 (Current Period) (Prior Period)	NAIC Company Code..... 24767	Employer's ID Number..... 41-0406690
Organized under the Laws of Minnesota Incorporated/Organized..... April 18, 1925	State of Domicile or Port of Entry Minnesota Commenced Business..... April 18, 1925	Country of Domicile US
Statutory Home Office	385 Washington Street..... St. Paul MN 55102 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	385 Washington Street..... St. Paul MN 55102 <i>(Street and Number) (City or Town, State and Zip Code)</i>	860-277-0111 <i>(Area Code) (Telephone Number)</i>
Mail Address	385 Washington Street..... St. Paul MN 55102 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	385 Washington Street..... St. Paul MN 55102 <i>(Street and Number) (City or Town, State and Zip Code)</i>	860-277-0111 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	www.stpaultravelers.com	
Statutory Statement Contact	MICHAEL JOSEPH DOODY <i>(Name)</i> Annual.Statement.Contact@Travelers.com <i>(E-Mail Address)</i>	860-277-3966 <i>(Area Code) (Telephone Number) (Extension)</i> 860-277-7002 <i>(Fax Number)</i>
Policyowner Relations Contact	One Tower Square, 5GS..... Hartford CT 06183 <i>(Street and Number) (City or Town, State and Zip Code)</i>	860-277-1561 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. BRIAN WILLIAM MACLEAN #	Chairman of the Board, President & CEO	2. BRUCE ALLEN BACKBERG	Senior Vice President & Corporate Secretary
3. DOUGLAS KENNETH RUSSELL #	Senior Vice President, Treas. & Corporate Controller	4.	

OTHER

JOHN JOSEPH ALBANO #	Executive Vice President, Commercial Lines	JAY STEVEN BENET #	Vice Chairman & Chief Financial Officer
ANDY FRANCIS BESSETTE	Executive Vice President & Chief Administrative Officer	CHARLES JOSEPH CLARKE	Vice Chairman
JOHN PATRICK CLIFFORD JR	Executive Vice President, Human Resources	WILLIAM PATRICK HANNON #	Exec. V. P., Special Services & Business Conduct Officer
WILLIAM HERBERT HEYMAN #	Vice Chairman & Chief Investment Officer	JOSEPH PATRICK LACHER JR #	Exec. Vice President, & Chief Exec. Officer, Personal Lines
SAMUEL GERSTEN LISS #	Executive Vice President, Strategic Development	WADE THOMAS OVERGAARD #	Senior Vice President & Chief Corporate Actuary
PAULINE CUSANO PANIK	Senior Vice President, Accounting Standards	KATHLEEN LYNCH PRESTON #	Executive Vice President, Field Marketing
SCOTT WILLIAM RYNDA #	Senior Vice President, Tax Administration	DOREEN SPADORCIA #	Executive Vice President, Claim
KENNETH FRANKLIN SPENCE, III #	Executive Vice President & General Counsel		

DIRECTORS

JAY STEVEN BENET	ANDY FRANCIS BESSETTE #	WILLIAM HERBERT HEYMAN	JOSEPH PATRICK LACHER JR. #
BRIAN WILLIAM MACLEAN	DOREEN SPADORCIA #	KENNETH FRANKLIN SPENCE III #	

State of.....
County of.....

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 of the enclosed statement (except for formatting differences due to electronic filing). The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
BRIAN WILLIAM MACLEAN	BRUCE ALLEN BACKBERG	DOUGLAS KENNETH RUSSELL
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chairman of the Board, President & CEO	Senior Vice President & Corporate Secretary	Senior Vice President, Treas. & Corporate Controller

(Title)

(Title)

(Title)

Subscribed and sworn to before me

a. Is this an original filing?

Yes [X] No []

This _____ day of _____

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	12,643,301,553	0	12,643,301,553	11,539,875,331
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	28,466,478	0	28,466,478	41,343,081
2.2 Common stocks.....	2,935,448,652	0	2,935,448,652	3,099,556,465
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	8,780,502
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	103,735,730	0	103,735,730	117,889,300
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	572,606,745	0	572,606,745	604,981,982
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(146,436,241), Sch. E-Part 1), cash equivalents (\$.....103,124,414, Sch. E-Part 2) and short-term investments (\$.....588,614,296, Sch. DA).....	545,302,469	0	545,302,469	366,832,191
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	864,592,771	0	864,592,771	797,322,739
8. Receivables for securities.....	19,792,491	0	19,792,491	6,992,068
9. Aggregate write-ins for invested assets.....	0	0	0	(10,332,046)
10. Subtotals, cash and invested assets (Lines 1 to 9).....	17,713,246,889	0	17,713,246,889	16,573,241,612
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	164,447,984	0	164,447,984	145,495,203
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	317,932,847	40,874,826	277,058,021	298,847,631
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....20,071,111 earned but unbilled premiums).....	984,773,823	9,650,860	975,122,963	788,341,168
13.3 Accrued retrospective premiums.....	52,453,416	2,467,615	49,985,801	258,412
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	1,385,399	0	1,385,399	133,936,137
14.2 Funds held by or deposited with reinsured companies.....	108,806,631	0	108,806,631	122,664,332
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	39,588,950	0	39,588,950	0
16.2 Net deferred tax asset.....	599,916,682	233,222,040	366,694,642	410,128,348
17. Guaranty funds receivable or on deposit.....	13,541,608	0	13,541,608	21,214,171
18. Electronic data processing equipment and software.....	2,658,042	0	2,658,042	7,486,070
19. Furniture and equipment, including health care delivery assets (\$.....0).....	22,692,391	22,692,391	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	0	0	0	246,469,722
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	249,237,884	61,316,989	187,920,894	301,189,796
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	20,270,682,546	370,224,720	19,900,457,826	19,049,272,602
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	20,270,682,546	370,224,720	19,900,457,826	19,049,272,602

DETAILS OF WRITE-INS

0901. Deferred gain on investment.....	0	0	0	(10,332,046)
0902.....	0	0	0	0
0903.....	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	(10,332,046)
2301. Amounts receivable under high deductible policies.....	39,649,046	5,598,796	34,050,250	35,665,862
2302. Suspense, undistributed payments.....	85,118,987	0	85,118,987	152,644,767
2303. Ceded deposit asset.....	27,060,291	0	27,060,291	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	97,409,560	55,718,193	41,691,367	112,879,167
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	249,237,884	61,316,989	187,920,894	301,189,796

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	8,399,417,898	8,496,951,431
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	20,817,526	9,852,944
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	1,865,968,230	1,903,876,611
4. Commissions payable, contingent commissions and other similar charges.....	149,281,104	105,295,348
5. Other expenses (excluding taxes, licenses and fees).....	88,290,790	97,066,548
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	131,500,649	74,394,197
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	104,652,199
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....1,019,825,402 and including warranty reserves of \$.....0).....	2,039,240,515	2,011,739,762
10. Advance premiums.....	600,467	927,454
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	6,601,084	17,967,288
12. Ceded reinsurance premiums payable (net of ceding commissions).....	101,964,245	140,539,224
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	222,762	151,396,742
14. Amounts withheld or retained by company for account of others.....	173,575,526	310,194,836
15. Remittances and items not allocated.....	37,136,895	19,609,365
16. Provision for reinsurance (Schedule F, Part 7).....	41,199,684	181,079,827
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	60,236,399	65,241,036
18. Drafts outstanding.....	0	239
19. Payable to parent, subsidiaries and affiliates.....	131,618,088	81,500,029
20. Payable for securities.....	162,453,976	20,463,282
21. Liability for amounts held under uninsured accident and health plans.....	0	0
22. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
23. Aggregate write-ins for liabilities.....	(85,527,541)	(252,134,008)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	13,324,598,297	13,540,614,357
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	13,324,598,297	13,540,614,357
27. Aggregate write-ins for special surplus funds.....	24,332,624	52,854,720
28. Common capital stock.....	20,000,000	20,000,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	3,538,480,796	3,538,480,796
33. Unassigned funds (surplus).....	2,993,046,110	1,897,322,729
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....	0	0
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39).....	6,575,859,529	5,508,658,245
36. TOTALS (Page 2, Line 26, Col. 3).....	19,900,457,826	19,049,272,602

DETAILS OF WRITE-INS

2301. Investment Real Estate Liability.....	11,992,265	0
2302. Interest deposit liability.....	6,437,860	0
2303. Freddie Mac collateral liability.....	4,966,056	5,000,166
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(108,923,723)	(257,134,174)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	(85,527,541)	(252,134,008)
2701. Special surplus from retroactive reinsurance.....	23,332,624	51,854,720
2702. Guaranty surplus fund.....	1,000,000	1,000,000
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	24,332,624	52,854,720
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4).....	4,569,071,106	4,985,253,113
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	2,755,241,835	3,706,075,609
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	633,613,281	887,896,037
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,268,930,955	1,385,894,485
5. Aggregate write-ins for underwriting deductions.....	0	(2,222)
6. Total underwriting deductions (Lines 2 through 5).....	4,657,786,071	5,979,863,910
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(88,714,965)	(994,610,797)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	784,298,923	929,615,975
10. Net realized capital gains (losses) less capital gains tax of \$.....317,456,949 (Exhibit of Capital Gains (Losses)).....	93,154,292	256,446,669
11. Net investment gain (loss) (Lines 9 + 10).....	877,453,216	1,186,062,644
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....356,326 amount charged off \$.....9,110,981).....	(8,754,654)	(19,314,545)
13. Finance and service charges not included in premiums.....	21,736,786	3,283,847
14. Aggregate write-ins for miscellaneous income.....	(4,693,088)	77,042,621
15. Total other income (Lines 12 through 14).....	8,289,043	61,011,923
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	797,027,294	252,463,770
17. Dividends to policyholders.....	4,047,167	7,476,931
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).....	792,980,127	244,986,839
19. Federal and foreign income taxes incurred.....	(190,290,108)	54,518,388
20. Net income (Line 18 minus Line 19) (to Line 22).....	983,270,235	190,468,451
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,508,658,245	5,075,726,837
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20).....	983,270,235	190,468,451
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....88,828,562.....	(188,222,617)	(844,120,232)
25. Change in net unrealized foreign exchange capital gain (loss).....	(9,732,444)	10,546,725
26. Change in net deferred income tax.....	(286,893,895)	(107,957,699)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	430,313,379	423,495,732
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	139,880,143	3,597,404
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.....	(1,413,517)	31,623,032
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	856,777,996
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.....	0	(150,000,000)
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	18,500,000
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,067,201,284	432,931,408
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	6,575,859,529	5,508,658,245
DETAILS OF WRITE-INS		
0501. 2003 private passenger auto escrow.....	0	(1,261)
0502. 2002 private passenger auto escrow.....	0	(960)
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	(2,222)
1401. Profit and loss, miscellaneous.....	24,281,942	17,238,096
1402. Change in COLI cash values.....	239,164	0
1403. Fines and penalties of regulatory authorities.....	(19,216)	(427,331)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(29,194,978)	60,231,856
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(4,693,088)	77,042,621
3701. Change in real estate valuation reserve.....	0	18,500,000
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	18,500,000

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,359,214,231	4,878,316,658
2. Net investment income.....	824,925,950	979,556,930
3. Miscellaneous income.....	8,289,043	47,384,335
4. Total (Lines 1 through 3).....	5,192,429,224	5,905,257,923
5. Benefit and loss related payments.....	2,695,402,347	1,753,454,032
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,830,944,875	2,092,931,213
8. Dividends paid to policyholders.....	15,413,371	7,658,464
9. Federal and foreign income taxes paid (recovered) \$.....0 net of tax on capital gains (losses).....	271,407,990	(69,182,389)
10. Total (Lines 5 through 9).....	4,813,168,582	3,784,861,320
11. Net cash from operations (Line 4 minus Line 10).....	379,260,642	2,120,396,603
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,274,740,888	4,083,303,101
12.2 Stocks.....	621,942,220	536,158,485
12.3 Mortgage loans.....	8,780,501	0
12.4 Real estate.....	68,339,631	0
12.5 Other invested assets.....	62,177,688	37,637,767
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(7,170)	693,018
12.7 Miscellaneous proceeds.....	(12,800,423)	10,034,357
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,023,173,334	4,667,826,729
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	3,445,771,495	5,152,644,373
13.2 Stocks.....	105,346,136	1,793,801,777
13.3 Mortgage loans.....	0	8,780,502
13.4 Real estate.....	39,348,599	60,353,093
13.5 Other invested assets.....	170,717,153	194,408,660
13.6 Miscellaneous applications.....	(127,815,157)	16,278,861
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,633,368,226	7,226,267,266
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	(610,194,892)	(2,558,440,537)
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	856,777,996
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.....	0	300,000,000
16.6 Other cash provided (applied).....	409,404,528	(272,123,300)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	409,404,528	284,654,696
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	178,470,278	(153,389,238)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	366,832,191	520,221,429
19.2 End of year (Line 18 plus Line 19.1).....	545,302,469	366,832,191
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	199,513,616	59,825,426	74,471,871	184,867,170
2. Allied lines.....	113,662,365	48,800,677	48,961,112	113,501,930
3. Farmowners multiple peril.....	36,689,170	0	12,144,593	24,544,577
4. Homeowners multiple peril.....	869,514,654	887,769	307,688,776	562,713,647
5. Commercial multiple peril.....	986,823,091	109,099,828	359,898,292	736,024,627
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	60,281,793	53,848,505	32,105,234	82,025,063
9. Inland marine.....	172,830,520	97,689,311	83,032,517	187,487,314
10. Financial guaranty.....	0	0	0	0
11.1 Medical malpractice - occurrence.....	329,347	0	(94)	329,441
11.2 Medical malpractice - claims-made.....	(234,108)	1,634,164	423,196	976,860
12. Earthquake.....	36,526,314	1,469,222	9,779,227	28,216,309
13. Group accident and health.....	(385,812)	354,947	0	(30,865)
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	440,384	(405,153)	0	35,231
16. Workers' compensation.....	419,944,879	265,406,043	163,488,974	521,861,948
17.1 Other liability - occurrence.....	331,195,691	326,657,146	190,401,505	467,451,332
17.2 Other liability - claims-made.....	(15,383,894)	335,800,177	110,942,718	209,473,565
18.1 Products liability - occurrence.....	27,337,540	133,224,024	41,138,427	119,423,137
18.2 Products liability - claims-made.....	(679,789)	9,427,819	2,177,739	6,570,292
19.1, 19.2 Private passenger auto liability.....	567,368,052	67,848	159,523,947	407,911,953
19.3, 19.4 Commercial auto liability.....	339,400,667	234,250,294	167,544,476	406,106,486
21. Auto physical damage.....	450,223,903	48,780,700	141,418,171	357,586,432
22. Aircraft (all perils).....	(328,975)	506,280	145,060	32,245
23. Fidelity.....	(6,704,381)	39,969,339	12,804,754	20,460,204
24. Surety.....	(76,320,872)	161,856,230	21,045,682	64,489,675
26. Burglary and theft.....	669,587	2,348,673	1,646,697	1,371,563
27. Boiler and machinery.....	67,328,928	(717,228)	20,778,234	45,833,465
28. Credit.....	(44,233)	370,260	104,470	221,557
29. International.....	(31,737,562)	39,773,181	429,932	7,605,688
30. Reinsurance - nonproportional assumed property.....	3,542,349	(1,580,269)	102,070	1,860,010
31. Reinsurance - nonproportional assumed liability.....	(2,665,769)	16,535,558	4,757,256	9,112,532
32. Reinsurance - nonproportional assumed financial lines.....	837,468	265,297	95,053	1,007,713
33. Aggregate write-ins for other lines of business.....	0	0	0	0
34. TOTALS.....	4,549,974,921	1,986,146,070	1,967,049,890	4,569,071,100

DETAILS OF WRITE-INS

3301.	0	0	0	0
3302.	0	0	0	0
3303.	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience.

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	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.....	73,839,748	3,680,975	(3,048,852)	.0	74,471,871
2.	Allied lines.....	47,476,666	1,844,832	(360,387)	.0	48,961,112
3.	Farmowners multiple peril.....	12,144,593	.0	.0	.0	12,144,593
4.	Homeowners multiple peril.....	307,688,776	.0	.0	.0	307,688,776
5.	Commercial multiple peril.....	359,496,034	517,603	(104,231)	(11,114)	359,898,292
6.	Mortgage guaranty.....	.0	.0	.0	.0	.0
8.	Ocean marine.....	34,586,097	681,940	(3,162,803)	.0	32,105,234
9.	Inland marine.....	69,500,493	16,285,288	(2,753,264)	.0	83,032,517
10.	Financial guaranty.....	.0	.0	.0	.0	.0
11.1	Medical malpractice - occurrence.....	(94)	.0	.0	.0	(94)
11.2	Medical malpractice - claims-made.....	2,971	.0	.0	420,225	423,196
12.	Earthquake.....	9,133,619	645,608	.0	.0	9,779,227
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.....	232,720,625	588,122	(3,669,614)	(66,150,159)	163,488,974
17.1	Other liability - occurrence.....	189,124,152	839,473	(10,766,949)	11,204,829	190,401,505
17.2	Other liability - claims-made.....	91,260,145	20,425,270	(742,697)	.0	110,942,718
18.1	Products liability - occurrence.....	31,227,341	2,737,373	6,006,755	1,166,957	41,138,427
18.2	Products liability - claims-made.....	2,055,731	116,095	5,913	.0	2,177,739
19.1, 19.2	Private passenger auto liability.....	159,523,947	.0	.0	(0)	159,523,947
19.3, 19.4	Commercial auto liability.....	162,678,736	1,176,857	2,401,968	1,286,915	167,544,476
21.	Auto physical damage.....	141,484,987	228,024	(257,672)	(37,168)	141,418,171
22.	Aircraft (all perils).....	145,060	.0	.0	.0	145,060
23.	Fidelity.....	7,658,844	5,169,561	(23,650)	.0	12,804,754
24.	Surety.....	2,197,073	22,432,413	(3,583,804)	.0	21,045,682
26.	Burglary and theft.....	786,385	868,195	(7,883)	.0	1,646,697
27.	Boiler and machinery.....	20,842,786	(60,610)	(3,942)	.0	20,778,234
28.	Credit.....	104,470	.0	.0	.0	104,470
29.	International.....	429,932	.0	.0	.0	429,932
30.	Reinsurance - nonproportional assumed property.....	102,070	.0	.0	.0	102,070
31.	Reinsurance - nonproportional assumed liability.....	4,540,108	217,148	.0	.0	4,757,256
32.	Reinsurance - nonproportional assumed financial lines.....	92,130	2,923	.0	.0	95,053
33.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
34.	TOTALS.....	1,960,843,425	78,397,090	(20,071,111)	(52,119,514)	1,967,049,890
35.	Accrued retrospective premiums based on experience.....					52,119,514
36.	Earned but unbilled premiums.....					20,071,111
37.	Balance (sum of Lines 34 through 36).....					2,039,240,515

DETAILS OF WRITE-INS

3301.	.....	.0	.0	.0	.0	.0
3302.	.....	.0	.0	.0	.0	.0
3303.	.....	.0	.0	.0	.0	.0
3398.	Summary of remaining write-ins for Line 33 from overflow page...	.0	.0	.0	.0	.0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [X] No [].

(b) State here basis of computation used in each case:

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire.....	163,773,412	163,473,241	783,470	122,540,157	5,976,350	199,513,616
2. Allied lines.....	72,941,628	131,979,095	8,663,952	99,859,978	62,333	113,662,365
3. Farmowners multiple peril.....	0	36,689,170	0	0	0	36,689,170
4. Homeowners multiple peril.....	2,086,575	870,402,423	34,933	3,009,277	0	869,514,654
5. Commercial multiple peril.....	28,997,047	1,057,033,358	82,765	99,289,429	651	986,823,091
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	232,910,791	93,569,961	941,032	264,775,568	2,364,424	60,281,793
9. Inland marine.....	123,168,702	257,048,276	(1,260,742)	204,977,669	1,148,047	172,830,520
10. Financial guaranty.....	(7,250)	0	0	(7,250)	0	0
11.1 Medical malpractice - occurrence.....	182,280	329,347	0	182,280	0	329,347
11.2 Medical malpractice - claims-made.....	(301,179)	1,328,905	(3,992)	1,257,842	0	(234,108)
12. Earthquake.....	4,738,987	31,702,370	1,142,891	1,008,385	49,549	36,526,314
13. Group accident and health.....	0	354,947	469,966	1,210,725	0	(385,812)
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	51,066	(638,275)	(717,240)	(1,744,833)	0	440,384
16. Workers' compensation.....	302,433,487	610,067,505	38,595,400	531,151,382	132	419,944,879
17.1 Other liability - occurrence.....	690,072,062	514,922,192	6,827,331	878,406,321	2,219,574	331,195,691
17.2 Other liability - claims-made.....	341,847,959	56,741,562	4,380,263	419,024,104	(670,427)	(15,383,894)
18.1 Products liability - occurrence.....	140,379,330	33,973,318	1,496,175	139,334,188	9,177,096	27,337,540
18.2 Products liability - claims-made.....	13,752,417	3,046,149	0	17,481,266	(2,912)	(679,789)
19.1, 19.2 Private passenger auto liability.....	60,725	567,423,877	18,411	134,961	0	567,368,052
19.3, 19.4 Commercial auto liability.....	219,997,680	378,765,995	17,632,635	275,529,990	1,465,653	339,400,667
21. Auto physical damage.....	55,486,319	465,482,511	1,302,943	72,038,846	9,024	450,223,903
22. Aircraft (all perils).....	(53,253)	177,305	(862)	505,417	(53,253)	(328,975)
23. Fidelity.....	38,842,581	4,917,967	114,399	50,578,228	1,100	(6,704,381)
24. Surety.....	89,141,417	13,455,017	2,026,911	180,944,216	0	(76,320,872)
26. Burglary and theft.....	6,070,433	2,178,120	19,966	7,598,783	150	669,587
27. Boiler and machinery.....	9,643,374	61,969,757	44,369	4,293,200	35,372	67,328,928
28. Credit.....	0	326,027	838,042	1,208,303	0	(44,233)
29. International.....	3,052	(5,947,690)	1,963,413	27,756,337	0	(31,737,562)
30. Reinsurance - nonproportional assumed property.....	XXX	2,425,450	1,082,873	(34,026)	0	3,542,349
31. Reinsurance - nonproportional assumed liability.....	XXX	20,127,195	15,089,922	37,882,880	6	(2,665,769)
32. Reinsurance - nonproportional assumed financial lines.....	XXX	1,240,502	3,645,690	4,048,724	0	837,468
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
34. TOTALS.....	2,536,219,642	5,374,565,577	105,214,917	3,444,242,346	21,782,869	4,549,974,921

DETAILS OF WRITE-INS

3301.	0	0	0	0	0	0
3302.	0	0	0	0	0	0
3303.	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0

(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.....	54,697,812	57,924,720	(7,273,116)	119,895,648	86,541,299	139,264,915	67,172,032	36.3
2. Allied lines.....	66,876,679	35,580,128	31,855,768	70,601,039	129,601,721	82,194,744	118,008,016	104.0
3. Farmowners multiple peril.....	0	1,742,838	(24,329)	1,767,168	8,800,228	25,117	10,542,278	43.0
4. Homeowners multiple peril.....	1,095,784	147,577,446	5,680,550	142,992,680	214,568,653	2,370,355	355,190,978	63.1
5. Commercial multiple peril.....	76,526,499	(378,736,967)	(67,269,555)	(234,940,913)	882,106,062	207,771,694	439,393,455	59.7
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	117,448,259	(16,885,753)	(5,964,128)	106,526,634	53,159,258	125,230,903	34,454,989	42.0
9. Inland marine.....	73,725,664	(9,245,008)	347,581	64,133,075	100,235,843	99,958,870	64,410,047	34.4
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	60,368,734	(3,550,784)	(129,557,429)	186,375,379	55,312,499	244,892,938	(3,205,060)	(972.9)
11.2 Medical malpractice - claims-made.....	276,154,272	6,874,938	(104,447,279)	387,476,489	121,771,698	468,973,730	40,274,456	4,122.8
12. Earthquake.....	735	(3,325,637)	(315,924)	(3,008,977)	9,147,735	389,613	5,749,145	20.4
13. Group accident and health.....	0	2,504,617	(3,244,555)	5,749,173	0	5,131,492	617,680	(2,001.2)
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	19,097	(11,407,689)	(28,639,580)	17,250,989	0	15,991,476	1,259,512	3,575.0
16. Workers' compensation.....	226,307,857	(1,440,786,943)	(661,151,789)	(553,327,297)	2,255,633,047	1,389,283,903	313,021,847	60.0
17.1 Other liability - occurrence.....	272,656,972	(550,878,604)	(881,431,724)	603,210,092	1,621,152,863	1,829,305,567	395,057,387	84.5
17.2 Other liability - claims-made.....	108,390,177	159,156,922	(40,134,886)	307,681,984	372,532,159	551,297,109	128,917,035	61.5
18.1 Products liability - occurrence.....	105,415,061	(501,711,135)	(385,450,887)	(10,845,188)	686,091,440	709,146,032	(33,899,780)	(28.4)
18.2 Products liability - claims-made.....	6,771,962	35,812,503	3,238,011	39,346,454	13,836,562	54,615,059	(1,432,043)	(21.8)
19.1, 19.2 Private passenger auto liability.....	737,453	(140,741,990)	25,419,818	(165,424,354)	395,413,528	3,942,490	226,046,684	55.4
19.3, 19.4 Commercial auto liability.....	248,334,167	56,173,404	(70,689,578)	375,197,149	522,268,886	723,286,305	174,179,730	42.9
21. Auto physical damage.....	41,272,870	132,926,838	28,116,276	146,083,432	39,698,470	24,589,354	161,192,548	45.1
22. Aircraft (all perils).....	217,024	(2,246,236)	(4,385,079)	2,355,867	6,932,463	5,060,018	4,228,311	13,113.1
23. Fidelity.....	14,205,870	11,929,431	(5,371,950)	31,507,251	21,303,735	46,691,433	6,119,552	29.9
24. Surety.....	54,496,385	64,833,734	(92,761,215)	212,091,334	134,957,056	298,286,151	48,762,239	75.6
26. Burglary and theft.....	(1,505,256)	(944,001)	(4,606,819)	2,157,562	2,199,480	3,912,088	444,953	32.4
27. Boiler and machinery.....	4,078,551	(10,835,127)	(31,273,069)	24,516,494	20,696,164	44,465,652	747,006	1.6
28. Credit.....	0	(2,840,341)	(9,786,394)	6,946,053	3,468,592	10,016,167	398,475	179.9
29. International.....	0	29,507,608	(139,025,198)	168,532,806	34,981,715	211,363,387	(7,848,866)	(103.2)
30. Reinsurance - nonproportional assumed property.....	XXX	(15,064,532)	(125,385,365)	110,320,833	69,909,703	173,066,285	7,164,251	385.2
31. Reinsurance - nonproportional assumed liability.....	XXX	(100,043,711)	(767,141,366)	667,097,655	525,607,165	1,005,888,053	186,816,768	2,050.1
32. Reinsurance - nonproportional assumed financial lines.....	XXX	(2,270,699)	(17,901,506)	15,630,807	9,820,386	20,540,495	4,910,697	487.3
33. Aggregate write-ins for other lines of business.....	0	4,878,054	0	4,878,054	1,669,490	0	6,547,543	0.0
34. TOTALS.....	1,808,292,627	(2,444,091,976)	(3,488,574,717)	2,852,775,368	8,399,417,898	8,496,951,401	2,755,241,866	60.3

DETAILS OF WRITE-INS

3301. Auto warranty.....	0	4,878,054	0	4,878,054	1,669,490	0	6,547,543	0.0
3302.	0	0	0	0	0	0	0	0.0
3303.	0	0	0	0	0	0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	4,878,054	0	4,878,054	1,669,490	0	6,547,543	0.0

**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 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	73,402,219	115,779,680	88,915,905	100,265,995	(22,751,964)	55,744,982	46,717,715	86,541,299	12,583,149
2. Allied lines.....	49,434,263	109,646,986	50,361,104	108,720,144	89,892,240	20,853,419	89,864,082	129,601,721	8,841,899
3. Farmowners multiple peril.....	0	2,970,421	4,075	2,966,347	58	5,851,359	17,536	8,800,228	2,940,574
4. Homeowners multiple peril.....	1,283,378	72,476,970	1,300,140	72,460,208	616,150	142,138,115	645,820	214,568,653	22,476,444
5. Commercial multiple peril.....	64,237,039	478,682,767	86,878,565	456,041,241	27,802,420	429,887,730	31,625,330	882,106,062	268,352,675
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	136,204,249	37,184,659	141,759,928	31,628,980	83,811,418	27,172,552	89,453,692	53,159,258	9,899,911
9. Inland marine.....	149,674,276	45,870,171	146,844,273	48,700,173	32,198,655	51,041,199	31,704,184	100,235,843	14,382,216
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	199,875,974	64,815,738	200,425,975	64,265,737	(48,416,455)	(9,163,099)	(48,626,316)	55,312,499	10,291,311
11.2 Medical malpractice - claims-made.....	475,920,530	158,362,125	494,684,751	139,597,904	(99,485,495)	(10,931,132)	(92,590,421)	121,771,698	13,507,151
12. Earthquake.....	490	(30,859)	490	(30,859)	2,018,324	7,321,389	161,118	9,147,735	1,937,092
13. Group accident and health.....	0	5,495,471	5,495,471	0	0	547,612	547,612	(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.....	4,830	2,185,870	2,190,700	0	2,644	12,220,576	12,223,220	(a) 0	0
16. Workers' compensation.....	711,708,985	1,326,800,607	825,356,440	1,213,153,151	486,008,840	1,161,150,374	604,679,318	2,255,633,047	294,812,371
17.1 Other liability - occurrence.....	579,040,694	498,663,336	670,695,017	407,009,013	1,072,918,023	1,374,733,741	1,233,507,914	1,621,152,863	500,913,944
17.2 Other liability - claims-made.....	116,541,237	160,840,272	140,831,158	136,550,352	206,423,728	253,325,406	223,767,326	372,532,159	83,768,997
18.1 Products liability - occurrence.....	227,219,998	100,198,210	148,644,121	178,774,086	390,462,178	456,969,426	340,114,251	686,091,440	385,013,675
18.2 Products liability - claims-made.....	2,395,651	3,128,604	4,443,391	1,080,864	22,231,064	11,518,255	20,993,621	13,836,562	7,877,781
19.1, 19.2 Private passenger auto liability.....	983,299	219,192,351	983,299	219,192,351	42,409,184	176,221,177	42,409,185	395,413,528	81,392,743
19.3, 19.4 Commercial auto liability.....	285,853,261	258,565,197	283,591,389	260,827,070	269,691,168	252,991,096	261,240,447	522,268,886	87,197,252
21. Auto physical damage.....	1,859,055	17,525,569	10,457,038	8,927,586	24,639,218	26,657,490	20,525,823	39,698,470	9,410,577
22. Aircraft (all perils).....	55,542,267	68,356,173	120,477,236	3,421,204	6,345,879	16,642,000	19,476,620	6,932,463	562,942
23. Fidelity.....	28,290,255	10,263,419	29,662,818	8,890,855	17,397,166	13,593,158	18,577,444	21,303,735	5,372,046
24. Surety.....	207,255,406	150,054,204	227,997,332	129,312,278	(14,052,197)	1,282,689	(18,414,286)	134,957,056	24,322,207
26. Burglary and theft.....	715,160	214,006	727,161	202,004	4,893,288	1,936,283	4,832,095	2,199,480	358,176
27. Boiler and machinery.....	11,149,388	5,387,067	11,062,747	5,473,709	4,494,867	39,198,143	28,470,555	20,696,164	2,341,620
28. Credit.....	0	12,622,230	9,889,006	2,733,224	0	3,319,718	2,584,350	3,468,592	65,298
29. International.....	0	38,966,549	30,623,657	8,342,892	2,086	126,546,173	99,909,436	34,981,715	17,561
30. Reinsurance - nonproportional assumed property.....	XXX	110,514,156	80,692,360	29,821,796	XXX	122,262,379	82,174,472	69,909,703	4,226,827
31. Reinsurance - nonproportional assumed liability.....	XXX	1,095,118,349	790,733,969	304,384,380	XXX	962,847,504	741,624,719	525,607,165	13,034,197
32. Reinsurance - nonproportional assumed financial lines.....	XXX	15,805,781	12,569,680	3,236,102	XXX	31,600,060	25,015,776	9,820,386	67,594
33. Aggregate write-ins for other lines of business.....	0	(457)	0	(457)	0	1,669,947	0	1,669,490	0
34. TOTALS.....	3,378,591,905	5,185,655,622	4,618,299,196	3,945,948,331	2,599,552,486	5,767,149,720	3,913,232,639	8,399,417,898	1,865,968,230

DETAILS OF WRITE-INS

3301. Auto warranty.....	0	(457)	0	(457)	0	1,669,947	0	1,669,490	0
3302.	0	0	0	0	0	0	0	0	0
3303.	0	0	0	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	(457)	0	(457)	0	1,669,947	0	1,669,490	0

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	239,743,437	0	0	239,743,437
1.2 Reinsurance assumed.....	378,399,363	0	0	378,399,363
1.3 Reinsurance ceded.....	241,452,574	0	0	241,452,574
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	376,690,226	0	0	376,690,226
2. Commission and brokerage:				
2.1 Direct excluding contingent.....	0	312,983,510	0	312,983,510
2.2 Reinsurance assumed excluding contingent.....	0	545,339,064	0	545,339,064
2.3 Reinsurance ceded excluding contingent.....	0	282,573,505	0	282,573,505
2.4 Contingent - direct.....	0	22,770,110	0	22,770,110
2.5 Contingent - reinsurance assumed.....	0	78,915,549	0	78,915,549
2.6 Contingent - reinsurance ceded.....	0	12,038,800	0	12,038,800
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	665,395,927	0	665,395,927
3. Allowances to managers and agents.....	0	258,414	0	258,414
4. Advertising.....	8,294	5,310,628	0	5,318,922
5. Boards, bureaus and associations.....	1,528,249	22,282,163	1,700	23,812,111
6. Surveys and underwriting reports.....	3,068	12,155,083	238	12,158,389
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	150,047,903	253,835,112	21,155,397	425,038,412
8.2 Payroll taxes.....	12,089,429	26,633,075	200,975	38,923,479
9. Employee relations and welfare.....	24,039,097	10,055,137	21,216,729	55,310,963
10. Insurance.....	25,222,443	(3,698,626)	0	21,523,816
11. Directors' fees.....	0	29,126	0	29,126
12. Travel and travel items.....	9,048,629	14,453,098	(295,154)	23,206,574
13. Rent and rent items.....	11,221,899	22,338,529	(303,952)	33,256,476
14. Equipment.....	2,067,824	9,365,134	(37,035)	11,395,923
15. Cost or depreciation of EDP equipment and software.....	2,104,839	15,249,031	243,219	17,597,089
16. Printing and stationery.....	1,628,953	4,346,115	22,912	5,997,979
17. Postage, telephone and telegraph, exchange and express.....	3,115,427	16,006,821	(140,893)	18,981,356
18. Legal and auditing.....	15,889,003	19,108,046	(628,787)	34,368,262
19. Totals (Lines 3 to 18).....	258,015,058	427,726,884	41,435,350	727,177,292
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....363,851.....	0	145,915,866	0	145,915,866
20.2 Insurance department licenses and fees.....	0	4,184,826	0	4,184,826
20.3 Gross guaranty association assessments.....	0	9,419,219	0	9,419,219
20.4 All other (excluding federal and foreign income and real estate).....	0	10,514,902	0	10,514,902
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	170,034,813	0	170,034,813
21. Real estate expenses.....	0	0	60,069,219	60,069,219
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured accident and health plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	(1,092,003)	5,773,330	6,497,271	11,178,599
25. Total expenses incurred.....	633,613,281	1,268,930,955	108,001,840	(a).....2,010,546,076
26. Less unpaid expenses - current year.....	1,865,968,230	366,822,271	2,250,272	2,235,040,773
27. Add unpaid expenses - prior year.....	1,903,876,616	264,987,091	11,769,003	2,180,632,710
28. Amounts receivable relating to uninsured accident and health plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	671,521,667	1,167,095,776	117,520,571	1,956,138,013

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	3,889,451	48,780,432	6,497,271	59,167,154
2402. Service reimbursements.....	(4,981,454)	(43,007,101)	0	(47,988,556)
2403.	0	0	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	(1,092,003)	5,773,330	6,497,271	11,178,599

(a) Includes management fees of \$.....0 to affiliates and \$....60,900 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....92,639,753	.....92,008,454
1.1 Bonds exempt from U.S. tax.....	(a).....222,218,873	.....237,603,982
1.2 Other bonds (unaffiliated).....	(a).....260,825,243	.....263,484,622
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....1,047,413	.....1,878,904
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....3,554,063	.....3,549,965
2.21 Common stocks of affiliates.....	.....36,432,644	.....36,432,644
3. Mortgage loans.....	(c).....426,373	.....426,373
4. Real estate.....	(d).....110,287,020	.....117,212,532
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....18,515,885	.....19,510,596
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....162,537,311	.....162,537,310
9. Aggregate write-ins for investment income.....	.....3,143,718	.....3,143,718
10. Total gross investment income.....	.....911,628,296	.....937,789,100
11. Investment expenses.....		(g).....108,001,840
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....17,505,335
14. Depreciation on real estate and other invested assets.....		(i).....27,983,001
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....153,490,176
17. Net investment income (Line 10 minus Line 16).....		.....784,298,924

DETAILS OF WRITE-INS

0901. GNMA Dollar Rolls.....	.....425,726	.....425,726
0902. Security Lending Fees.....	.....1,326,727	.....1,326,727
0903. Miscellaneous Income.....	.....1,391,265	.....1,391,265
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....3,143,718	.....3,143,718
1501. ....		.....0
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....9,871,831 accrual of discount less \$.....55,992,007 amortization of premium and less \$.....20,322,175 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 \$.....12,228,129 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....2,715,721 accrual of discount less \$.....2,588,727 amortization of premium and less \$.....2,440,776 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 \$.....17,505,335 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....27,983,001 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 Increases (Decreases) by Adjustment	4 Total
1. U.S. government bonds.....	.....(504,889)	.....0	.....0	.....(504,889)
1.1 Bonds exempt from U.S. tax.....	.....198,616	.....0	.....265,252	.....463,868
1.2 Other bonds (unaffiliated).....	.....(2,621,415)	.....(1,694,401)	.....(17,127,106)	.....(21,442,922)
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....7,577,525	.....(1,303,668)	.....(9,455,872)	.....(3,182,015)
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....10,676,035	.....(215,071)	.....(1,738,642)	.....8,722,322
2.21 Common stocks of affiliates.....	.....393,375,836	.....0	.....(59,304,472)	.....334,071,364
3. Mortgage loans.....	.....0	.....0	.....0	.....0
4. Real estate.....	.....10,445,225	.....0	.....0	.....10,445,225
5. Contract loans.....	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....(7,170)	.....(3,843,491)	.....(2,673,290)	.....(6,523,951)
7. Derivative instruments.....	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....(194,281)	.....(40,382,893)	.....(40,577,174)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(1,277,609)	.....12,982,885	.....11,705,276
10. Total capital gains (losses).....	.....419,139,763	.....(8,528,521)	.....(117,434,138)	.....293,177,104

DETAILS OF WRITE-INS

0901. Recoverable on bonds written down.....	.....0	.....840,877	.....0	.....840,877
0902. Miscellaneous Foreign Exchange.....	.....0	.....(2,118,486)	.....2,650,839	.....532,353
0903. Deferred Gain on Investment.....	.....0	.....0	.....10,332,046	.....10,332,046
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(1,277,609)	.....12,982,885	.....11,705,276

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. Other invested assets (Schedule BA).....	0	60,000	60,000
8. Receivables for securities.....	0	0	0
9. Aggregate write-ins for invested assets.....	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	0	60,000	60,000
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued.....	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	40,874,826	72,886,562	32,011,736
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	9,650,860	8,308,083	(1,342,777)
13.3 Accrued retrospective premiums.....	2,467,615	28,712	(2,438,903)
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....	0	0	0
14.2 Funds held by or deposited with reinsured companies.....	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
16.2 Net deferred tax asset.....	233,222,040	565,510,791	332,288,751
17. Guaranty funds receivable or on deposit.....	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	22,692,391	37,345,731	14,653,341
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
21. Receivable from parent, subsidiaries and affiliates.....	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets.....	61,316,989	116,398,223	55,081,234
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	370,224,720	800,538,102	430,313,382
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. TOTALS (Lines 24 and 25).....	370,224,720	800,538,102	430,313,382

DETAILS OF WRITE-INS

0901.....	0	0	0
0902.....	0	0	0
0903.....	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0
2301. Other assets nonadmitted.....	55,718,193	6,782,257	(48,935,936)
2302. Other receivables.....	0	2,179,624	2,179,624
2303. Other assets.....	0	70,198,215	70,198,215
2398. Summary of remaining write-ins for Line 23 from overflow page.....	5,598,796	37,238,127	31,639,331
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	61,316,989	116,398,223	55,081,234

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Minnesota. The State of Minnesota requires that insurance companies domiciled in Minnesota 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 Minnesota Department of Commerce. The impact of any permitted accounting practices on statutory surplus was not material.
- B. 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. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned 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, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10, *Income Taxes*. Goodwill is recognized in accordance with SSAP No. 68, *Business Combinations and Goodwill*, and amortized to unrealized capital losses over a period not to exceed 10 years.

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.

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.

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

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

Loan-backed and structured securities are amortized using the retrospective method. The effective yield used to determine amortization is calculated based on actual historical and projected future cash flows, which are obtained from a widely-accepted securities data provider.

Investments in subsidiaries 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 (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 and undistributed net income is recorded as net unrealized capital gains (losses).

For accounting policy in regards to derivative instruments, see Note 8.

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

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

Property-casualty reserves are established for loss and LAE and include estimates of both reported and unreported claims incurred and related expenses. The reserves are regularly adjusted based upon experience. In determining loss and LAE reserves, the Company continually reviews its overall reserve position, its reserving techniques and its reinsurance. These reserves represent the estimated ultimate cost of all incurred losses and LAE net of reinsurance. Since the reserves are based on estimates, the ultimate liability may be more or less than such reserves. The effects of changes in such estimated reserves are included in net income in the period in which the estimates are changed. Such changes may be material to net income and could occur in a future period. For a discussion of loss and LAE 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.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

In connection with combining the Travelers Property Casualty Pool and the St. Paul Pool to form the St. Paul Travelers Reinsurance Pool (see Note 26), the method of applying SSAP No. 6, *Uncollected Premium Balances, Bills Receivable for Premiums and Amounts Due from Agents and Brokers*, previously used by the former members of the St. Paul Pool was conformed to the method used by the St. Paul Travelers Reinsurance Pool. This change resulted in an increase in surplus that was offset by an increase in nonadmitted assets of a similar amount.

NOTES TO FINANCIAL STATEMENTS

The NAIC adopted SSAP No. 88, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 46*, effective January 1, 2005. SSAP No. 88 requires companies to use audited U.S. generally accepted accounting principles equity, adjusted to a statutory basis of accounting when valuing foreign insurance subsidiaries. The change in valuation of the Company's foreign insurance subsidiaries was recorded as a change in accounting principle.

As a result of these changes, the Company recorded the following cumulative effect of changes in accounting principles as an adjustment to surplus:

Change in reserve for bad debt	\$ 6,894,348
Change in valuation of foreign insurance subsidiaries	(8,307,636)
Total cumulative effect of change in accounting principles	<u>\$(1,413,288)</u>

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method:

1. On July 31, 1996, the Company purchased 100% of Northbrook Holdings Inc. and its three wholly owned insurance subsidiaries.
2. The transaction was accounted for as a statutory purchase.
3. The purchase of Northbrook Holdings Inc. resulted in goodwill in the amount of \$163.7 million which exceeded 10% of the Company's policyholders' surplus by \$70.2 million. This excess was charged to policyholders' surplus as an unrealized loss.
4. The Company recorded \$9.5 million of goodwill amortization in 2005. At December 31, 2005, the Company's unamortized admitted goodwill related to the purchase of Northbrook Holdings Inc. was \$5.6 million.

B. Statutory Merger:

Not applicable

C. Impairment Loss:

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans:

The maximum percentage of any one loan-to-value of security at the time the loan was made, exclusive of any purchase money or insured or guaranteed mortgages was 85%.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities were recalculated using actual and anticipated cash flows, including anticipated prepayments, with the original cost.

For collateralized mortgage obligations and asset-backed securities, the Smith Barney Mortgage Prepayment Model provided by Yield Book® is used to project prepayments whenever it is available. For pass-through certificates and when collateralized mortgage obligations and asset-backed securities are not modeled in Yield Book® or no prepayment model is provided, a consensus forecast from Bloomberg L.P. is used if available, otherwise the average three-month prepayment history is used.

The Company used IDC, as well as broker quotes when necessary, in determining the fair value of its loan-backed securities.

E. Repurchase Agreements:

The Company engages in dollar-roll repurchase activities from which it generates net investment income from selling mortgage-backed securities and simultaneously agreeing to repurchase from the same party substantially the same securities. The Company invests the proceeds from the sale in a short-term investment pool, the sold securities remain a recorded asset of the Company and a liability is recorded as an aggregate write-in for liabilities to recognize the Company's obligation to repurchase substantially the same securities at the end of a specified period. The securities under the dollar repurchase agreement as of December 31, 2005 are Government National Mortgage Association 30 year bonds with a book value of \$94.3 million, a fair value of \$94.3 million, a weighted average coupon rate of 5% and a weighted average life of 7.32 years.

F. Real Estate

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

- A. Surplus excludes due and accrued investment income if amounts are over 180 days past due for mortgage loans and over 90 days past due for all other invested assets.
- B. At December 31, 2005, the Company had no past due accrued investment income.

NOTES TO FINANCIAL STATEMENTS

8. DERIVATIVE INSTRUMENTS

The Company uses forward contracts as a means of hedging exposure to foreign currency and/or interest rate risk on existing assets. The Company does not hold or issue derivative instruments for trading purposes.

These derivative financial instruments have off-balance-sheet risk. Financial instruments with off-balance-sheet risk involve, to varying degrees, elements of credit and market risk in excess of the amount recognized in the balance sheet. The contract or notional amounts of these instruments reflect the extent of involvement the Company has in a particular class of financial instrument. However, the maximum loss of cash flow associated with these instruments can be less than these amounts. For forward contracts credit risk is limited to the amount that it would cost the Company to replace the contracts.

The Company monitors creditworthiness of counterparties to these financial instruments by using criteria of acceptable risk that are consistent with on-balance-sheet financial instruments. The controls include credit approvals, limits and other monitoring procedures.

Forward contracts are used on an ongoing basis to provide an economic hedge of the Company's exposure to foreign currency exchange rates that result from direct foreign currency investments. To hedge against adverse changes in exchange rates, the Company enters contracts to exchange foreign currency for U.S. Dollars with major financial institutions. These transactions are economic hedges of such exposure and, because these derivative instruments have not been designated as accounting hedges, fair value accounting has been applied. Accordingly any open derivative contracts are recorded at fair value with the changes in the fair value recorded as unrealized capital gain (loss) and these contracts are subsequently recorded to realized capital gain (loss) when closed. These contracts generally are not settled prior to maturity. At the maturity date the Company must purchase the foreign currency necessary to settle the contracts.

Forward contracts are also used as foreign currency hedges of the Company's net investment in its foreign (Canadian) branch operations. To hedge against adverse changes in exchange rates, the Company enters contracts to exchange foreign currency for U.S. Dollars with major financial institutions. These derivative instruments are effective hedges of the net investment in foreign operations. They are accounted for consistent with the translation of the net assets of the foreign operations with change in the foreign exchange adjustment recorded as an unrealized capital gain (loss). All the unrealized gains (losses) on these derivative contracts were included in the assessment of hedge effectiveness. See Schedule DB - Part C for additional information.

9. INCOME TAXES

A. The components of the net deferred tax asset (liability) recognized in the Company's assets, liabilities, surplus and other funds are as follows:

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Total of gross deferred tax assets	\$ 847,532,839	\$1,199,455,415
Total of deferred tax liabilities	<u>(247,616,157)</u>	<u>(223,816,276)</u>
Net deferred tax asset (liability)	599,916,682	975,639,139
Deferred tax asset nonadmitted	<u>(233,222,040)</u>	<u>(565,510,791)</u>
Net admitted deferred tax asset (liability)	<u>\$ 366,694,642</u>	<u>\$ 410,128,348</u>
 (Increase) decrease in nonadmitted asset	 \$ 332,288,751	 \$ 20,161,534

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

Not applicable.

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

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Federal	\$ (221,914,415)	\$ 34,378,726
Foreign	<u>31,624,307</u>	<u>25,416,684</u>
	(190,290,108)	59,795,410
Federal income taxes on net capital gains	<u>317,456,949</u>	<u>(5,277,022)</u>
Federal and foreign income taxes incurred	<u>\$ 127,166,841</u>	<u>\$ 54,518,388</u>

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

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Deferred tax assets:		
Claims and claim adjustment expense reserves	\$ 380,806,656	\$ 498,354,403
Unearned premium reserves	142,390,719	180,863,353
Net Operating Loss	37,815,192	83,291,468
Alternative minimum tax adjustment	96,298,199	147,160,725
Nonadmitted assets	47,950,939	42,101,228
Unauthorized reinsurance reserve	-	64,987,031
Unrealized appreciation/depreciation	7,749,488	41,057,696
Investments	46,436,970	-
Other	<u>88,084,676</u>	<u>141,639,511</u>
Total deferred tax assets	847,532,839	1,199,455,415
Nonadmitted deferred tax assets	<u>(233,222,040)</u>	<u>(565,510,791)</u>
Admitted deferred tax assets	<u>614,310,799</u>	<u>633,944,624</u>
Deferred tax liabilities:		
Investments	156,704,940	26,766,096
Unrealized appreciation/depreciation	55,520,354	-
Intercompany transactions	-	173,377,533
Other	<u>35,390,863</u>	<u>23,672,647</u>
Total deferred tax liabilities	<u>247,616,157</u>	<u>223,816,276</u>
Net admitted tax asset	<u>\$ 366,694,642</u>	<u>\$ 410,128,348</u>

Deferred income taxes do not include any benefit from investment tax credits.

Deferred income taxes include a benefit of \$37,815,192 from net operating losses.

There are no adjustments to a deferred tax asset or deferred tax liability for enacted changes in tax laws or rates or a change in the tax status of the reporting entity.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2005</u>	<u>December 31, 2004</u>	<u>Change</u>
Total deferred tax assets	\$ 847,532,839	\$1,199,455,415	\$ (351,922,576)
Total deferred tax liabilities	<u>(247,616,157)</u>	<u>(223,816,276)</u>	<u>(23,799,881)</u>
Net deferred tax asset (liability)	<u>\$ 599,916,682</u>	<u>\$ 975,639,139</u>	<u>(375,722,457)</u>
Tax effect of unrealized gains (losses)			<u>88,828,562</u>
Change in net deferred income taxes			<u>\$ (286,893,895)</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:

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Pretax net income (loss)	\$1,110,437,066	\$ 244,986,839
Taxes at statutory rate	\$ 388,652,973	\$ 85,745,394
Increase (decrease) attributable to:		
Nontaxable investment income	(84,036,998)	(111,131,284)
Nonadmitted assets	34,308,619	141,166,969
Tax return to estimate	36,317,737	-
Unauthorized reinsurance reserve	64,987,031	-
Tax contingency	(41,184,666)	39,963,000
Reallocation of DTA/DTL balances per new tax sharing agreement	-	36,426,472
Unrealized Income	-	(38,446,431)
Other	<u>15,016,040</u>	<u>(32,305,728)</u>
Total statutory income taxes	<u>\$ 414,060,736</u>	<u>\$ 121,418,392</u>
Federal and foreign taxes incurred	\$ 127,166,841	\$ 54,518,388
Change in net deferred taxes	<u>286,893,895</u>	<u>66,900,004</u>
Total statutory income taxes	<u>\$ 414,060,736</u>	<u>\$ 121,418,392</u>
Effective tax rate	37.3%	49.6%

- E. 1. The Company has net operating loss carryforwards of \$108,043,406 that expire during the year 2019 through 2020.

The Company has low income housing credit carryforwards of \$10,637,365 that expire during the years 2021 – 2025.

The Company has child care credit carryforwards of \$450,000 that expire during the years 2023 – 2025.

2. The Company has \$269,661,984 and \$0 of federal income tax from the current and prior tax year respectively, available for recoupment in the event of future losses.

- F. 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The St. Paul Travelers Companies, Inc. (STA). 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 the STA tax allocation agreement, which sets forth the manner in which the total consolidated federal income tax is allocated. Member companies of the STA consolidated return group pay taxes annually on their separate taxable income. Companies with a current federal income tax receivable from STA 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 STA in the event the Internal Revenue Service 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.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A-C. The Company contributed capital of \$42.4 million to Unionamerica Holdings Ltd (UHL) in December 2005. In exchange, UHL issued 946,428,571 shares with a par value of \$0.0448 to the Company.

In October 2005 the Company made a capital contribution to its subsidiary, United States Fidelity and Guaranty Company (USF&G), in the amount of \$1,454,369.

In August 2005, the Company received long-term bonds and related accrued interest from Discover Property & Casualty Insurance Company and Fidelity and Guaranty Insurance Company in the amount of \$76,441,395 and \$11,375,899, respectively, in settlement of outstanding receivables.

The Company contributed capital to St. Paul Risk Management International Ltd. in the amount of \$843,885 in August 2005.

On January 1, 2005 the Company sold its wholly owned Canadian insurance subsidiary, St. Paul Guarantee, to its affiliate, Travelers Casualty and Surety Company (TCS), for \$135.0 million. In conjunction with this sale a formal filing was made with and approved by the Office of the Superintendent of Financial Institutions in Canada in order to amalgamate St. Paul Guarantee and Travelers Casualty and Surety Company of Canada, a subsidiary of TCS. The effective date of the amalgamation was January 1, 2005 and St. Paul Guarantee was the surviving company.

On December 31, 2004, the Company made capital contributions to the following companies by assuming their liability for post-retirement benefits:

Northbrook Holdings, Inc.	\$ 32,464
St. Paul Specialty Underwriting, Inc.	\$ 55,597
Seaboard Surety Company	\$ 16,222
Discover Specialty Insurance Company	\$ 6,147

On December 23, 2004, the Company made a capital contribution of \$79.0 million in cash to its subsidiary, St. Paul Specialty Underwriting, Inc.

On December 10, 2004, the Company made a capital contribution of \$9.7 million in cash to its subsidiary, St. Paul Properties, Inc.

On March 31, 2004, USF&G repurchased 3,385,813 shares of its outstanding common stock from the Company for \$200.0 million and subsequently retired those shares.

On January 1, 2004, Seaboard Surety Company (Seaboard), the Company's subsidiary, sold its subsidiary, Northern Indemnity Insurance Company (Northern Indemnity), to the Company for \$55.7 million. A formal filing was made with and approved by the Office of the Superintendent of Financial Institutions in Canada in order to amalgamate Northern Indemnity and St. Paul Guarantee Insurance Company (St. Paul Guarantee), a subsidiary of the company, as well as certain Canadian holding companies with no business operations. The effective date of the amalgamation was January 1,

NOTES TO FINANCIAL STATEMENTS

2004 and St. Paul Guarantee was the surviving company.

During 2004, the Company made a cash contribution to its subsidiary, USF&G, in the amount of \$1.575 billion.

During 2004, the Company received capital contributions consisting of \$850.0 million in cash and approximately \$6.8 million in building improvements from STA.

The Company paid dividends of \$150 million to its parent company, STA in 2004.

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 satisfied 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 STA 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. STA maintains a private short-term investment pool in which affiliated companies may participate. Effective January 1, 2005 the "Pooling Agreement for Travelers Money Market Liquidity" (MMLP) dated August 20, 2002 was amended to include additional STA entities, including the Company. With this amendment the MMLP was renamed the "Pooling Agreement for St. Paul Travelers Money Market Liquidity" (STAMMLP). This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2005, the STAMMLP totaled \$3,775,854,353.
- D. At December 31, 2005, the Company had \$131,618,088 payable to affiliates. Accounts between and among the Company and its affiliates are settled on a daily basis through the Money Market Pool or cash. Any items open at the end of the month are settled in the following month.
- E. Guarantees or undertakings, including the company and any affiliates:
1. The Company guarantees the timely payment of Discover Reinsurance Company's, a downstream subsidiary, obligations with respect to all insurance policies and reinsurance policies issued by Discover Reinsurance Company during the term of the agreement. During December 2004, the guarantee was amended to provide an unlimited amount of obligation. The parties have agreed that the maximum obligation will be evaluated at the end of each calendar year. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
 2. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50.0 million.
 3. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
 4. Effective September 30, 1997, the Company entered into an unconditional guaranty that St. Paul Medical Liability Insurance Company, a downstream subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.
 5. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard, a New York domiciled insurance company, of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice.
 6. Effective December 15, 1993, the Company has guaranteed the performance by St. Paul Travelers Insurance Company Limited (St. Paul Limited), an affiliate incorporated in England, of all St. Paul Limited's obligations arising out of its insurance or reinsurance contracts. The Company may terminate these guarantees at any time upon six months prior notice.
 7. Effective October 1, 1993, the Company guaranteed the performance by St. Paul Reinsurance Company Limited (St. Paul Re Ltd.), an affiliate incorporated in England, of all St. Paul Re Ltd.'s obligations arising out of its insurance or reinsurance contracts. The company may terminate this guaranty at any time upon six months prior notice.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

TYPE OF CONTRACT AND DESCRIPTION	SERVICING COMPANY	OTHER PARTY
Service expense reimbursement	St. Paul Fire and Marine Insurance Company	The Travelers Indemnity Company
Expense Allocation	St. Paul Fire and Marine Insurance Company	Fire & Marine P&C ¹
Surety Agreement	St. Paul Fire and Marine Insurance Company	Seaboard Surety Company, St. Paul Mercury Insurance Company, St. Paul Guardian Insurance Company
Management Agreement	St. Paul Fire and Marine Insurance Company	St. Paul Re, Inc.

¹ "Fire & Marine P&C" includes St. Paul Fire and Marine Insurance Company and some or all of its insurance subsidiaries.

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

H. Not applicable.

I. The Company owns 100% of USF&G, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in USF&G at USF&G's statutory equity. The statement value of USF&G assets and liabilities as of December 31, 2005 were \$4.2 billion and \$2.2 billion, respectively. USF&G's net income was \$196.8 million for the year ended December 31, 2005.

J. Not applicable.

K. Not applicable.

11. DEBT

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

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

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by STA 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 STA and by Travelers Property Casualty Corp. (TPC) which covers 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. The Company's allocated share of the pension expense was \$5.0 million and \$9.9 million for 2005 and 2004, respectively.

2. Postretirement Benefit Plan:

The Company participates in a health care and life insurance benefit plan sponsored by STA 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. The Company's allocated share of the postretirement benefit expense was \$4.4 million and \$24.1 million for 2005 and 2004, respectively.

3. Deferred Compensation Plans:

The Company participates in a 401(k) savings plan sponsored by STA for substantially all employees of the Company and its property-casualty affiliates. STA, in September 2005, merged the 401(k) savings plan sponsored by TPC with its 401(k) to form one 401(k) savings plan. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs. The Company's allocated share of the 401(k) savings plan expense was \$14.3 million and \$1.5 million for 2005 and 2004, respectively.

E. Postemployment Benefits and Compensated Absences:

Not applicable.

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

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

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 Minnesota insurance companies to shareholders without prior approval of the Minnesota Commissioner of Commerce is subject to restrictions relating to statutory surplus or net income. The maximum amount of cash dividends to shareholders that can be made during 2006 without prior approval is \$890,116,000.

There are no restrictions on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

The change in the balance of the special surplus funds is a result of retroactive reinsurance activity occurring in 2005. See Note 23F for additional detail.

Unassigned funds or surplus has been decreased by cumulative net unrealized losses of \$163,666,956.

14. CONTINGENCIES**A. Contingent Commitments:**

At December 31, 2005, the Company had commitments to fund investments of \$315,429,156.

NOTES TO FINANCIAL STATEMENTS**B. Assessments:**

The Company has accrued liabilities of \$73.3 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$3.0 million at December 31, 2005. 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.

C. Gain Contingencies:

Not applicable.

D. All Other Contingencies:

The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 27.

In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2005, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.

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

15. LEASES**A. Lessee Leasing Arrangements:**

- At December 31, 2005 and 2004, the Company is a party to various lease agreements for office space, data processing equipment, automobiles and office equipment. The office space and data processing equipment leases are for various periods of time. The other leases generally do not exceed five years. Total rental expense under operating leases for the Company for 2005 and 2004 was \$35,310,584 and \$56,873,591, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

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

- Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$83,642,059 at December 31, 2005. Future minimum rental payments for each of the five succeeding years are as follows:

<u>Year</u>	<u>Operating Leases</u>
2006	\$ 24,781,737
2007	19,497,098
2008	14,874,945
2009	7,992,488
2010	4,049,761

At December 31, 2005, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled \$2,231,829.

- Sale-Leaseback Transactions:

Not applicable.

B. Lessor's Business Activities:

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$210,870,792 and \$183,034,371 as of December 31, 2005 and 2004, respectively. On December 31, 2005, the company has minimum annual lease payments receivable under noncancelable leasing arrangements as follows:

<u>Year</u>	<u>Operating Leases</u>
2006	\$ 91,910,665
2007	82,937,469
2008	69,419,185
2009	51,274,170
2010	36,352,750
2011 and later years	38,034,371

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

The Company uses forward contracts as a means of hedging exposure to foreign currency and/or interest rate risk on existing assets. These derivative financial instruments have off-balance-sheet risk. See Note 8 for a discussion of these financial instruments, including credit and market risk, cash requirements and related accounting policy. For further details of the above instruments, including contract or notional principal amounts, see Schedule DB.

In the normal course of business, the Company has unfunded commitments to partnerships, limited liability companies, and venture capital entities. The off-balance-sheet risks of these financial instruments were \$315,429,156 at December 31, 2005.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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. Effective April 1, 2004, the Company entered into a new securities lending agreement. 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. Therefore, the Company does not recognize the receipt of the collateral held by the third party custodian or the obligation to return the collateral. The loaned securities remain a recorded asset of the Company.

C. Wash Sales:

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

During the year ended December 31, 2005, the Company's wash sales for securities with a NAIC designation 3 or below were as follows:

	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
Bonds:				
NAIC 4	1	\$ 155,735	\$ 155,875	\$ (2,760)

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

Not applicable.

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

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

20. SEPTEMBER 11 EVENTS

Through December 31, 2005, the St. Paul Travelers Reinsurance Pool (STA Pool) has recorded the following charges, before tax, for the estimated ultimate loss for both reported and unreported claims and related LAE and reinstatement premiums associated with the terrorist attack on September 11, 2001. This estimate is based on a variety of actuarial techniques, coverage interpretation and claims estimation methodologies as well as ongoing analysis of both paid and reported claims related to the attack. Since the reserves and related reinsurance recoverables are based on estimates, the ultimate net liability may be more or less than these amounts. The Company's pro rata participation percentage of the STA Pool is 26.36%.

(in millions)	Case + IBNR Reserve	Total Incurred
Gross Loss & LAE	\$ 720.1	\$ 2,504.8
Ceded Loss & LAE	(385.1)	(1,455.6)
Net Loss & LAE	<u>\$ 335.0</u>	\$ 1,049.2
Additional & reinstatement premiums		(42.2)
Reduction in reinsurance		
contingent commission expense		(91.0)
Total STA Pool Net Pretax Cost		<u>\$ 916.0</u>
Company's retention from		
26.36% participation in the STA Pool		<u>\$ 241.5</u>

21. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures:

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

In March 2005, the Company's parent STA implemented a program to sell substantially all of its interest in Nuveen investments, Inc. (Nuveen). As part of this program, the Company sold all of its 12.3 million shares of Nuveen on April 12, 2005 for total proceeds of \$404.8 million and recognized realized gains of \$391.5 million related to this transaction.

On April 1, 2004, TPC completed the previously announced merger into the St. Paul Companies, Inc. (SPC), forming STA. Each share of TPC class A and class B common stock was exchanged for 0.4334 of a share of SPC common stock.

NOTES TO FINANCIAL STATEMENTS

2005 Schedule P:

The 1995 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	Accident Years				
	1995	1994	1993	1992	1991 & Prior
Part 1A	\$ 750	\$ 124	\$ 191	\$ 104	\$ 610
Part 1B	305	18,326	226	214	62,172
Part 1C	3,746	1,833	442	787	5,366
Part 1D	69,972	60,516	57,258	64,667	705,466
Part 1E	8,905	8,150	7,105	7,530	63,607
Part 1F - Section 1	737	268	234	222	3,539
Part 1F - Section 2	2,351	1,079	829	750	3,090
Part 1G	884	694	177	83	2,727
Part 1H - Section 1	21,794	37,267	52,211	11,487	681,244
Part 1H - Section 2	2,770	1,988	3,493	1,185	4,086
Part 1M	0	3	40	40	525
Part 1N	117	306	5	37	227
Part 1O	10,493	71,416	3,081	5,133	180,251
Part 1P	37	27	0	0	103
Part 1R - Section 1	12,508	8,844	7,672	5,500	555,933
Part 1R - Section 2	430	245	61	58	1,407

The following loss and/or LAE reserves have been 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):

	1997	2000	2001	2002
Commercial Auto	\$ 0	\$ (1,450)	\$ (713)	\$ (1,246)
Workers' Compensation	0	(826)	(2,909)	(3,439)
Commercial Multiple Peril	0	(14,109)	0	0
Medical Malpractice - CM	0	(17,297)	(4,231)	0
Special Liability	0	(490)	0	(33)
Other Liability - Occ	(234)	(38,121)	(8)	(3,795)
Other Liability - CM	0	(7,750)	(209)	(4,415)
Special Property	0	0	0	(355)
Other	0	0	0	(175)
Reinsurance A	0	0	0	(2,064)
Reinsurance B	0	0	0	(9,677)

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. Benefit Plans:

Not applicable.

22. EVENTS SUBSEQUENT

On January 1, 2006, Indemnity eliminated its Canadian branch by implementing an assumption/novation reinsurance agreement, whereby all insurance liabilities in Indemnity's Canadian branch were transferred to and assumed by the Company's Canadian branch. All required regulatory approvals have been obtained, including a release of licenses from the Canadian Taxing Authority by Indemnity.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the STA Pool (see Note 26) 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, 2005, in connection with reinsurance agreements among affiliated insurers, were as follows:

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

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,814,493,021
Travelers Casualty and Surety Company	06-6033504	9,458,991,815
The Phoenix Insurance Company	06-0303275	2,322,236,457
The Standard Fire Insurance Company	06-6033509	2,250,645,352
United States Fidelity and Guaranty Company	52-0515280	2,057,104,967
Travelers Casualty Insurance Company of America	06-0876835	1,266,267,663
Farmington Casualty Company	06-1067463	689,064,382
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	635,371,054
The Travelers Indemnity Company of Connecticut	06-0336212	635,371,054
The Charter Oak Fire Insurance Company	06-0291290	590,626,613
St. Paul Surplus Lines Insurance Company	41-1230819	407,174,408
The Travelers Indemnity Company of America	58-6020487	357,955,523
St. Paul Protective Insurance Company	36-2542404	268,466,642
Travelers Commercial Insurance Company	06-1286268	219,247,758
Travelers Casualty Company of Connecticut	06-1286266	219,247,758
Travelers Commercial Casualty Company	95-3634110	219,247,758
Travelers Property Casualty Company of America	36-2719165	165,554,430
Travelers Property Casualty Insurance Company	06-1286274	138,707,765
Athena Assurance Company	41-1435765	134,233,321
St. Paul Medical Liability Insurance Company	41-1435766	134,233,321
Travelers Personal Security Insurance Company	06-1286264	125,284,433
Travelers Personal Insurance Company	36-3703200	125,284,433
Travelers Excess and Surplus Lines Company	06-1203698	125,284,433
TravCo Insurance Company	35-1838077	125,284,433

NOTES TO FINANCIAL STATEMENTS

The Travelers Home and Marine Insurance Company	35-1838079	125,284,433
Discover Property & Casualty Insurance Company	36-2999370	67,116,661
Discover Specialty Insurance Company	52-1925132	67,116,661
Total		<u>\$ 34,744,896,550</u>

Reinsurance balances assumed by The Travelers Indemnity Company and recoverable by the following affiliated insurers:

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 10,987,954,313
Travelers Property Casualty Company of America	36-2719165	9,578,797,195
Travelers Casualty and Surety Company	06-6033504	5,360,931,112
United States Fidelity and Guaranty Company	52-0515280	4,221,893,781
The Standard Fire Insurance Company	06-6033509	2,324,804,134
The Travelers Indemnity Company of Connecticut	06-0336212	2,323,239,626
The Travelers Indemnity Company of America	58-6020487	2,056,214,911
The Charter Oak Fire Insurance Company	06-0291290	1,632,202,834
The Phoenix Insurance Company	06-0303275	1,268,765,032
St. Paul Surplus Lines Insurance Company	41-1230819	861,938,965
Discover Property & Casualty Insurance Company	36-2999370	860,660,053
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	722,123,322
Travelers Casualty Insurance Company of America	06-0876835	419,855,946
Farmington Casualty Company	06-1067463	326,856,709
Travelers Property Casualty Insurance Company	06-1286274	243,301,529
St. Paul Protective Insurance Company	36-2542404	203,153,599
TravCo Insurance Company	35-1838077	193,550,918
Travelers Commercial Casualty Company	95-3634110	167,185,003
Travelers Personal Insurance Company	36-3703200	156,827,947
Travelers Excess and Surplus Lines Company	06-1203698	114,116,249
Travelers Commercial Insurance Company	06-1286268	100,100,465
Travelers Casualty Company of Connecticut	06-1286266	94,348,549
Athena Assurance Company	41-1435765	93,694,379
St. Paul Medical Liability Insurance Company	41-1435766	63,795,610
Travelers Personal Security Insurance Company	06-1286264	57,990,416
Discover Specialty Insurance Company	52-1925132	56,409,772
The Travelers Home and Marine Insurance Company	35-1838079	54,249,988
Total		<u>\$ 44,544,962,358</u>

2. Unaffiliated Company Recoverables:

The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2005, that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

NONE

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

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 1,968,114,251	\$ 223,547,238	\$ 1,012,518,246	\$ 115,006,361	\$ 955,596,005	\$ 108,540,877
All Other	<u>38,286,105</u>	<u>4,348,707</u>	<u>7,307,156</u>	<u>829,979</u>	<u>30,978,949</u>	<u>3,518,728</u>
Total	<u>\$ 2,006,400,356</u>	<u>\$ 227,895,945</u>	<u>\$ 1,019,825,402</u>	<u>\$ 115,836,340</u>	<u>\$ 986,574,954</u>	<u>\$ 112,059,605</u>

Direct Unearned Premium Reserve \$ 1,052,665,561

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$106,685,636 at December 31, 2005. This balance represents the Company's 26.36% pro rata share of the net amount of the STA Pool (see Note 26):

Direct Business	\$ 43,778,865
Add: Reinsurance Assumed	108,193,075
Less: Reinsurance Ceded	<u>45,286,304</u>
Net	<u>\$106,685,636</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Retroactive Reinsurance:

1.		<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:			
(1) Initial Reserves	\$ 2,477,840	\$132,398,659	
(2) Adjustments - Prior Year(s)	(790,800)	4,299,632	
(3) Adjustments - Current Year	0	<u>2,152,983</u>	
(4) Current Total	<u>\$ 1,687,040</u>	<u>\$138,851,274</u>	
b. Consideration Paid or Received:			
(1) Initial Consideration	\$ 2,755,961	\$117,828,872	
(2) Adjustments - Prior Year(s)	0	(376,157)	
(3) Adjustments - Current Year	0	0	
(4) Current Total	<u>\$ 2,755,961</u>	<u>\$117,452,715</u>	
c. Paid Losses Reimbursed or Recovered:			
(1) Prior Year(s)	\$ 982,115	\$ 18,340,247	
(2) Current Year	9,514	<u>6,964,046</u>	
(3) Current Total	<u>\$ 991,629</u>	<u>\$ 25,304,293</u>	
d. Special Surplus From Retroactive Reinsurance:			
(1) Initial Surplus Gain or Loss	\$ 278,121	\$ 14,569,786	
(2) Adjustments - Prior Year(s)	790,800	4,675,789	
(3) Adjustments - Current Year	0	<u>2,152,983</u>	
(4) Current Year Restricted Surplus	<u>\$ 1,068,921</u>	<u>\$ 22,263,703</u>	
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ 0</u>	<u>\$ (865,145)</u>	

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
American Re-Insurance Company (10227)	\$ 1,687,040	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	3,084,120
General Reinsurance Corporation (22039)	-	79,080,000
nSpire Re Limited (AA-1784124)	-	18,113,414
Platinum Underwriters Reinsurance Inc. (10357)	-	34,132,891
Various	-	<u>4,440,849</u>
Total	<u>\$ 1,687,040</u>	<u>\$138,851,274</u>

f. Paid Loss/LAE Recoverable:

<u>Company</u>	<u>Paid Loss/LAE Recoverables</u>	<u>Amount Over 90 Days Past Due</u>	<u>Collateral Held</u>
nSpire Re Limited (AA-1784124)	\$ 0	\$ 0	\$ 9,093,787
Platinum Underwriters Reinsurance Inc. (10357)	879,702	0	0
Various	<u>1,033,663</u>	<u>289,801</u>	<u>113,133</u>
Total	<u>\$ 1,913,365</u>	<u>\$ 289,801</u>	<u>\$ 9,206,920</u>

Reinsurance Accounted for as a Deposit:

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on January 1, 2001. This is a whole account stoploss covering all business allocated to the reinsured's marine hull and marine excess of loss account.

<u>Year</u>	<u>Deposits Received</u>	<u>Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit (Liability)/ Asset Balance</u>
1999	\$ 254,300	\$ (1,290,000)		\$ (1,544,300)
2000				(1,544,300)
2001				(1,544,300)
2002		(128,000)		(1,672,300)
2003				(1,672,300)
2004				(1,672,300)
2005			\$ 326,376	(1,345,924)

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on April 1, 2000. This is an assumed excess of loss reinsurance contract covering Section A non marine whole account, Section B whole account.

<u>Year</u>	<u>Deposits Received</u>	<u>Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit (Liability)/ Asset Balance</u>
2000	\$ 2,123,000			\$ (2,123,000)
2001				(2,123,000)
2002				(2,123,000)
2003		\$ (2,877,000)		(5,000,000)
2004				(5,000,000)
2005				(5,000,000)

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on January 1, 2002. This is assumed excess of loss reinsurance covering casualty business written in the cedants European offices.

<u>Year</u>	<u>Deposits Received</u>	<u>Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit (Liability)/ Asset Balance</u>
2001	\$ 459,694			\$ (459,694)
2002		\$ 91,939		(367,755)
2003		91,936		(275,819)
2004		91,936		(183,883)
2005		91,947		(91,936)

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. Accrued retrospective premiums (Page 2, Line 13.3) 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

NOTES TO FINANCIAL STATEMENTS

loss and loss expense reserves), or collateral as permitted by SSAP No. 66, *Retrospectively Rated Contracts*, has been nonadmitted. The amount shown in Part D below is the Company's proportionate share of the accrued retrospective premiums of the STA Pool (see Note 26).

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

C. See Schedule P - Part 7A.

D. Calculation of nonadmitted retrospective premium:

1. Total accrued retro premium	\$ 52,453,416
2. Unsecured amount	24,676,145
3. Less: Nonadmitted amount (10%)	<u>2,467,615</u>
4. Admitted amount (1) - (3)	<u>\$ 49,985,801</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

In 2005, the charge for incurred loss and loss adjustment expenses for claims arising in prior years increased by \$183,902,668, primarily due to other liability – occurrence and reinsurance assumed liability, partially offset by a decrease in special property, workers' compensation, commercial multiple peril and commercial auto liability loss and loss adjustment expense reserves. The increase in other liability and products liability is primarily due to asbestos and environmental reserve strengthening. The offsetting decrease is generally the result of ongoing analysis of recent loss data and trends. A portion of the change from prior year effects relates to retrospectively rated policies and will not have a material impact on surplus due to accompanying premium adjustments.

26. INTERCOMPANY POOLING ARRANGEMENTS

On July 1, 2005, effective January 1, 2005, STA completed its previously announced initiative of combining its two major insurance pools (the Travelers Property Casualty Pool and former members of the St. Paul Pool, which includes the Company) and United States Fidelity and Guaranty Company, after receiving all required regulatory approvals, to form a new pool called the St. Paul Travelers Reinsurance Pool (the STA Pool).

The Company is a participant in the STA Pool, an intercompany pooling arrangement. The lead company of the STA 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 STA Pool are as follows:

<u>STA Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation %</u>
St Paul Fire and Marine Insurance Company	24767	26.36
The Travelers Indemnity Company	25658	22.41
Travelers Casualty and Surety Company	19038	21.14
The Phoenix Insurance Company	25623	5.19
The Standard Fire Insurance Company	19070	5.03
United States Fidelity and Guaranty Company	25887	4.58
Travelers Casualty Insurance Company of America	19046	2.83
Farmington Casualty Company	41483	1.54
The Automobile Insurance Company of Hartford, Connecticut	19062	1.42
The Travelers Indemnity Company of Connecticut	25682	1.42
The Charter Oak Fire Insurance Company	25615	1.32
St Paul Surplus Lines Insurance Company	30481	0.91
The Travelers Indemnity Company of America	25666	0.80
St Paul Protective Insurance Company	19224	0.60
Travelers Casualty Company of Connecticut	36170	0.49
Travelers Commercial Casualty Company	40282	0.49
Travelers Commercial Insurance Company	36137	0.49
Travelers Property Casualty Company of America	25674	0.37
Travelers Property Casualty Insurance Company	36161	0.31
Athena Assurance Company	41769	0.30
St Paul Medical Liability Insurance Company	41750	0.30
TravCo Insurance Company	28188	0.28
Travelers Excess and Surplus Lines Company	29696	0.28
The Travelers Home and Marine Insurance Company	27998	0.28
Travelers Personal Security Insurance Company	36145	0.28
Travelers Personal Insurance Company	38130	0.28
Discover Property & Casualty Insurance Company	36463	0.15
Discover Specialty Insurance Company	10213	0.15

All of the above STA 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.

27. STRUCTURED SETTLEMENTS

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is 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.

NOTES TO FINANCIAL STATEMENTS

The following life insurance companies held reserves at December 31, 2005, for structured settlement annuities purchased by members of the STA Pool (see Note 26), of which \$973,786,987 is attributable to the Company:

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
Fidelity and Guaranty Life Insurance Co, Baltimore, MD	Yes	\$1,186,964,859
The Travelers Life and Annuity Company, Hartford, CT	Yes	411,569,380
Symetra Life Insurance Company, Bellevue, WA	Yes	290,009,864
ING Life Insurance and Annuity Company, Hartford, CT	Yes	267,110,816
First Colony Life Insurance Company, Lynchburg, VA	Yes	205,121,334
GE Capital Assurance Company, Seattle, WA	Yes	200,495,192
The Travelers Insurance Company, Hartford, CT	Yes	187,922,227
All other companies		944,990,650

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

As of December 31, 2005, the Company had liabilities of \$0 related to premium deficiency reserves. See Note 1 Part C, regarding the consideration of investment income in the calculation of this premium deficiency reserve.

31. HIGH DEDUCTIBLES

At December 31, 2005, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,540,476,873 and the amount billed and outstanding on paid claims was \$30,078,482. These amounts represent the Company's proportionate share of the STA Pool (see Note 26).

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

A. Tabular workers' compensation reserves have been discounted at a maximum rate of 5% using tables appropriate to the state laws under which the benefits are paid, generally the following United States Life Tables:

Non-Fatal Cases: United States Life Tables Total Population 1969-71 - MI
 United States Life Tables Total Population 1979-81 - TX
 United States Life Tables Total Population 1999 - FL, NJ & NY
 United States Life Tables Total Male or Total Female 1989-91 - CA & MA
 United States Life Tables Total Male or Total Female 2000 - MN
 United States Life Tables Total Male or Total Female 1999 - all other states

Fatal Cases: United States Life Tables Total Female 1969-71 - MI *
 United States Life Tables Total Female 1979-81 - TX *
 United States Life Tables Total Female 1989-91 - CA & MA *
 * and the 1979 NCCI Remarriage Table
 New York Mandated Mortality & Remarriage Table - NY
 United States Life Tables Total Female 2000 - MN **
 United States Life Tables Total Female 1999 - all other states **
 ** and the Railroad Retirement Board Remarriage Table

Other liability reserves relating to excess coverage on workers' compensation life table claims have been discounted on the same basis as workers' compensation reserves.

A settlement with a fixed and determinable Other Liability payment is discounted at a rate of 2.63%.

The December 31, 2005 liabilities of the Company and its affiliates listed below included the following amounts of such discounted liabilities:

<u>Company</u>	<u>Workers' Compensation</u>	<u>Other Liability</u>	<u>Other Liability- Structured Payments</u>	
St. Paul Fire and Marine Insurance Company	\$ 410,224,660	\$ 9,797,487	\$ 3,354,574	
The Travelers Indemnity Company	348,753,212	8,329,349	2,851,897	
Travelers Casualty and Surety Company	328,988,973	7,857,315	2,690,276	
The Phoenix Insurance Company	80,768,816	1,929,019	660,479	
The Standard Fire Insurance Company	78,278,833	1,869,550	640,118	
United States Fidelity and Guaranty Company	71,275,757	1,702,294	582,851	
Travelers Casualty Insurance Company of America	44,041,570	1,051,854	360,146	
Farmington Casualty Company	23,966,084	572,387	195,980	
The Automobile Insurance Company of Hartford, Connecticut	22,098,597	527,786	180,709	
The Travelers Indemnity Company of Connecticut	22,098,597	527,786	180,709	
The Charter Oak Fire Insurance Company	20,542,358	490,618	167,983	
St. Paul Surplus Lines Insurance Company	14,161,777	338,229	115,807	
The Travelers Indemnity Company of America	12,449,914	297,344	101,808	
St. Paul Protective Insurance Company	9,337,435	223,008	76,356	
Travelers Casualty Company of Connecticut	7,625,572	182,123	62,357	
Travelers Commercial Casualty Company	7,625,572	182,123	62,357	
Travelers Commercial Insurance Company	7,625,572	182,123	62,357	
Travelers Property Casualty Company of America	5,758,085	137,522	47,086	
Travelers Property Casualty Insurance Company	4,824,342	115,221	39,451	
St. Paul Medical Liability Insurance Company	4,668,718	111,504	38,178	
Athena Assurance Company	4,668,718	111,504	38,178	
TravCo Insurance Company	4,357,470	104,070	35,633	
Travelers Excess and Surplus Lines Company	4,357,470	104,070	35,633	
The Travelers Home and Marine Insurance Company	4,357,470	104,070	35,633	
Travelers Personal Security Insurance Company	4,357,470	104,070	35,633	
Travelers Personal Insurance Company	4,357,470	104,070	35,633	
Discover Property & Casualty Insurance Company	2,334,359	55,752	19,089	
Discover Specialty Insurance Company	2,334,359	55,752	19,089	
<u>\$ 1,556,239,230</u>	<u>\$ 37,168,000</u>	<u>\$ 12,726,000</u>		Total

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2005 was as follows:

NOTES TO FINANCIAL STATEMENTS

Tabular Discount Included in Schedule P - Part 1

Company	Workers' Compensation		Other Liability		Other Liability -
	Case	IBNR	Case	IBNR	Structured Payments
St. Paul Fire and Marine Insurance Company	\$156,089,807	\$ 70,820,978	\$ 4,052,323	\$ 2,127,252	\$ 155,656
The Travelers Indemnity Company	132,700,023	60,208,578	3,445,089	1,808,487	132,328
Travelers Casualty and Surety Company	125,179,762	56,796,490	3,249,852	1,705,998	124,829
The Phoenix Insurance Company	30,732,401	13,943,888	797,859	418,833	30,646
The Standard Fire Insurance Company	29,784,967	13,514,018	773,262	405,921	29,701
United States Fidelity and Guaranty Company	27,120,308	12,305,011	704,083	369,606	27,044
Travelers Casualty Insurance Company of America	16,757,745	7,603,314	435,056	228,381	16,711
Farmington Casualty Company	9,119,056	4,137,493	236,744	124,278	9,093
The Automobile Insurance Company of Hartford, CT	8,408,480	3,815,091	218,297	114,594	8,385
The Travelers Indemnity Company of Connecticut	8,408,480	3,815,091	218,297	114,594	8,385
The Charter Oak Fire Insurance Company	7,816,333	3,546,422	202,924	106,524	7,794
St. Paul Surplus Lines Insurance Company	5,388,533	2,444,882	139,894	73,437	5,373
The Travelers Indemnity Company of America	4,737,172	2,149,347	122,984	64,560	4,724
St. Paul Protective Insurance Company	3,552,879	1,612,010	92,238	48,420	3,543
Travelers Casualty Company of Connecticut	2,901,518	1,316,475	75,328	39,543	2,893
Travelers Commercial Casualty Company	2,901,518	1,316,475	75,328	39,543	2,893
Travelers Commercial Insurance Company	2,901,518	1,316,475	75,328	39,543	2,893
Travelers Property Casualty Company of America	2,190,942	994,073	56,880	29,859	2,185
Travelers Property Casualty Insurance Company	1,835,654	832,872	47,656	25,017	1,831
St. Paul Medical Liability Insurance Company	1,776,439	806,005	46,119	24,210	1,771
Athena Assurance Company	1,776,439	806,005	46,119	24,210	1,771
TravCo Insurance Company	1,658,010	752,271	43,044	22,596	1,653
Travelers Excess and Surplus Lines Company	1,658,010	752,271	43,044	22,596	1,653
The Travelers Home and Marine Insurance Company	1,658,010	752,271	43,044	22,596	1,653
Travelers Personal Security Insurance Company	1,658,010	752,271	43,044	22,596	1,653
Travelers Personal Insurance Company	1,658,010	752,271	43,044	22,596	1,653
Discover Property & Casualty Insurance Company	888,220	403,003	23,060	12,105	886
Discover Specialty Insurance Company	888,220	403,003	23,060	12,105	886
Total	<u>\$592,146,464</u>	<u>\$268,668,354</u>	<u>\$15,373,000</u>	<u>\$ 8,070,000</u>	<u>\$ 590,486</u>

B. Non-tabular reserves have not been discounted.

C. Except for the following companies, no changes in the rates or other key assumptions used to discount prior accident year reserves have been made.

For the following companies, the discount rate used for discounting workers' compensation reserves was changed from 3.5% to 5.0%:

Company	Current Liabilities	Current Liabilities	Change in
	2004 & Prior	2004 & Prior	
	@ 5.0% Discount	@ 3.5% Discount	Discounted Liabilities
St. Paul Fire and Marine Insurance Company	\$ 49,951,914	\$ 57,997,428	\$ (8,045,514)
United States Fidelity and Guaranty Company	8,679,050	10,076,943	(1,397,893)
St. Paul Surplus Lines Insurance Company	1,724,440	2,002,187	(277,747)
St. Paul Protective Insurance Company	1,136,993	1,320,124	(183,131)
St. Paul Medical Liability Insurance Company	568,497	660,062	(91,565)
Athena Assurance Company	568,497	660,062	(91,565)
Discover Property & Casualty Insurance Company	284,248	330,031	(45,783)
Discover Specialty Insurance Company	284,248	330,031	(45,783)

33. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the St Paul Travelers Insurance Pool (the STA Pool), based on its pro rata participation percentage of 26.36%.

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.

With respect to reserving procedures, the Special Liability Group staff members are in daily contact with each other on pending asbestos claim activities and anticipated development. In addition, a thorough annual review is conducted with representatives of the claim, legal, reinsurance as well as financial areas, specifically to review pending asbestos claims, other relevant facts and applicable law. Based upon such a review, asbestos reserves are established for the Company's future exposure.

Because each policyholder presents different liability and coverage issues, the Company generally evaluates the exposure presented by each policyholder on a policyholder-by-policyholder basis. In the course of this evaluation, the Company considers: 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 each 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. When the gross ultimate exposure for indemnity and related claim adjustment expense is determined for a policyholder, the Company calculates, by each policy year, a ceded reinsurance projection based on any applicable facultative and treaty reinsurance, past ceded experience and reinsurance collections. Conventional actuarial methods are not utilized to establish asbestos reserves. The Company's evaluations have not resulted in any data from which a meaningful average asbestos defense or indemnity payment may be determined.

With respect to its asbestos exposures, the Company also compares its historical direct, assumed and net loss and expense paid experience, year-by-year, to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid activity.

1. Direct Basis - Asbestos:	2001	2002	2003	2004	2005
a. Beginning reserves:	\$ 299,468,000	\$ 318,769,000	\$ 1,307,960,000	\$ 981,760,000	\$ 1,076,504,000
b. Incurred losses and LAE:	88,238,000	1,176,023,000	37,337,000	215,276,000	205,044,000
c. Calendar year payments for losses and LAE:	<u>68,937,000</u>	<u>186,832,000</u>	<u>363,537,000</u>	<u>120,532,000</u>	<u>115,046,000</u>
d. Ending reserves:	<u>\$ 318,769,000</u>	<u>\$ 1,307,960,000</u>	<u>\$ 981,760,000</u>	<u>\$ 1,076,504,000</u>	<u>\$ 1,166,502,000</u>
2. Assumed Reinsurance Basis - Asbestos:	2001	2002	2003	2004	2005
a. Beginning reserves:	\$ 53,360,000	\$ 63,972,000	\$ 105,223,000	\$ 98,972,000	\$ 128,537,000

NOTES TO FINANCIAL STATEMENTS

b. Incurred losses and LAE:	17,916,000	49,519,000	2,372,000	36,904,000	33,946,000
c. Calendar year payments for losses and LAE:	<u>7,304,000</u>	<u>8,268,000</u>	<u>8,623,000</u>	<u>7,339,000</u>	<u>20,845,000</u>
d. Ending reserves:	<u>\$ 63,972,000</u>	<u>\$ 105,223,000</u>	<u>\$ 98,972,000</u>	<u>\$ 128,537,000</u>	<u>\$ 141,638,000</u>

3. Net of Ceded Reinsurance Basis - Asbestos:	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 290,478,000	\$ 312,475,000	\$ 1,095,853,000	\$ 862,158,000	\$ 1,016,930,000
b. Incurred losses and LAE:	79,289,000	941,579,000	28,260,000	239,154,000	235,922,000
c. Calendar year payments for losses and LAE:	<u>57,292,000</u>	<u>158,201,000</u>	<u>261,955,000</u>	<u>84,382,000</u>	<u>105,304,000</u>
d. Ending reserves:	<u>\$ 312,475,000</u>	<u>\$ 1,095,853,000</u>	<u>\$ 862,158,000</u>	<u>\$ 1,016,930,000</u>	<u>\$ 1,147,548,000</u>

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

1. Direct Basis:	\$ 1,018,533,000
2. Assumed Reinsurance Basis:	\$ 92,397,000
3. Net of Ceded Reinsurance Basis:	\$ 978,445,000

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

1. Direct Basis:	\$ 199,746,000
2. Assumed Reinsurance Basis:	\$ -
3. Net of Ceded Reinsurance Basis:	\$ 194,316,000

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 Company's reserves for environmental claims are not established on a claim-by-claim basis. The Company carries an aggregate bulk reserve for all of the Company's environmental claims that are in dispute, until the dispute is resolved. This bulk reserve is established and adjusted based upon the aggregate volume of in-process environmental claims and the Company's experience in resolving those claims and includes unresolved and incurred but not reported environmental claims for which the Company has not received any specific claims as well as for the anticipated cost of coverage litigation disputes relating to these claims. Case reserves are established solely for resolved claims.

The resolution of environmental exposures by the Company generally occurs by settlement on a policyholder-by-policyholder basis as opposed to a claim-by-claim basis. 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 future liability arising from known specified sites or claims. Provisions of these agreements also include appropriate 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 considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the allegations of environmental harm at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of 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. Conventional actuarial techniques are not used to estimate these reserves.

Historically, the Company's experience has indicated that policyholders with potentially significant environmental exposures may often have asbestos or other general liability exposures or claims pending with the Company. Due to this experience and the fact that settlement agreements with policyholders may extinguish the Company's obligations for all claims, the Company evaluates and considers the environmental reserves in conjunction with the asbestos and other general liability reserves.

The Company also compares its historical direct and net loss and expense paid experience year-by-year, to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid activity.

1. Direct Basis - Environmental:	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 282,787,000	\$ 231,577,000	\$ 164,598,000	\$ 114,278,000	\$ 139,461,000
b. Incurred losses and LAE:	30,895,000	(3,203,000)	25,273,000	75,574,000	11,368,000
c. Calendar year payments for losses and LAE:	<u>82,105,000</u>	<u>63,776,000</u>	<u>75,593,000</u>	<u>50,391,000</u>	<u>61,687,000</u>
d. Ending reserves:	<u>\$ 231,577,000</u>	<u>\$ 164,598,000</u>	<u>\$ 114,278,000</u>	<u>\$ 139,461,000</u>	<u>\$ 89,142,000</u>

NOTES TO FINANCIAL STATEMENTS

2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 52,454,000	\$ 37,256,000	\$ 36,742,000	\$ 35,008,000	\$ 39,084,000
b. Incurred losses and LAE:	(10,388,000)	5,294,000	2,623,000	8,698,000	1,138,000
c. Calendar year payments for losses and LAE:	<u>4,810,000</u>	<u>5,808,000</u>	<u>4,357,000</u>	<u>4,622,000</u>	<u>3,353,000</u>
d. Ending reserves:	<u>\$ 37,256,000</u>	<u>\$ 36,742,000</u>	<u>\$ 35,008,000</u>	<u>\$ 39,084,000</u>	<u>\$ 36,869,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 293,615,000	\$ 236,470,000	\$ 176,740,000	\$ 133,687,000	\$ 163,552,000
b. Incurred losses and LAE:	17,053,000	542,000	19,989,000	72,252,000	13,134,000
c. Calendar year payments for losses and LAE:	<u>74,198,000</u>	<u>60,272,000</u>	<u>63,042,000</u>	<u>42,387,000</u>	<u>64,818,000</u>
d. Ending reserves:	<u>\$ 236,470,000</u>	<u>\$ 176,740,000</u>	<u>\$ 133,687,000</u>	<u>\$ 163,552,000</u>	<u>\$ 111,868,000</u>
E. Ending loss and LAE reserves for unreported claims included in Part D above:					
1. Direct Basis:	\$ 62,490,000				
2. Assumed Reinsurance Basis:	\$ 25,489,000				
3. Net of Ceded Reinsurance Basis	\$ 83,811,000				
F. Ending LAE reserves for reported and unreported claims included in Part D above:					
1. Direct Basis:	\$ 24,756,000				
2. Assumed Reinsurance Basis:	\$ -				
3. Net of Ceded Reinsurance Basis	\$ 24,607,000				

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2005 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 major litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in asbestos and environmental claims which cannot now be anticipated, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of some disputes pertaining to the amount of available coverage for asbestos claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company and future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims. In addition, the Company has seen an increase in the Company's asbestos-related loss and loss expense experience as a result of the exhaustion or unavailability due to insolvency of other insurance potentially available to policyholders along with the insolvency or bankruptcy of other defendants. It is also not possible to predict changes in the legal and legislative environment and their impact on the future development of asbestos and environmental claims. This development will be affected by future court decisions and interpretations, as well as changes in applicable legislation. It is also difficult to predict the ultimate outcome of large 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 reserves, which includes an annual ground-up review of asbestos policyholders, 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 current asbestos and environmental 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 and financial condition in future periods.

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	848,758,172	4.8	848,758,172	4.8
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	38,386,864	0.2	38,386,864	0.2
1.22 Issued by U.S. government sponsored agencies.....	74,888,085	0.4	74,888,085	0.4
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....	555,693,831	3.1	555,693,831	3.1
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	1,565,716,364	8.8	1,565,716,364	8.8
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	2,107,022,498	11.9	2,107,022,498	11.9
1.43 Revenue and assessment obligations.....	2,158,011,012	12.2	2,158,011,012	12.2
1.44 Industrial development and similar obligations.....	0	0.0	0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA.....	1,008,168,999	5.7	1,008,168,999	5.7
1.512 Issued or guaranteed by FNMA and FHLMC.....	125,487,244	0.7	125,487,244	0.7
1.513 All other.....	0	0.0	0	0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....	312,653,751	1.8	312,653,751	1.8
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521.....	0	0.0	0	0.0
1.523 All other.....	534,578,238	3.0	534,578,238	3.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	2,334,227,116	13.2	2,334,227,116	13.2
2.2 Unaffiliated foreign securities.....	979,709,380	5.5	979,709,380	5.5
2.3 Affiliated securities.....	0	0.0	0	0.0
3. Equity interests:				
3.1 Investments in mutual funds.....	0	0.0	0	0.0
3.2 Preferred stocks:				
3.21 Affiliated.....	0	0.0	0	0.0
3.22 Unaffiliated.....	28,466,478	0.2	28,466,478	0.2
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....	0	0.0	0	0.0
3.32 Unaffiliated.....	68,164,756	0.4	68,164,756	0.4
3.4 Other equity securities:				
3.41 Affiliated.....	2,867,283,896	16.2	2,867,283,896	16.2
3.42 Unaffiliated.....	0	0.0	0	0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....	0	0.0	0	0.0
3.52 Unaffiliated.....	0	0.0	0	0.0
4. Mortgage loans:				
4.1 Construction and land development.....	0	0.0	0	0.0
4.2 Agricultural.....	0	0.0	0	0.0
4.3 Single family residential properties.....	0	0.0	0	0.0
4.4 Multifamily residential properties.....	0	0.0	0	0.0
4.5 Commercial loans.....	0	0.0	0	0.0
4.6 Mezzanine real estate loans.....	0	0.0	0	0.0
5. Real estate investments:				
5.1 Property occupied by company.....	103,735,730	0.6	103,735,730	0.6
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....	572,606,745	3.2	572,606,745	3.2
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....	0	0.0	0	0.0
6. Contract loans.....	0	0.0	0	0.0
7. Receivables for securities.....	19,792,491	0.1	19,792,491	0.1
8. Cash, cash equivalents and short-term investments.....	545,302,469	3.1	545,302,469	3.1
9. Other invested assets.....	864,592,773	4.9	864,592,774	4.9
10. Total invested assets.....	17,713,246,891	100.0	17,713,246,893	100.0

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 [X] No []
- 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 [X] No [] N/A []
- 1.3 State regulating? Minnesota
- 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 [X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002
- 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. 12/31/2002
- 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). 6/29/2004
- 3.4 By what department or departments? Minnesota
- 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 a 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 [X]
- 4.12 renewals? Yes [] No [X]
- 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 [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
- 5.2 If yes, provide the name of the 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 Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | 00000 | |
- 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 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 [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control.0.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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 by the Federal Reserve Board? Yes [] No [X]
- 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 [X]
- 8.4 If response to 8.3 is yes, please provide the names and location (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 Office of Thrift Supervision (OTS), 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
OTS | 6
FDIC | 7
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. 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?
Wade T. Overgaard, F.C.A.S. & M.A.A.A. (Senior Vice President and Chief Corporate Actuary) The St. Paul Travelers Companies, Inc. One Tower Square, Hartford, CT 06183
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company: _____
- 11.12 Number of parcels involved0
- 11.13 Total book/adjusted carrying value \$.....0
- 11.2 If yes, provide explanation.
-
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
-
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
15. 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

of such person?

Yes [X] No []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.11 To directors or other officers \$.....0
 - 16.12 To stockholders not officers \$.....0
 - 16.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.21 To directors or other officers \$.....0
 - 16.22 To stockholders not officers \$.....0
 - 16.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
 - 17.21 Rented from others \$.....0
 - 17.22 Borrowed from others \$.....0
 - 17.23 Leased from others \$.....0
 - 17.24 Other \$.....0
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 18.2 If answer is yes:
 - 18.21 Amount paid as losses or risk adjustment \$.....0
 - 18.22 Amount paid as expenses \$.....0
 - 18.23 Other amounts paid \$.....0
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

INVESTMENT

- 20.1 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, except as shown by Schedule E-Part 3-Special Deposits? Yes [X] No []
- 20.2 If no, give full and complete information relating thereto.

- 21.1 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, except as shown on Schedule E-Part 3-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [X] No []
- 21.2 If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Loaned to others \$.....0
 - 21.22 Subject to repurchase agreements \$.....0
 - 21.23 Subject to reverse repurchase agreements \$.....0
 - 21.24 Subject to dollar repurchase agreements \$.....94,290,288
 - 21.25 Subject to reverse dollar repurchase agreements \$.....0
 - 21.26 Pledged as collateral \$.....47,720,415
 - 21.27 Placed under option agreements \$.....0
 - 21.28 Letter stock or securities restricted as to sale \$.....0
 - 21.29 Other \$.....0

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		.....0

- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 23.2 If yes, state the amount thereof at December 31 of the current year: \$.....0
- 24. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

24.01 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
Citibank, N.A.	Citibank Center Tampa, Tampa, FL 33610
JP Morgan Chase	3 Chase Metrotech Ctr., 5th Fl., Brooklyn, NY 11245
The Bank of New York	One Wall Street, New York NY 10286

24.02 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)
		Assets are held in a brokerage account at Goldman Sachs & Co (Agreement was structured to be consistent with other investors managed by High Rise Capital Management, LP)
High Rise Capital Management, LP c/o Goldman Sachs & Company	85 Broad Street, New York, NY 10004	

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [] No [X]

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

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

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	High Rise Capital Management, LP	535 Madison Ave., 26th Fl. New York, NY 10022
N/A	Clarion CRA Securities	259 North Radnor-Chester Rd., Radnor, PA 19087

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)]?

Yes [] No [X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
25.2999. TOTAL		0

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

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

26. 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 (+)
26.1 Bonds.....	13,335,040,263	13,155,673,987	(179,366,276)
26.2 Preferred stocks.....	28,466,478	30,793,560	2,327,082
26.3 Totals.....	13,363,506,741	13,186,467,547	(177,039,194)

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

Fair Values of securities are based on the last sales prices or from valuations received from an external valuation service (Financial Times Interactive Data (FTID)).
In some cases, valuations are received from broker-dealers or in limited instances based on valuations determined, in good faith, by ST. Paul Travelers.

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

27.2 If no, list exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....10,141,421

28.2 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	4,604,412

29.1 Amount of payments for legal expenses, if any? \$.....27,001,655

29.2 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
Simpson, Thatcher & Bartlett	9,259,207

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....628,506

30.2 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
Debevoise & Plimpton	213,023

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0

- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned \$.....0
 - 1.62 Total incurred claims \$.....0
 - 1.63 Number of covered lives
 - 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

- 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
 - All years prior to most current three years:
 - 1.74 Total premium earned \$.....0
 - 1.75 Total incurred claims
 - 1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	0	0
2.2 Premium Denominator.....	4,569,071,106	4,985,253,113
2.3 Premium Ratio (2.1/2.2).....	0.0	0.0
2.4 Reserve Numerator.....	0	24,853,556
2.5 Reserve Denominator.....	12,325,444,169	12,422,420,742
2.6 Reserve Ratio (2.4/2.5).....	0.0	0.2

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
- 3.2 If yes, state the amount of calendar year premiums written on:
 - 3.21 Participating \$.....35,813,623
 - 3.22 Non-participating policies \$.....4,514,161,280

- 4. For Mutual Reporting Entities and Reciprocal Exchange only:
 - 4.1 Does the reporting entity issue assessable policies? Yes [] No []
 - 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 - 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?
 - 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0.0 %
- 5. For Reciprocal Exchanges only:
 - 5.1 Does the exchange appoint local agents? Yes [] No []
 - 5.2 If yes, is the commission paid:
 - 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 - 5.22 As a direct expense of the exchange Yes [] No [] N/A []
- 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes [] No []
- 5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
In order to manage its risk, the Company monitors the concentration of insured employees on a location basis. Although the Company currently has no workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages quarterly and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.

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:
The Company uses Risk Link, a product developed by Risk Management Solutions, Inc., to estimate its Probable Maximum Loss (PML). Property exposures are modeled using Risk Link to determine locations of concentration including California, Florida, New Madrid, the Northeast, the Gulf States and the Mid Atlantic States.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable property insurance loss?
The Company purchases both excess of loss and pro rata 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 [X] No []
- 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.

- 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.12
- 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:

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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 3% 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 3% 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) An unconditional or unilateral right by either party to commute the reinsurance contract 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, accounting 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), excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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 affiliate 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? 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 30 of SSAP No. 62, 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.
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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 this reporting entity guaranteed policies issued by any other reporting 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 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....37,262,988
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....9,315,747
- 12.2 Of the amount on Line 13.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....26,919,887
- 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 []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From0.0 %
- 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....1,585,951,826
- 12.62 Collateral and other funds \$.....194,405,021
- 13.1 What amount of installment notes is owned and now held by the reporting entity? \$.....0
- 13.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [] No [X]
- 13.3 If yes, what amount? \$.....0
- 14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....5,140,200
- 14.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 14.3 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 this amount.1
- 15.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Compañ's Reinsurance Allocation Agreement and pooling agreement.
-
- 15.3 If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 15.4 If the answer to 15.3 is no, are all the methods described in 15.2 entirely contained in written agreements? Yes [X] No []
- 15.5 If the answer to 15.4 is no, please explain:
-
- 16.1 Has the reporting entity guaranteed any financial premium accounts? Yes [] No [X]
- 16.2 If yes, give full information:
-
- 17.1 Does the reporting entity write any warranty business? Yes [] No [X]

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
17.11 Home.....	.....0	.....0	.....0	.....0	.....0
17.12 Products.....	.....0	.....0	.....0	.....0	.....0
17.13 Automobile.....	.....0	.....0	.....0	.....0	.....0
17.14 Other*.....	.....0	.....0	.....0	.....0	.....0

* Disclose type of coverage:

18.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [X] No []

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

18.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	\$.....162,872
18.12 Unfunded portion of Interrogatory 18.11	\$.....162,872
18.13 Paid losses and loss adjustment expenses portion of Interrogatory 18.11	\$.....0
18.14 Case reserves portion of Interrogatory 18.11	\$.....0
18.15 Incurred but not reported portion of Interrogatory 18.11	\$.....162,872
18.16 Unearned premium portion of Interrogatory 18.11	\$.....0
18.17 Contingent commission portion of Interrogatory 18.11	\$.....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:

18.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	\$.....0
18.19 Unfunded portion of Interrogatory 18.18	\$.....0
18.20 Paid losses and loss adjustment expenses portion of Interrogatory 18.18	\$.....0
18.21 Case reserves portion of Interrogatory 18.18	\$.....0
18.22 Incurred but not reported portion of Interrogatory 18.18	\$.....0
18.23 Unearned premium portion of Interrogatory 18.18	\$.....0
18.24 Contingent commission portion of Interrogatory 18.18	\$.....0

FIVE-YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2005	2004	2003	2002	2001
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	3,943,969,834	4,072,191,446	4,253,009,525	3,787,705,996	3,632,317,313
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,488,695,574	1,070,337,549	1,163,926,261	1,003,505,203	928,088,005
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,394,528,745	589,450,634	671,065,917	822,630,036	772,770,248
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	145,194,350	343,789,554	1,003,239,202	430,341,041	362,350,069
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	43,611,633	60,459,134	319,166,996	519,036,826	854,820,501
6. Total (Line 34).....	8,016,000,136	6,136,228,317	7,410,407,901	6,563,219,102	6,550,346,136
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,669,278,384	3,064,622,214	3,150,653,527	2,762,970,005	2,810,916,263
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	973,426,304	744,659,853	791,453,172	695,378,999	667,463,866
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,020,308,661	398,805,253	474,550,488	495,026,482	406,664,664
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	(114,752,476)	221,051,035	780,785,864	265,763,604	274,876,588
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	1,714,048	51,976,321	76,162,084	352,330,276	680,869,017
12. Total (Line 34).....	4,549,974,921	4,481,114,676	5,273,605,135	4,571,469,366	4,840,790,398
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(88,714,965)	(994,610,797)	(115,627,259)	(100,527,414)	(1,755,951,289)
14. Net investment gain (loss) (Line 11).....	877,453,216	1,186,062,644	1,309,742,838	627,065,640	983,898,034
15. Total other income (Line 15).....	8,289,043	61,011,923	(76,177,264)	(17,508,759)	(18,013,894)
16. Dividends to policyholders (Line 17).....	4,047,167	7,476,931	8,889,804	4,574,703	7,551,797
17. Federal and foreign income taxes incurred (Line 19).....	(190,290,108)	54,518,388	36,956,407	(33,731,806)	(160,626,440)
18. Net income (Line 20).....	983,270,235	190,468,451	1,072,092,104	538,186,570	(636,992,506)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	19,900,457,827	19,049,272,602	17,870,633,203	17,196,668,280	17,269,575,299
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	277,058,021	298,847,631	806,553,527	756,497,706	942,696,965
20.2 Deferred and not yet due (Line 13.2).....	975,122,963	788,341,168	781,236,980	642,658,622	834,309,049
20.3 Accrued retrospective premiums (Line 13.3).....	49,985,801	258,412	943,421	689,826	1,848,067
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	13,324,598,297	13,540,614,357	12,794,906,366	12,270,888,871	13,126,988,907
22. Losses (Page 3, Lines 1 & 2).....	8,420,235,424	8,506,804,376	6,809,209,789	7,086,132,710	7,410,781,392
23. Loss adjustment expenses (Page 3, Line 3).....	1,865,968,230	1,903,876,611	1,695,956,544	1,706,660,179	1,716,996,338
24. Unearned premiums (Page 3, Line 9).....	2,039,240,515	2,011,739,762	2,499,095,219	1,912,532,028	2,067,298,473
25. Capital paid up (Page 3, Lines 28 & 29).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	6,575,859,529	5,508,658,245	5,075,726,837	4,925,779,409	4,142,586,393
Risk-Based Capital Analysis					
27. Total adjusted capital.....	6,575,859,529	5,508,658,245	5,075,726,837	4,925,779,409	4,142,586,393
28. Authorized control level risk-based capital.....	1,219,633,336	1,546,788,634	1,239,411,960	1,314,422,432	1,308,106,775
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1).....	71.4	69.6	69.9	62.7	54.0
30. Stocks (Lines 2.1 & 2.2).....	16.7	19.0	16.9	23.6	28.0
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.1	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 & 4.3).....	3.8	4.4	4.6	4.8	4.9
33. Cash, cash equivalents and short-term investments (Line 5).....	3.1	2.2	3.5	3.4	5.5
34. Contract loans (Line 6).....	0.0	0.0	0.0	XXX	XXX
35. Other invested assets (Line 7).....	4.9	4.8	5.0	5.4	7.4
36. Receivable for securities (Line 8).....	0.1	0.0	0.1	0.1	0.2
37. Aggregate write-ins for invested assets (Line 9).....	0.0	(0.1)	(0.0)	(0.0)	0.0
38. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.1	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....	0	4,703,464	22,664,215	40,469,582	53,568,392
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....	0	0	0	0	0
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....	2,867,283,896	3,030,018,163	2,176,272,155	2,903,587,705	2,981,081,600
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....	0	0	0	0	0
43. Affiliated mortgage loans on real estate.....	0	0	0	0	0
44. All other affiliated.....	491,536,980	398,067,531	424,193,059	557,010,539	679,862,734
45. Total of above lines 39 to 44.....	3,358,820,876	3,432,789,158	2,623,129,429	3,501,067,826	3,714,512,726
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0).....	51.1	62.3	51.7	71.1	89.7

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2005	2004	2003	2002	2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24).....	(188,222,617)	(844,120,232)	(393,774,681)	(387,514,384)	(453,089,190)
48. Dividends to stockholders (Line 35).....	0	(150,000,000)	(775,000,000)	0	(826,798,071)
49. Change in surplus as regards policyholders for the year (Line 38).....	1,067,201,284	432,931,408	149,947,428	783,193,016	(1,363,819,153)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	(1,074,515,034)	2,070,762,530	2,495,978,855	2,657,346,754	2,365,282,009
51. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	447,985,544	404,636,169	548,565,276	416,367,668	494,652,135
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(60,017,682)	310,002,660	422,933,269	673,490,322	575,237,607
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	168,126,767	352,731,903	305,499,746	337,725,008	194,698,568
54. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	(117,378,943)	285,281,372	470,762,665	475,860,271	362,462,842
55. Total (Line 34).....	(635,799,348)	3,423,414,634	4,243,739,811	4,560,790,023	3,992,333,161
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,169,690,708	1,115,526,525	1,787,276,379	2,073,374,175	1,890,002,920
57. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	399,861,778	253,979,294	334,265,381	320,763,063	374,216,779
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	43,217,928	175,357,597	201,553,700	245,670,930	272,854,697
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	446,955,659	224,602,320	171,469,139	261,496,458	110,479,586
60. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	793,049,295	159,065,644	396,676,422	426,764,811	325,351,805
61. Total (Line 34).....	2,852,775,368	1,928,531,380	2,891,241,021	3,328,069,437	2,972,905,787
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2).....	60.3	74.3	55.4	60.7	91.6
64. Loss expenses incurred (Line 3).....	13.9	17.8	13.7	12.9	17.3
65. Other underwriting expenses incurred (Line 4).....	27.8	27.8	33.4	28.5	30.0
66. Net underwriting gain (loss) (Line 8).....	(1.9)	(20.0)	(2.5)	(2.1)	(38.9)
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	27.7	29.6	31.2	30.0	28.3
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	74.2	92.2	69.0	73.0	108.9
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	69.2	81.3	103.9	92.8	116.9
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	146,009	1,229,470	402,728	226,942	297,271
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100).....	2.7	24.2	8.2	5.5	5.4
Two Year Loss Development (000 omitted)					
72. 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).....	1,008,758	1,974,653	1,036,653	969,372	(183,295)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0).....	19.9	40.1	25.0	17.6	(3.8)

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States.....	1,982,601,674	1,976,834,271	2,008,716,386	1,911,948,282
	2. Canada.....	439,487,192	390,165,535	444,696,856	432,720,000
	3. Other Countries.....	116,206,581	116,904,030	116,824,003	108,853,391
	4. Totals.....	2,538,295,447	2,483,903,835	2,570,237,245	2,453,521,673
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	1,565,716,364	1,574,813,377	1,570,734,871	1,495,450,000
	6. Canada.....	246,182,236	228,400,641	246,538,343	242,550,749
	7. Other Countries.....	0	0	0	0
	8. Totals.....	1,811,898,600	1,803,214,018	1,817,273,214	1,738,000,749
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	2,107,022,498	2,124,652,674	2,103,803,839	2,022,560,000
	10. Canada.....	80,733,011	80,471,417	80,645,306	80,804,000
	11. Other Countries.....	0	0	0	0
	12. Totals.....	2,187,755,509	2,205,124,092	2,184,449,146	2,103,364,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	2,308,661,263	2,350,884,620	2,315,905,559	2,235,349,608
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	2,308,661,263	2,350,884,620	2,315,905,559	2,235,349,608
Public Utilities (Unaffiliated)	17. United States.....	523,970,540	521,757,134	527,184,243	513,770,215
	18. Canada.....	19,522,415	18,579,821	19,808,464	19,216,562
	19. Other Countries.....	42,977,572	44,341,653	42,788,866	44,382,000
	20. Totals.....	586,470,527	584,678,608	589,781,574	577,368,778
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	2,619,281,246	2,597,049,293	2,649,025,881	2,596,868,978
	22. Canada.....	255,243,914	251,463,866	258,192,696	255,605,349
	23. Other Countries.....	335,695,046	334,053,186	339,095,186	328,390,253
	24. Totals.....	3,210,220,206	3,182,566,346	3,246,313,763	3,180,864,580
Parent, Subsidiaries and Affiliates	25. Totals.....	0	0	0	0
	26. Total Bonds.....	12,643,301,553	12,610,371,518	12,723,960,501	12,288,469,387
PREFERRED STOCKS					
Public Utilities (Unaffiliated)	27. United States.....	0	0	0	0
	28. Canada.....	0	0	0	0
	29. Other Countries.....	0	0	0	0
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....	2,000,000	2,040,000	2,000,000	0
	32. Canada.....	0	0	0	0
	33. Other Countries.....	17,626,430	19,839,250	19,485,760	0
	34. Totals.....	19,626,430	21,879,250	21,485,760	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....	8,840,048	8,914,310	5,415,115	0
	36. Canada.....	0	0	0	0
	37. Other Countries.....	0	0	0	0
	38. Totals.....	8,840,048	8,914,310	5,415,115	0
Parent, Subsidiaries and Affiliates	39. Totals.....	0	0	0	0
	40. Total Preferred Stocks.....	28,466,478	30,793,560	26,900,875	0
COMMON STOCKS					
Public Utilities (Unaffiliated)	41. United States.....	0	0	0	0
	42. Canada.....	0	0	0	0
	43. Other Countries.....	0	0	0	0
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	1,693,160	1,693,160	770,021	0
	46. Canada.....	0	0	0	0
	47. Other Countries.....	0	0	0	0
	48. Totals.....	1,693,160	1,693,160	770,021	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	62,581,708	62,581,708	50,110,320	0
	50. Canada.....	3,889,888	3,889,888	2,537,489	0
	51. Other Countries.....	0	0	0	0
	52. Totals.....	66,471,596	66,471,596	52,647,809	0
Parent, Subsidiaries and Affiliates	53. Totals.....	2,867,283,896	2,867,283,896	3,213,915,111	0
	54. Total Common Stocks.....	2,935,448,652	2,935,448,652	3,267,332,941	0
	55. Total Stocks.....	2,963,915,131	2,966,242,212	3,294,233,816	0
	56. Total Bonds and Stocks....	15,607,216,683	15,576,613,731	16,018,194,317	12,288,469,387

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	14,680,774,906	7. Amortization of premium.....	55,992,007
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	3,551,117,631	8. Foreign exchange adjustment:	
3. Accrual of discount.....	9,871,831	8.1 Column 15, Part 1.....	(4,593,907)
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	0
4.1 Columns 12 - 14, Part 1.....	(12,953,590)	8.3 Column 16, Part 2, Section 2.....	0
4.2 Columns 15 - 17, Part 2, Section 1.....	(3,808,543)	8.4 Column 15, Part 4.....	(4,780,063)
4.3 Column 15, Part 2, Section 2.....	281,641,624	9. Book/adjusted carrying value at end of current period.....	15,607,216,684
4.4 Columns 11 - 13, Part 4.....	(347,860,315)	10. Total valuation allowance.....	0
5. Total gain (loss), Column 19, Part 4.....	410,482,224	11. Subtotal (Lines 9 plus 10).....	15,607,216,684
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4....	2,896,683,108	12. Total nonadmitted amounts.....	0
		13. Statement value of bonds and stocks, current year.....	15,607,216,684

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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	277,120	59,868	79,402	8,795	40,755	1,238	(18,062)	327,376	XXX
2. 1996.....	4,287,828	940,564	3,347,265	2,528,438	470,487	248,209	19,139	220,128	16,242	78,405	2,490,906	XXX
3. 1997.....	4,182,037	785,624	3,396,413	2,549,565	443,450	270,060	30,948	223,845	15,670	86,452	2,553,402	XXX
4. 1998.....	4,123,508	718,414	3,405,094	3,016,247	640,216	286,261	38,777	209,885	18,713	86,482	2,814,687	XXX
5. 1999.....	4,064,460	759,537	3,304,923	3,099,291	797,439	295,405	45,452	157,387	21,826	87,229	2,687,366	XXX
6. 2000.....	4,173,096	924,722	3,248,375	2,896,264	816,859	286,169	40,515	158,266	25,488	93,842	2,457,837	XXX
7. 2001.....	4,544,454	895,452	3,649,001	3,153,700	892,953	265,770	43,490	169,372	26,111	75,302	2,626,288	XXX
8. 2002.....	5,059,634	1,107,000	3,952,634	2,029,295	455,015	198,748	22,227	140,232	19,110	68,259	1,871,923	XXX
9. 2003.....	5,630,358	1,267,991	4,362,367	1,823,467	285,989	135,104	12,320	130,655	13,683	59,672	1,777,235	XXX
10. 2004.....	5,609,646	1,031,311	4,578,335	1,435,982	179,963	74,648	6,252	145,574	11,565	52,405	1,458,424	XXX
11. 2005.....	5,296,352	727,280	4,569,071	862,871	58,439	24,153	1,100	122,845	7,299	27,527	943,031	XXX
12. Totals.....	XXX	XXX	XXX	23,672,240	5,100,678	2,163,929	269,016	1,718,945	176,945	697,513	22,008,475	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,373,835	418,736	1,738,845	367,581	141,928	11,381	292,704	10,684	133,474	382	1,708	2,872,023	XXX
2. 1996.....	80,842	21,832	75,739	13,082	7,483	1,672	14,049	1,399	6,374	88	834	146,414	XXX
3. 1997.....	165,920	66,113	70,636	(327)	21,681	12,273	15,399	1,337	9,555	690	1,678	203,104	XXX
4. 1998.....	151,592	32,343	116,970	17,925	13,738	3,328	19,982	1,835	11,058	229	2,984	257,681	XXX
5. 1999.....	226,033	51,060	128,981	49,729	22,480	3,646	23,282	2,241	13,220	239	4,729	307,082	XXX
6. 2000.....	361,130	78,367	235,147	68,598	33,894	7,981	31,905	4,982	14,531	289	8,333	516,390	XXX
7. 2001.....	521,012	175,935	282,273	116,639	52,699	12,903	54,111	11,872	25,092	222	14,271	617,615	XXX
8. 2002.....	476,690	109,256	361,913	108,417	54,431	2,516	68,912	15,733	30,973	80	20,755	756,916	XXX
9. 2003.....	451,701	64,543	529,888	175,076	65,163	2,025	118,608	24,963	38,766	(271)	39,042	937,789	XXX
10. 2004.....	534,431	111,256	836,108	172,659	62,984	2,647	213,167	19,549	44,729	(627)	51,330	1,385,935	XXX
11. 2005.....	953,034	220,831	1,642,596	476,250	60,797	2,544	221,603	17,414	101,985	(1,459)	81,343	2,264,436	XXX
12. Totals.....	5,296,220	1,350,272	6,019,098	1,565,628	537,277	62,916	1,073,722	112,009	429,756	(138)	227,007	10,265,386	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,326,363	545,660
2. 1996.	3,181,262	543,942	2,637,320	74.2	57.8	78.8	0	0	26.36	121,668	24,747
3. 1997.	3,326,661	570,155	2,756,506	79.5	72.6	81.2	0	0	26.36	170,771	32,334
4. 1998.	3,825,734	753,366	3,072,368	92.8	104.9	90.2	0	0	26.36	218,295	39,386
5. 1999.	3,966,080	971,632	2,994,448	97.6	127.9	90.6	0	0	26.36	254,225	52,857
6. 2000.	4,017,305	1,043,078	2,974,226	96.3	112.8	91.6	0	0	26.36	449,312	67,078
7. 2001.	4,524,028	1,280,125	3,243,903	99.6	143.0	88.9	0	0	26.36	510,711	106,904
8. 2002.	3,361,194	732,355	2,628,840	66.4	66.2	66.5	0	0	26.36	620,930	135,987
9. 2003.	3,293,352	578,328	2,715,023	58.5	45.6	62.2	0	0	26.36	741,969	195,820
10. 2004.	3,347,623	503,264	2,844,359	59.7	48.8	62.1	0	0	26.36	1,086,625	299,310
11. 2005.	3,989,885	782,417	3,207,468	75.3	107.6	70.2	0	0	26.36	1,898,550	365,886
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	8,399,418	1,865,968

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior.....	7,429,366	7,176,855	7,041,253	6,907,221	6,725,272	6,598,175	7,355,560	7,383,631	7,732,131	8,043,638	311,507	660,007
2. 1996.....	2,534,618	2,548,803	2,437,631	2,482,156	2,454,382	2,432,045	2,423,657	2,445,010	2,456,303	2,432,609	(23,694)	(12,400)
3. 1997.....	XXX	2,487,317	2,547,138	2,496,471	2,486,147	2,504,314	2,498,807	2,504,052	2,525,162	2,545,772	20,609	41,720
4. 1998.....	XXX	XXX	2,668,151	2,644,707	2,691,556	2,759,020	2,797,032	2,818,694	2,852,652	2,877,190	24,538	58,496
5. 1999.....	XXX	XXX	XXX	2,442,681	2,497,757	2,603,333	2,696,314	2,786,667	2,847,912	2,852,078	4,165	65,411
6. 2000.....	XXX	XXX	XXX	XXX	2,369,217	2,472,853	2,528,861	2,668,937	2,812,816	2,834,241	21,425	165,303
7. 2001.....	XXX	XXX	XXX	XXX	XXX	2,974,868	2,958,828	3,066,527	3,116,783	3,082,360	(34,423)	15,833
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	2,600,479	2,377,696	2,446,298	2,488,561	42,262	110,864
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,669,974	2,515,837	2,573,498	57,661	(96,476)
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,959,384	2,681,343	(278,041)	XXX
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,002,482	XXX	XXX
12. Totals.....											146,009	1,008,758

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior.....	000	1,152,273	2,118,743	2,789,158	3,272,051	3,678,925	4,110,647	4,632,174	4,878,555	5,166,415	XXX	XXX
2. 1996.....	747,131	1,273,197	1,579,703	1,813,989	1,993,295	2,111,779	2,189,596	2,239,600	2,271,587	2,287,020	XXX	XXX
3. 1997.....	XXX	748,969	1,262,437	1,576,890	1,852,786	2,060,401	2,181,383	2,276,588	2,321,531	2,345,227	XXX	XXX
4. 1998.....	XXX	XXX	870,923	1,435,362	1,842,517	2,129,792	2,340,322	2,490,966	2,574,941	2,623,515	XXX	XXX
5. 1999.....	XXX	XXX	XXX	843,128	1,446,305	1,870,607	2,197,816	2,366,771	2,469,110	2,551,805	XXX	XXX
6. 2000.....	XXX	XXX	XXX	XXX	807,367	1,405,267	1,804,017	2,101,247	2,195,197	2,325,059	XXX	XXX
7. 2001.....	XXX	XXX	XXX	XXX	XXX	854,225	1,532,952	1,961,658	2,258,266	2,483,026	XXX	XXX
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	706,553	1,207,443	1,505,119	1,750,801	XXX	XXX
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	761,883	1,311,820	1,660,263	XXX	XXX
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	764,451	1,324,415	XXX	XXX
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	827,486	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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior.....	4,244,814	3,394,754	2,762,866	2,334,075	1,947,197	1,577,355	1,860,830	1,487,763	1,571,704	1,664,714
2. 1996.....	1,149,688	704,150	403,704	321,544	221,529	155,337	103,971	95,466	96,981	77,277
3. 1997.....	XXX	1,060,438	671,783	419,338	266,749	189,624	135,795	94,657	89,379	87,415
4. 1998.....	XXX	XXX	1,080,318	582,017	350,100	247,330	176,212	131,478	124,987	119,449
5. 1999.....	XXX	XXX	XXX	930,643	417,950	192,042	81,845	177,647	147,497	102,834
6. 2000.....	XXX	XXX	XXX	XXX	904,950	454,377	213,344	259,191	295,154	196,035
7. 2001.....	XXX	XXX	XXX	XXX	XXX	1,365,669	732,374	510,669	328,126	210,858
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	1,308,587	608,611	423,750	315,377
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,340,692	662,541	459,832
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,613,011	870,642
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,383,856

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (YES or NO)	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 Pur- chasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	Yes	33,637,021	42,079,129	81,357	29,409,797	36,682,661	98,940,410	23,672	442,132
2. Alaska.....AK	Yes	9,746,281	10,776,140	33,582	6,007,710	6,821,165	14,389,370	1,305	220,747
3. Arizona.....AZ	Yes	36,747,100	47,882,965	24,502	25,825,899	20,142,594	72,079,724	20,337	386,965
4. Arkansas.....AR	Yes	15,650,217	20,791,477	140,631	15,262,204	956,115	39,593,456	9,934	102,852
5. California.....CA	Yes	297,293,970	372,696,714	607,381	195,216,503	188,105,434	556,353,696	228,881	748,515
6. Colorado.....CO	Yes	48,542,408	58,318,079	38,157	23,157,817	14,022,649	95,144,239	56,509	291,532
7. Connecticut.....CT	Yes	29,130,332	34,869,896	93,995	41,051,694	27,944,685	98,364,480	53,051	122,605
8. Delaware.....DE	Yes	6,513,754	8,769,272	15,115	5,469,473	2,834,127	14,250,084	2,982	42,844
9. District of Columbia.....DC	Yes	9,308,950	12,827,240	10,583	12,501,409	(591,464)	28,906,217	4,268	53,225
10. Florida.....FL	Yes	114,973,641	136,845,999	387,677	159,007,619	69,941,180	251,293,991	18,017	2,235,360
11. Georgia.....GA	Yes	52,857,112	67,001,862	62,858	42,067,656	32,026,602	126,025,383	54,284	731,408
12. Hawaii.....HI	Yes	4,692,538	7,424,777	3,354	10,709,179	6,292,839	19,715,743	735	240,530
13. Idaho.....ID	Yes	4,650,993	5,623,422	15,259	1,210,584	1,460,995	9,097,210	5,359	1,894,726
14. Illinois.....IL	Yes	101,945,076	138,619,555	101,891	159,793,216	191,705,871	497,740,743	48,517	43,625
15. Indiana.....IN	Yes	29,159,549	42,541,049	52,414	17,225,834	14,242,046	71,397,916	8,257	0
16. Iowa.....IA	Yes	15,279,741	21,801,232	98,839	20,921,176	10,821,069	54,170,210	3,701	167,457
17. Kansas.....KS	Yes	25,333,341	31,546,900	21,182	9,392,089	6,688,897	41,237,710	9,339	5,045
18. Kentucky.....KY	Yes	17,685,336	24,885,319	40,969	18,272,185	10,994,535	52,540,342	9,597	63,316
19. Louisiana.....LA	Yes	67,695,465	80,103,966	106,887	61,651,993	230,284,940	297,190,148	46,188	16,849
20. Maine.....ME	Yes	4,442,478	5,975,354	36,032	4,231,642	5,085,482	15,993,828	3,800	26,555
21. Maryland.....MD	Yes	35,027,162	48,364,306	57,761	29,111,962	21,149,158	70,523,116	23,795	90,817
22. Massachusetts.....MA	Yes	69,809,795	82,327,255	25,846	47,498,050	39,121,119	126,309,209	116,525	402,647
23. Michigan.....MI	Yes	43,238,375	60,727,341	200,003	22,159,028	21,763,064	97,254,353	21,127	385,749
24. Minnesota.....MN	Yes	59,077,125	83,675,155	241,366	26,710,360	27,200,666	164,507,505	32,591	506,491
25. Mississippi.....MS	Yes	25,628,914	37,589,211	150,375	25,331,556	55,103,533	114,615,794	22,194	405,158
26. Missouri.....MO	Yes	32,912,218	45,646,386	13,750	20,426,249	13,576,562	85,144,273	15,229	196,068
27. Montana.....MT	Yes	8,153,631	9,857,101	30,666	5,197,655	15,920,933	36,797,085	12,961	14,487
28. Nebraska.....NE	Yes	10,978,456	15,507,177	45,316	10,681,312	2,824,155	35,951,713	4,769	33,140
29. Nevada.....NV	Yes	11,646,688	16,352,096	30,475	7,990,253	11,631,268	47,730,357	5,936	224,898
30. New Hampshire.....NH	Yes	11,907,284	14,186,656	70,226	5,305,784	3,322,105	28,758,874	13,189	3,000
31. New Jersey.....NJ	Yes	93,731,356	116,898,679	40,226	58,930,082	65,118,059	171,097,978	91,800	1,192,005
32. New Mexico.....NM	Yes	32,095,647	33,884,179	31,465	16,165,133	19,847,781	36,693,687	21,758	116,233
33. New York.....NY	Yes	160,465,884	200,691,210	199,541	150,316,942	109,092,721	511,779,431	247,803	3,167,176
34. North Carolina.....NC	Yes	41,433,544	60,865,083	108,413	35,215,050	36,503,041	98,923,463	30,485	88,597
35. North Dakota.....ND	Yes	6,899,508	7,552,644	30,477	3,708,420	2,673,510	7,335,105	2,895	2,002
36. Ohio.....OH	Yes	45,373,105	61,546,454	1,080	50,122,142	35,609,934	109,970,400	15,783	377,247
37. Oklahoma.....OK	Yes	23,829,916	28,483,020	55,924	22,632,494	11,451,378	41,759,595	3,805	161,922
38. Oregon.....OR	Yes	17,781,567	22,945,274	16,917	17,551,883	6,751,778	36,655,698	15,271	690,796
39. Pennsylvania.....PA	Yes	84,349,098	100,581,876	203,271	53,360,603	29,889,753	217,656,940	67,110	0
40. Rhode Island.....RI	Yes	12,954,139	14,522,121	4,701	3,376,141	8,884,476	25,278,461	25,642	15,388
41. South Carolina.....SC	Yes	16,797,156	27,095,513	25,754	18,578,035	16,489,284	43,935,894	13,113	799,553
42. South Dakota.....SD	Yes	4,932,702	6,933,854	22,264	2,372,435	(1,291,004)	10,604,730	3,740	45,881
43. Tennessee.....TN	Yes	28,277,532	42,980,495	112,248	26,696,621	(1,339,907)	79,230,450	24,014	241,369
44. Texas.....TX	Yes	188,915,644	232,329,224	104,987	77,767,812	281,477,834	531,978,307	173,378	5,413,042
45. Utah.....UT	Yes	19,763,545	25,213,479	7,628	10,793,885	10,773,622	41,300,333	25,536	69,188
46. Vermont.....VT	Yes	5,125,173	6,283,476	2,784	2,974,276	3,035,179	11,887,720	4,403	0
47. Virginia.....VA	Yes	42,373,430	59,814,345	57,045	20,621,639	9,057,446	76,135,339	33,149	45,318
48. Washington.....WA	Yes	68,563,880	77,669,413	13,489	39,567,922	30,955,695	82,303,402	64,025	127,403
49. West Virginia.....WV	Yes	18,626,880	30,608,986	14,972	16,953,133	652,556	44,609,303	45,029	91,020
50. Wisconsin.....WI	Yes	41,855,907	61,973,022	374,568	20,303,014	13,944,608	93,191,364	8,731	305,695
51. Wyoming.....WY	Yes	21,649,847	23,783,263	2,771	3,055,737	1,539,153	13,098,117	19,334	0
52. American Samoa.....AS	No	0	0	0	0	0	0	0	0
53. Guam.....GU	Yes	2,946	32,683	0	0	(19,153)	3,116	0	0
54. Puerto Rico.....PR	Yes	4,390,884	4,457,092	0	11,487,192	9,858,451	10,912,723	26	0
55. US Virgin Islands.....VI	Yes	183,889	439,390	0	317,290	(171,088)	940,576	5	0
56. Canada.....CN	Yes	240,880,087	226,036,386	0	62,426,521	144,816,133	357,718,690	0	0
57. Aggregate Other Alien.....OT	XXX	81,301,425	76,281,297	0	24,200,340	24,535,304	61,126,389	0	0
58. Totals.....(a)	54	2,536,219,642	3,135,515,493	4,268,970	1,808,292,627	1,958,211,527	5,978,144,392	1,813,884	23,048,578

DETAILS OF WRITE-INS

5701. Other Alien Combined.....	XXX	81,301,425	76,281,297	0	24,200,340	24,535,304	61,126,389	0	0
5702.....	XXX	0	0	0	0	0	0	0	0
5703.....	XXX	0	0	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	81,301,425	76,281,297	0	24,200,340	24,535,304	61,126,389	0	0

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

FIRE; ALLIED LINES; FARMOWNERS MULTI PERIL; HOMEOWNERS MULTI PERIL; COMMERCIAL MULTI PERIL; EARTHQUAKE; BURGLARY & THEFT; BOILER & MACHINERY-LOCATION OF PROPERTY INSURED; OCEAN MARINE-LOCATION WHERE CONTRACT OF INSURANCE IS NEGOTIATED, EXCEPT BUILDERS RISKS WHICH ARE ALLOCATED ON LOCATIONS OF RISK; INLAND MARINE-ADDRESS OF INSURED OR STATE OF PRINCIPAL EXPOSURE, BRIDGES & TUNNELS-LOCATION OF PROPERTY; FINANCIAL GUARANTY; GROUP ACCIDENT & HEALTH; OTHER ACCIDENT & HEALTH; CREDIT-LOCATION OF INSURED; MEDICAL MALPRACTICE; WORKERS COMPENSATION; OTHER LIABILITY; PRODUCTS LIABILITY-LOCATION OF RISK; AUTO LIABILITY; AUTO PHYSICAL DAMAGE-LOCATION OF PRINCIPAL GARAGE OF INSURED; AIRCRAFT (ALL PERILS)-LOCATION OF AIRPORT FROM WHICH INSURED AIRCRAFT PRINCIPALLY OPERATE; FIDELITY-FORGERY-LOCATION OF INSURED, PUBLIC & FEDERAL OFFICIAL-LOCATION OF OFFICIAL, ALL OTHER FIDELITY-LOCATION OF EMPLOYER; SURETY-CONSTRUCTION CONTRACT-LOCATION OF WORK, SUPPLY CONTRACTS-LOCATION OF CONTRACTOR, JUDICIAL-LOCATION OF COURT, LICENSE-LOCATION OF OBLIGEE; ALL OTHER-LOCATION OF PRINCIPAL.

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

SCHEDULE T - PART 2

INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					6 Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama.....AL	0	0	0	0	0	0
2. Alaska.....AK	0	0	0	0	0	0
3. Arizona.....AZ	0	0	0	0	0	0
4. Arkansas.....AR	0	0	0	0	0	0
5. California.....CA	0	0	0	0	0	0
6. Colorado.....CO	0	0	0	0	0	0
7. Connecticut.....CT	0	0	0	0	0	0
8. Delaware.....DE	0	0	0	0	0	0
9. District of Columbia.....DC	0	0	0	0	0	0
10. Florida.....FL	0	0	0	0	0	0
11. Georgia.....GA	0	0	0	0	0	0
12. Hawaii.....HI	0	0	0	0	0	0
13. Idaho.....ID	0	0	0	0	0	0
14. Illinois.....IL	0	0	0	0	0	0
15. Indiana.....IN	0	0	0	0	0	0
16. Iowa.....IA	0	0	0	0	0	0
17. Kansas.....KS	0	0	0	0	0	0
18. Kentucky.....KY	0	0	0	0	0	0
19. Louisiana.....LA	0	0	0	0	0	0
20. Maine.....ME	0	0	0	0	0	0
21. Maryland.....MD	0	0	0	0	0	0
22. Massachusetts.....MA	0	0	0	0	0	0
23. Michigan.....MI	0	0	0	0	0	0
24. Minnesota.....MN	0	0	0	0	0	0
25. Mississippi.....MS	0	0	0	0	0	0
26. Missouri.....MO	0	0	0	0	0	0
27. Montana.....MT	0	0	0	0	0	0
28. Nebraska.....NE	0	0	0	0	0	0
29. Nevada.....NV	0	0	0	0	0	0
30. New Hampshire.....NH	0	0	0	0	0	0
31. New Jersey.....NJ	0	0	0	0	0	0
32. New Mexico.....NM	0	0	0	0	0	0
33. New York.....NY	0	0	0	0	0	0
34. North Carolina.....NC	0	0	0	0	0	0
35. North Dakota.....ND	0	0	0	0	0	0
36. Ohio.....OH	0	0	0	0	0	0
37. Oklahoma.....OK	0	0	0	0	0	0
38. Oregon.....OR	0	0	0	0	0	0
39. Pennsylvania.....PA	0	0	0	0	0	0
40. Rhode Island.....RI	0	0	0	0	0	0
41. South Carolina.....SC	0	0	0	0	0	0
42. South Dakota.....SD	0	0	0	0	0	0
43. Tennessee.....TN	0	0	0	0	0	0
44. Texas.....TX	0	0	0	0	0	0
45. Utah.....UT	0	0	0	0	0	0
46. Vermont.....VT	0	0	0	0	0	0
47. Virginia.....VA	0	0	0	0	0	0
48. Washington.....WA	0	0	0	0	0	0
49. West Virginia.....WV	0	0	0	0	0	0
50. Wisconsin.....WI	0	0	0	0	0	0
51. Wyoming.....WY	0	0	0	0	0	0
52. American Samoa.....AS	0	0	0	0	0	0
53. Guam.....GU	0	0	0	0	0	0
54. Puerto Rico.....PR	0	0	0	0	0	0
55. US Virgin Islands.....VI	0	0	0	0	0	0
56. Canada.....CN	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	0	0	0	0	0	0
58. Totals.....	0	0	0	0	0	0

NONE

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

The St. Paul Travelers Companies, Inc.	Minnesota	41-0518860	... Aprilgrange Limited	United Kingdom	
... St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690	... Lloyds Syndicate 5000 *	United Kingdom	
... St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659	... Societe Nationale d'Assurances du Rwanda (10%) *	Rwanda	
... St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... Seaboard Surety Company (22535)*	New York	13-5379820	... TPC Investments Inc.	Connecticut	06-1534005
... St. Paul Specialty Underwriting, Inc.	Delaware	41-1404467	... TPC UK Investments Inc. LLC	United Kingdom	
... St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... Athena Assurance Company (41769) *	Minnesota	41-1435765	... The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766	... Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... Northbrook Holdings, Inc.	Delaware	51-0375653	... Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... Travelers (Bermuda) Limited *	Bermuda	98-0190863
... Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... St. Paul Venture Capital VI, LLC (99%)	Delaware	41-1985249	... Farmington Casualty Company (41483) *	Connecticut	06-1067463
... St. Paul Risk Management International, Ltd.	United Kingdom		... St. Paul Guarantee Insurance Company *	Canada	
... Unionamerica Holdings, Ltd.	United Kingdom		... Coronation Insurance Company, Ltd. *	Canada	
... Unionamerica Acquisition Company, Ltd.	United Kingdom		... TCS European Investments Inc.	Connecticut	06-1549972
... Unionamerica Insurance Company, Ltd. *	United Kingdom		... Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... Unionamerica Combined Investment Co., Ltd.	United Kingdom		... Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... Jago Dedicated, Ltd. (88.9%)	United Kingdom		... Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... Jago Capital Limited	United Kingdom		... Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... Lloyds Syndicate 205 *	United Kingdom		... Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... MMedica Insurance Company, Ltd. *	Ireland		... Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... Captiva, Ltd. (81.1%) *	Bermuda	98-0170615	... Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
... United States Fidelity and Guaranty Company (25887) *	Maryland	52-0515280	... The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... Commercial Guaranty Lloyds Insurance Company (37249) *	Texas	75-1690643
... Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... USF&G Insurance Company of Mississippi (10620) *	Mississippi	52-1850698	... First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
... Afianzadora Insurgentes, S.A. De C.V. (99.9%) *	Mexico		... First Trenton Indemnity Company (29930) *	New Jersey	22-3129711
... Discover Re Managers, Inc.	Delaware	06-1288492	... Travelers Auto Insurance Co. of New Jersey (10785) *	New Jersey	22-3499393
... Discover Reinsurance Company (44440) *	Indiana	06-1313745	... Atlantic Insurance Company (22209) *	Texas	75-6013587
... Discovery Managers, Ltd.	Connecticut	06-1273933	... Gulf Group Lloyds (37494) *	Texas	75-1647927
... Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776	... Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... St. Paul Multinational Holdings, Inc.	Delaware	52-1965525	... Select Insurance Company (22233) *	Texas	75-6013697
... St. Paul Insurance Company (S.A.) Limited *	South Africa		... Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
... St. Paul Re, Inc.	New York	13-5060567	... Gulf Underwriting Holdings Limited	United Kingdom	
... St. Paul Re Management PTE, Ltd.*	Singapore		... Gulf Underwriting Limited *	United Kingdom	
... St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264	... St. Paul Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036	... The Northland Company	Minnesota	41-0588627
... St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704	... Commercial Guaranty Casualty Insurance Company (21296) *	Indiana	35-0293730
... St. Paul Reinsurance Company Limited *	United Kingdom		... Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... St. Paul Travelers Insurance Company Limited *	United Kingdom		... Jupiter Holdings, Inc.	Minnesota	41-1769846
			... American Equity Insurance Company (43117) *	Arizona	86-0703220
			... American Equity Specialty Insurance Company (10819) *	California	86-0868106

Notes:

* Denotes affiliated insurer

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