

ANNUAL STATEMENT
For the Year Ended December 31, 2007
OF THE CONDITION AND AFFAIRS OF
THE STANDARD
FIRE INSURANCE COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 19070 Employer's ID Number 06-6033509
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, JULY 6, 1905 COMMENCED BUSINESS, MARCH 26, 1910

Statutory Home Office: One Tower Square, Hartford, CT 06183
Main Administrative Office: One Tower Square, Hartford, CT 06183 (860) 277-0111
Mail Address: One Tower Square, Hartford, CT 06183-6014
Primary Location of Books and Records: One Tower Square, Hartford, CT 06183 (860) 277-0111
Internet Website Address: travelers.com
Statutory Statement Contact: Michael J. Doody (860) 277-3966
Annual.Statement.Contact@Travelers.com (860) 277-7002
(E-Mail Address) (Fax Number)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists officers including Brian William MacLean, Jay Steven Benet, Charles Joseph Clarke, William Herbert Heyman, Alan David Schnitzer, John Joseph Albano, Andy Francis Besette, William Allen Bloom, Kathleen Lynch Bolduc, John Patrick Clifford, Jr., William Patrick Hannon, Joseph Patrick Lacher, Jr., Samuel Gersten Liss, Maria Olivo, Doreen Spadorcia, Kenneth Franklin Spence, III, Bruce Allen Backberg, Douglas Keith Bell, Wade Thomas Overgaard, Douglas Kenneth Russell, and Scott William Rynda.

DIRECTORS

JAY STEVEN BENET BRIAN WILLIAM MacLEAN
WILLIAM HERBERT HEYMAN DOREEN SPADORCIA
JOSEPH PATRICK LACHER, JR.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

Signatures of Brian W. MacLean (President), Bruce A. Backberg (Secretary), and Douglas K. Russell (Controller).

Subscribed and sworn to before me this

29th day of January, 2008

Notary Public signature and My Commission Expires September 30, 2012



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,494,512,119	0	2,494,512,119	2,411,152,418
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,528,858	0	1,528,858	8,708,843
2.2 Common stocks.....	559,719,036	155,244	559,563,791	525,178,416
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	4,430,034	0	4,430,034	4,637,984
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....2,208,048, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....115,853,629, Sch. DA).....	118,061,676	0	118,061,676	110,290,484
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	192,371,179	7,388,010	184,983,168	187,208,358
8. Receivables for securities.....	0	0	0	26,200
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,370,622,901	7,543,254	3,363,079,647	3,247,202,704
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	31,566,377	0	31,566,377	29,743,006
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	56,371,918	6,659,279	49,712,639	49,283,011
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....4,312,394 earned but unbilled premiums).....	193,969,192	2,432,131	191,537,060	190,550,979
13.3 Accrued retrospective premiums.....	11,182,722	189,605	10,993,117	6,383,237
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	0	0	0	0
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
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.....	15,217,725	0	15,217,725	2,403,125
16.2 Net deferred tax asset.....	100,613,175	51,315,695	49,297,480	45,523,073
17. Guaranty funds receivable or on deposit.....	1,881,282	0	1,881,282	2,285,368
18. Electronic data processing equipment and software.....	15,649,534	0	15,649,534	15,485,226
19. Furniture and equipment, including health care delivery assets (\$.....0).....	519,039	519,039	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.....	12,777,620	0	12,777,620	0
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	14,095,826	5,607,005	8,488,821	10,701,060
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,824,467,312	74,266,009	3,750,201,302	3,599,560,790
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	3,824,467,312	74,266,009	3,750,201,302	3,599,560,790

DETAILS OF WRITE-INS

0901. Investments in process.....	0	0	0	0
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	0
2301. Equities and deposits in pools and associations.....	8,175,940	0	8,175,940	8,650,936
2302. State surcharges receivable.....	1,047,809	0	1,047,809	1,008,928
2303. Suspense, undistributed payments.....	892	0	892	92
2398. Summary of remaining write-ins for Line 23 from overflow page.....	4,871,185	5,607,005	(735,820)	1,041,104
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	14,095,826	5,607,005	8,488,821	10,701,060

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	1,504,614,681	1,490,205,486
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	328,242,735	331,407,612
4. Commissions payable, contingent commissions and other similar charges.....	29,606,131	28,829,062
5. Other expenses (excluding taxes, licenses and fees).....	26,117,890	24,171,097
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	21,579,919	21,377,334
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....832,634,200 and including warranty reserves of \$.....0).....	389,624,199	382,914,061
10. Advance premiums.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	1,484,032	1,081,775
12. Ceded reinsurance premiums payable (net of ceding commissions).....	25,434,428	17,322,831
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	6,545,268	4,975,403
15. Remittances and items not allocated.....	(99,764)	335,567
16. Provision for reinsurance (Schedule F, Part 7).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	11,957,992
20. Payable for securities.....	8,598,336	25,945,554
21. Liability for amounts held under uninsured plans.....	0	0
22. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
23. Aggregate write-ins for liabilities.....	(13,625,694)	(17,181,216)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	2,328,122,163	2,323,342,559
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	2,328,122,163	2,323,342,559
27. Aggregate write-ins for special surplus funds.....	5,607,105	4,892,172
28. Common capital stock.....	5,000,000	5,000,000
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.....	623,472,070	623,472,070
33. Unassigned funds (surplus).....	787,999,964	642,853,989
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).....	1,422,079,139	1,276,218,231
36. TOTALS (Page 2, Line 26, Col. 3).....	3,750,201,302	3,599,560,790

DETAILS OF WRITE-INS

2301. Retroactive reinsurance reserve assumed.....	1,209,183	129,433
2302. Amounts payable from escrow.....	259,138	0
2303. Unpaid electronic data processing equipment.....	6,920	163,871
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(15,100,935)	(17,474,519)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	(13,625,694)	(17,181,216)
2701. Special surplus from retroactive reinsurance.....	5,607,105	4,892,172
2702.	0	0
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).....	5,607,105	4,892,172
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

THE STANDARD FIRE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4).....	865,238,160	827,094,642
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	405,625,382	381,508,745
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	104,614,258	101,182,795
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	262,006,827	239,420,320
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	772,246,467	722,111,860
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	92,991,694	104,982,783
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	260,288,954	171,525,173
10. Net realized capital gains (losses) less capital gains tax of \$.....(744,100) (Exhibit of Capital Gains (Losses)).....	293,114	(11,529,017)
11. Net investment gain (loss) (Lines 9 + 10).....	260,582,068	159,996,156
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(1,814,720) amount charged off \$.....1,309).....	(1,816,029)	(1,455,616)
13. Finance and service charges not included in premiums.....	4,337,857	4,306,887
14. Aggregate write-ins for miscellaneous income.....	266,528	(2,645,301)
15. Total other income (Lines 12 through 14).....	2,788,356	205,970
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	356,362,118	265,184,909
17. Dividends to policyholders.....	1,126,075	764,766
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).....	355,236,043	264,420,143
19. Federal and foreign income taxes incurred.....	77,491,776	58,083,505
20. Net income (Line 18 minus Line 19) (to Line 22).....	277,744,267	206,336,638
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,276,218,231	1,003,765,432
22. Net income (from Line 20).....	277,744,267	206,336,638
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$..... 15,084,042.....	62,604,570	71,278,311
25. Change in net unrealized foreign exchange capital gain (loss).....	382	172,697
26. Change in net deferred income tax.....	(3,838,359)	(6,044,816)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	17,737,838	709,968
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(205,000,000)	0
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.....	(3,387,790)	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	145,860,908	272,452,799
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	1,422,079,139	1,276,218,231
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Retroactive reinsurance gain/loss.....	1,435,914	667,669
1402. Fines and penalties of regulatory authorities.....	(13,480)	(3,640,425)
1403. Profit and loss, miscellaneous.....	(1,155,905)	327,455
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	266,528	(2,645,301)
3701. Prior period adjustment.....	(3,387,790)	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(3,387,790)	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	872,264,255	834,308,382
2. Net investment income.....	265,734,520	175,391,097
3. Miscellaneous income.....	2,788,356	205,970
4. Total (Lines 1 through 3).....	1,140,787,130	1,009,905,449
5. Benefit and loss related payments.....	391,216,187	432,505,760
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	365,608,598	339,179,398
8. Dividends paid to policyholders.....	723,818	942,606
9. Federal and foreign income taxes paid (recovered) net of \$.....6,300,493 tax on capital gains (losses).....	89,561,893	38,716,406
10. Total (Lines 5 through 9).....	847,110,496	811,344,170
11. Net cash from operations (Line 4 minus Line 10).....	293,676,634	198,561,279
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	183,004,978	262,185,279
12.2 Stocks.....	7,088,014	22,004,683
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	57,945,707	25,409,710
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	26,200	20,468,262
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	248,064,899	330,067,934
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	274,823,519	482,646,112
13.2 Stocks.....	765	8,203,383
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	57,874	171,513
13.5 Other invested assets.....	23,085,216	29,808,057
13.6 Miscellaneous applications.....	17,347,218	26,200
13.7 Total investments acquired (Lines 13.1 to 13.6).....	315,314,592	520,855,265
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).....	(67,249,693)	(190,787,330)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	205,000,000	0
16.6 Other cash provided (applied).....	(13,655,750)	2,170,954
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(218,655,750)	2,170,954
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).....	7,771,192	9,944,902
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	110,290,484	100,345,582
19.2 End of year (Line 18 plus Line 19.1).....	118,061,676	110,290,484
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

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.....	26,199,552	12,247,528	11,786,076	26,661,005
2.	Allied lines.....	22,788,432	10,047,892	10,148,208	22,688,116
3.	Farmowners multiple peril.....	5,605,767	2,477,037	2,745,858	5,336,946
4.	Homeowners multiple peril.....	122,500,318	64,674,722	66,447,600	120,727,439
5.	Commercial multiple peril.....	139,808,602	69,814,827	65,859,986	143,763,443
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	13,273,784	5,432,278	5,104,878	13,601,184
9.	Inland marine.....	41,856,756	16,150,263	16,980,604	41,026,414
10.	Financial guaranty.....	0	0	0	0
11.1	Medical malpractice - occurrence.....	(1,919)	1,651	985	(1,252)
11.2	Medical malpractice - claims-made.....	(2,981)	72,300	51,087	18,232
12.	Earthquake.....	3,720,108	1,716,013	1,786,137	3,649,985
13.	Group accident and health.....	0	0	0	0
14.	Credit accident and health (group and individual).....	0	0	0	0
15.	Other accident and health.....	0	0	0	0
16.	Workers' compensation.....	111,905,323	38,760,800	41,877,426	108,788,697
17.1	Other liability - occurrence.....	88,832,135	33,731,214	35,862,048	86,701,301
17.2	Other liability - claims-made.....	30,779,542	20,064,882	18,286,191	32,558,233
18.1	Products liability - occurrence.....	6,393,644	2,262,473	2,432,849	6,223,267
18.2	Products liability - claims-made.....	792,524	337,785	379,549	750,760
19.1, 19.2	Private passenger auto liability.....	84,014,551	31,279,629	29,688,294	85,605,886
19.3, 19.4	Commercial auto liability.....	83,027,941	28,191,459	34,128,984	77,090,417
21.	Auto physical damage.....	76,477,545	26,656,039	28,076,982	75,056,602
22.	Aircraft (all perils).....	(150,891)	27,680	(145,456)	22,246
23.	Fidelity.....	3,389,772	2,633,912	2,583,376	3,440,308
24.	Surety.....	(1,477,255)	1,073,293	8,185	(412,147)
26.	Burglary and theft.....	215,861	245,803	178,825	282,839
27.	Boiler and machinery.....	8,427,630	3,959,582	3,804,472	8,582,740
28.	Credit.....	4,854	9,875	4,259	10,470
29.	International.....	431,120	40,762	331,014	140,868
30.	Reinsurance - nonproportional assumed property.....	845,565	(37,751)	(26,729)	834,543
31.	Reinsurance - nonproportional assumed liability.....	1,835,521	811,015	712,423	1,934,113
32.	Reinsurance - nonproportional assumed financial lines.....	203,547	22,595	70,887	155,255
33.	Aggregate write-ins for other lines of business.....	1,008	0	756	252
34.	TOTALS.....	871,698,356	372,705,558	379,165,753	865,238,160

DETAILS OF WRITE-INS

3301.	Auto Warranty.....	0	0	0	0
3302.	Tribal Workers Compensation.....	1,008	0	756	252
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).....	1,008	0	756	252

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running more than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	7,957,641	3,870,831	(42,396)	.0	11,786,076
2.	Allied lines.....	7,932,209	2,216,088	(88)	.0	10,148,208
3.	Farmowners multiple peril.....	2,764,581	(18,721)	(1)	.0	2,745,858
4.	Homeowners multiple peril.....	66,607,903	(160,303)	0	.0	66,447,600
5.	Commercial multiple peril.....	65,817,823	532,312	(488,108)	(2,041)	65,859,986
6.	Mortgage guaranty.....	0	0	0	.0	0
8.	Ocean marine.....	2,048,783	3,470,737	(414,643)	.0	5,104,878
9.	Inland marine.....	10,838,391	6,592,309	(450,095)	.0	16,980,604
10.	Financial guaranty.....	0	0	0	.0	0
11.1	Medical malpractice - occurrence.....	985	0	0	.0	985
11.2	Medical malpractice - claims-made.....	142	0	(1)	50,946	51,087
12.	Earthquake.....	1,642,479	143,657	0	.0	1,786,137
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.....	48,320,782	(15,377)	(1,042,986)	(5,384,993)	41,877,426
17.1	Other liability - occurrence.....	22,975,076	14,467,787	(911,623)	(669,193)	35,862,048
17.2	Other liability - claims-made.....	(2,056,245)	20,432,761	(90,325)	0	18,286,191
18.1	Products liability - occurrence.....	951,723	1,599,784	(74,178)	(44,480)	2,432,849
18.2	Products liability - claims-made.....	918	378,727	(97)	0	379,549
19.1, 19.2	Private passenger auto liability.....	29,687,220	1,074	0	(0)	29,688,294
19.3, 19.4	Commercial auto liability.....	24,042,330	10,329,101	(138,945)	(103,503)	34,128,984
21.	Auto physical damage.....	24,268,187	3,811,035	(9,451)	7,212	28,076,982
22.	Aircraft (all perils).....	(178,451)	32,994	0	0	(145,456)
23.	Fidelity.....	(33,847)	2,617,223	0	0	2,583,376
24.	Surety.....	(571)	658,214	(649,457)	0	8,185
26.	Burglary and theft.....	18,394	160,431	0	0	178,825
27.	Boiler and machinery.....	3,437,395	367,077	0	0	3,804,472
28.	Credit.....	4,259	0	0	0	4,259
29.	International.....	331,014	0	0	0	331,014
30.	Reinsurance - nonproportional assumed property.....	(26,810)	81	0	0	(26,729)
31.	Reinsurance - nonproportional assumed liability.....	93,922	618,501	0	0	712,423
32.	Reinsurance - nonproportional assumed financial lines.....	(2,410)	73,297	0	0	70,887
33.	Aggregate write-ins for other lines of business.....	0	756	0	0	756
34.	TOTALS.....	317,443,821	72,180,378	(4,312,394)	(6,146,051)	379,165,753
35.	Accrued retrospective premiums based on experience.....					6,146,051
36.	Earned but unbilled premiums.....					4,312,394
37.	Balance (sum of Lines 34 through 36).....					389,624,199

DETAILS OF WRITE-INS

3301.	Tribal Workers Compensation.....	0	756	0	0	756
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	756	0	0	756

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

THE STANDARD FIRE INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	14,457,272	26,199,552	2,136,641	16,593,913	0	26,199,552
2. Allied lines.....	190,967,283	22,788,432	9,090,364	200,057,647	0	22,788,432
3. Farmowners multiple peril.....	0	5,605,767	0	0	0	5,605,767
4. Homeowners multiple peril.....	805,049,951	122,500,318	2,783,803	807,833,754	0	122,500,318
5. Commercial multiple peril.....	129,487	139,808,602	0	129,487	0	139,808,602
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	70,663,847	13,273,784	0	70,663,847	0	13,273,784
9. Inland marine.....	13,740,854	41,856,756	0	13,740,854	0	41,856,756
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	(1,919)	0	0	0	(1,919)
11.2 Medical malpractice - claims-made.....	0	(2,981)	0	0	0	(2,981)
12. Earthquake.....	12,215,444	3,720,108	0	12,215,444	0	3,720,108
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	45,289,361	111,905,323	0	45,289,361	0	111,905,323
17.1 Other liability - occurrence.....	12,960,790	88,832,135	44,256	13,005,046	0	88,832,135
17.2 Other liability - claims-made.....	0	30,779,542	0	0	0	30,779,542
18.1 Products liability - occurrence.....	0	6,393,644	0	0	0	6,393,644
18.2 Products liability - claims-made.....	0	792,524	0	0	0	792,524
19.1, 19.2 Private passenger auto liability.....	193,190,858	84,014,551	144,521,170	337,712,028	0	84,014,551
19.3, 19.4 Commercial auto liability.....	0	83,027,941	0	0	0	83,027,941
21. Auto physical damage.....	127,738,560	76,477,545	98,741,969	226,480,529	0	76,477,545
22. Aircraft (all perils).....	0	(150,891)	0	0	0	(150,891)
23. Fidelity.....	0	3,389,772	0	0	0	3,389,772
24. Surety.....	1,868	(1,527,255)	50,000	1,868	0	(1,477,255)
26. Burglary and theft.....	10,376	215,861	21,327	31,702	0	215,861
27. Boiler and machinery.....	0	8,427,630	0	0	0	8,427,630
28. Credit.....	0	4,854	0	0	0	4,854
29. International.....	0	431,120	0	0	0	431,120
30. Reinsurance - nonproportional assumed property.....	XXX	845,565	0	0	0	845,565
31. Reinsurance - nonproportional assumed liability.....	XXX	1,835,521	0	0	0	1,835,521
32. Reinsurance - nonproportional assumed financial lines.....	XXX	203,547	0	0	0	203,547
33. Aggregate write-ins for other lines of business.....	0	1,008	0	0	0	1,008
34. TOTALS.....	1,486,415,951	871,648,356	257,389,530	1,743,755,481	0	871,698,356

DETAILS OF WRITE-INS

3301. Tribal Workers Compensation.....	0	1,008	0	0	0	1,008
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	1,008	0	0	0	1,008

(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.....	4,966,922	14,666,665	6,190,064	13,443,523	14,849,187	14,087,916	14,204,794	53.3
2. Allied lines.....	72,384,220	23,086,524	86,174,048	9,296,695	11,984,823	13,536,734	7,744,784	34.1
3. Farmowners multiple peril.....	0	2,141,239	0	2,141,239	1,450,341	1,381,908	2,209,672	41.4
4. Homeowners multiple peril.....	341,245,320	46,095,186	342,070,106	45,270,400	32,177,070	28,881,355	48,566,114	40.2
5. Commercial multiple peril.....	379,559	55,820,702	379,559	55,820,702	136,545,412	148,977,949	43,388,164	30.2
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	29,414,906	5,859,828	29,414,906	5,859,828	8,952,429	7,373,139	7,439,117	54.7
9. Inland marine.....	5,255,977	10,820,722	5,255,977	10,820,722	12,464,443	15,352,606	7,932,558	19.3
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	0	2,820,838	0	2,820,838	6,720,056	9,592,643	(51,749)	4,133.0
11.2 Medical malpractice - claims-made.....	0	6,021,846	0	6,021,846	10,331,181	16,022,533	330,494	1,812.7
12. Earthquake.....	1,726	(30,227)	1,726	(30,227)	232,894	(102,672)	305,340	8.4
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	25,270,413	45,919,511	25,270,413	45,919,511	474,036,136	448,727,594	71,228,053	65.5
17.1 Other liability - occurrence.....	990,410	27,511,365	1,008,343	27,493,431	342,331,075	329,137,344	40,687,162	46.9
17.2 Other liability - claims-made.....	0	16,573,848	0	16,573,848	77,233,750	70,549,000	23,258,597	71.4
18.1 Products liability - occurrence.....	534,560	10,322,693	534,560	10,322,693	70,307,569	78,545,812	2,084,450	33.5
18.2 Products liability - claims-made.....	0	416,948	0	416,948	1,624,246	1,862,753	178,441	23.8
19.1, 19.2 Private passenger auto liability.....	119,395,477	124,997,995	192,976,591	51,416,881	72,979,252	75,604,644	48,791,489	57.0
19.3, 19.4 Commercial auto liability.....	0	16,779,999	0	16,779,999	94,564,817	80,613,390	30,731,427	39.9
21. Auto physical damage.....	68,710,937	99,942,344	128,958,291	39,694,989	4,993,278	5,709,987	38,978,281	51.9
22. Aircraft (all perils).....	10,396	(33,761)	10,396	(33,761)	1,330,167	1,346,311	(49,905)	(224.3)
23. Fidelity.....	0	1,418,084	0	1,418,084	4,613,705	4,095,987	1,935,802	56.3
24. Surety.....	0	2,962,563	0	2,962,563	20,805,132	20,422,245	3,345,450	(811.7)
26. Burglary and theft.....	212	69,383	2,531	67,064	358,765	470,314	(44,485)	(15.7)
27. Boiler and machinery.....	0	2,307,383	0	2,307,383	2,541,993	2,591,563	2,257,813	26.3
28. Credit.....	0	60,020	0	60,020	569,997	627,379	2,638	25.2
29. International.....	0	4,496,046	0	4,496,046	616,890	4,842,156	270,780	192.2
30. Reinsurance - nonproportional assumed property.....	XXX	3,974,715	0	3,974,715	5,200,655	11,007,976	(1,832,607)	(219.6)
31. Reinsurance - nonproportional assumed liability.....	XXX	15,772,386	0	15,772,386	92,902,763	97,031,551	11,643,598	602.0
32. Reinsurance - nonproportional assumed financial lines.....	XXX	107,823	0	107,823	1,896,581	1,915,438	88,966	57.3
33. Aggregate write-ins for other lines of business.....	0	(3)	0	(3)	77	(68)	143	56.7
34. TOTALS.....	668,561,034	540,902,664	818,247,512	391,216,187	1,504,614,681	1,490,205,485	405,625,383	46.9
DETAILS OF WRITE-INS								
3301. Auto Warranty.....	0	(3)	0	(3)	(66)	(68)	(0)	0.0
3302. Tribal Workers Compensation.....	0	0	0	0	143	0	143	56.7
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	(3)	0	(3)	77	(68)	143	56.7

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.....	2,432,437	8,300,558	2,693,572	8,039,423	648,375	6,880,986	719,597	14,849,187	1,353,571
2. Allied lines.....	1,575,759	6,137,221	3,088,168	4,624,812	6,836,893	7,442,061	6,918,943	11,984,823	1,869,630
3. Farmowners multiple peril.....	0	980,138	0	980,138	(47)	470,204	(47)	1,450,341	689,805
4. Homeowners multiple peril.....	89,234,608	14,410,767	89,710,450	13,934,926	239,722,675	18,345,113	239,825,644	32,177,070	5,435,726
5. Commercial multiple peril.....	1,723,210	59,454,423	1,723,210	59,454,423	3,126,058	77,090,988	3,126,058	136,545,412	53,565,785
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	11,668,351	4,402,945	11,668,351	4,402,945	8,439,651	4,549,484	8,439,651	8,952,429	1,841,155
9. Inland marine.....	432,986	6,750,324	432,986	6,750,324	418,710	5,714,119	418,710	12,464,443	2,042,213
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	40,000	6,584,979	40,000	6,584,979	3,445,515	135,077	3,445,515	6,720,056	955,763
11.2 Medical malpractice - claims-made.....	0	9,107,622	0	9,107,622	0	1,223,559	0	10,331,181	1,206,956
12. Earthquake.....	681	(4,341)	681	(4,341)	25,012	237,235	25,012	232,894	376,862
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation.....	246,126,292	252,846,772	246,126,292	252,846,772	113,165,445	221,189,363	113,165,445	474,036,136	55,018,914
17.1 Other liability - occurrence.....	4,972,452	65,495,858	5,031,891	65,436,420	27,985,812	276,917,283	28,008,440	342,331,075	104,338,843
17.2 Other liability - claims-made.....	0	25,653,676	0	25,653,676	24,406	51,580,073	24,406	77,233,750	19,585,723
18.1 Products liability - occurrence.....	1,133,403	14,289,454	1,133,403	14,289,454	8,542,468	56,018,115	8,542,468	70,307,569	41,233,120
18.2 Products liability - claims-made.....	0	(22,937)	0	(22,937)	0	1,647,182	0	1,624,246	1,085,929
19.1, 19.2 Private passenger auto liability.....	83,497,827	74,110,954	116,377,206	41,231,575	77,044,884	31,747,678	77,044,884	72,979,252	13,136,143
19.3, 19.4 Commercial auto liability.....	2,381	49,130,246	2,381	49,130,246	134,858	45,434,572	134,858	94,564,817	14,989,026
21. Auto physical damage.....	2,683,890	5,418,558	5,541,079	2,561,368	(1,622,357)	2,431,910	(1,622,357)	4,993,278	2,104,141
22. Aircraft (all perils).....	12,855	365,638	12,855	365,638	13,826	964,529	13,826	1,330,167	148,127
23. Fidelity.....	0	2,217,663	0	2,217,663	4,725	2,396,042	4,725	4,613,705	688,447
24. Surety.....	0	14,543,451	0	14,543,451	35,770	6,261,681	35,770	20,805,132	3,110,332
26. Burglary and theft.....	16	23,642	712	22,947	7	336,239	428	358,765	87,288
27. Boiler and machinery.....	0	904,946	0	904,946	0	1,637,047	0	2,541,993	557,850
28. Credit.....	0	461,659	0	461,659	0	108,338	0	569,997	12,582
29. International.....	0	269,730	0	269,730	0	347,160	0	616,890	14,439
30. Reinsurance - nonproportional assumed property.....	XXX	3,617,312	0	3,617,312	XXX	1,583,343	0	5,200,655	355,324
31. Reinsurance - nonproportional assumed liability.....	XXX	49,078,167	0	49,078,167	XXX	43,824,595	0	92,902,763	2,430,177
32. Reinsurance - nonproportional assumed financial lines.....	XXX	744,063	0	744,063	XXX	1,152,519	0	1,896,581	8,853
33. Aggregate write-ins for other lines of business.....	0	(66)	0	(66)	0	143	0	77	13
34. TOTALS.....	445,537,147	675,273,424	483,583,236	637,227,334	487,992,686	867,666,637	488,271,976	1,504,614,681	328,242,735

DETAILS OF WRITE-INS

3301. Auto Warranty.....	0	(66)	0	(66)	0	0	0	(66)	0
3302. Tribal Workers Compensation.....	0	0	0	0	0	143	0	143	13
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	(66)	0	(66)	0	143	0	77	13

(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.....	28,477,500	0	0	28,477,500
1.2 Reinsurance assumed.....	53,360,466	0	0	53,360,466
1.3 Reinsurance ceded.....	39,578,232	0	0	39,578,232
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	42,259,734	0	0	42,259,734
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	273,653,659	0	273,653,659
2.2 Reinsurance assumed, excluding contingent.....	0	173,075,983	0	173,075,983
2.3 Reinsurance ceded, excluding contingent.....	0	316,344,196	0	316,344,196
2.4 Contingent - direct.....	0	346,664	0	346,664
2.5 Contingent - reinsurance assumed.....	0	3,506,877	0	3,506,877
2.6 Contingent - reinsurance ceded.....	0	395,005	0	395,005
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	133,843,982	0	133,843,982
3. Allowances to managers and agents.....	0	358,923	0	358,923
4. Advertising.....	1,629	3,652,760	0	3,654,388
5. Boards, bureaus and associations.....	252,021	3,542,392	561	3,794,975
6. Surveys and underwriting reports.....	5,024	3,253,295	(4)	3,258,315
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	37,119,723	55,779,582	1,395,089	94,294,394
8.2 Payroll taxes.....	2,572,820	3,500,185	64,286	6,137,290
9. Employee relations and welfare.....	5,316,954	7,900,669	133,653	13,351,276
10. Insurance.....	6,882,525	1,231,506	(538)	8,113,492
11. Directors' fees.....	0	1,218	0	1,218
12. Travel and travel items.....	1,555,183	3,502,091	167,443	5,224,717
13. Rent and rent items.....	2,409,782	4,516,195	(224,952)	6,701,024
14. Equipment.....	558,773	1,676,482	54,721	2,289,976
15. Cost or depreciation of EDP equipment and software.....	527,824	7,023,791	142,500	7,694,115
16. Printing and stationery.....	290,470	816,118	12,258	1,118,846
17. Postage, telephone and telegraph, exchange and express.....	825,371	3,231,283	58,412	4,115,066
18. Legal and auditing.....	2,813,587	2,791,412	95,288	5,700,287
19. Totals (Lines 3 to 18).....	61,131,686	102,777,902	1,898,717	165,808,305
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....632,926.....	0	23,787,870	0	23,787,870
20.2 Insurance department licenses and fees.....	0	1,686,559	0	1,686,559
20.3 Gross guaranty association assessments.....	0	1,067,220	0	1,067,220
20.4 All other (excluding federal and foreign income and real estate).....	0	324,974	0	324,974
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	26,866,624	0	26,866,624
21. Real estate expenses.....	0	0	967,035	967,035
22. Real estate taxes.....	0	0	90,565	90,565
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	1,222,838	(1,481,680)	237,315	(21,527)
25. Total expenses incurred.....	104,614,257	262,006,828	3,193,633	(a) 369,814,718
26. Less unpaid expenses - current year.....	328,242,735	75,732,217	1,571,724	405,546,675
27. Add unpaid expenses - prior year.....	331,407,612	73,530,663	846,831	405,785,106
28. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	107,779,135	259,805,274	2,468,740	370,053,149

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	1,758,413	7,942,769	237,315	9,938,498
2402. Service reimbursements.....	(535,575)	(5,500,469)	0	(6,036,044)
2403. Costs of computer software developed for internal use.....	0	(3,923,980)	0	(3,923,980)
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).....	1,222,838	(1,481,680)	237,315	(21,527)

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....7,588,526	.....6,951,860
1.1 Bonds exempt from U.S. tax.....	(a).....63,900,132	.....66,502,861
1.2 Other bonds (unaffiliated).....	(a).....42,708,349	.....42,572,689
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....330,603	.....323,571
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....60,000,000	.....60,000,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....1,014,061	.....1,014,061
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....5,461,533	.....5,461,533
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....79,781,633	.....79,781,633
9. Aggregate write-ins for investment income.....	.....1,140,204	.....1,140,204
10. Total gross investment income.....	.....261,925,041	.....263,748,411
11. Investment expenses.....		(g).....3,193,633
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....265,825
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....3,459,458
17. Net investment income (Line 10 minus Line 16).....		.....260,288,954

DETAILS OF WRITE-INS

0901. Aetna Agreement Disbursement.....	.....2,219,365	.....2,219,365
0902. Partnership Management Fees.....	.....(1,266,718)	.....(1,266,718)
0903. Lending of Security Fees.....	.....185,392	.....185,392
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....2,164	.....2,164
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....1,140,204	.....1,140,204
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 \$.....3,995,549 accrual of discount less \$.....11,836,168 amortization of premium and less \$.....853,351 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 \$.....1,014,061 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....317,676 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....265,825 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....906	.....0	.....906	.....(290,439)	.....0
1.2 Other bonds (unaffiliated).....	.....(48,090)	.....0	.....(48,090)	.....(280,599)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....(23,100)	.....0	.....(23,100)	.....(156,885)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....27,355	.....0	.....27,355	.....(4,687)	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....34,605,201	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....(408,056)	.....(408,056)	.....40,428,232	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....3,387,790	.....0
10. Total capital gains (losses).....	.....(42,929)	.....(408,056)	.....(450,986)	.....77,688,613	.....0

DETAILS OF WRITE-INS

0901. Correction of error - private equities.....	.....0	.....0	.....0	.....3,387,790	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....3,387,790	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	.0	.0	.0
2.2 Common stocks.....	155,244	.0	(155,244)
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).....	7,388,010	12,460	(7,375,550)
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).....	7,543,254	12,460	(7,530,794)
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.....	6,659,279	5,910,748	(748,531)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	2,432,131	1,503,109	(929,022)
13.3 Accrued retrospective premiums.....	189,605	359,440	169,835
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.....	51,315,695	74,012,503	22,696,808
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.....	519,039	671,812	152,773
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.....	5,607,005	9,533,773	3,926,768
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	74,266,009	92,003,847	17,737,838
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.0	.0	.0
26. TOTALS (Lines 24 and 25).....	74,266,009	92,003,847	17,737,838

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. Amounts receivable under high deductible policies.....	3,057,307	2,986,382	(70,925)
2302. Other assets nonadmitted.....	2,549,698	6,547,391	3,997,694
2303.....	.0	.0	.0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	5,607,005	9,533,773	3,926,768

NOTES TO FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. The Standard Fire Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The 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*.

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) are generally stated at NAIC fair value, while NAIC Class 3-6 are stated at the lower of cost or NAIC fair value.

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

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

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 32.

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

On October 1, 2007, Discover Reinsurance Company (Discover Re) was merged into The Travelers Indemnity Company (Indemnity), and its business became part of the Travelers Reinsurance Pool (TRV Pool). In accordance with SSAP No. 66, *Accrued Retrospectively Rated Contracts*, accrued retrospective premiums may be recorded to either written or earned premiums. Discover Re historically accounted for its accrued retrospective premiums as an adjustment to written premium, and affiliates participating in the TRV Pool accounted for its accrued retrospective premiums as an adjustment to earned premiums.

In order to conform accounting policies, all new business written subsequent to October 1, 2007 will be recorded on an earned basis. The Discover Re business written prior to that date will continue to be recorded as written premium and tracked on a written basis. The result of conforming the accounting policy on a prospective basis does not result in any impact to net income or surplus.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS**A. Mortgage Loans:**

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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.

When unit prices published by the Securities Valuation Office were not available, the Company used Bloomberg and Financial Times Interactive Data, as well as broker quotes in determining the fair value of its loan-backed securities.

E. Repurchase Agreements:

Not applicable.

F. Real Estate:

Not applicable.

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

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Based on analysis of the prevailing facts and circumstances, the Company could not forecast a recovery of the carrying value (audited GAAP equity, which approximates fair value) of one limited partnership up to or beyond its revised cost basis. As a result, the Company recognized an other-than-temporary impairment of \$408,056 related to this investment. This impairment was accounted for as a realized loss when the cost basis of this investment was written down to carrying value. There was no net impact to surplus because this realized loss was offset by the reversal of the unrealized loss previously recorded on the impaired investment.

7. INVESTMENT INCOME

A. Surplus excludes due and accrued investment income if amounts are over 90 days past due.

B. At December 31, 2007, the Company had no past due accrued investment income.

8. DERIVATIVE INSTRUMENTS

Not applicable.

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:

	December 31, 2007	December 31, 2006
Total of gross deferred tax assets	\$ 147,914,883	\$ 141,268,223
Total of deferred tax liabilities	<u>(47,301,708)</u>	<u>(21,732,647)</u>
Net deferred tax asset (liability)	100,613,175	119,535,576
Deferred tax asset nonadmitted	<u>(51,315,695)</u>	<u>(74,012,503)</u>
Net admitted deferred tax asset (liability)	<u>\$ 49,297,480</u>	<u>\$ 45,523,073</u>
(Increase) decrease in nonadmitted asset	\$ 22,696,808	\$ 2,291,959

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

Not applicable.

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

	December 31, 2007	December 31, 2006
Federal	\$ 77,491,776	\$ 58,083,505
Foreign	<u>-</u>	<u>-</u>
	77,491,776	58,083,505
Federal income taxes on net capital gains	<u>(744,100)</u>	<u>(1,354,601)</u>
Federal and foreign income taxes incurred	<u>\$ 76,747,676</u>	<u>\$ 56,728,904</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:

	December 31, 2007	December 31, 2006
Deferred tax assets:		
Claims and claim adjustment expense reserves	\$ 62,809,620	\$ 67,856,916
Unearned premium reserves	27,273,693	26,803,984
Nonadmitted assets	7,978,275	6,296,971
Guaranty fund assessments	5,717,404	4,020,068
Employee benefits	79,195	88,761
Investments	42,391,792	31,149,171
Other assets	<u>1,664,904</u>	<u>5,052,352</u>
Total deferred tax assets	147,914,883	141,268,223
Nonadmitted deferred tax assets	<u>(51,315,695)</u>	<u>(74,012,503)</u>
Admitted deferred tax assets	<u>96,599,188</u>	<u>67,255,720</u>
Deferred tax liabilities:		
Investments	41,539,765	16,671,983
Guaranty fund assessments	303,429	1,958,316
Depreciation	-	20,650
Other liabilities	<u>5,458,514</u>	<u>3,081,698</u>
Total deferred tax liabilities	<u>47,301,708</u>	<u>21,732,647</u>
Net admitted tax asset	<u>\$ 49,297,480</u>	<u>\$ 45,523,073</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>Change</u>
Total deferred tax assets	\$ 147,914,883	\$ 141,268,223	\$ 6,646,660
Total deferred tax liabilities	<u>(47,301,708)</u>	<u>(21,732,647)</u>	<u>(25,569,061)</u>
Net deferred tax asset (liability)	<u>\$ 100,613,175</u>	<u>\$ 119,535,576</u>	<u>(18,922,401)</u>
Tax effect of unrealized gains (losses)			<u>15,084,042</u>
Change in net deferred income taxes			<u>\$ (3,838,359)</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, 2007</u>
Pretax net income (loss)	\$ 354,491,942
Taxes at statutory rate	\$ 124,072,180
Increase (decrease) attributable to:	
Nontaxable investment income	(40,850,773)
Other	<u>(2,635,372)</u>
Total statutory income taxes	<u>\$ 80,586,035</u>
Federal and foreign taxes incurred	\$ 76,747,676
Change in net deferred taxes	<u>3,838,359</u>
Total statutory income taxes	<u>\$ 80,586,035</u>
Effective tax rate	22.7%

E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.

2. The Company has \$78,416,592 and \$63,208,000 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 Travelers Companies, Inc. (TRV), formerly The St. Paul Travelers Companies, Inc. A list of the entities included with the Company in a consolidated federal income tax return filing is attached.

2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the 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. 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 TRV and some or all of its affiliated property-casualty insurance companies are handled by Indemnity. Settlements between the companies are made at least monthly.

2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2007 and 2006, the TRVMMLP totaled \$4,235,629,965 and \$4,146,238,219, respectively.

D. At December 31, 2007 and 2006, the Company had \$12,777,620 receivable from and \$11,957,992 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.

E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets to liabilities, to the extent not disclosed in Note 14.

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
Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹

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

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

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

NOTES TO FINANCIAL STATEMENTS

11. DEBT

Not applicable.

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

A. 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 in the form of a cash balance sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV 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 in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$1,324,398 and \$1,255,076 for 2007 and 2006, respectively.

2. Postretirement Benefit Plan:

The Company participates in a health care and life insurance benefit plan sponsored by TRV for employees of the Company and its property-casualty affiliates that satisfy certain age and service requirements and for certain retirees. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of postretirement benefit expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the postretirement benefit expense was \$517,146 and \$736,666 for 2007 and 2006, respectively.

3. Deferred Compensation Plans:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$3,365,883 and \$3,159,795 for 2007 and 2006, respectively.

E. Postemployment Benefits and Compensated Absences:

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

The Company has 20,000 shares of common capital stock authorized, issued and outstanding with a par value of \$250 per share.

The Company paid ordinary dividends of \$205.0 million to its parent company, TIGHI in 2007.

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 Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2008 without prior approval is \$277,744,000.

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 2007. See Note 22F for additional detail.

Unassigned funds or surplus has been increased by cumulative net unrealized gains of \$356,713,180.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2007, the Company had commitments to fund investments of \$35.1 million.

B. Assessments:

The Company has accrued liabilities of \$13.5 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$518 thousand at December 31, 2007. 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. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits:

Not applicable.

E. 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 26.

NOTES TO FINANCIAL STATEMENTS

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, 2007, 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 32.

15. LEASES

Not applicable.

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

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were \$35.1 million at December 31, 2007.

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

Not applicable.

B. Transfer and Servicing of Financial Assets:

The Company engages in securities lending activities from which it generates net investment income from the lending of certain of its investments to other institutions for short periods of time. Borrowers of these securities provide collateral equal to at least 102% of the market value of the loaned securities plus accrued interest. This collateral is held by a third party custodian, and the Company has the right to access the collateral only in the event that the institution borrowing the Company's securities is in default under the lending agreement. 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. See Schedule LS for additional information.

C. Wash Sales:

Not applicable.

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

Not applicable.

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

The Company's direct premiums written through managing general agents (MGA) (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators (TPA) were as follows:

Name and Address of MGA / TPA	F.E.I.N.	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premiums Written
Covansys 7701 College Blvd., Suite 200 Overland Park, KS 66210	38-2606945	Yes	National Flood Insurance Program	C, CA, I, P, U	\$173,195,023

LEGEND:

C - Claims Payment
CA - Claims Adjustment
I - Policy Issuance
P - Premium Collection
U - Underwriting

20. 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.

2007 Schedule P:

The 1997 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				
	1997	1996	1995	1994	1993 & Prior
Part 1A	\$ 87	\$ 37	\$ 79	\$ 23	\$ 78
Part 1B	101	35	28	19	14,016
Part 1C	18	202	191	(113)	1,078
Part 1D	12,200	10,473	11,461	10,051	147,333
Part 1E	1,816	1,528	1,051	950	15,742
Part 1F - Section 1	363	131	204	29	634
Part 1F - Section 2	599	459	255	45	842
Part 1G	170	93	97	78	677
Part 1H - Section 1	5,115	5,790	3,982	6,483	149,475
Part 1H - Section 2	1,083	517	476	494	1,834
Part 1M	196	115	197	253	701
Part 1N	10	7	4	(18)	70
Part 1O	3,073	158	205	86	368
Part 1P	-	-	-	-	-
Part 1R - Section 1	1,397	2,078	2,011	1,106	71,584
Part 1R - Section 2	135	77	29	38	351

NOTES TO FINANCIAL STATEMENTS

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (53)	\$ (85)	\$ (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(442)	(412)	(116)	(2,840)	-	(84)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(6,263)	-	-	-	-	-	-
Special Liability	(4)	-	-	-	-	-	-	-	-
Other Liability – Occ	(585)	(2)	(3)	-	(77)	(339)	(14)	(53)	(74)
Other Liability – CM	-	(1,250)	-	-	-	-	-	-	-
Special Property	(22)	-	-	-	-	-	-	-	-
Other	(6)	-	-	-	-	-	-	-	-
Reinsurance A	(175)	-	-	-	-	-	-	-	-
Reinsurance B	(1,622)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable Tax Credits:

Not applicable.

G. The Company has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

H. Hybrid Securities:

At December 31, 2007 the Company held hybrid securities that are reported in Schedule D, Part 2, Section 1 as follows:

<u>CUSIP</u>	<u>Issuer/Description</u>	<u>Type</u>	<u>Carrying Value</u>
91731KAA8	USB Capital IX	Perpetual	<u>\$ 905,000</u>

I. Subprime Mortgage Related Risk Exposure

The Company defines exposure to subprime securities as investments which contain loans to borrowers that exhibit one or more of the following characteristics:

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

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

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

Overall exposure to subprime mortgage-backed securities is sufficiently small in that the Company would likely have other securities available for liquidity needs. The Company utilizes discounted cash flow valuation analysis in its regular, ongoing review of its existing subprime mortgage portfolio, as well as in its analysis of subprime mortgage-backed bonds for purchase. Included in this analysis are conservative assumptions regarding default and loss severity on the underlying mortgage pool. To date, the Company has not impaired any bonds in its existing subprime mortgage-backed portfolio.

Exposure through investments in subprime securities directly held by the Company is as follows:

a. Actual cost	\$20,058,854
b. Book adjusted carrying value	20,014,915
c. Fair value	19,210,898

21. EVENTS SUBSEQUENT

Not applicable.

22. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the TRV Pool (see Note 25) 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, 2007, 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):

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,430,563,890
Travelers Casualty and Surety Company	06-6033504	9,349,116,878
The Phoenix Insurance Company	06-0303275	2,295,952,082
The Standard Fire Insurance Company	06-6033509	2,222,481,615
United States Fidelity and Guaranty Company	52-0515280	2,026,425,637
Travelers Casualty Insurance Company of America	06-0876835	1,253,589,837
Farmington Casualty Company	06-1067463	679,601,816

NOTES TO FINANCIAL STATEMENTS

The Automobile Insurance Company of Hartford, Connecticut	06-0848755	629,090,871
The Travelers Indemnity Company of Connecticut	06-0336212	629,090,871
The Charter Oak Fire Insurance Company	06-0291290	583,171,829
Northland Insurance Company	41-6009967	560,681,157
St. Paul Surplus Lines Insurance Company	41-1230819	404,087,567
The Travelers Indemnity Company of America	58-6020487	353,576,621
St. Paul Protective Insurance Company	36-2542404	266,330,441
Northfield Insurance Company	41-0983992	238,779,017
Travelers Commercial Insurance Company	06-1286268	215,819,496
Travelers Casualty Company of Connecticut	06-1286266	215,819,496
Travelers Commercial Casualty Company	95-3634110	215,819,496
St. Paul Mercury Insurance Company	41-0881659	183,676,166
Travelers Property Casualty Company of America	36-2719165	165,308,550
Travelers Property Casualty Insurance Company	06-1286274	137,757,125
Athena Assurance Company	41-1435765	133,165,221
St. Paul Medical Liability Insurance Company	41-1435766	133,165,221
Travelers Personal Security Insurance Company	06-1286264	123,981,412
Travelers Personal Insurance Company	36-3703200	123,981,412
Travelers Excess and Surplus Lines Company	06-1203698	123,981,412
TravCo Insurance Company	35-1838077	123,981,412
The Travelers Home and Marine Insurance Company	35-1838079	123,981,412
Discover Property & Casualty Insurance Company	36-2999370	64,286,658
Discover Specialty Insurance Company	52-1925132	64,286,658
Northland Casualty Company	94-6051964	64,286,658
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	45,919,042
American Equity Specialty Insurance Company	86-0868106	45,919,042
St. Paul Guardian Insurance Company	41-0963301	45,919,042
Total		<u>\$ 35,273,595,060</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	\$ 9,693,667,064
Travelers Property Casualty Company of America	36-2719165	9,655,067,314
Travelers Casualty and Surety Company	06-6033504	5,060,953,951
United States Fidelity and Guaranty Company	52-0515280	3,360,667,015
The Travelers Indemnity Company of Connecticut	06-0336212	2,425,948,718
The Travelers Indemnity Company of America	58-6020487	2,341,746,077
St. Paul Mercury Insurance Company	41-0881659	2,053,913,600
The Standard Fire Insurance Company	06-6033509	1,920,171,311
The Charter Oak Fire Insurance Company	06-0291290	1,785,297,366
The Phoenix Insurance Company	06-0303275	1,432,044,539
Discover Property & Casualty Insurance Company	36-2999370	926,911,827
St. Paul Surplus Lines Insurance Company	41-1230819	857,707,971
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	779,819,503
Northland Insurance Company	41-6009967	734,325,780
Travelers Casualty Insurance Company of America	06-0876835	487,649,888
The Travelers Home and Marine Insurance Company	35-1838079	481,792,598
Farmington Casualty Company	06-1067463	379,174,977
Travelers Property Casualty Insurance Company	06-1286274	315,704,424
St. Paul Guardian Insurance Company	41-0963301	272,778,366
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	267,338,088
Northfield Insurance Company	41-0983992	222,527,743
TravCo Insurance Company	35-1838077	212,229,651
St. Paul Protective Insurance Company	36-2542404	167,674,099
Travelers Commercial Casualty Company	95-3634110	161,083,199
Travelers Personal Insurance Company	36-3703200	134,053,334
Travelers Commercial Insurance Company	06-1286268	130,909,429
Travelers Excess and Surplus Lines Company	06-1203698	95,900,283
Travelers Casualty Company of Connecticut	06-1286266	82,621,594
Travelers Personal Security Insurance Company	06-1286264	79,633,090
Athena Assurance Company	41-1435765	51,695,650
St. Paul Medical Liability Insurance Company	41-1435766	38,075,200
Discover Specialty Insurance Company	52-1925132	35,863,534
Northland Casualty Company	94-6051964	22,276,595
American Equity Specialty Insurance Company	86-0868106	20,281,352
Total		<u>\$ 46,687,505,130</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, 2007, 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	\$ 389,624,199	\$ 50,065,433	\$ 832,634,200	\$ 106,990,766	\$ (443,010,001)	\$ (56,925,333)
All Other	96,953,656	12,458,227	-	-	96,953,656	12,458,227
Total	<u>\$ 486,577,855</u>	<u>\$ 62,523,660</u>	<u>\$ 832,634,200</u>	<u>\$ 106,990,766</u>	<u>\$ (346,056,345)</u>	<u>\$ (44,467,106)</u>

Direct Unearned Premium Reserve \$ 735,680,544

NOTES TO FINANCIAL STATEMENTS

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$4,420,226 at December 31, 2007. This balance represents the Company's 4.84% pro rata share of the net amount of the TRV Pool (see Note 25):

Direct Business	\$ 245,549
Add: Reinsurance Assumed	4,420,226
Less: Reinsurance Ceded	<u>245,549</u>
Net	<u>\$ 4,420,226</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

1.	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 454,960	\$ 23,490,099
(2) Adjustments - Prior Year(s)	(145,200)	6,613,585
(3) Adjustments - Current Year	<u>-</u>	<u>2,173,969</u>
(4) Current Total	<u>\$ 309,760</u>	<u>\$ 32,277,653</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 506,026	\$ 20,814,918
(2) Adjustments - Prior Year(s)	-	1,342,512
(3) Adjustments - Current Year	<u>-</u>	<u>1,196,608</u>
(4) Current Total	<u>\$ 506,026</u>	<u>\$ 23,354,038</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 185,216	\$ 9,411,194
(2) Current Year	<u>1,985</u>	<u>7,735,913</u>
(3) Current Total	<u>\$ 187,201</u>	<u>\$ 17,147,108</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 51,066	\$ 2,675,181
(2) Adjustments - Prior Year(s)	145,200	5,271,073
(3) Adjustments - Current Year	<u>-</u>	<u>977,361</u>
(4) Current Year Restricted Surplus	<u>\$ 196,266</u>	<u>\$ 8,660,333</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 263,282</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 309,760	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	638,880
XL Reinsurance America (13-1290712)	-	2,229,714
Folksamerica Reinsurance Co (38776)	-	1,320,620
General Reinsurance Corporation (22039)	-	14,520,000
nSpire Re Limited (AA-1784124)	-	3,687,649
Platinum Underwriters Reinsurance Inc. (10357)	-	4,996,673
Various	<u>-</u>	<u>4,884,117</u>
Total	<u>\$ 309,760</u>	<u>\$ 32,277,653</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>
Platinum Underwriters Reinsurance Inc. (10357)	\$ 76,875	\$ -	\$ -
nSpire Re Limited (AA-178412)	-	-	1,243,388
Various	<u>527,512</u>	<u>115,304</u>	<u>11,847</u>
Total	<u>\$ 604,387</u>	<u>\$ 115,304</u>	<u>\$ 1,255,235</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

23. 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 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 TRV Pool (see Note 25).

- 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	\$ 11,182,722
2. Unsecured amount	1,896,051
3. Less: Nonadmitted amount (10%)	<u>189,605</u>
4. Admitted amount (1) - (3)	<u>\$ 10,993,117</u>

24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

In 2007, reserves for incurred losses and loss adjustment expenses for claims arising in prior years decreased by \$17,223,852, primarily due to private passenger auto liability, commercial auto liability, commercial multiple peril, and special property, partially offset by an increase in other liability - occurrence, other liability - claims made, reinsurance assumed liability and products liability - occurrence lines of business.

NOTES TO FINANCIAL STATEMENTS

The decrease in private passenger auto liability is primarily driven by better than expected results from changes in claim handling practices. The decrease in commercial auto liability is attributable to an improving tort environment, claim handling initiatives and improvements in auto safety technology. The decrease in commercial multiple peril is primarily due to an improving tort environment, as well as better than expected results from enhanced risk control, underwriting and claim process initiatives. The decrease in special property is primarily attributable to fewer than expected late reported claims related to non-catastrophe weather events that occurred late in 2006, as well as better than expected frequency and severity due in part to changes in the marketplace, such as higher deductibles and lower policy limits. In addition, special property experienced better than expected large loss outcomes which were partially attributable to favorable litigation resolutions.

The increase in other liability – occurrence is due to strengthening of environmental reserves as a result of higher than expected defense and settlement costs, driven in part by coverage disputes with policyholders and adverse judicial developments in certain states regarding the availability of coverage for environmental claims. In addition, the increase was driven by a moderation in the rate of decline of both the number of new policyholders tendering claims for the first time and the number of pending lawsuits pertaining to coverage for environmental claims. The increase in other liability – claims made is due to greater than expected development on large losses as well as a ceded reserve release for older years as a result of ongoing analyses of recent data. The increase in reinsurance assumed liability is primarily due to reserve strengthening associated with voluntary pools as well as a ceded reserve reallocation to other liability – occurrence and reinsurance assumed property. The increase in products liability – occurrence is primarily attributable to a projected increase in loss adjustment expenses associated with handling mass tort claims.

The remaining changes are 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.

25. INTERCOMPANY POOLING ARRANGEMENTS

On October 1, 2007, effective January 1, 2007, after receiving all required regulatory approvals, the TRV Pool, which includes the Company, was amended to include four former members of the Northland Pool (American Equity Specialty Insurance Company, Northland Insurance Company, Northfield Insurance Company, Northland Casualty Company), and three additional participants, Fidelity and Guaranty Insurance Underwriters, Inc. (FGIU), St. Paul Guardian Insurance Company (Guardian), and St. Paul Mercury Insurance Company (Mercury). Prior to this amendment FGIU, Guardian, and Mercury ceded 100% of their business to the TRV Pool.

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

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

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

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

26. 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.

The following life insurance companies held reserves at December 31, 2007, for structured settlement annuities purchased by members of the TRV Pool (see Note 25), of which \$152,118,884 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	\$713,804,021
MetLife Insurance Company of Connecticut, Hartford, CT	Yes	516,783,815
Genworth Life and Annuity, Richmond, VA	Yes	282,277,708
Symetra Life Insurance Company, Bellevue, WA	Yes	274,036,726
All other companies		1,356,049,882

27. HEALTH CARE RECEIVABLES

Not applicable.

NOTES TO FINANCIAL STATEMENTS

28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

As of December 31, 2007, 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.

30. HIGH DEDUCTIBLES

At December 31, 2007 the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$424,303,748 and the amount billed and outstanding on paid claims was \$5,225,479. These amounts represent the Company's proportionate share of the TRV Pool (see Note 25).

31. 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.

The December 31, 2007 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>
St. Paul Fire and Marine Insurance Company	\$ 429,126,387	\$ 10,812,410
The Travelers Indemnity Company	403,160,691	10,158,166
Travelers Casualty and Surety Company	352,441,034	8,880,218
The Phoenix Insurance Company	86,552,317	2,180,800
The Standard Fire Insurance Company	83,782,643	2,111,014
United States Fidelity and Guaranty Company	76,339,143	1,923,466
Travelers Casualty Insurance Company of America	47,257,565	1,190,717
Farmington Casualty Company	25,619,486	645,517
The Automobile Insurance Company of Hartford, Connecticut	23,715,335	597,539
The Travelers Indemnity Company of Connecticut	23,715,335	597,539
The Charter Oak Fire Insurance Company	21,984,288	553,923
Northland Insurance Company	21,118,765	532,115
St. Paul Surplus Lines Insurance Company	15,233,208	383,821
The Travelers Indemnity Company of America	13,329,057	335,843
St. Paul Protective Insurance Company	10,040,069	252,973
Northfield Insurance Company	9,001,441	226,803
Travelers Casualty Company of Connecticut	8,135,918	204,995
Travelers Commercial Casualty Company	8,135,918	204,995
Travelers Commercial Insurance Company	8,135,918	204,995
St. Paul Mercury Insurance Company	6,924,185	174,464
Travelers Property Casualty Company of America	6,231,767	157,018
Travelers Property Casualty Insurance Company	5,193,139	130,848
St. Paul Medical Liability Insurance Company	5,020,034	126,486
Athena Assurance Company	5,020,034	126,486
TravCo Insurance Company	4,673,825	117,763
Travelers Excess and Surplus Lines Company	4,673,825	117,763
The Travelers Home and Marine Insurance Company	4,673,825	117,763
Travelers Personal Insurance Company	4,673,825	117,763
Travelers Personal Security Insurance Company	4,673,825	117,763
Discover Property & Casualty Insurance Company	2,423,465	61,062
Discover Specialty Insurance Company	2,423,465	61,062
Northland Casualty Company	2,423,465	61,062
American Equity Specialty Insurance Company	1,731,046	43,616
St. Paul Guardian Insurance Company	1,731,046	43,616
Fidelity and Guaranty Insurance Underwriters, Inc.	1,731,046	43,616
Total	<u>\$ 1,731,046,335</u>	<u>\$ 43,616,000</u>

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2007 was as follows:

Tabular Discount Included in Schedule P - Part 1

<u>Company</u>	<u>Workers' Compensation</u>		<u>Other Liability</u>	
	<u>Case</u>	<u>IBNR</u>	<u>Case</u>	<u>IBNR</u>
St. Paul Fire and Marine Insurance Company	\$ 119,680,663	\$ 92,529,987	\$ 2,081,372	\$ 1,980,966
The Travelers Indemnity Company	112,438,996	86,931,154	1,955,428	1,861,104
Travelers Casualty and Surety Company	98,293,601	75,994,774	1,709,426	1,626,968
The Phoenix Insurance Company	24,138,900	18,662,764	419,800	399,550
The Standard Fire Insurance Company	23,366,455	18,065,555	406,366	386,764
United States Fidelity and Guaranty Company	21,290,510	16,460,558	370,264	352,403
Travelers Casualty Insurance Company of America	13,179,839	10,189,869	229,211	218,154
Farmington Casualty Company	7,145,114	5,524,178	124,261	118,267
The Automobile Insurance Company of Hartford, CT	6,614,059	5,113,597	115,025	109,477
The Travelers Indemnity Company of Connecticut	6,614,059	5,113,597	115,025	109,477

NOTES TO FINANCIAL STATEMENTS

The Charter Oak Fire Insurance Company	6,131,281	4,740,342	106,629	101,486
Northland Insurance Company	5,889,892	4,553,714	102,431	97,490
St. Paul Surplus Lines Insurance Company	4,248,446	3,284,646	73,885	70,321
The Travelers Indemnity Company of America	3,717,391	2,874,066	64,649	61,531
St. Paul Protective Insurance Company	2,800,112	2,164,881	48,697	46,348
Northfield Insurance Company	2,510,446	1,940,927	43,659	41,553
Travelers Casualty Company of Connecticut	2,269,057	1,754,300	39,461	37,558
Travelers Commercial Casualty Company	2,269,057	1,754,300	39,461	37,558
Travelers Commercial Insurance Company	2,269,057	1,754,300	39,461	37,558
St. Paul Mercury Insurance Company	1,931,112	1,493,021	33,584	31,964
Travelers Property Casualty Company of America	1,738,001	1,343,719	30,226	28,768
Travelers Property Casualty Insurance Company	1,448,334	1,119,766	25,188	23,973
St. Paul Medical Liability Insurance Company	1,400,056	1,082,440	24,348	23,174
Athena Assurance Company	1,400,056	1,082,440	24,348	23,174
TravCo Insurance Company	1,303,501	1,007,789	22,669	21,576
Travelers Excess and Surplus Lines Company	1,303,501	1,007,789	22,669	21,576
The Travelers Home and Marine Insurance Company	1,303,501	1,007,789	22,669	21,576
Travelers Personal Insurance Company	1,303,501	1,007,789	22,669	21,576
Travelers Personal Security Insurance Company	1,303,501	1,007,789	22,669	21,576
Discover Property & Casualty Insurance Company	675,889	522,557	11,754	11,187
Discover Specialty Insurance Company	675,889	522,557	11,754	11,187
Northland Casualty Company	675,889	522,557	11,754	11,187
American Equity Specialty Insurance Company	482,778	373,255	8,396	7,991
St. Paul Guardian Insurance Company	482,778	373,255	8,396	7,991
Fidelity and Guaranty Insurance Underwriters, Inc.	482,778	373,255	8,396	7,991
Total	<u>\$482,778,000</u>	<u>\$373,255,276</u>	<u>\$ 8,396,000</u>	<u>\$ 7,991,000</u>

B. Non-tabular reserves have not been discounted.

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

32. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 4.84%.

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. The Company also conducts quarterly asbestos reserve reviews with representatives of the claim, legal, reinsurance, finance and actuarial areas to review asbestos trends and other relevant factors. Based on these reviews, asbestos reserves are established for the Company's future exposure. Beginning in 2007 the Company supplemented the existing annual in-depth asbestos claim review and the existing quarterly asbestos review process with additional aggregate quarterly reserve analyses. These additional analyses provide the Company with an increased ability to detect and respond to emerging trends in its quarterly reserve estimates.

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder at least annually. In the course of this review, the Company considers, among other factors: 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. For those policyholders for which an estimate of the gross ultimate exposure for indemnity and related claim adjustment expense is determined, 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.

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

1. <u>Direct Basis - Asbestos:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 240,157,000	\$ 180,263,000	\$ 197,659,000	\$ 214,183,000	\$ 200,826,000
b. Incurred losses and LAE:	6,856,000	39,527,000	37,648,000	9,434,000	(810,000)
c. Calendar year payments for losses and LAE:	<u>66,750,000</u>	<u>22,131,000</u>	<u>21,124,000</u>	<u>22,791,000</u>	<u>17,555,000</u>
d. Ending reserves:	<u>\$ 180,263,000</u>	<u>\$ 197,659,000</u>	<u>\$ 214,183,000</u>	<u>\$ 200,826,000</u>	<u>\$ 182,461,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 19,320,000	\$ 18,172,000	\$ 23,601,000	\$ 26,006,000	\$ 24,517,000
b. Incurred losses and LAE:	435,000	6,776,000	6,232,000	508,000	630,000
c. Calendar year payments for losses and LAE:	<u>1,583,000</u>	<u>1,347,000</u>	<u>3,827,000</u>	<u>1,997,000</u>	<u>2,205,000</u>
d. Ending reserves:	<u>\$ 18,172,000</u>	<u>\$ 23,601,000</u>	<u>\$ 26,006,000</u>	<u>\$ 24,517,000</u>	<u>\$ 22,942,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 201,211,000	\$ 158,302,000	\$ 186,720,000	\$ 210,703,000	\$ 195,952,000
b. Incurred losses and LAE:	5,189,000	43,912,000	43,318,000	7,931,000	(17,000)
c. Calendar year payments for losses and LAE:	<u>48,098,000</u>	<u>15,494,000</u>	<u>19,335,000</u>	<u>22,682,000</u>	<u>15,350,000</u>
d. Ending reserves:	<u>\$ 158,302,000</u>	<u>\$ 186,720,000</u>	<u>\$ 210,703,000</u>	<u>\$ 195,952,000</u>	<u>\$ 180,585,000</u>

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

1. Direct Basis:	\$ 161,571,000
2. Assumed Reinsurance Basis:	\$ 12,803,000
3. Net of Ceded Reinsurance Basis:	\$ 155,965,000

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

1. Direct Basis:	\$ 41,945,000
2. Assumed Reinsurance Basis:	\$ 39,000
3. Net of Ceded Reinsurance Basis:	\$ 38,601,000

NOTES TO FINANCIAL STATEMENTS

- 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 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 obligations 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 the 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.

In its review of environmental reserves, the Company considers: past settlement payments; changing judicial and legislative trends; its reserves for the costs of litigating environmental coverage matters; the potential for policyholders with smaller exposures to be named in new clean-up actions for both on- and off-site waste disposal activities; the potential for adverse development; the potential for additional new claims beyond previous expectations; and the potential higher costs for new settlements.

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

1. <u>Direct Basis - Environmental:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 30,225,000	\$ 21,013,000	\$ 25,635,000	\$ 16,370,000	\$ 13,007,000
b. Incurred losses and LAE:	4,668,000	13,876,000	2,062,000	5,286,000	8,939,000
c. Calendar year payments for losses and LAE:	<u>13,880,000</u>	<u>9,254,000</u>	<u>11,327,000</u>	<u>8,649,000</u>	<u>4,511,000</u>
d. Ending reserves:	<u>\$ 21,013,000</u>	<u>\$ 25,635,000</u>	<u>\$ 16,370,000</u>	<u>\$ 13,007,000</u>	<u>\$ 17,435,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 6,746,000	\$ 6,428,000	\$ 7,176,000	\$ 6,770,000	\$ 6,384,000
b. Incurred losses and LAE:	482,000	1,597,000	210,000	74,000	(69,000)
c. Calendar year payments for losses and LAE:	<u>800,000</u>	<u>849,000</u>	<u>616,000</u>	<u>460,000</u>	<u>1,057,000</u>
d. Ending reserves:	<u>\$ 6,428,000</u>	<u>\$ 7,176,000</u>	<u>\$ 6,770,000</u>	<u>\$ 6,384,000</u>	<u>\$ 5,258,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
a. Beginning reserves:	\$ 32,454,000	\$ 24,577,000	\$ 30,058,000	\$ 20,543,000	\$ 20,251,000
b. Incurred losses and LAE:	3,699,000	13,265,000	2,387,000	5,854,000	8,942,000
c. Calendar year payments for losses and LAE:	<u>11,576,000</u>	<u>7,784,000</u>	<u>11,902,000</u>	<u>6,146,000</u>	<u>5,485,000</u>
d. Ending reserves:	<u>\$ 24,577,000</u>	<u>\$ 30,058,000</u>	<u>\$ 20,543,000</u>	<u>\$ 20,251,000</u>	<u>\$ 23,708,000</u>

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

1. Direct Basis:	\$ 16,124,000
2. Assumed Reinsurance Basis:	\$ 3,479,000
3. Net of Ceded Reinsurance Basis	\$ 20,714,000

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

1. Direct Basis:	\$ 7,937,000
2. Assumed Reinsurance Basis:	\$ 10,000
3. Net of Ceded Reinsurance Basis	\$ 7,947,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2007 are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in asbestos and environmental claims beyond that which is 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 and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company and future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims. The Company's asbestos-related claims and claim adjustment expense experience has been impacted by the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or insolvency. In addition, uncertainties arise from the insolvency or bankruptcy of other defendants, although the Company has noted a decrease in the number and volatility of asbestos-related bankruptcies. 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 and environmental reserves, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the 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 in future periods.

NOTES TO FINANCIAL STATEMENTS

33. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

34. MULTIPLE PERIL CROP INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2007 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2007, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

<u>Company Name</u>	<u>FEIN</u>	<u>Company Name</u>	<u>FEIN</u>
350 MARKET STREET	41-1618103	ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766
AE DEVELOPMENT GROUP, INC.	06-0952727	ST. PAUL MERCURY INSURANCE COMPANY	41-0881659
AE PROPERTIES, INC.	95-2798160	ST. PAUL PROPERTIES, INC.	41-1412523
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	ST. PAUL RE (BERMUDA) LTD.	98-0114704
ATHENA ASSURANCE COMPANY	41-1435765	ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819
ATLANTIC INSURANCE COMPANY	75-6013587	TCI GLOBAL SERVICES, INC.	52-1965525
BMR SPORTS PROPERTIES, INC.	52-1852190	TCS EUROPEAN INVESTMENTS, INC.	06-1549972
CAMPERDOWN CORPORATION	41-1762781	THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755
CAPTIVA, LTD.	98-0170615	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE NORTHLAND COMPANY	41-0588627
COMMERCIAL GUARANTY CASUALTY INSURANCE COMPANY	35-0293730	THE ONE HUNDRED LIGHT STREET CORPORATION	52-1371908
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE PHOENIX INSURANCE COMPANY	06-0303275
CONSTITUTION PLAZA INC	06-0566030	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS ASSET FUNDING CORPORATION	06-1216878
DISCOVER RE MANAGERS, INC.	06-1288492	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
DISCOVER REINSURANCE COMPANY	06-1313745	THE TRAVELERS INDEMNITY COMPANY	06-0566050
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925132	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVERY MANAGERS, LTD.	06-1273933	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	THE TRAVELERS MARINE CORPORATION	94-0338230
FARMINGTON CASUALTY COMPANY	06-1067463	TINDY FOREIGN, INC.	20-4403403
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TINDY RE INVESTMENTS, INC.	06-1575463
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TPC INVESTMENTS, INC.	06-1534005
FIDELITY JV HOLDING COMPANY NUMBER TWO, INC.	52-1649813	TRAVCO INSURANCE COMPANY	35-1838077
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS (BERMUDA) LTD.	98-0190863
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS ALPHA HOLDINGS, INC.	06-1531058
JNO INDUSTRIAL, INC.	52-1802629	TRAVELERS AUTO INSURANCE COMPANY OF NEW JERSEY	22-3499393
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
MENDAKOTA INSURANCE COMPANY	31-1160863	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
MENDOTA INSURANCE AGENCY, INC. (TX)	74-2482293	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
MENDOTA INSURANCE COMPANY	41-1639286	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
MOUNTAIN RIDGE INSURANCE COMPANY	52-1957776	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS INDEMNITY UK INVESTMENTS LLC	06-1591454
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SEABOARD SURETY COMPANY	13-5379820	TRAVELERS MGA, INC.	75-2676034
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS PC FUND INVESTMENTS, INC.	06-1514468
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL (BERMUDA) LTD.	98-0162036	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL AVIATION COMPANY	52-1993243	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL BERMUDA HOLDINGS, INC.	41-1835264	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
		YONKERS FINANCING CORPORATION	20-3033027

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.....	107,507,203	3.2	107,507,203	3.2
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	5,000,000	0.1	5,000,000	0.1
1.22 Issued by U.S. government sponsored agencies.....	0	0.0	0	0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....	6,240,657	0.2	6,240,657	0.2
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	338,328,878	10.1	338,328,878	10.1
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	585,687,409	17.4	585,687,409	17.4
1.43 Revenue and assessment obligations.....	747,970,651	22.2	747,970,651	22.2
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.....	286,984	0.0	286,984	0.0
1.512 Issued or guaranteed by FNMA and FHLMC.....	74,523,044	2.2	74,523,044	2.2
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.....	107,286,695	3.2	107,286,695	3.2
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.....	58,468,906	1.7	58,468,906	1.7
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	412,343,810	12.3	412,343,810	12.3
2.2 Unaffiliated foreign securities.....	50,867,882	1.5	50,867,882	1.5
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.....	1,528,858	0.0	1,528,858	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....	559,563,791	16.6	559,563,791	16.6
3.32 Unaffiliated.....	0	0.0	0	0.0
3.4 Other equity securities:				
3.41 Affiliated.....	0	0.0	0	0.0
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.....	4,430,033	0.1	4,430,033	0.1
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....	0	0.0	0	0.0
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.....	0	0.0	0	0.0
8. Cash, cash equivalents and short-term investments.....	118,061,676	3.5	118,061,676	3.5
9. Other invested assets.....	184,983,168	5.5	184,983,168	5.5
10. Total invested assets.....	3,363,079,647	100.0	3,363,079,647	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? Connecticut

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2004
- 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. 12/31/2004
- 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). 01/27/2006
- 3.4 By what department or departments? Connecticut

- 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? Yes [] No [X]
- 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? 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 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 [X] No []
- 11.11 Name of real estate holding company AE Properties, Inc
- 11.12 Number of parcels involved2
- 11.13 Total book/adjusted carrying value \$.....48,611,037
- 11.2 If yes, provide explanation.
Holds ground leases

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 []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:
-
- 13.2 Has the code of ethics for senior managers been amended? Yes No
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
-
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).
-

BOARD OF DIRECTORS

14. 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 No
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No
16. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$.....0
 - 18.12 To stockholders not officers \$.....0
 - 18.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$.....0
 - 18.22 To stockholders not officers \$.....0
 - 18.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 19.1 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
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$.....0
 - 19.22 Borrowed from others \$.....0
 - 19.23 Leased from others \$.....0
 - 19.24 Other \$.....0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes No
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$.....0
 - 20.22 Amount paid as expenses \$.....0
 - 20.23 Other amounts paid \$.....0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

INVESTMENT

- 22.1 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? Yes No
- 22.2 If no, give full and complete information relating thereto.
-

- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1) Yes No
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Loaned to others \$.....86,747,278
 - 23.22 Subject to repurchase agreements \$.....0
 - 23.23 Subject to reverse repurchase agreements \$.....0
 - 23.24 Subject to dollar repurchase agreements \$.....0
 - 23.25 Subject to reverse dollar repurchase agreements \$.....0
 - 23.26 Pledged as collateral \$.....0
 - 23.27 Placed under option agreements \$.....0
 - 23.28 Letter stock or securities restricted as to sale \$.....0
 - 23.29 On deposit with state or other regulatory body \$.....143,684,185
 - 23.291 Other \$.....22,467,596

23.3 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
- If no, attach a description with this statement.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 25.1 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]
- 25.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

26. 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 Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	3 Chase MetroTech Center, Brooklyn, NY 11245

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A		

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

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

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

26.05 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		

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

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
		0
27.2999. TOTAL		0

27.3 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	

28. 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 (+)
28.1 Bonds.....	2,610,365,748	2,659,949,137	49,583,389
28.2 Preferred stocks.....	1,528,858	1,528,858	0
28.3 Totals.....	2,611,894,606	2,661,477,994	49,583,389

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

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

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 29.2 If no, list exceptions:

OTHER

- 30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....1,739,712
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office, Inc	694,596

- 31.1 Amount of payments for legal expenses, if any? \$.....4,778,139

31.2 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	1,654,033

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....99,013

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

1 Name	2 Amount Paid
	0

GENERAL INTERROGATORIES (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 lives0
 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 lives0

- 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 lives0
 All years prior to most current three years:
 1.74 Total premium earned \$.....0
 1.75 Total incurred claims \$.....0
 1.76 Number of covered lives0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....865,238,160	\$.....827,094,642
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....2,222,481,615	\$.....2,204,527,159
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
 3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating \$.....8,085,827
 3.22 Non-participating policies \$.....863,612,528

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

- 4.1 Does the reporting entity issue assessable policies? Yes [] No []
 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0

5. FOR RECIPROCAL EXCHANGES ONLY:

- 5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] 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 significant 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. For terrorism risk, the Company uses RMS-PTM, a product developed by Risk Management Solutions, Inc. Conventional attack PML's are examined for combined property and workers' compensation exposures to be contained inside aggregate corporate guidelines. Buildings with large exposures have a site engineering analysis performed.

- 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 maximum 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 uninsured catastrophic loss.

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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.16
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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 in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 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.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No [X]
 - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such 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 \$.....4,457,442
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....1,114,360
- 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: \$.....4,257,627
- 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 \$.....305,701,599
 - 12.62 Collateral and other funds \$.....50,056,077

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....827,640
 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.1

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Company's Reinsurance Allocation Agreement and Pooling Agreement.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []
 14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financial premium accounts? Yes [] No [X]
 15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....	.....0	.....0	.....0	.....0	.....0
16.12 Products.....	.....0	.....0	.....0	.....0	.....0
16.13 Automobile.....	.....0	.....0	.....0	.....0	.....0
16.14 Other*.....	.....0	.....0	.....0	.....0	.....0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [] No [X]
 Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 2007	2 2006	3 2005	4 2004	5 2003
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).....	801,747,194	731,246,923	707,788,101	603,842,702	496,583,071
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	640,378,344	616,367,867	517,496,664	515,167,787	429,523,116
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,168,092,298	1,169,138,694	1,015,409,984	1,099,613,084	927,646,163
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	2,351,368	5,292,050	24,967,717	136,267	48,854
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	2,884,632	1,669,335	3,158,954	1,223,343	6,307,064
6. Total (Line 34).....	2,615,453,836	2,523,714,869	2,268,821,420	2,219,983,184	1,860,108,267
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).....	405,740,760	375,232,450	401,510,361	342,903,660	321,026,571
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	171,258,254	158,648,094	137,068,386	177,625,118	169,908,506
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	289,465,210	299,173,886	224,953,948	378,528,981	328,878,808
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	2,349,500	5,255,252	24,957,276	125,555	(6,963)
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	2,884,632	1,669,335	3,158,954	1,223,343	6,307,064
12. Total (Line 34).....	871,698,356	839,979,016	791,648,925	900,406,657	826,113,985
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	92,991,694	104,982,783	(21,734,271)	82,806,476	57,989,359
14. Net investment gain (loss) (Line 11).....	260,582,068	159,996,156	199,854,862	164,285,952	135,060,596
15. Total other income (Line 15).....	2,788,356	205,970	6,226,291	3,732,459	3,655,150
16. Dividends to policyholders (Line 17).....	1,126,075	764,766	772,278	(1,469,807)	430,673
17. Federal and foreign income taxes incurred (Line 19).....	77,491,776	58,083,505	30,739,571	67,515,205	36,902,028
18. Net income (Line 20).....	277,744,267	206,336,638	152,835,033	184,779,488	159,372,404
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	3,750,201,302	3,599,560,790	3,347,729,088	3,243,996,606	3,103,159,721
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	49,712,639	49,283,011	47,717,543	56,456,259	46,345,933
20.2 Deferred and not yet due (Line 13.2).....	191,537,060	190,550,979	185,060,005	210,914,604	210,000,489
20.3 Accrued retrospective premiums (Line 13.3).....	10,993,117	6,383,237	9,538,262	18,004,546	16,693,987
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	2,328,122,163	2,323,342,559	2,343,963,656	2,319,294,906	2,213,709,064
22. Losses (Page 3, Line 1).....	1,504,614,681	1,490,205,486	1,541,202,501	1,438,207,088	1,385,513,981
23. Loss adjustment expenses (Page 3, Line 3).....	328,242,735	331,407,612	336,740,717	315,854,155	297,422,316
24. Unearned premiums (Page 3, Line 9).....	389,624,199	382,914,061	372,702,134	411,538,790	378,342,532
25. Capital paid up (Page 3, Lines 28 & 29).....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	1,422,079,139	1,276,218,231	1,003,765,432	924,701,700	889,450,657
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	293,676,634	198,561,279	219,865,600	288,196,613	242,465,750
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,422,079,139	1,276,218,231	1,003,765,432	924,701,700	889,450,657
29. Authorized control level risk-based capital.....	231,404,798	224,570,915	224,661,932	196,815,679	180,279,141
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					
30. Bonds (Line 1).....	74.2	74.3	73.9	73.2	71.5
31. Stocks (Lines 2.1 & 2.2).....	16.7	16.4	16.9	18.1	18.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.6	0.6
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.1	0.1	0.2	0.2	0.1
34. Cash, cash equivalents and short-term investments (Line 5).....	3.5	3.4	3.4	3.8	3.9
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	5.5	5.8	5.7	4.0	4.7
37. Receivable for securities (Line 8).....	0.0	0.0	0.0	0.2	0.4
38. Aggregate write-ins for invested assets (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 1).....	559,719,036	525,113,835	490,042,049	495,387,305	489,764,194
43. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 7).....	0	0	0	0	0
44. Affiliated mortgage loans on real estate.....	0	0	0	0	0
45. All other affiliated.....	778,696	1,420,937	1,143,762	1,943,740	2,112,824
46. Total of above lines 40 to 45.....	560,497,732	526,534,772	491,185,811	497,331,045	491,877,018
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0).....	39.4	41.3	48.9	57.3	59.4

Annual Statement for the year 2007 of **THE STANDARD FIRE INSURANCE COMPANY**
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2007	2006	2005	2004	2003
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24).....	62,604,570	71,278,311	1,205,463	9,488,402	68,042,074
49. Dividends to stockholders (Line 35).....	(205,000,000)	0	(75,000,000)	(159,000,000)	(74,000,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	145,860,908	272,452,799	79,063,732	35,251,043	147,798,647
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	397,555,902	401,194,938	401,077,267	345,125,405	346,489,145
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	299,875,405	813,989,029	340,371,214	237,373,849	172,967,221
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	483,240,756	587,034,337	535,375,366	409,174,595	422,783,052
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	8,936,711	9,101,334	(24,323,291)	485,473	227,536
55. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	19,854,924	14,581,425	(34,167,056)	12,049,892	9,352,722
56. Total (Line 34).....	1,209,463,699	1,825,901,062	1,218,333,501	1,004,209,214	951,819,676
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	177,765,995	208,007,334	228,976,573	189,006,125	218,191,312
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	73,292,767	73,113,321	61,393,927	66,454,437	69,380,075
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	111,365,790	127,702,344	170,624,101	128,315,967	129,600,156
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	8,936,711	9,101,334	(24,323,291)	485,473	231,536
61. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	19,854,924	14,581,425	(34,167,056)	12,049,892	9,352,722
62. Total (Line 34).....	391,216,187	432,505,757	402,504,255	396,311,895	426,755,801
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2).....	46.9	46.1	61.4	51.8	57.7
65. Loss expenses incurred (Line 3).....	12.1	12.2	13.8	11.9	9.1
66. Other underwriting expenses incurred (Line 4).....	30.3	28.9	27.5	26.8	25.8
67. Net underwriting gain (loss) (Line 8).....	10.7	12.7	(2.6)	9.6	7.5
Other Percentages					
68. 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).....	29.7	28.5	27.9	25.4	23.7
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	59.0	58.4	75.1	63.7	66.7
70. 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).....	61.3	65.8	78.9	97.4	92.9
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(28,384)	(19,393)	26,405	(13,512)	(20,508)
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.2)	(1.9)	2.9	(1.5)	(2.8)
Two Year Loss Development (000 omitted)					
73. 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).....	(34,295)	54,072	190,191	16,475	245,844
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(3.4)	5.8	21.4	2.2	28.8

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.....	112,794,187	116,592,361	112,301,344	113,161,680
	2. Canada.....	0	0	0	0
	3. Other Countries.....	6,240,657	6,482,500	6,349,000	6,000,000
	4. Totals.....	119,034,844	123,074,861	118,650,344	119,161,680
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	338,328,878	343,966,180	346,420,594	322,110,000
	6. Canada.....	0	0	0	0
	7. Other Countries.....	0	0	0	0
	8. Totals.....	338,328,878	343,966,180	346,420,594	322,110,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	585,687,409	595,182,906	585,822,743	607,915,000
	10. Canada.....	0	0	0	0
	11. Other Countries.....	0	0	0	0
	12. Totals.....	585,687,409	595,182,906	585,822,743	607,915,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	929,780,390	957,680,822	942,492,590	942,654,868
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	929,780,390	957,680,822	942,492,590	942,654,868
Public Utilities (Unaffiliated)	17. United States.....	97,283,369	100,410,966	97,590,641	96,953,813
	18. Canada.....	0	0	0	0
	19. Other Countries.....	17,960,668	17,851,215	17,659,610	18,000,000
	20. Totals.....	115,244,037	118,262,181	115,250,251	114,953,813
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	373,529,347	373,085,975	376,509,089	372,025,822
	22. Canada.....	4,110,237	4,088,550	4,082,010	4,106,000
	23. Other Countries.....	28,796,977	28,754,034	28,852,949	29,400,000
	24. Totals.....	406,436,561	405,928,559	409,444,048	405,531,822
Parent, Subsidiaries and Affiliates	25. Totals.....	0	0	0	0
	26. Total Bonds.....	2,494,512,119	2,544,095,508	2,518,080,570	2,512,327,182
PREFERRED STOCKS					
Public Utilities (Unaffiliated)	27. United States.....	623,858	623,858	621,947	
	28. Canada.....	0	0	0	
	29. Other Countries.....	0	0	0	
	30. Totals.....	623,858	623,858	621,947	
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....	0	0	0	
	32. Canada.....	0	0	0	
	33. Other Countries.....	0	0	0	
	34. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	35. United States.....	905,000	905,000	1,000,000	
	36. Canada.....	0	0	0	
	37. Other Countries.....	0	0	0	
	38. Totals.....	905,000	905,000	1,000,000	
Parent, Subsidiaries and Affiliates	39. Totals.....	0	0	0	
	40. Total Preferred Stocks.....	1,528,858	1,528,858	1,621,947	
COMMON STOCKS					
Public Utilities (Unaffiliated)	41. United States.....	0	0	0	
	42. Canada.....	0	0	0	
	43. Other Countries.....	0	0	0	
	44. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	0	0	0	
	46. Canada.....	0	0	0	
	47. Other Countries.....	0	0	0	
	48. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	0	0	0	
	50. Canada.....	0	0	0	
	51. Other Countries.....	0	0	0	
	52. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals.....	559,719,036	559,719,036	281,035,733	
	54. Total Common Stocks.....	559,719,036	559,719,036	281,035,733	
	55. Total Stocks.....	561,247,893	561,247,893	282,657,680	
	56. Total Bonds and Stocks....	3,055,760,013	3,105,343,402	2,800,738,250	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	2,945,039,677	7. Amortization of premium.....	11,836,168
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	274,824,284	8. Foreign exchange adjustment:	
3. Accrual of discount.....	3,995,549	8.1 Column 15, Part 1.....	0
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	0
4.1 Columns 12 - 14, Part 1.....	(571,038)	8.3 Column 16, Part 2, Section 2.....	0
4.2 Columns 15 - 17, Part 2, Section 1.....	(114,360)	8.4 Column 15, Part 4.....	0
4.3 Column 15, Part 2, Section 2.....	34,605,201	9. Book/adjusted carrying value at end of current period.....	3,055,760,013
4.4 Columns 11 - 13, Part 4.....	(47,213)	10. Total valuation allowance.....	0
5. Total gain (loss), Column 19, Part 4.....	(42,930)	11. Subtotal (Lines 9 plus 10).....	3,055,760,013
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4....	190,092,992	12. Total nonadmitted amounts.....	155,244
		13. Statement value of bonds and stocks, current year.....	3,055,604,768

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.....	.....40,666	.....11,825	.....13,771	.....1,246	.....7,935	.....111	.....535	.....49,190	.....XXX.....
2. 1998.....	.....758,413	.....133,359	.....625,055	.....569,031	.....118,074	.....56,809	.....8,414	.....40,550	.....2,788	.....16,161	.....537,115	.....XXX.....
3. 1999.....	.....740,286	.....130,709	.....609,577	.....585,762	.....147,023	.....61,675	.....10,932	.....30,849	.....3,048	.....17,357	.....517,284	.....XXX.....
4. 2000.....	.....767,680	.....161,341	.....606,339	.....549,963	.....136,280	.....62,876	.....9,977	.....29,862	.....3,207	.....19,417	.....493,236	.....XXX.....
5. 2001.....	.....828,890	.....146,168	.....682,722	.....646,050	.....188,836	.....61,427	.....12,974	.....33,483	.....3,585	.....16,740	.....535,565	.....XXX.....
6. 2002.....	.....926,359	.....176,954	.....749,405	.....435,060	.....87,670	.....51,779	.....7,439	.....28,386	.....2,773	.....15,873	.....417,344	.....XXX.....
7. 2003.....	.....996,690	.....194,427	.....802,263	.....406,201	.....60,911	.....41,345	.....5,053	.....27,721	.....2,640	.....14,786	.....406,663	.....XXX.....
8. 2004.....	.....1,003,449	.....169,263	.....834,186	.....367,661	.....60,568	.....31,194	.....3,861	.....31,094	.....2,835	.....14,356	.....362,684	.....XXX.....
9. 2005.....	.....967,933	.....141,668	.....826,265	.....399,328	.....107,612	.....21,425	.....3,016	.....31,450	.....2,028	.....12,276	.....339,547	.....XXX.....
10. 2006.....	.....952,489	.....119,119	.....833,369	.....243,252	.....26,039	.....11,844	.....1,141	.....33,733	.....991	.....11,932	.....260,658	.....XXX.....
11. 2007.....	.....965,494	.....100,256	.....865,238	.....164,439	.....9,389	.....5,417	.....385	.....30,909	.....549	.....7,937	.....190,441	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....4,407,414	.....954,228	.....419,560	.....64,439	.....325,973	.....24,554	.....147,370	.....4,109,727	.....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.....	.....269,522	.....87,359	.....310,990	.....54,331	.....30,692	.....4,520	.....51,272	.....3,463	.....29,778	.....145	.....372	.....542,436	.....XXX.....
2. 1998.....	.....22,467	.....7,328	.....15,936	.....1,681	.....1,673	.....527	.....2,912	.....145	.....1,040	.....14	.....201	.....34,332	.....XXX.....
3. 1999.....	.....32,294	.....11,120	.....26,274	.....6,878	.....3,150	.....1,283	.....2,782	.....555	.....1,754	.....34	.....267	.....46,384	.....XXX.....
4. 2000.....	.....47,838	.....12,858	.....40,696	.....12,114	.....3,577	.....983	.....3,427	.....1,072	.....1,684	.....23	.....468	.....70,173	.....XXX.....
5. 2001.....	.....59,081	.....17,862	.....46,250	.....17,017	.....6,039	.....2,274	.....6,610	.....2,208	.....4,970	.....54	.....1,233	.....83,535	.....XXX.....
6. 2002.....	.....49,202	.....13,938	.....49,277	.....14,346	.....5,081	.....747	.....7,829	.....2,362	.....3,691	.....44	.....1,683	.....83,643	.....XXX.....
7. 2003.....	.....57,230	.....13,692	.....53,803	.....17,230	.....6,080	.....682	.....14,015	.....3,725	.....7,741	.....37	.....3,360	.....103,504	.....XXX.....
8. 2004.....	.....64,555	.....16,271	.....71,491	.....16,529	.....6,902	.....731	.....17,862	.....2,334	.....5,712	.....36	.....4,557	.....130,620	.....XXX.....
9. 2005.....	.....68,807	.....17,217	.....134,825	.....34,892	.....8,121	.....894	.....20,552	.....2,803	.....6,710	.....9	.....6,357	.....183,199	.....XXX.....
10. 2006.....	.....80,493	.....14,038	.....145,700	.....27,214	.....8,307	.....658	.....25,901	.....3,521	.....8,252	.....150	.....7,296	.....223,072	.....XXX.....
11. 2007.....	.....111,186	.....13,765	.....207,624	.....33,247	.....8,571	.....621	.....33,191	.....1,813	.....20,601	.....(233)	.....13,204	.....331,959	.....XXX.....
12. Totals.....	.....862,675	.....225,447	.....1,102,866	.....235,479	.....88,193	.....13,920	.....186,352	.....24,001	.....91,933	.....314	.....38,998	.....1,832,857	.....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.....	.....438,821	.....103,614
2. 1998.	.....710,417	.....138,970	.....571,446	.....93.7	.....104.2	.....91.4	.....0	.....0	.....4.84	.....29,393	.....4,938
3. 1999.	.....744,540	.....180,872	.....563,668	.....100.6	.....138.4	.....92.5	.....0	.....0	.....4.84	.....40,570	.....5,815
4. 2000.	.....739,922	.....176,513	.....563,409	.....96.4	.....109.4	.....92.9	.....0	.....0	.....4.84	.....63,563	.....6,610
5. 2001.	.....863,910	.....244,810	.....619,100	.....104.2	.....167.5	.....90.7	.....0	.....0	.....4.84	.....70,453	.....13,083
6. 2002.	.....630,305	.....129,318	.....500,987	.....68.0	.....73.1	.....66.9	.....0	.....0	.....4.84	.....70,195	.....13,448
7. 2003.	.....614,137	.....103,970	.....510,168	.....61.6	.....53.5	.....63.6	.....0	.....0	.....4.84	.....80,111	.....23,393
8. 2004.	.....596,471	.....103,167	.....493,304	.....59.4	.....61.0	.....59.1	.....0	.....0	.....4.84	.....103,246	.....27,374
9. 2005.	.....691,218	.....168,472	.....522,746	.....71.4	.....118.9	.....63.3	.....0	.....0	.....4.84	.....151,523	.....31,676
10. 2006.	.....557,482	.....73,753	.....483,730	.....58.5	.....61.9	.....58.0	.....0	.....0	.....4.84	.....184,942	.....38,131
11. 2007.	.....581,938	.....59,537	.....522,400	.....60.3	.....59.4	.....60.4	.....0	.....0	.....4.84	.....271,798	.....60,162
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,504,615	.....328,243

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	One Year	Two Year
1. Prior.....	1,292,134	1,261,421	1,222,114	1,201,579	1,342,120	1,354,255	1,423,375	1,480,533	1,500,206	1,518,531	18,325	37,998
2. 1998.....	481,266	481,415	491,004	503,926	513,095	518,634	524,686	528,558	531,063	533,495	2,432	4,937
3. 1999.....	XXX	447,003	457,679	478,795	498,360	516,229	527,174	528,687	534,518	534,959	441	6,272
4. 2000.....	XXX	XXX	435,853	453,342	469,273	497,912	524,965	530,907	538,087	536,199	(1,888)	5,292
5. 2001.....	XXX	XXX	XXX	547,177	550,943	574,254	586,851	581,651	589,151	585,589	(3,562)	3,938
6. 2002.....	XXX	XXX	XXX	XXX	490,448	448,742	464,786	473,549	476,903	474,003	(2,900)	454
7. 2003.....	XXX	XXX	XXX	XXX	XXX	493,753	468,851	478,593	477,571	480,388	2,817	1,795
8. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	543,703	495,425	474,932	462,422	(12,510)	(33,003)
9. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	551,147	505,875	489,168	(16,707)	(61,978)
10. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	460,660	445,827	(14,833)	XXX
11. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	474,667	XXX	XXX
12. Totals.....											(28,384)	(34,295)

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior.....	000	224,434	396,948	532,079	649,246	771,663	831,510	891,228	943,477	984,843	XXX	XXX
2. 1998.....	160,479	262,366	338,059	391,601	431,313	458,597	473,989	482,552	491,804	499,352	XXX	XXX
3. 1999.....	XXX	156,829	267,288	346,725	409,493	440,062	457,817	472,985	482,472	489,482	XXX	XXX
4. 2000.....	XXX	XXX	150,535	259,429	336,839	393,067	411,364	435,593	452,558	466,582	XXX	XXX
5. 2001.....	XXX	XXX	XXX	160,428	290,635	372,476	429,385	470,497	492,023	505,667	XXX	XXX
6. 2002.....	XXX	XXX	XXX	XXX	137,160	231,613	289,378	337,149	370,872	391,730	XXX	XXX
7. 2003.....	XXX	XXX	XXX	XXX	XXX	142,725	245,534	311,961	351,299	381,582	XXX	XXX
8. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	143,544	246,982	297,009	334,425	XXX	XXX
9. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	153,468	266,261	310,125	XXX	XXX
10. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	147,103	227,915	XXX	XXX
11. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	160,081	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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior.....	704,387	558,300	441,143	349,035	383,372	307,334	321,598	335,023	316,038	306,365
2. 1998.....	191,157	105,135	62,244	44,056	31,150	24,206	22,767	22,120	18,395	17,322
3. 1999.....	XXX	168,617	75,237	34,960	14,446	33,369	27,501	19,501	22,907	21,978
4. 2000.....	XXX	XXX	166,273	83,428	38,825	47,680	54,165	37,584	38,742	31,399
5. 2001.....	XXX	XXX	XXX	249,593	132,698	93,530	60,369	40,408	41,262	34,450
6. 2002.....	XXX	XXX	XXX	XXX	243,219	112,299	80,044	59,729	48,633	42,023
7. 2003.....	XXX	XXX	XXX	XXX	XXX	246,899	122,426	83,267	58,897	49,051
8. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	291,378	157,924	103,048	72,932
9. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	253,592	157,709	120,023
10. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	216,269	143,553
11. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	209,096

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 Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	YES	22,858,667	23,171,799	0	8,860,186	7,256,328	14,038,672	221,219	0
2. Alaska.....AK	YES	19,652	13,899	0	42,263	28,527	1,428,602	0	0
3. Arizona.....AZ	YES	14,733,117	16,047,311	0	6,768,102	6,588,234	8,592,385	195,677	0
4. Arkansas.....AR	YES	14,499,226	16,082,686	0	9,834,620	7,877,918	8,443,878	162,053	0
5. California.....CA	YES	172,804,523	168,787,818	0	70,362,173	75,426,829	80,355,108	2,593,052	0
6. Colorado.....CO	YES	41,995,675	44,270,238	0	14,872,428	16,077,089	12,286,830	280,685	0
7. Connecticut.....CT	YES	127,516,258	121,756,901	0	47,550,933	50,979,748	68,701,517	1,707,503	0
8. Delaware.....DE	YES	6,626,468	6,228,978	0	2,720,778	3,876,836	6,196,344	65,246	0
9. District of Columbia.....DC	YES	26,673,548	27,101,787	0	8,837,535	6,760,432	7,532,430	307,576	0
10. Florida.....FL	YES	42,059,502	42,468,304	0	6,587,303	7,423,073	46,251,079	35,399	0
11. Georgia.....GA	YES	63,608,133	67,691,127	0	38,247,140	42,684,114	24,594,872	955,345	0
12. Hawaii.....HI	YES	263,163	222,446	0	20,452	(389,187)	924,026	249	0
13. Idaho.....ID	YES	1,208,549	1,248,145	0	514,330	38,551	678,146	9,847	0
14. Illinois.....IL	YES	8,668,724	6,775,768	0	1,953,352	5,248,120	7,066,464	48,029	0
15. Indiana.....IN	YES	19,806,469	19,262,598	0	11,672,606	11,802,887	5,306,939	176,878	0
16. Iowa.....IA	YES	3,855,143	3,796,652	0	1,543,459	1,444,235	2,950,241	35,202	0
17. Kansas.....KS	YES	11,268,790	11,381,446	0	5,498,219	5,132,560	4,720,383	77,185	0
18. Kentucky.....KY	YES	22,339,453	22,081,510	0	10,282,533	10,498,184	8,448,218	185,740	0
19. Louisiana.....LA	YES	42,903,133	41,874,543	0	36,715,922	19,795,230	170,021,064	274,897	0
20. Maine.....ME	YES	11,229,700	10,978,423	0	7,292,677	8,285,815	12,341,049	168,061	0
21. Maryland.....MD	YES	167,546,180	162,759,517	0	54,652,894	58,691,667	37,677,636	1,120,698	0
22. Massachusetts.....MA	YES	40,292,575	37,716,362	0	16,027,490	15,276,567	16,289,140	236,547	0
23. Michigan.....MI	YES	4,038,900	3,946,263	0	3,141,545	12,677	14,359,853	29,655	0
24. Minnesota.....MN	YES	17,854,454	17,014,391	0	12,383,434	13,219,246	19,118,617	168,823	0
25. Mississippi.....MS	YES	5,714,164	5,524,944	0	2,092,354	869,645	9,552,681	43,646	0
26. Missouri.....MO	YES	37,068,801	36,390,981	0	14,627,354	16,913,273	11,113,048	235,880	0
27. Montana.....MT	YES	2,790,914	2,899,892	0	1,037,266	710,301	2,315,832	26,951	0
28. Nebraska.....NE	YES	6,875,822	7,439,423	0	2,352,905	2,533,820	2,924,613	38,611	0
29. Nevada.....NV	YES	4,840,306	5,196,007	0	2,311,685	2,347,606	2,788,103	52,841	0
30. New Hampshire.....NH	YES	8,586,363	8,761,118	0	2,797,444	2,470,289	1,716,548	116,154	0
31. New Jersey.....NJ	YES	16,594,273	15,851,956	0	15,589,007	14,219,484	16,426,431	62,195	0
32. New Mexico.....NM	YES	8,022,474	8,786,779	0	5,973,666	7,429,447	4,310,326	72,242	0
33. New York.....NY	YES	45,758,380	44,338,064	0	31,322,265	29,836,934	48,860,886	469,174	0
34. North Carolina.....NC	YES	59,332,349	53,886,701	0	21,075,505	24,577,412	24,952,793	524,408	0
35. North Dakota.....ND	YES	426,096	416,191	0	140,814	114,002	254,028	5,028	0
36. Ohio.....OH	YES	37,657,225	38,812,449	0	26,234,694	25,917,707	11,643,437	547,354	0
37. Oklahoma.....OK	YES	18,446,216	18,554,869	0	9,027,984	10,820,184	5,973,367	16,233	0
38. Oregon.....OR	YES	3,124,500	3,784,430	0	2,934,556	2,879,381	13,073,247	49,234	0
39. Pennsylvania.....PA	YES	37,859,530	37,775,352	0	21,131,444	15,370,354	56,087,100	521,010	0
40. Rhode Island.....RI	YES	15,721,359	15,261,396	0	4,410,884	5,341,127	6,831,367	208,291	0
41. South Carolina.....SC	YES	81,459,836	83,599,131	0	36,085,155	36,265,429	35,408,012	989,549	0
42. South Dakota.....SD	YES	470,343	449,417	0	318,589	328,805	988,480	3,728	0
43. Tennessee.....TN	YES	58,472,865	60,139,852	0	29,472,693	27,905,838	14,627,876	535,352	0
44. Texas.....TX	YES	36,924,663	34,755,537	0	10,460,311	13,306,045	36,825,944	184,835	0
45. Utah.....UT	YES	6,917,150	7,040,419	0	5,146,650	4,406,040	3,133,403	102,315	0
46. Vermont.....VT	YES	6,176,870	6,153,390	0	3,785,377	3,895,288	2,974,174	120,772	0
47. Virginia.....VA	YES	73,668,657	76,475,842	0	29,531,022	32,579,945	22,712,329	601,802	0
48. Washington.....WA	YES	9,830,276	10,192,083	0	5,302,003	4,211,379	4,820,576	94,208	0
49. West Virginia.....WV	YES	2,660,465	2,647,277	0	558,621	442,433	2,483,556	15,965	0
50. Wisconsin.....WI	YES	15,268,273	15,372,699	0	8,344,996	7,062,250	12,204,892	207,610	0
51. Wyoming.....WY	YES	603,190	593,809	0	113,419	(110,262)	203,291	5,924	0
52. American Samoa.....AS	NO	0	0	0	0	0	0	0	0
53. Guam.....GU	NO	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	YES	23,470	26,688	0	0	0	0	0	0
55. US Virgin Islands.....VI	YES	451,119	398,648	0	0	(16,000)	0	0	0
56. Northern Mariana Islands.....MP	NO	0	0	0	0	0	0	0	0
57. Canada.....CN	NO	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....	(a) 53	1,486,415,951	1,474,204,255	0	668,561,034	666,663,835	933,529,833	14,906,880	0

DETAILS OF WRITE-INS

5801.	XXX	0	0	0	0	0	0	0	0
5802.	XXX	0	0	0	0	0	0	0	0
5803.	XXX	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

Location of property: 1 Fire, 2 Allied lines, 3 Farmowners, 4 Homeowners, 5 CMP, 12 Earthquake, 25 Glass, 26 Burglary and theft, 27 Boiler and machinery, 28 credit; Location of risk: 11 Medical malpractice, 14 Group A&H, 17 Other liability; Location of garage: 19 Auto liability, 21 Auto physical damage, 8 Ocean marine - Where policy is negotiated and placed; 9 Inland marine - Where located; 10 Financial guaranty - Location of principal; 15 Other A&H - Insured's residence; 16 Workers' compensation - Location of employee's workplace; 23 Fidelity - Location of insured's principal office; 22 Aircraft - Location of airport from which insured's aircraft operates; 24 Surety - Depository, supply contract and miscellaneous: Location of principal; Judicial: Location of court; Licensee: Location of obligee; Construction: Location of work.

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

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

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690	... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. Seaboard Surety Company (22535)*	New York	13-5379820	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Travelers Guarantee Company of Canada*	Canada	
... .. Athena Assurance Company (41769) *	Minnesota	41-1435765	... .. Coronation Insurance Company, Ltd. *	Canada	
... .. St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766	... .. TCS European Investments Inc.	Connecticut	06-1549972
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. TCS International Investments	Cayman Islands	52-2138487
... .. Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... .. Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... .. Unionamerica Holdings, Ltd.	United Kingdom		... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... .. Unionamerica Acquisition Company, Ltd.	United Kingdom		... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... .. St. Paul Reinsurance Company Limited *	United Kingdom		... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... .. Unionamerica Insurance Company, Ltd. (71%) *	United Kingdom		... .. Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
... .. Unionamerica Insurance Company, Ltd. (29%) *	United Kingdom		... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... .. Unionamerica Combined Investment Co., Ltd.	United Kingdom		... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... .. Jago Dedicated, Ltd. (88.9%)	United Kingdom		... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
... .. Jago Capital Limited	United Kingdom		... .. First Trenton Indemnity Company (29930) *	New Jersey	22-3129711
... .. Lloyds Syndicate 205 *	United Kingdom		... .. Travelers Auto Insurance Co. of New Jersey (10785) *	New Jersey	22-3499393
... .. MMedica Insurance Company, Ltd. *	Ireland		... .. Atlantic Insurance Company (22209) *	Texas	75-6013587
... .. Captiva, Ltd. (81.1%)*	Bermuda	98-0170615	... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... .. United States Fidelity and Guaranty Company (25887) *	Maryland	52-0515280	... .. Select Insurance Company (22233) *	Texas	75-6013697
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... .. Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... .. Gulf Underwriting Holdings Limited	United Kingdom	
... .. Discover Re Managers, Inc.	Delaware	06-1288492	... .. Gulf Underwriting Limited *	United Kingdom	
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... .. USF&G Capital I	Delaware	52-1953822	... .. The Northland Company	Minnesota	41-0588627
... .. USF&G Capital II	Delaware	52-1953824	... .. Commercial Guaranty Casualty Insurance Company (21296) *	Indiana	35-0293730
... .. USF&G Capital III	Delaware	52-2044075	... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... .. USF&G Financial Services Corporation	Maryland	52-1386957	... .. Jupiter Holdings, Inc.	Minnesota	41-1769846
... .. Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776	... .. American Equity Insurance Company (43117) *	Arizona	86-0703220
... .. St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264	... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106
... .. St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036	... .. Northland Insurance Company (24015) *	Minnesota	41-6009967
... .. St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704	... .. Northfield Insurance Company (27987) *	Iowa	41-0983992
... .. St. Paul Travelers Insurance Company Limited *	United Kingdom		... .. Northland Casualty Company (24031) *	Minnesota	94-6051964
... .. F&G U.K. Underwriters Limited	United Kingdom		... .. Travelers Indemnity UK Investments, LLC	Connecticut	06-1591454
... .. Lloyds Syndicate 5000 (40%) *	United Kingdom		... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
... .. Aprilgrange Limited	United Kingdom		... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
... .. Lloyds Syndicate 5000 (60%) *	United Kingdom		... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
... .. Travelers Property Casualty Corp.	Connecticut	06-1008174	... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591	... .. Constitution State Services, LLC	Delaware	06-1501229
... .. TPC Investments Inc.	Connecticut	06-1534005	... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... .. TPC UK Investments LLC	Delaware	06-1534005	... .. TINDY RE Investments, Inc.	Connecticut	06-1575463
... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509	... .. TINDY Foreign, Inc.	Connecticut	20-4403403
... .. AE Properties, Inc.	California	95-2798160	... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... .. Travelers ALPHA Holdings, Inc.	Connecticut	06-1531058	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755	... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
			... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
			... .. The Travelers Marine Corporation	California	94-0338230

Notes:

* Denotes affiliated insurer

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

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