

# ANNUAL STATEMENT

## For the Year Ended December 31, 2008

OF THE CONDITION AND AFFAIRS OF THE

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

NAIC Group Code **3548** **3548** NAIC Company Code **31194** Employer's ID Number **06-0907370**  
(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 18, 1974 COMMENCED BUSINESS, JULY 24, 1974

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: **www.travelers.com**  
Statutory Statement Contact: **Michael J. Doody (860) 277-3966**  
**Annual.Statement.Contact@travelers.com (860) 277-7002**  
(E-Mail Address) (Fax Number)

### OFFICERS


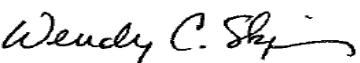
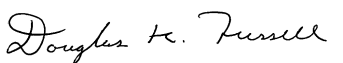
Name	Title	Name	Title
1. BRIAN WILLIAM MacLEAN.....	Chairman of the Board, President & Chief Executive Officer	JOSEPH PATRICK LACHER, JR.....	Executive Vice President, Personal Insurance
2. JAY STEVEN BENET.....	Vice Chairman & Chief Financial Officer	# SAMUEL GERSTEN LISS.....	Executive Vice President, Strategic Development
3. CHARLES JOSEPH CLARKE.....	Vice Chairman	# MARIA OLIVO.....	Executive Vice President, Enterprise Market Research & Development
4. WILLIAM HERBERT HEYMAN.....	Vice Chairman & Chief Investment Officer	DOREEN SPADORCIA.....	Executive Vice President, Claim
5. ALAN DAVID SCHNITZER.....	Vice Chairman & Chief Legal Officer	KENNETH FRANKLIN SPENCE, III.....	Executive Vice President & General Counsel
6. JOHN JOSEPH ALBANO.....	Executive Vice President, Business Insurance	DOUGLAS KEITH BELL.....	Senior Vice President, Accounting Standards
7. ANDY FRANCIS BESSETTE.....	Executive Vice President & Chief Administrative Officer	DOUGLAS KENNETH RUSSELL..	Senior Vice President, Treasurer & Corporate Controller
8. WILLIAM ALLEN BLOOM.....	Executive Vice President, Insurance Operations & Information Technology & Chief Information Officer	SCOTT WILLIAM RYNDA.....	Senior Vice President, Tax Administration
9. KATHLEEN LYNCH BOLDUC.....	Executive Vice President & Chief Marketing Officer	# WENDY CONSTANCE SKJERVEN.....	Associate Group General Counsel, Corporate & Corporate Secretary
10. JOHN PATRICK CLIFFORD, JR.....	Executive Vice President, Human Resources	# SMITESH DAVÉ.....	Vice President & Chief Corporate Actuary
11. WILLIAM PATRICK HANNON.....	Executive Vice President, Enterprise Risk Management & Business Conduct Officer		

### DIRECTORS

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

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.

		
_____ Brian W. MacLean	_____ Wendy C. Skjerven	_____ Douglas K. Russell
_____ President	_____ Secretary	_____ Controller

Subscribed and sworn to before me this

28th day of January, 2009

  
\_\_\_\_\_  
Sandra M. Bachman Notary Public  
My Commission Expires September 30, 2012



a. Is this an original filing? Yes  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).....	3,452,929,381	0	3,452,929,381	3,171,426,610
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	7,586,626	0	7,586,626	14,356,947
2.2 Common stocks.....	0	0	0	1
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(26,136,294), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....172,916,017, Sch. DA).....	146,779,723	0	146,779,723	74,575,111
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	0	0	0	0
8. Receivables for securities.....	0	0	0	0
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,607,295,730	0	3,607,295,730	3,260,358,669
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	46,660,631	0	46,660,631	42,220,864
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	209,360,772	12,345,249	197,015,523	82,718,207
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....42,860,618 earned but unbilled premiums).....	114,298,880	7,752,208	106,546,672	115,939,395
13.3 Accrued retrospective premiums.....	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	12,426,353	0	12,426,353	7,619,102
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.....	0	0	0	0
16.2 Net deferred tax asset.....	111,806,879	71,733,646	40,073,233	43,369,888
17. Guaranty funds receivable or on deposit.....	371,621	0	371,621	454,150
18. Electronic data processing equipment and software.....	0	0	0	0
19. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	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.....	82,758,905	0	82,758,905	0
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	3,229,290	134,387	3,094,903	3,290,812
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	4,188,209,062	91,965,490	4,096,243,572	3,555,971,086
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	4,188,209,062	91,965,490	4,096,243,572	3,555,971,086

## DETAILS OF WRITE-INS

0901.....	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. Suspense, undistributed payments.....	1,352,004	0	1,352,004	800,181
2302. Ceded deposit asset.....	999,664	0	999,664	2,491,106
2303. Assumed reinsurance receivable and payable.....	926,169	0	926,169	926,169
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(48,547)	134,387	(182,934)	(926,645)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,229,290	134,387	3,094,903	3,290,812

## TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	822,955,804	907,184,263
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 35, Column 9).....	276,222,162	153,320,025
4. Commissions payable, contingent commissions and other similar charges.....	52,167,066	34,054,809
5. Other expenses (excluding taxes, licenses and fees).....	29,247,064	34,494,038
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	43,371,400	19,747,911
7.1 Current federal and foreign income taxes (including \$.....(349,109) on realized capital gains (losses)).....	104,163,980	27,676,126
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	2,499
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....57,160,229 and including warranty reserves of \$.....0).....	846,309,219	830,096,152
10. Advance premium.....	140,144	116,872
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	9,605,141	8,740,193
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(45,467,530)	(55,035,104)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	105,982,816	123,307,214
14. Amounts withheld or retained by company for account of others.....	31,564,808	34,315,622
15. Remittances and items not allocated.....	57,573,235	59,653,721
16. Provision for reinsurance (Schedule F, Part 7).....	5,452,296	5,481,663
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	58,232,804
20. Payable for securities.....	5,173,450	0
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.....	16,806,198	23,935,994
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	2,361,267,253	2,265,324,801
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	2,361,267,253	2,265,324,801
27. Aggregate write-ins for special surplus funds.....	39,700,000	23,000,000
28. Common capital stock.....	6,000,000	6,000,000
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.....	303,297,402	303,297,402
33. Unassigned funds (surplus).....	1,385,978,916	958,348,884
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).....	1,734,976,318	1,290,646,286
36. TOTALS (Page 2, Line 26, Col. 3).....	4,096,243,572	3,555,971,086

### DETAILS OF WRITE-INS

2301. Retroactive reinsurance reserve assumed.....	11,097,864	23,913,659
2302. Reinsurance receivable/payable intercompany.....	3,497,906	0
2303. Escheat liability.....	2,187,551	22,148
2398. Summary of remaining write-ins for Line 23 from overflow page.....	22,878	187
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	16,806,198	23,935,994
2701. Special surplus from retroactive reinsurance.....	39,700,000	23,000,000
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).....	39,700,000	23,000,000
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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,321,520,473	1,255,368,337
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	87,879,599	249,361,830
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	165,260,225	70,794,117
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	493,874,843	495,748,132
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	747,014,667	815,904,079
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	574,505,806	439,464,259
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	158,735,143	146,499,861
10. Net realized capital gains (losses) less capital gains tax of \$....(552,103) (Exhibit of Capital Gains (Losses)).....	(10,395,105)	(228,739)
11. Net investment gain (loss) (Lines 9 + 10).....	148,340,038	146,271,122
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....1,168,293 amount charged off \$....1,138,688).....	29,604	(136,623)
13. Finance and service charges not included in premiums.....	61,234	43,457
14. Aggregate write-ins for miscellaneous income.....	33,841,624	15,138,773
15. Total other income (Lines 12 through 14).....	33,932,463	15,045,607
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	756,778,306	600,780,987
17. Dividends to policyholders.....	8,750,624	8,747,149
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).....	748,027,682	592,033,838
19. Federal and foreign income taxes incurred.....	236,241,489	186,931,430
20. Net income (Line 18 minus Line 19) (to Line 22).....	511,786,193	405,102,408
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,290,646,286	1,127,900,751
22. Net income (from Line 20).....	511,786,193	405,102,408
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(9,207,977).....	(17,100,528)	(1,195,434)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(551,955)	5,301,186
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	166,956	(6,607,975)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	29,367	145,351
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.....	(50,000,000)	(240,000,000)
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	444,330,033	162,745,535
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	1,734,976,318	1,290,646,286
<b>DETAILS OF WRITE-INS</b>		
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. Profit and loss, miscellaneous.....	17,987,127	15,141,475
1402. Retroactive reinsurance gain/loss.....	16,700,000	0
1403. Fines and penalties of regulatory authorities.....	(845,503)	(2,703)
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).....	33,841,624	15,138,773
3701. ....	0	0
3702. ....	0	0
3703. ....	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,252,763,558	1,273,764,872
2. Net investment income.....	168,490,297	151,727,630
3. Miscellaneous income.....	33,932,463	15,045,607
4. Total (Lines 1 through 3).....	1,455,186,319	1,440,538,109
5. Benefit and loss related payments.....	176,915,310	218,753,446
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	499,303,219	533,666,806
8. Dividends paid to policyholders.....	7,885,676	7,087,236
9. Federal and foreign income taxes paid (recovered) net of \$.....(371,088) tax on capital gains (losses).....	159,201,533	197,868,562
10. Total (Lines 5 through 9).....	843,305,738	957,376,049
11. Net cash from operations (Line 4 minus Line 10).....	611,880,580	483,162,059
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	287,573,169	302,178,075
12.2 Stocks.....	0	4,465,000
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	5,173,450	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	292,746,619	306,643,075
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	614,117,162	574,678,922
13.2 Stocks.....	0	5,000,000
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	4,975,100
13.7 Total investments acquired (Lines 13.1 to 13.6).....	614,117,162	584,654,022
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(321,370,543)	(278,010,946)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
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.....	50,000,000	240,000,000
16.6 Other cash provided (applied).....	(168,305,426)	(4,656,793)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(218,305,426)	(244,656,793)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	72,204,612	(39,505,680)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	74,575,111	114,080,791
19.2 End of year (Line 18 plus Line 19.1).....	146,779,723	74,575,111
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Intercompany transactions.....	5,051,794	(15,000,000)

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA 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.....	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	.0	.0	.0	.0
11.2 Medical malpractice - claims-made.....	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0
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.....	.0	.0	.0	.0
17.1 Other liability - occurrence.....	.0	.0	.0	.0
17.2 Other liability - claims-made.....	327,335,375	161,019,075	159,427,984	328,926,466
18.1 Products liability - occurrence.....	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	.0	.0	.0	.0
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0
21. Auto physical damage.....	.0	.0	.0	.0
22. Aircraft (all perils).....	.0	.0	.0	.0
23. Fidelity.....	107,145,302	61,494,626	61,132,155	107,507,774
24. Surety.....	883,195,372	552,117,565	571,731,966	863,580,972
26. Burglary and theft.....	20,057,491	12,604,267	11,156,497	21,505,261
27. Boiler and machinery.....	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0
30. Warranty.....	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0
33. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35. TOTALS.....	1,337,733,540	787,235,534	803,448,601	1,321,520,473

### DETAILS OF WRITE-INS

3401. ....	.0	.0	.0	.0
3402. ....	.0	.0	.0	.0
3403. ....	.0	.0	.0	.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	.0	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0	.0
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.....	.0	.0	.0	.0	.0
17.1 Other liability - occurrence.....	.0	.0	.0	.0	.0
17.2 Other liability - claims-made.....	138,615,089	20,812,896	.0	.0	159,427,984
18.1 Products liability - occurrence.....	.0	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	.0	.0	.0	.0	.0
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0	.0
21. Auto physical damage.....	.0	.0	.0	.0	.0
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	39,571,114	21,561,041	.0	.0	61,132,155
24. Surety.....	150,219,876	464,372,708	(42,860,618)	.0	571,731,966
26. Burglary and theft.....	9,975,943	1,180,553	.0	.0	11,156,497
27. Boiler and machinery.....	.0	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0	.0
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0	.0
33. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	338,382,021	507,927,198	(42,860,618)	.0	803,448,601
36. Accrued retrospective premiums based on experience.....					.0
37. Earned but unbilled premiums.....					42,860,618
38. Balance (sum of Lines 35 through 37).....					846,309,219

### DETAILS OF WRITE-INS

3401. ....	.0	.0	.0	.0	.0
3402. ....	.0	.0	.0	.0	.0
3403. ....	.0	.0	.0	.0	.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0

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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0
5. Commercial multiple peril.....	0	0	0	0	0	0
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0
9. Inland marine.....	0	0	0	0	0	0
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	0	0	0	0	0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0
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.....	(49,191)	0	0	(49,191)	0	0
17.1 Other liability - occurrence.....	253,152	0	0	253,152	0	0
17.2 Other liability - claims-made.....	336,415,060	7,888,194	0	6,825,643	10,142,236	327,335,375
18.1 Products liability - occurrence.....	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	109,436,662	528,976	0	1,116,896	1,703,440	107,145,302
24. Surety.....	897,357,083	78,567,413	6,161,663	12,214,429	86,676,358	883,195,372
26. Burglary and theft.....	30,913,916	130,825	0	10,948,225	39,025	20,057,491
27. Boiler and machinery.....	0	0	0	0	0	0
28. Credit.....	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	.XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	.XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	.XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,374,326,682	87,115,408	6,161,663	31,309,154	98,561,059	1,337,733,540

### DETAILS OF WRITE-INS

3401. ....	0	0	0	0	0	0
3402. ....	0	0	0	0	0	0
3403. ....	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.



**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	0	0	0	0	0	0	0	0.0
2. Allied lines.....	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0.0
5. Commercial multiple peril.....	1,286,365	0	1,286,365	0	0	0	0	0.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	0	0	0	0	0	0	0.0
9. Inland marine.....	0	0	0	0	0	0	0	0.0
10. Financial guaranty.....	0	0	0	0	129	129	0	0.0
11.1 Medical malpractice - occurrence.....	0	0	0	0	0	0	0	0.0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0	0	0.0
12. Earthquake.....	0	0	0	0	0	0	0	0.0
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.....	514,895	0	514,895	0	0	0	0	0.0
17.1 Other liability - occurrence.....	723,762	0	723,762	0	0	0	0	0.0
17.2 Other liability - claims-made.....	128,517,108	11,720,629	36,398,080	103,839,658	358,679,955	432,608,898	29,910,715	9.1
18.1 Products liability - occurrence.....	263,237	0	263,237	0	0	0	0	0.0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0	0	0.0
19.3, 19.4 Commercial auto liability.....	18,961	0	18,961	0	0	0	0	0.0
21. Auto physical damage.....	(59)	0	(59)	0	0	0	0	0.0
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	43,768,277	297,272	1,030,419	43,035,129	18,253,005	50,763,167	10,524,967	9.8
24. Surety.....	27,828,986	(88,523)	4,394,421	23,346,042	429,885,942	405,021,846	48,210,138	5.6
26. Burglary and theft.....	1,914,783	(483)	27,070	1,887,229	16,136,772	18,790,223	(766,221)	(3.6)
27. Boiler and machinery.....	0	0	0	0	0	0	0	0.0
28. Credit.....	0	0	0	0	0	0	0	0.0
29. International.....	0	0	0	0	0	0	0	0.0
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	204,836,313	11,928,895	44,657,150	172,108,058	822,955,804	907,184,263	87,879,599	6.6

**DETAILS OF WRITE-INS**

3401. ....	0	0	0	0	0	0	0	0.0
3402. ....	0	0	0	0	0	0	0	0.0
3403. ....	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net 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.....	0	0	0	0	1,788	0	1,788	0	0
2. Allied lines.....	0	0	0	0	896	0	896	0	0
3. Farmowners multiple peril.....	0	0	0	0	1	0	1	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril.....	238,433	0	238,433	0	5,289,798	0	5,289,798	0	0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0	0	0	0
9. Inland marine.....	0	0	0	0	(103)	0	(103)	0	0
10. Financial guaranty.....	0	0	0	0	130	(1)	0	129	19
11.1 Medical malpractice - occurrence.....	0	0	0	0	0	0	0	0	0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	9,058	0	9,058	0	0
13. Group accident and health.....	0	0	0	0	0	0	0	(a)	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
16. Workers' compensation.....	6,959,636	0	6,959,636	0	5,757,749	0	5,757,749	0	0
17.1 Other liability - occurrence.....	483,281	0	483,281	0	4,413,601	0	4,413,601	0	0
17.2 Other liability - claims-made.....	154,321,354	3,362,325	48,305,510	109,378,169	408,710,884	12,964,786	172,373,883	358,679,955	88,681,023
18.1 Products liability - occurrence.....	277,699	0	277,699	0	1,603,104	0	1,603,104	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	549,114	0	549,114	0	106,887	0	106,887	0	0
21. Auto physical damage.....	182	0	182	0	36,102	0	36,102	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	12,243,808	29,151	749,384	11,523,575	11,902,295	336,608	5,509,474	18,253,005	12,894,456
24. Surety.....	134,825,395	24,204,391	30,579,397	128,450,390	381,252,573	47,815,340	127,632,360	429,885,942	171,311,544
26. Burglary and theft.....	234,867	0	3,017	231,850	19,219,728	136,009	3,450,815	16,136,772	3,335,119
27. Boiler and machinery.....	0	0	0	0	0	0	0	0	0
28. Credit.....	0	0	0	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	310,133,767	27,595,868	88,145,651	249,583,984	838,304,491	61,252,742	326,185,413	822,955,804	276,222,162

**DETAILS OF WRITE-INS**

3401. ....	0	0	0	0	0	0	0	0	0
3402. ....	0	0	0	0	0	0	0	0	0
3403. ....	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## 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.....	140,578,892	0	0	140,578,892
1.2 Reinsurance assumed.....	2,409,195	0	0	2,409,195
1.3 Reinsurance ceded.....	8,387,489	0	0	8,387,489
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	134,600,598	0	0	134,600,598
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	238,872,895	0	238,872,895
2.2 Reinsurance assumed, excluding contingent.....	0	15,467,145	0	15,467,145
2.3 Reinsurance ceded, excluding contingent.....	0	9,726,048	0	9,726,048
2.4 Contingent - direct.....	0	7,801,389	0	7,801,389
2.5 Contingent - reinsurance assumed.....	0	(19,858)	0	(19,858)
2.6 Contingent - reinsurance ceded.....	0	4,131,526	0	4,131,526
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	248,263,998	0	248,263,998
3. Allowances to manager and agents.....	0	(18,329)	0	(18,329)
4. Advertising.....	1,880	4,947,781	0	4,949,661
5. Boards, bureaus and associations.....	238,408	506,410	150	744,968
6. Surveys and underwriting reports.....	3,681	692,837	0	696,518
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	13,941,290	133,107,907	388,356	147,437,553
8.2 Payroll taxes.....	640,360	7,952,220	29,969	8,622,549
9. Employee relations and welfare.....	2,298,521	10,067,321	41,704	12,407,546
10. Insurance.....	5,954,780	1,303,544	(0)	7,258,324
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,018,150	7,943,876	7,866	8,969,892
13. Rent and rent items.....	1,263,375	6,622,018	6,947	7,892,340
14. Equipment.....	372,992	2,519,671	3,678	2,896,341
15. Cost or depreciation of EDP equipment and software.....	514,202	13,383,257	9,999	13,907,458
16. Printing and stationery.....	221,314	951,431	(607)	1,172,138
17. Postage, telephone and telegraph, exchange and express.....	679,032	2,168,399	(9,691)	2,837,740
18. Legal and auditing.....	2,323,021	1,173,690	35,230	3,531,942
19. Totals (Lines 3 to 18).....	29,471,006	193,322,033	513,602	223,306,640
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....140,675.....	0	47,665,688	0	47,665,688
20.2 Insurance department licenses and fees.....	0	5,049,961	0	5,049,961
20.3 Gross guaranty association assessments.....	0	(988,956)	0	(988,956)
20.4 All other (excluding federal and foreign income and real estate).....	0	2,462,497	0	2,462,497
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	54,189,190	0	54,189,190
21. Real estate expenses.....	0	0	(278)	(278)
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	1,188,620	(1,900,378)	50,307	(661,451)
25. Total expenses incurred.....	165,260,224	493,874,843	563,631	(a).....659,698,698
26. Less unpaid expenses - current year.....	276,222,162	124,591,865	193,665	401,007,692
27. Add unpaid expenses - prior year.....	153,320,025	87,744,682	552,075	241,616,782
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).....	42,358,088	457,027,660	922,041	500,307,788

#### DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	1,188,620	11,284,500	50,307	12,523,427
2402. Costs of computer software developed for internal use.....	0	(13,184,878)	0	(13,184,878)
2403. ....	0	0	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	1,188,620	(1,900,378)	50,307	(661,451)

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

## TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

### EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....2,078,971	.....1,178,616
1.1 Bonds exempt from U.S. tax.....	(a).....97,523,999	.....100,500,250
1.2 Other bonds (unaffiliated).....	(a).....50,379,838	.....52,717,654
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....1,081,220	.....1,081,220
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....3,658,834	.....3,684,889
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....0	.....0
9. Aggregate write-ins for investment income.....	.....136,144	.....136,144
10. Total gross investment income.....	.....154,859,007	.....159,298,774
11. Investment expenses.....		(g).....563,631
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....563,631
17. Net investment income (Line 10 minus Line 16).....		.....158,735,143

#### DETAILS OF WRITE-INS

0901. Miscellaneous Income.....	73,729	73,729
0902. Lending of Security Fees.....	62,415	62,415
0903. ....	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	136,144	136,144
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 \$.....(4,736,094) accrual of discount less \$.....9,819,737 amortization of premium and less \$.....2,815,245 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....1,821 accrual of discount less \$.....0 amortization of premium and less \$.....10,111 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

### EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	0	0	0	0	0
1.1 Bonds exempt from U.S. tax.....	7,764	0	7,764	0	0
1.2 Other bonds (unaffiliated).....	(883,292)	(7,677,674)	(8,560,965)	(21,932,189)	0
1.3 Bonds of affiliates.....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated).....	0	(2,394,006)	(2,394,006)	(4,376,315)	0
2.11 Preferred stocks of affiliates.....	0	0	0	0	0
2.2 Common stocks (unaffiliated).....	0	0	0	(1)	0
2.21 Common stocks of affiliates.....	0	0	0	0	0
3. Mortgage loans.....	0	0	0	0	0
4. Real estate.....	0	0	0	0	0
5. Contract loans.....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments.....	0	0	0	0	0
7. Derivative instruments.....	0	0	0	0	0
8. Other invested assets.....	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	(875,528)	(10,071,680)	(10,947,208)	(26,308,505)	0

#### DETAILS OF WRITE-INS

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

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	.0	.0	.0
2.2 Common stocks.....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	.0	.0	.0
3.2 Other than first liens.....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale.....	.0	.0	.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans.....	.0	.0	.0
7. Other invested assets (Schedule BA).....	.0	.0	.0
8. Receivables for securities.....	.0	.0	.0
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	.0	.0	.0
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.....	12,345,249	22,982,266	10,637,017
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	7,752,208	7,458,957	(293,251)
13.3 Accrued retrospective premiums.....	.0	.0	.0
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.....	71,733,646	59,780,969	(11,952,677)
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.....	.0	.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	.0	.0	.0
21. Receivables 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.....	134,387	1,910,255	1,775,868
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	91,965,490	92,132,446	166,956
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.0	.0	.0
26. TOTALS (Lines 24 and 25).....	91,965,490	92,132,446	166,956

**DETAILS OF WRITE-INS**

0901.....	.0	.0	.0
0902.....	.0	.0	.0
0903.....	.0	.0	.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. Other assets nonadmitted.....	73,278	1,910,255	1,836,977
2302. Amounts receivable under high deductible policies.....	61,109	.0	(61,109)
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).....	134,387	1,910,255	1,775,868

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Travelers Casualty and Surety Company of America (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.

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

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.

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

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company adopted the amended guidance in SSAP No. 63, *Underwriting Pools and Associations Including Intercompany Pools* (SSAP No. 63) effective in 2008, regarding the reporting of amounts due to/from affiliates for reinsurance. Amounts related to reinsurance agreements with affiliates are reported as an aggregate write-in rather than as a receivable from/payable to parent, subsidiaries and affiliates. As a result of the change, \$3.5 million is reported as an aggregate write-in for reinsurance due to affiliates. The Company is a party to a master netting agreement with its affiliates and continues to settle amounts due to or from affiliates on a net basis in accordance with SSAP No. 63.

The change to SSAP No. 63 had no impact on the net income or surplus. This impact of reporting reinsurance on a gross basis was \$3.5 million for net admitted assets and liabilities.

### 3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

### 4. DISCONTINUED OPERATIONS

Not applicable.

### 5. INVESTMENTS

#### A. Mortgage Loans:

Not applicable.

#### B. Debt Restructuring:

Not applicable.

#### C. Reverse Mortgages:

Not applicable.

#### D. Loan-Backed Securities:

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 those securities that are other than temporarily impaired the prospective method is utilized.

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.

**NOTES TO FINANCIAL STATEMENTS**

## 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

Not applicable.

## 7. INVESTMENT INCOME

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

B. At December 31, 2008, 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:

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Total of gross deferred tax assets	\$ 115,490,597	\$ 108,807,277
Total of deferred tax liabilities	<u>(3,683,718)</u>	<u>(5,656,420)</u>
Net deferred tax asset (liability)	111,806,879	103,150,857
Deferred tax asset nonadmitted	<u>(71,733,646)</u>	<u>(59,780,969)</u>
Net admitted deferred tax asset (liability)	<u>\$ 40,073,233</u>	<u>\$ 43,369,888</u>

(Increase) decrease in nonadmitted asset	\$ (11,952,677)	\$ (5,372,196)
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B. Deferred tax liabilities not recognized for the following amounts:

Not applicable.

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Federal	\$ 236,590,124	\$ 186,931,430
Foreign	<u>(348,635)</u>	<u>-</u>
	236,241,489	186,931,430
Federal income taxes on net capital gains	<u>(552,102)</u>	<u>(113,575)</u>
Federal and foreign income taxes incurred	<u>\$ 235,689,387</u>	<u>\$ 186,817,855</u>

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Deferred tax assets:		
Claims and claim adjustment expense reserves	\$ 26,061,286	\$ 27,205,802
Unearned premium reserves	59,251,457	58,114,913
Nonadmitted assets	7,081,145	11,323,017
Investments	22,903,805	9,870,163
Other assets	<u>192,904</u>	<u>2,293,382</u>
Total deferred tax assets	115,490,597	108,807,277
Nonadmitted deferred tax assets	<u>(71,733,646)</u>	<u>(59,780,969)</u>
Admitted deferred tax assets	<u>43,756,951</u>	<u>49,026,308</u>
Deferred tax liabilities:		
Investments	2,261,241	2,021,796
Other liabilities	<u>1,422,477</u>	<u>3,634,624</u>
Total deferred tax liabilities	<u>3,683,718</u>	<u>5,656,420</u>
Net admitted tax asset	<u>\$ 40,073,233</u>	<u>\$ 43,369,888</u>

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>	<u>Change</u>
Total deferred tax assets	\$ 115,490,597	\$ 108,807,277	\$ 6,683,320
Total deferred tax liabilities	<u>(3,683,718)</u>	<u>(5,656,420)</u>	<u>1,972,702</u>
Net deferred tax asset (liability)	<u>\$ 111,806,879</u>	<u>\$ 103,150,857</u>	8,656,022
Tax effect of unrealized gains (losses)			<u>(9,207,977)</u>
Change in net deferred income taxes			<u>\$ (551,955)</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, 2008</u>
Pretax net income (loss)	\$ 747,475,579
Taxes at statutory rate	\$ 261,616,453
Increase (decrease) attributable to:	
Non-taxable investment income	(29,846,069)
Nonadmitted Assets	4,241,872
Other	<u>229,086</u>
Total statutory income taxes	<u>\$ 236,241,342</u>

## NOTES TO FINANCIAL STATEMENTS

Federal and foreign taxes incurred	\$ 235,689,387
Change in net deferred taxes	<u>551,955</u>
Total statutory income taxes	<u>\$ 236,241,342</u>

Effective tax rate 31.6%

- E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.
2. The Company has \$236,613,767 and \$186,888,050 of federal income tax from the current and prior tax year respectively, available for recoupment in the event of future losses.
3. The Company has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- F. 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
2. The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the 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, AFFILIATES AND OTHER RELATED PARTIES

A-C. On October 15, 2008 the Company entered into an "Agreement and Plan of Restructuring" with the following affiliates Seaboard Surety Company (Seaboard), St. Paul Fire and Marine Insurance Company (Fire and Marine), Travelers Casualty and Surety Company (TCS), TRV, Travelers Property Casualty Corp. (TPC), and Travelers Insurance Group Holdings Inc. (TIGHI), intended to reorganize the corporate structure of certain TRV companies in order to merge Seaboard with and into the Company. See Note 21 - Events Subsequent.

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:

- The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by The Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
  - 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, 2008 and 2007, the TRVMMLP totaled \$4.9 billion and \$4.2 billion, respectively.
- D. (1) At December 31, 2008 and 2007, the Company had \$82,758,905 receivable from and \$58,232,804 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.
- (2) As described in Note 2, the Company adopted the amended guidance in SSAP No. 63 during 2008. The changes to SSAP No. 63 continue to permit the net settlement of balances resulting from an intercompany reinsurance agreement providing there is a contractual right of offset provision, but require the related amounts resulting from the reinsurance contract to be reported as an asset or liability.
- 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 <sup>1</sup>
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C <sup>1</sup>

<sup>1</sup> "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 TCS, an insurance company domiciled in Connecticut. The Company is a member of TRV, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

### 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.



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**NOTES TO FINANCIAL STATEMENTS**


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## 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 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 \$3,254,313 and \$1,786,852 for 2008 and 2007, 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 \$901,665 and \$697,786 for 2008 and 2007, 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 \$7,774,645 and \$4,549,117 for 2008 and 2007, 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

At December 31, 2008, the Company has 5,000 shares of common capital stock authorized, issued and outstanding with a par value of \$1,200 per share.

The Company paid ordinary dividends of \$50.0 million and \$240.0 million to its parent company, TCS in 2008 and 2007, respectively.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by 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 2009 without prior approval is \$511,786,000.

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

Unassigned funds or surplus has been decreased by cumulative net unrealized losses of \$29,576,811.

## 14. CONTINGENCIES

## A. Contingent Commitments:

Not applicable.

## B. Assessments:

Not applicable.

## C. Gain Contingencies:

Not applicable.

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

The Company paid \$700,000 in the reporting period on one claim to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits. The claim count information provided herein is disclosed on a per claim direct basis.

## E. All Other Contingencies:

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, 2008, 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.

## 15. LEASES

Not applicable.

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

Not applicable.

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

## A. Transfers of Receivables Reported as Sales:

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### B. Transfer and Servicing of Financial Assets:

The Company engages in securities lending activities from which it generates net investment income from the lending of certain of its investments to other institutions for short periods of time. 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. During the third quarter of 2008, the Company began accepting only cash as collateral for securities on loan and restricted the manner in which that cash was invested. 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 did not have any direct premiums written through managing general agents (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators.

### 20. 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.

2008 Schedule P:

The 1998 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	<u>Accident Years</u>				
	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994 &amp; Prior</u>
Part 1A	\$ -	\$ -	\$ -	\$ -	\$ -
Part 1B	-	-	-	-	-
Part 1C	-	-	-	-	-
Part 1D	-	-	-	-	-
Part 1E	-	-	-	-	-
Part 1F - Section 1	-	-	-	-	-
Part 1F - Section 2	-	-	-	-	-
Part 1G	-	-	-	-	-
Part 1H - Section 1	-	-	-	-	-
Part 1H - Section 2	97	149	3,296	244	933
Part 1M	-	-	-	1	-
Part 1N	-	-	-	-	-
Part 1O	-	-	-	-	-
Part 1P	-	-	-	-	-
Part 1R - Section 1	-	-	-	-	-
Part 1R - Section 2	-	-	-	-	-

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

<u>Accident Year</u>	<u>Fidelity/Surety</u>
2006 & Prior	\$11,098

### D. Uncollectible Premium Balances:

Not applicable.

### E. Business Interruption Insurance Recoveries:

Not applicable.

### F. State Transferable Tax Credits:

Not applicable.

### G. Hybrid Securities:

At December 31, 2008 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>
06738CAE9	Barclays Bank PLC	Perpetual	\$ 8,538,609
225448AA7	Credit Suisse Guernsey	Perpetual	1,514,140
564759QB7	Manufacturers & Traders	Redeemable	<u>2,235,060</u>
Total			<u>\$12,287,809</u>

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

The Company defines exposure to subprime mortgage-backed 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.

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

a. Actual cost	\$20,882,127
b. Book adjusted carrying value	20,846,632
c. Fair value	11,726,360
d. Other-than-temporary impairments	3,386,683

**I. Federal Home Loan Bank Agreements:**

Not applicable.

**21. EVENTS SUBSEQUENT**

On January 2, 2009 in accordance with a Plan of Merger and in connection with and as part of a series of related transactions as contemplated by and described in the "Agreement and Plan of Restructuring" dated October 15, 2008, Seaboard merged with and into the Company, with the Company being the surviving corporation. At the time of this merger Seaboard had a statutory carrying value of \$138,731,884.

As part of these transactions Fire and Marine distributed 100% of the common shares of Seaboard to its sole shareholder and parent TRV. The transaction qualifies as a tax-free spin-off distribution under Section 355 of the Internal Revenue Code and was reported as a return of capital / decrease in surplus in Fire and Marine's annual statement. In accordance with the "Plan of Merger, Seaboard then merged with and into the Company at which time all issued and outstanding shares of Seaboard were exchanged for 400 shares of the Company. TRV then contributed the 400 shares as a capital contribution to TPC. TPC then contributed the 400 shares to TIGHI which in turn contributed the 400 shares to the Company's parent TCS. As a result TCS continues to own all issued and outstanding shares of the Company. The statutory merger method was utilized in merging the two entities, of which the Company was the surviving entity and 100% of the outstanding common stock of Seaboard was retired.

All required regulatory approvals were obtained by the Company and its affiliates in connection with the "Plan of Merger" and the "Agreement and Plan of Restructuring" dated October 15, 2008.

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

The Company had \$154,659,549 of unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums, that exceeded 3% of its surplus as regards policyholders, recoverable from Indemnity at December 31, 2008.

**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, 2008, that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

	<u>Group Code</u>	<u>F.E.I.N.</u>	<u>Amount</u>
Munich Reinsurance America Inc.	0361	13-4924125	\$ 74,674,035
Westport Insurance Corporation	0181	48-0921045	69,502,506
Transatlantic Reinsurance Company	0012	13-5616275	59,140,947

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

**B. Reinsurance Recoverable in Dispute:**

The Company did not have any individual reinsurers with reinsurance recoverable on paid and unpaid (including IBNR) losses in dispute that exceeded 5% of the Company's policyholder surplus or disputed items, that when aggregated, exceed 10% of the Company's policyholder surplus.

**C. Reinsurance Assumed and Ceded:**

1.	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
Affiliates	\$ 77,533,095	\$ 11,483,726	\$ 10,177,717	\$ 1,507,461	\$ 67,355,378	\$ 9,976,265
All Other	3,910,122	579,144	46,982,512	6,958,762	(43,072,390)	(6,379,618)
Total	<u>\$ 81,443,217</u>	<u>\$ 12,062,870</u>	<u>\$ 57,160,229</u>	<u>\$ 8,466,223</u>	<u>\$ 24,282,988</u>	<u>\$ 3,596,647</u>
Direct Unearned Premium Reserve			\$ 822,026,232			

## NOTES TO FINANCIAL STATEMENTS

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$6,494,535 at December 31, 2008:

Direct Business	\$ 8,366,836
Add: Reinsurance Assumed	434,126
Less: Reinsurance Ceded	<u>2,306,427</u>
Net	<u>\$ 6,494,535</u>

D. Uncollectible Reinsurance:

The Company has written off as uncollectible/(recovered) in the current year certain reinsurance balances due (from the companies listed below) in the amount of \$(91,094), which is reflected in losses incurred.

Company – (Recovered)  
 Reliance Insurance Company  
 Kansa Reinsurance Company Ltd.  
 All other under (\$10,000)

E. Commutation of Ceded Reinsurance:

The Company has not incurred a gain or loss in the current year as a result of commutation of reinsurance.

F. Retroactive Reinsurance:

1.	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$71,584,000	\$ -
(2) Adjustments - Prior Year(s)	(12,121,000)	-
(3) Adjustments - Current Year	<u>(16,700,000)</u>	-
(4) Current Total	<u>\$42,763,000</u>	<u>\$ -</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$71,584,000	\$ -
(2) Adjustments - Prior Year(s)	10,879,000	-
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$82,463,000</u>	<u>\$ -</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 35,549,341	\$ -
(2) Current Year	<u>(3,884,205)</u>	-
(3) Current Total	<u>\$ 31,665,13</u>	<u>\$ -</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ -	\$ -
(2) Adjustments - Prior Year(s)	23,000,000	-
(3) Adjustments - Current Year	<u>16,700,000</u>	-
(4) Current Year Restricted Surplus	<u>\$39,700,000</u>	<u>\$ -</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ -</u>
e. List the other insurers included in the above transactions:		
<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Reliance Insurance Company (24457)	\$42,763,000	\$ -
f. Paid Loss/LAE Recoverable:		

Not applicable.

G. Reinsurance Accounted for as a Deposit:

The Company entered into several ceded reinsurance arrangements which provided coverage for certain surety policies issued by the Company. Given the contract terms and results of the Company's cash flow analyses, it was determined that these contracts did not fulfill the SSAP No. 62 requirements for risk transfer so they have been accounted for as deposits.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ -	\$ 14,633,943	\$ 202,357	\$ 14,836,300
2006	-	(8,712,725)	11,047	6,134,622
2007	-	(3,720,464)	76,948	2,491,106
2008	79,432	(1,504,985)	(65,889)	999,664

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

In 2008, reserves for incurred losses and loss adjustment expenses for claims arising in prior years decreased by \$209,679,878, primarily in fidelity & surety and other liability – claims made lines of business. The decrease in fidelity & surety was a result of better than expected loss experience for the contract surety business within this line, primarily driven by favorable settlements on large claims from older accident years. The decrease in other liability – claims made is attributable to lower than expected claim activity in the fiduciary line. There are no material additional premiums or return premiums as a result of these prior year effects.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTH CARE RECEIVABLES

Not applicable.

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## NOTES TO FINANCIAL STATEMENTS

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28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

As of December 31, 2008, 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

Not applicable.

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

Not applicable.

32. ASBESTOS/ENVIRONMENTAL RESERVES

The Company has minimal potential exposure to asbestos and environmental claims on a direct basis, primarily arising from the sale of general liability insurance. There is no net exposure for the Company since 100% of this business is ceded to participants in the Travelers Reinsurance Pool.

33. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

34. MULTIPLE PERIL CROP INSURANCE

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

Attachment to the 2008 Annual Statement – Notes to Financial Statements, Note 9 – Part F:  
Names of the companies included with TRV in the December 31, 2008, 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 PROPERTIES, INC.	41-1412523
AE DEVELOPMENT GROUP, INC.	06-0952727	ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404
AE PROPERTIES, INC.	95-2798160	ST. PAUL RE (BERMUDA) LTD.	98-0114704
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	TCI GLOBAL SERVICES, INC.	52-1965525
ATHENA ASSURANCE COMPANY	41-1435765	TCS EUROPEAN INVESTMENTS, INC.	06-1549972
ATLANTIC INSURANCE COMPANY	75-6013587	THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755
BMR SPORTS PROPERTIES, INC.	52-1852190	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
CAMPERDOWN CORPORATION	41-1762781	THE NORTHLAND COMPANY	41-0588627
CAPTIVA, LTD.	98-0170615	THE ONE HUNDRED LIGHT STREET CORPORATION	52-1371908
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE PHOENIX INSURANCE COMPANY	06-0303275
COMMERCIAL GUARANTY CASUALTY INSURANCE COMPANY	35-0293730	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS INDEMNITY COMPANY	06-0566050
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER RE MANAGERS, INC.	06-1288492	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925131	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
DISCOVERY MANAGERS, LTD.	06-1273933	THE TRAVELERS MARINE CORPORATION	94-0338230
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TINDY RE INVESTMENTS, INC.	06-1575463
FARMINGTON CASUALTY COMPANY	06-1067463	TPC INVESTMENTS, INC.	06-1534005
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIDELITY JV HOLDING COMPANY NUMBER TWO, INC.	52-1649813	TRAVELERS (BERMUDA) LTD.	98-0190863
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS ALPHA HOLDINGS, INC.	06-1531058
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS AUTO INSURANCE COMPANY OF NEW JERSEY	22-3499393
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
JNO INDUSTRIAL, INC.	52-1802629	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
MOUNTAIN RIDGE INSURANCE COMPANY	52-1957776	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS INDEMNITY UK INVESTMENTS LLC	06-1591454
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SEABOARD SURETY COMPANY	13-5379820	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS MGA, INC.	75-2676034
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS PC FUND INVESTMENTS, INC.	06-1514468
ST. PAUL (BERMUDA) LTD.	98-0162036	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL AVIATION COMPANY	52-1993243	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL BERMUDA HOLDINGS, INC.	41-1835264	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	YONKERS FINANCING CORPORATION	20-3033027

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ 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
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ 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

- 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, .....0.000 %

- 7.21 State the percentage of foreign control
- 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 locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?  
Smitesh Davé, F.C.A.S. & M.A.A.A. (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 [ ] No [ X ]
- 11.11 Name of real estate holding company \_\_\_\_\_

- 11.12 Number of parcels involved .....0
- 11.13 Total book/adjusted carrying value \$.....0

- 11.2 If yes, provide explanation. \_\_\_\_\_

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## 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 [ ]

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 [ X ] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

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 [ X ]

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 [ X ]

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 [ X ] 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 [ X ] 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 [ X ] 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 [ X ]

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 [ X ]

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 [ X ]

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 [ X ] 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 (other than securities lending programs addressed in 22.3)?

Yes [ X ] No [ ]

22.2 If no, give full and complete information relating thereto.

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided).

This company is a party to a security lending agreement. See Note 17.

22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [ X ] No [ ]

22.5 If answer to 22.4 is yes, report amount of collateral.

\$.....336,000

22.6 If answer to 22.4 is no, report amount of collateral.

\$.....0

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 and 22.3)

Yes [ X ] No [ ]



**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$.....0
  - 23.22 Subject to reverse repurchase agreements \$.....0
  - 23.23 Subject to dollar repurchase agreements \$.....0
  - 23.24 Subject to reverse dollar repurchase agreements \$.....0
  - 23.25 Pledged as collateral \$.....0
  - 23.26 Placed under option agreements \$.....0
  - 23.27 Letter stock or securities restricted as to sale \$.....0
  - 23.28 On deposit with state or other regulatory body \$.....6,059,054
  - 23.29 Other \$.....0

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

- 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-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - 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	4 New York Plaza, New York, NY 10004

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
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

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.....	3,625,845,404	3,605,929,404	(19,916,000)
28.2 Preferred stocks.....	7,586,626	7,586,626	0
28.3 Totals.....	3,633,432,030	3,613,516,030	(19,916,000)

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

- 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? \$.....404,936

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
The Surety & Fidelity Association of America	216,966

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 31.1 Amount of payments for legal expenses, if any? \$.....1,243,034
- 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	350,105

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....7,371
- 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
The Surety & Fidelity Association of America	7,371

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding:
- 
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$.....0
- 1.62 Total incurred claims \$.....0
- 1.63 Number of covered lives .....0
- All years prior to most current three years:
- 1.64 Total premium earned \$.....0
- 1.65 Total incurred claims \$.....0
- 1.66 Number of covered lives .....0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$.....0
- 1.72 Total incurred claims \$.....0
- 1.73 Number of covered lives .....0
- All years prior to most current three years:
- 1.74 Total premium earned \$.....0
- 1.75 Total incurred claims \$.....0
- 1.76 Number of covered lives .....0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....1,321,520,473	\$.....1,255,368,337
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....1,945,487,185	\$.....1,890,600,439
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ X ] No [ ]
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies \$.....50,514,160
- 3.22 Non-participating policies \$.....1,287,219,380

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?

The Company has no workers compensation loss exposures.

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 has no property loss exposures.

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 property insurance loss?

The Company has no property loss exposures.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [ X ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

The Company has no property loss exposures.

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ X ] No [ ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. .....7

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ X ] No [ ]

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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
- 8.2 If yes, give full information:  
Please see footnote 22E for a list of commutations.
- 
- 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
- 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
- 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
- 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   
 (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   
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes  No
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  No  N/A
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes  No
- 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 \$.....0  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 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  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 From .....0.0 %  
 12.42 To .....0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes  No
- 12.6 If yes, state the amount thereof at December 31 of current year:  
 12.61 Letters of credit \$.....0  
 12.62 Collateral and other funds \$.....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....129,065,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes  No
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .....1

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes  No   
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 Per the Company's Reinsurance Allocation 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   
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes  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   
 15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes  No   
 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.....					
16.12 Products.....					
16.13 Automobile.....					
16.14 Other*.....					

\* 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   
 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

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## FIVE-YEAR HISTORICAL DATA

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

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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).....	344,507,215	360,665,143	357,196,219	331,613,013	305,035,961
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	31,044,741	28,831,058	25,833,077	20,952,632	19,328,742
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,092,051,797	1,110,049,616	1,000,638,280	836,219,276	681,389,554
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
6. Total (Line 35).....	1,467,603,753	1,499,545,817	1,383,667,576	1,188,784,921	1,005,754,257
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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).....	327,335,375	341,792,172	317,442,488	278,122,777	257,982,023
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	20,057,491	28,714,553	25,012,089	19,819,285	18,161,193
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	990,340,674	981,154,875	850,982,162	692,913,681	582,772,396
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
12. Total (Line 35).....	1,337,733,540	1,351,661,599	1,193,436,739	990,855,743	858,915,611
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	574,505,806	439,464,259	270,761,244	153,093,717	177,750,492
14. Net investment gain (loss) (Line 11).....	148,340,038	146,271,122	125,881,984	112,607,089	115,347,873
15. Total other income (Line 15).....	33,932,463	15,045,607	1,187,419	25,781,281	7,224,919
16. Dividends to policyholders (Line 17).....	8,750,624	8,747,149	10,646,776	6,998,358	5,468,970
17. Federal and foreign income taxes incurred (Line 19).....	236,241,489	186,931,430	122,913,596	95,457,082	96,115,118
18. Net income (Line 20).....	511,786,193	405,102,408	264,270,275	189,026,646	198,739,196
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	4,096,243,572	3,555,971,086	3,291,414,536	2,680,396,653	2,295,233,475
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	197,015,523	82,718,207	68,056,272	63,401,951	54,061,585
20.2 Deferred and not yet due (Line 13.2).....	106,546,672	115,939,395	98,101,026	86,326,742	85,086,673
20.3 Accrued retrospective premiums (Line 13.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	2,361,267,253	2,265,324,801	2,163,513,785	1,823,523,650	1,424,761,023
22. Losses (Page 3, Line 1).....	822,955,804	907,184,263	872,911,753	713,236,642	542,595,315
23. Loss adjustment expenses (Page 3, Line 3).....	276,222,162	153,320,025	128,785,154	114,606,239	97,587,047
24. Unearned premiums (Page 3, Line 9).....	846,309,219	830,096,152	724,600,436	636,314,350	517,322,210
25. Capital paid up (Page 3, Lines 28 & 29).....	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	1,734,976,318	1,290,646,286	1,127,900,751	856,873,003	870,472,452
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	611,880,580	483,162,059	518,101,946	553,879,298	320,016,207
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	1,734,976,318	1,290,646,286	1,127,900,751	856,873,003	870,472,452
29. Authorized control level risk-based capital.....	110,322,299	104,290,077	101,472,042	87,507,426	69,414,145
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1).....	95.7	97.3	95.8	98.9	99.3
31. Stocks (Lines 2.1 & 2.2).....	0.2	0.4	0.5	0.3	0.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	4.1	2.3	3.8	0.8	0.1
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	0.0	0.0	0.0	0.0	0.0
37. Receivable for securities (Line 8).....	0.0	0.0	0.0	0.0	0.0
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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).....	0	0	0	0	0
43. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....	0	0	0	0	0
44. Affiliated mortgage loans on real estate.....	0	0	0	0	0
45. All other affiliated.....	0	0	0	0	0
46. Total of above lines 40 to 45.....	0	0	0	0	0
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).....	0.0	0.0	0.0	0.0	0.0

# TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2008	2007	2006	2005	2004
<b>Capital and Surplus Accounts (Page 4)</b>					
48. Net unrealized capital gains (losses) (Line 24).....	(17,100,528)	(1,195,434)	(325,965)	(1,114,950)	(252,986)
49. Dividends to stockholders (Line 35).....	(50,000,000)	(240,000,000)	0	(198,700,000)	(153,000,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	444,330,033	162,745,535	271,027,747	(13,599,449)	50,816,422
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1&amp;2)</b>					
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).....	141,758,592	142,361,375	133,565,995	83,836,611	109,763,756
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,914,240	1,134,997	(302,831)	2,567,584	1,139,799
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,286,365	798,666	202,887	1,661,553	1,118,118
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	71,806,011	103,494,802	80,507,005	82,554,676	167,176,138
55. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
56. Total (Line 35).....	216,765,208	247,789,841	213,973,056	170,620,425	279,197,811
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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).....	103,839,658	114,036,144	85,626,305	38,946,006	68,481,778
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,887,229	1,125,831	(302,799)	2,524,685	1,176,524
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	66,381,172	99,927,346	77,931,869	42,663,649	129,003,491
61. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
62. Total (Line 35).....	172,108,058	215,089,320	163,255,374	84,134,340	198,661,793
<b>Operating Percentages</b> (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).....	6.6	19.9	29.1	29.2	36.3
65. Loss expenses incurred (Line 3).....	12.5	5.6	5.7	6.7	3.9
66. Other underwriting expenses incurred (Line 4).....	37.4	39.5	40.8	46.6	38.1
67. Net underwriting gain (loss) (Line 8).....	43.5	35.0	24.4	17.6	21.8
<b>Other Percentages</b>					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	34.4	35.6	37.8	38.4	35.3
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	19.2	25.5	34.8	35.9	40.2
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 35, Col. 1 x 100.0).....	77.1	104.7	105.8	115.6	98.7
<b>One Year Loss Development (000 omitted)</b>					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(220,577)	(109,200)	(64,850)	(94,144)	2,871
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).....	(17.1)	(9.7)	(7.6)	(10.8)	0.4
<b>Two Year Loss Development (000 omitted)</b>					
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).....	(366,201)	(141,185)	(112,536)	(53,241)	49,802
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).....	(32.5)	(16.5)	(12.9)	(6.5)	7.0

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....12,886.....	.....12,838.....	.....922.....	.....497.....	.....598.....	.....298.....	.....334.....	.....773.....	.....XXX.....
2. 1999.....	.....291,871.....	.....72,215.....	.....219,656.....	.....120,688.....	.....50,047.....	.....10,502.....	.....2,028.....	.....5,668.....	.....2,786.....	.....11,336.....	.....81,997.....	.....XXX.....
3. 2000.....	.....440,596.....	.....91,609.....	.....348,987.....	.....222,451.....	.....94,727.....	.....21,983.....	.....1,792.....	.....4,203.....	.....394.....	.....18,099.....	.....151,724.....	.....XXX.....
4. 2001.....	.....609,409.....	.....85,380.....	.....524,029.....	.....423,911.....	.....212,620.....	.....42,407.....	.....11,111.....	.....12,922.....	.....569.....	.....41,382.....	.....254,940.....	.....XXX.....
5. 2002.....	.....700,660.....	.....120,193.....	.....580,467.....	.....198,757.....	.....58,998.....	.....17,395.....	.....435.....	.....13,597.....	.....287.....	.....24,121.....	.....170,028.....	.....XXX.....
6. 2003.....	.....878,084.....	.....156,404.....	.....721,680.....	.....245,542.....	.....90,784.....	.....22,123.....	.....4,191.....	.....15,760.....	.....310.....	.....23,346.....	.....188,141.....	.....XXX.....
7. 2004.....	.....968,809.....	.....153,387.....	.....815,422.....	.....200,837.....	.....28,110.....	.....32,503.....	.....4,534.....	.....18,204.....	.....79.....	.....28,705.....	.....218,821.....	.....XXX.....
8. 2005.....	.....1,079,859.....	.....207,996.....	.....871,864.....	.....162,655.....	.....11,504.....	.....10,566.....	.....852.....	.....20,863.....	.....55.....	.....10,566.....	.....181,672.....	.....XXX.....
9. 2006.....	.....1,285,216.....	.....176,875.....	.....1,108,341.....	.....172,085.....	.....4,094.....	.....8,331.....	.....65.....	.....21,773.....	.....60.....	.....6,647.....	.....197,971.....	.....XXX.....
10. 2007.....	.....1,406,582.....	.....151,214.....	.....1,255,368.....	.....151,086.....	.....11,233.....	.....6,400.....	.....462.....	.....19,362.....	.....132.....	.....3,998.....	.....165,021.....	.....XXX.....
11. 2008.....	.....1,444,213.....	.....122,692.....	.....1,321,520.....	.....36,546.....	.....157.....	.....1,878.....	.....0.....	.....9,634.....	.....150.....	.....232.....	.....47,751.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....1,947,443.....	.....575,111.....	.....175,009.....	.....25,967.....	.....142,584.....	.....5,120.....	.....168,765.....	.....1,658,838.....	.....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.....	.....21,895.....	.....8,808.....	.....26,769.....	.....19,532.....	.....1,901.....	.....1,256.....	.....7,033.....	.....5,636.....	.....2,897.....	.....2,411.....	.....1,245.....	.....22,850.....	.....XXX.....
2. 1999.....	.....113.....	.....0.....	.....1,539.....	.....138.....	.....100.....	.....0.....	.....320.....	.....52.....	.....377.....	.....0.....	.....211.....	.....2,260.....	.....XXX.....
3. 2000.....	.....5,760.....	.....4,680.....	.....8,115.....	.....62.....	.....856.....	.....211.....	.....1,319.....	.....388.....	.....400.....	.....0.....	.....1,025.....	.....11,107.....	.....XXX.....
4. 2001.....	.....18,642.....	.....6,672.....	.....36,495.....	.....43,582.....	.....1,216.....	.....200.....	.....4,967.....	.....4,154.....	.....321.....	.....0.....	.....2,902.....	.....7,033.....	.....XXX.....
5. 2002.....	.....23,512.....	.....15,132.....	.....45,333.....	.....32,908.....	.....1,127.....	.....273.....	.....6,116.....	.....4,573.....	.....633.....	.....0.....	.....1,993.....	.....23,835.....	.....XXX.....
6. 2003.....	.....18,554.....	.....12,773.....	.....30,240.....	.....16,271.....	.....1,835.....	.....1,164.....	.....7,521.....	.....2,810.....	.....1,859.....	.....0.....	.....5,807.....	.....26,991.....	.....XXX.....
7. 2004.....	.....15,552.....	.....5,049.....	.....92,531.....	.....41,899.....	.....1,487.....	.....787.....	.....5,388.....	.....7,257.....	.....2,680.....	.....0.....	.....8,899.....	.....62,646.....	.....XXX.....
8. 2005.....	.....19,270.....	.....4,668.....	.....73,251.....	.....41,156.....	.....1,998.....	.....375.....	.....20,715.....	.....2,555.....	.....3,310.....	.....0.....	.....5,945.....	.....69,789.....	.....XXX.....
9. 2006.....	.....41,858.....	.....15,811.....	.....150,060.....	.....54,787.....	.....2,372.....	.....368.....	.....28,412.....	.....4,841.....	.....4,663.....	.....0.....	.....11,491.....	.....151,558.....	.....XXX.....
10. 2007.....	.....98,030.....	.....14,367.....	.....227,706.....	.....50,823.....	.....5,788.....	.....590.....	.....41,324.....	.....10,415.....	.....9,388.....	.....0.....	.....12,293.....	.....306,040.....	.....XXX.....
11. 2008.....	.....74,544.....	.....186.....	.....207,518.....	.....25,028.....	.....3,771.....	.....0.....	.....152,957.....	.....8,786.....	.....10,280.....	.....1.....	.....15,797.....	.....415,069.....	.....XXX.....
12. Totals.....	.....337,730.....	.....88,146.....	.....899,557.....	.....326,185.....	.....22,451.....	.....5,223.....	.....276,072.....	.....51,469.....	.....36,807.....	.....2,416.....	.....67,608.....	.....1,099,178.....	.....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.....	.....20,323.....	.....2,527.....
2. 1999.	.....139,307.....	.....55,050.....	.....84,257.....	.....47.7.....	.....76.2.....	.....38.4.....	.....0.....	.....0.....	.....0.00.....	.....1,514.....	.....746.....
3. 2000.	.....265,085.....	.....102,254.....	.....162,831.....	.....60.2.....	.....111.6.....	.....46.7.....	.....0.....	.....0.....	.....0.00.....	.....9,132.....	.....1,975.....
4. 2001.	.....540,881.....	.....278,907.....	.....261,973.....	.....88.8.....	.....326.7.....	.....50.0.....	.....0.....	.....0.....	.....0.00.....	.....4,884.....	.....2,149.....
5. 2002.	.....306,470.....	.....112,607.....	.....193,863.....	.....43.7.....	.....93.7.....	.....33.4.....	.....0.....	.....0.....	.....0.00.....	.....20,805.....	.....3,030.....
6. 2003.	.....343,434.....	.....128,302.....	.....215,132.....	.....39.1.....	.....82.0.....	.....29.8.....	.....0.....	.....0.....	.....0.00.....	.....19,750.....	.....7,241.....
7. 2004.	.....369,182.....	.....87,716.....	.....281,467.....	.....38.1.....	.....57.2.....	.....34.5.....	.....0.....	.....0.....	.....0.00.....	.....61,136.....	.....1,510.....
8. 2005.	.....312,627.....	.....61,166.....	.....251,461.....	.....29.0.....	.....29.4.....	.....28.8.....	.....0.....	.....0.....	.....0.00.....	.....46,697.....	.....23,091.....
9. 2006.	.....429,555.....	.....80,027.....	.....349,529.....	.....33.4.....	.....45.2.....	.....31.5.....	.....0.....	.....0.....	.....0.00.....	.....121,320.....	.....30,238.....
10. 2007.	.....559,084.....	.....88,023.....	.....471,061.....	.....39.7.....	.....58.2.....	.....37.5.....	.....0.....	.....0.....	.....0.00.....	.....260,546.....	.....45,494.....
11. 2008.	.....497,127.....	.....34,308.....	.....462,820.....	.....34.4.....	.....28.0.....	.....35.0.....	.....0.....	.....0.....	.....0.00.....	.....256,848.....	.....158,220.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....822,956.....	.....276,222.....

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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	One Year	Two Year
1. Prior.....	273,660	226,789	154,808	140,435	132,166	117,873	116,253	116,744	103,495	97,187	(6,308)	(19,557)
2. 1999.....	75,090	94,674	98,519	92,430	86,796	90,767	87,394	82,312	82,097	80,997	(1,100)	(1,315)
3. 2000.....	XXX	124,446	182,189	200,183	180,265	187,577	171,331	166,765	157,654	158,623	969	(8,142)
4. 2001.....	XXX	XXX	251,052	263,818	307,910	311,444	298,881	281,335	280,275	249,300	(30,974)	(32,034)
5. 2002.....	XXX	XXX	XXX	202,500	213,725	241,508	220,123	202,138	200,426	179,920	(20,506)	(22,218)
6. 2003.....	XXX	XXX	XXX	XXX	262,582	237,148	236,221	236,729	224,865	197,823	(27,041)	(38,905)
7. 2004.....	XXX	XXX	XXX	XXX	XXX	308,538	270,506	296,295	302,389	260,662	(41,727)	(35,633)
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	382,041	335,583	290,366	227,344	(63,022)	(108,239)
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	423,310	390,444	323,152	(67,291)	(100,157)
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	406,020	442,444	36,424	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	443,058	XXX	XXX
12. Totals.....											(220,577)	(366,201)

**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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
1. Prior.....	000	23,456	35,410	38,355	44,126	53,792	57,517	64,768	74,349	74,822	XXX	XXX
2. 1999.....	29,730	52,170	59,980	75,688	74,621	78,554	75,352	74,934	76,278	79,114	XXX	XXX
3. 2000.....	XXX	43,958	125,561	161,586	153,702	155,176	157,138	154,255	151,032	147,915	XXX	XXX
4. 2001.....	XXX	XXX	59,944	124,723	238,586	242,461	236,529	241,917	246,492	242,587	XXX	XXX
5. 2002.....	XXX	XXX	XXX	50,139	101,432	145,689	147,367	153,969	156,000	156,719	XXX	XXX
6. 2003.....	XXX	XXX	XXX	XXX	48,910	137,869	151,178	163,992	179,401	172,691	XXX	XXX
7. 2004.....	XXX	XXX	XXX	XXX	XXX	68,972	131,476	173,221	194,169	200,695	XXX	XXX
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	30,694	106,539	142,375	160,864	XXX	XXX
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,463	137,875	176,257	XXX	XXX
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,303	145,791	XXX	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,267	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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Prior.....	172,442	124,714	59,032	53,210	26,514	9,976	7,826	13,235	12,178	8,633
2. 1999.....	17,827	29,259	17,941	9,672	8,729	3,789	7,034	1,896	3,239	1,669
3. 2000.....	XXX	24,446	654	27,135	27,454	22,899	9,547	10,297	5,976	8,984
4. 2001.....	XXX	XXX	115,941	32,397	52,424	42,802	37,115	18,325	20,056	(6,274)
5. 2002.....	XXX	XXX	XXX	98,610	68,413	72,392	42,546	35,732	21,854	13,968
6. 2003.....	XXX	XXX	XXX	XXX	170,203	83,136	47,197	50,620	39,902	18,679
7. 2004.....	XXX	XXX	XXX	XXX	XXX	197,538	104,174	97,547	86,142	48,763
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	311,515	188,043	120,430	50,255
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	318,476	202,963	118,844
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	266,707	207,792
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	326,661

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status	2						
1. Alabama.....AL	L	20,710,985	19,275,629	0	3,870,864	2,393,083	15,519,389	21,739	0
2. Alaska.....AK	L	5,210,063	5,234,526	0	(380,561)	(363,488)	3,395,187	738	0
3. Arizona.....AZ	L	27,493,045	27,440,571	0	2,909,085	1,536,395	16,707,827	17,334	0
4. Arkansas.....AR	L	10,372,439	10,402,846	0	417,749	933,533	6,370,705	8,655	0
5. California.....CA	L	141,604,089	142,273,246	0	23,258,801	61,080,199	179,116,534	150,481	0
6. Colorado.....CO	L	27,599,964	26,753,270	0	5,707,702	3,145,813	18,046,248	38,630	0
7. Connecticut.....CT	L	29,567,011	24,731,523	0	3,856,665	5,144,309	25,995,009	66,314	0
8. Delaware.....DE	L	5,084,860	4,635,432	0	1,116,344	(159,489)	2,524,035	3,464	0
9. District of Columbia.....DC	L	18,857,964	20,981,966	0	19,592,088	4,111,163	27,809,131	12,919	0
10. Florida.....FL	L	99,218,760	102,108,069	0	13,345,151	17,204,512	76,801,402	5,830	0
11. Georgia.....GA	L	43,825,282	45,312,747	0	8,220,777	8,010,076	35,282,775	52,973	0
12. Hawaii.....HI	L	13,150,820	13,281,573	0	1,099,615	1,565,812	8,799,434	805	0
13. Idaho.....ID	L	6,010,155	6,192,442	0	557,821	197,383	6,004,283	9,460	0
14. Illinois.....IL	L	54,879,292	57,794,479	0	7,064,249	8,084,229	50,172,394	38,330	0
15. Indiana.....IN	L	19,152,766	20,305,223	0	1,067,640	197,641	12,926,817	9,171	0
16. Iowa.....IA	L	8,241,009	8,663,519	0	775,512	1,302,524	7,214,152	4,800	0
17. Kansas.....KS	L	9,278,123	9,928,077	0	1,856,708	2,205,403	7,171,247	4,749	0
18. Kentucky.....KY	L	20,476,352	20,630,127	0	1,034,103	1,298,063	11,371,066	14,581	0
19. Louisiana.....LA	L	30,553,978	27,156,374	0	8,958,510	4,318,437	16,505,559	18,644	0
20. Maine.....ME	L	5,932,434	4,734,528	0	364,336	36,398	3,556,518	5,658	0
21. Maryland.....MD	L	36,567,234	32,728,665	0	6,537,540	(685,223)	26,066,091	29,135	0
22. Massachusetts.....MA	L	33,163,359	32,727,429	0	3,616,441	2,362,339	41,016,903	74,752	0
23. Michigan.....MI	L	23,642,175	22,376,260	0	9,298,215	4,552,699	22,485,230	14,396	0
24. Minnesota.....MN	L	17,503,706	18,396,938	0	2,622,517	3,309,875	13,317,344	9,389	0
25. Mississippi.....MS	L	18,696,492	19,800,960	0	5,494,373	2,809,810	12,993,984	15,722	0
26. Missouri.....MO	L	27,285,610	26,823,297	0	6,842,468	4,950,969	19,481,341	22,352	0
27. Montana.....MT	L	9,798,277	8,643,777	0	458,605	62,064	4,726,082	19,380	0
28. Nebraska.....NE	L	6,578,343	8,544,648	0	921,885	680,506	5,190,405	4,551	0
29. Nevada.....NV	L	16,903,378	16,513,118	0	3,868,175	3,767,368	8,595,991	11,931	0
30. New Hampshire.....NH	L	5,140,786	5,746,847	0	194,252	(130,251)	3,184,414	9,041	0
31. New Jersey.....NJ	L	25,561,970	28,497,359	0	4,199,547	(71,426)	25,117,857	34,709	0
32. New Mexico.....NM	L	6,273,134	6,614,018	0	(71,167)	(134,933)	3,862,267	5,324	0
33. New York.....NY	L	102,166,237	92,948,857	0	9,645,739	6,042,323	75,718,024	161,852	0
34. North Carolina.....NC	L	47,639,283	43,019,148	0	1,365,918	1,441,220	29,643,804	48,656	0
35. North Dakota.....ND	L	2,577,130	2,862,161	0	(3,625)	(242,365)	1,289,922	1,205	0
36. Ohio.....OH	L	30,271,275	29,596,611	0	10,025,405	3,677,965	25,644,393	15,396	0
37. Oklahoma.....OK	L	10,105,078	9,853,445	0	8,560,789	1,122,744	6,533,408	840	0
38. Oregon.....OR	L	15,766,193	16,635,580	0	1,695,772	1,814,719	10,471,607	19,706	0
39. Pennsylvania.....PA	L	49,700,409	55,647,039	0	8,310,278	8,308,807	42,210,342	46,446	0
40. Rhode Island.....RI	L	4,326,367	4,457,151	0	166,584	954,963	4,946,393	10,657	0
41. South Carolina.....SC	L	18,905,735	19,762,281	0	3,414,952	2,305,797	14,741,620	22,731	0
42. South Dakota.....SD	L	2,505,160	2,622,921	0	125,257	916,380	2,231,844	1,657	0
43. Tennessee.....TN	L	23,870,579	24,629,101	0	2,847,537	2,660,265	19,001,818	23,467	0
44. Texas.....TX	L	91,171,827	89,646,016	7,885,676	13,584,209	15,562,722	75,705,811	81,014	0
45. Utah.....UT	L	18,918,722	13,998,745	0	857,197	1,017,951	6,814,572	25,993	0
46. Vermont.....VT	L	1,212,814	1,016,522	0	(52,500)	(484,246)	594,114	1,781	0
47. Virginia.....VA	L	49,721,514	47,989,001	0	3,428,367	2,733,159	29,288,944	61,409	0
48. Washington.....WA	L	45,220,860	43,956,930	0	(15,896,704)	(9,406,549)	47,843,312	62,229	0
49. West Virginia.....WV	L	13,787,916	13,723,790	0	1,517,291	138,113	6,323,742	7,460	0
50. Wisconsin.....WI	L	13,497,381	13,560,178	0	1,583,046	830,707	14,331,703	4,538	0
51. Wyoming.....WY	L	8,083,501	7,541,153	0	64,347	(198,654)	3,409,264	5,804	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	N	0	0	0	0	0	0	0	0
55. US Virgin Islands.....VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	544,848	959,905	0	4,920,442	2,739,283	14,365,999	0	0
59. Totals.....	(a) 51	1,374,326,682	1,359,676,015	7,885,676	204,836,313	185,651,097	1,148,438,258	1,338,791	0

**DETAILS OF WRITE-INS**

5801. Other Alien Combined.....	XXX	544,848	959,905	0	4,920,442	2,739,283	14,365,999	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	544,848	959,905	0	4,920,442	2,739,283	14,365,999	0	0

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

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

**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 Insurance Company (38130) *	Connecticut	36-3703200
... St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. St. Paul Properties, Inc.	Delaware	41-1412523	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659	... .. Travelers Casualty UK Investments, L.L.C.	Delaware	06-6033504
... .. St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Travelers MGA, Inc.	Texas	75-2876034
... .. Seaboard Surety Company (22535)*	New York	13-5379820	... .. Travelers Guarantee Company of Canada*	Canada	
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Coronation Insurance Company, Ltd. *	Canada	
... .. Athena Assurance Company (41769) *	Minnesota	41-1435765	... .. TCS European Investments Inc.	Connecticut	06-1549972
... .. St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... .. Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... .. St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... .. Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... .. UA Combined Investment Co., Ltd.	United Kingdom		... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... .. Jago Dedicated, Ltd. (88.9%)	United Kingdom		... .. Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
... .. Jago Capital Limited	United Kingdom		... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... .. Lloyds Syndicate 205 (50%)*	United Kingdom		... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... .. Jago Dedicated, Ltd. (11.1%)	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 (50%)*	United Kingdom		... .. Travelers Auto Insurance Co. of New Jersey (10785) *	New Jersey	22-3499393
... .. MMedica Insurance Company, Ltd. *	Ireland		... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... .. Captiva, Ltd. (81.1%)*	Bermuda	98-0170615	... .. Select Insurance Company (22233) *	Texas	75-6013697
... .. United States Fidelity and Guaranty Company (25887) *	Maryland	52-0515280	... .. Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... .. Gulf Underwriting Holdings Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... .. Gulf Underwriting Limited *	United Kingdom	
... .. Discover Re Managers, Inc.	Delaware	06-1288492	... .. Lloyds Syndicate 205 (50%)*	United Kingdom	
... .. Discovery Managers, Ltd.	Connecticut	06-1273933	... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... .. USF&G Capital I	Delaware	52-1953822	... .. Jupiter Holdings, Inc.	Minnesota	41-1769846
... .. USF&G Capital III	Delaware	52-2044075	... .. American Equity Insurance Company (43117) *	Arizona	86-0703220
... Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776	... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106
... St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264	... .. Northland Insurance Company (24015) *	Minnesota	41-6009967
... St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036	... .. Northfield Insurance Company (27987) *	Iowa	41-0983992
... St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704	... .. Northland Casualty Company (24031) *	Minnesota	94-6051964
... Travelers Insurance Company Limited *	United Kingdom		... .. Travelers Indemnity UK Investments, LLC	Connecticut	06-1591454
... F&G U.K. Underwriters Limited	United Kingdom		... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
... Lloyds Syndicate 5000 (40%)*	United Kingdom		... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
... Aprilgrange Limited	United Kingdom		... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
... Lloyds Syndicate 5000 (60%)*	United Kingdom		... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
... Travelers Property Casualty Corp.	Connecticut	06-1008174	... .. Constitution State Services, LLC	Delaware	06-1501229
... Travelers Insurance Group Holdings Inc.	Delaware	06-1445591	... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... TPC Investments Inc.	Connecticut	06-1534005	... .. TINDY RE Investments, Inc.	Connecticut	06-1575463
... The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509	... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... AE Properties, Inc.	California	95-2798160	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... Standard Fire UK Investments, LLC	Delaware	06-6033509	... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755	... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... Auto Hartford Investments LLC	Delaware	06-0848755	... .. The Travelers Marine Corporation	California	94-0338230
... Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264			
... Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274			

*Notes:*

\* Denotes affiliated insurer

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

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