

ANNUAL STATEMENT
For the Year Ended December 31, 2008
OF THE CONDITION AND AFFAIRS OF
THE STANDARD
FIRE INSURANCE COMPANY

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

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

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

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

OFFICERS

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

DIRECTORS

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

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

Handwritten signatures of Brian W. MacLean, Wendy C. Skjerven, and Douglas K. Russell.
Brian W. MacLean, President
Wendy C. Skjerven, Secretary
Douglas K. Russell, Controller

Subscribed and sworn to before me this

28th day of January, 2009

Notary Public signature and My Commission Expires September 30, 2012



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,530,311,668	0	2,530,311,668	2,494,512,119
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,082,216	0	1,082,216	1,528,858
2.2 Common stocks.....	534,753,641	1,194,101	533,559,540	559,563,791
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	4,522,028	0	4,522,028	4,430,034
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....2,613,054, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....64,716,919, Sch. DA).....	67,329,973	0	67,329,973	118,061,676
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	131,204,865	125,674	131,079,191	184,983,168
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).....	3,269,204,390	1,319,775	3,267,884,615	3,363,079,647
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	32,848,228	0	32,848,228	31,566,377
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	51,579,250	9,586,083	41,993,167	49,712,639
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....2,706,490 earned but unbilled premiums).....	189,426,875	1,413,082	188,013,793	191,537,060
13.3 Accrued retrospective premiums.....	15,677,748	102,378	15,575,371	10,993,117
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	0	0	0	0
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	13,205,003	0	13,205,003	15,217,725
16.2 Net deferred tax asset.....	119,712,124	75,753,793	43,958,331	49,297,480
17. Guaranty funds receivable or on deposit.....	1,739,922	0	1,739,922	1,881,282
18. Electronic data processing equipment and software.....	11,173,143	0	11,173,143	15,649,534
19. Furniture and equipment, including health care delivery assets (\$.....0).....	412,307	412,307	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.....	23,713,828	0	23,713,828	12,777,620
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	14,006,899	774,961	13,231,939	8,488,821
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,742,699,717	89,362,378	3,653,337,339	3,750,201,302
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	3,742,699,717	89,362,378	3,653,337,339	3,750,201,302

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. Equities and deposits in pools and associations.....	7,255,786	0	7,255,786	8,175,940
2302. State surcharges receivable.....	5,007,763	0	5,007,763	1,047,809
2303. Amounts receivable under high deductible policies.....	1,527,166	437,071	1,090,096	(637,381)
2398. Summary of remaining write-ins for Line 23 from overflow page.....	216,184	337,890	(121,707)	(97,547)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	14,006,899	774,961	13,231,939	8,488,821

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,462,794,172	1,504,614,681
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).....	334,999,344	328,242,735
4. Commissions payable, contingent commissions and other similar charges.....	28,222,663	29,606,131
5. Other expenses (excluding taxes, licenses and fees).....	21,638,110	26,117,890
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	25,847,028	21,579,919
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....822,969,388 and including warranty reserves of \$.....0).....	392,394,217	389,624,199
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	1,730,808	1,484,032
12. Ceded reinsurance premiums payable (net of ceding commissions).....	22,776,420	25,434,428
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	8,702,004	6,545,268
15. Remittances and items not allocated.....	785,670	(99,764)
16. Provision for reinsurance (Schedule F, Part 7).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Payable for securities.....	9,551,681	8,598,336
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.....	36,616,682	(13,625,694)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	2,346,058,799	2,328,122,163
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	2,346,058,799	2,328,122,163
27. Aggregate write-ins for special surplus funds.....	9,124,878	5,607,105
28. Common capital stock.....	5,000,000	5,000,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	623,472,070	623,472,070
33. Unassigned funds (surplus).....	669,681,592	787,999,964
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).....	1,307,278,540	1,422,079,139
36. TOTALS (Page 2, Line 26, Col. 3).....	3,653,337,339	3,750,201,302

DETAILS OF WRITE-INS

2301. Reinsurance receivable/payable intercompany.....	42,152,664	0
2302. Retrospective premium reserve.....	5,781,780	0
2303. Retroactive reinsurance reserve assumed.....	225,473	1,209,183
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(11,543,236)	(14,834,877)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	36,616,682	(13,625,694)
2701. Special surplus from retroactive reinsurance.....	9,124,878	5,607,105
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).....	9,124,878	5,607,105
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

THE STANDARD FIRE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	873,076,873	865,238,160
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	421,514,433	405,625,382
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	115,148,017	104,614,258
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	272,566,151	262,006,827
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	809,228,600	772,246,467
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	63,848,273	92,991,694
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	213,322,986	260,288,954
10. Net realized capital gains (losses) less capital gains tax of \$.....(2,023,036) (Exhibit of Capital Gains (Losses)).....	(8,427,895)	293,114
11. Net investment gain (loss) (Lines 9 + 10).....	204,895,091	260,582,068
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(1,793,352) amount charged off \$.....306,009).....	(2,099,361)	(1,816,029)
13. Finance and service charges not included in premiums.....	4,480,453	4,337,857
14. Aggregate write-ins for miscellaneous income.....	2,232,394	266,528
15. Total other income (Lines 12 through 14).....	4,613,486	2,788,356
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	273,356,850	356,362,118
17. Dividends to policyholders.....	1,062,354	1,126,075
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).....	272,294,496	355,236,043
19. Federal and foreign income taxes incurred.....	54,498,822	77,491,776
20. Net income (Line 18 minus Line 19) (to Line 22).....	217,795,674	277,744,267
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,422,079,139	1,276,218,231
22. Net income (from Line 20).....	217,795,674	277,744,267
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(22,490,582).....	(65,023,975)	62,604,570
25. Change in net unrealized foreign exchange capital gain (loss).....	0	382
26. Change in net deferred income tax.....	(3,391,633)	(3,838,359)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	(15,096,369)	17,737,838
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(275,000,000)	(205,000,000)
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.....	25,915,703	(3,387,790)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(114,800,599)	145,860,908
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	1,307,278,540	1,422,079,139
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Retroactive reinsurance gain/loss.....	4,443,097	1,435,914
1402. Fines and penalties of regulatory authorities.....	(562,089)	(13,480)
1403. Profit and loss, miscellaneous.....	(1,648,614)	(1,155,905)
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).....	2,232,394	266,528
3701. Prior period adjustment.....	25,915,703	(3,387,790)
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).....	25,915,703	(3,387,790)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	878,028,842	872,264,255
2. Net investment income.....	220,875,570	265,734,520
3. Miscellaneous income.....	4,613,486	2,788,356
4. Total (Lines 1 through 3).....	1,103,517,898	1,140,787,130
5. Benefit and loss related payments.....	463,334,943	391,216,187
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	381,409,823	365,608,598
8. Dividends paid to policyholders.....	815,578	723,818
9. Federal and foreign income taxes paid (recovered) net of \$....34,379,375 tax on capital gains (losses).....	50,463,064	89,561,893
10. Total (Lines 5 through 9).....	896,023,408	847,110,496
11. Net cash from operations (Line 4 minus Line 10).....	207,494,490	293,676,634
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	163,406,734	183,004,978
12.2 Stocks.....	1,270,609	7,088,014
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	39,079,666	57,945,707
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	953,345	26,200
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	204,710,354	248,064,899
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	225,513,635	274,823,519
13.2 Stocks.....	1,383,538	765
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	362,500	57,874
13.5 Other invested assets.....	6,886,921	23,085,216
13.6 Miscellaneous applications.....	0	17,347,218
13.7 Total investments acquired (Lines 13.1 to 13.6).....	234,146,594	315,314,592
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).....	(29,436,240)	(67,249,693)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	275,000,000	205,000,000
16.6 Other cash provided (applied).....	46,210,047	(13,655,750)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(228,789,953)	(218,655,750)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(50,731,703)	7,771,192
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	118,061,676	110,290,484
19.2 End of year (Line 18 plus Line 19.1).....	67,329,973	118,061,676
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Bonds converted to stock.....	1,194,330	0
20.0002 Stock distributions from limited partnerships.....	189,208	0
20.0003 Intercompany transactions.....	(30,312,629)	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	25,801,781	11,786,076	11,883,316	25,704,541
2. Allied lines.....	21,028,282	10,148,208	9,592,854	21,583,635
3. Farmowners multiple peril.....	6,175,156	2,745,858	2,973,856	5,947,157
4. Homeowners multiple peril.....	130,305,847	66,447,600	69,197,631	127,555,817
5. Commercial multiple peril.....	135,696,756	65,859,986	63,221,635	138,335,107
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	13,409,179	5,104,878	5,495,315	13,018,741
9. Inland marine.....	39,453,593	16,980,604	16,339,706	40,094,492
10. Financial guaranty.....	0	0	0	0
11.1 Medical malpractice - occurrence.....	(3,691)	985	(527)	(2,179)
11.2 Medical malpractice - claims-made.....	(18,843)	51,087	15,302	16,942
12. Earthquake.....	3,712,527	1,786,137	1,766,005	3,732,659
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.....	120,431,842	41,877,426	45,679,005	116,630,263
17.1 Other liability - occurrence.....	90,928,491	35,862,048	38,150,079	88,640,459
17.2 Other liability - claims-made.....	30,871,209	18,286,191	18,974,740	30,182,660
18.1 Products liability - occurrence.....	6,902,466	2,432,849	2,887,898	6,447,418
18.2 Products liability - claims-made.....	934,107	379,549	446,377	867,279
19.1, 19.2 Private passenger auto liability.....	90,748,303	29,688,294	29,289,995	91,146,602
19.3, 19.4 Commercial auto liability.....	73,252,103	34,128,984	33,892,526	73,488,560
21. Auto physical damage.....	78,493,845	28,076,982	27,805,647	78,765,181
22. Aircraft (all perils).....	(16,293)	(145,456)	(159,460)	(2,289)
23. Fidelity.....	3,051,566	2,583,376	2,262,022	3,372,920
24. Surety.....	1,017,836	8,185	(253,211)	1,279,233
26. Burglary and theft.....	513,358	178,825	224,109	468,074
27. Boiler and machinery.....	8,350,246	3,804,472	3,667,972	8,486,745
28. Credit.....	(282)	4,259	3,380	597
29. International.....	99,937	331,014	26,681	404,270
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	148,794	(26,729)	(6,376)	128,441
32. Reinsurance - nonproportional assumed liability.....	(3,366,962)	712,423	678,791	(3,333,330)
33. Reinsurance - nonproportional assumed financial lines.....	83,456	70,887	38,219	116,124
34. Aggregate write-ins for other lines of business.....	0	756	0	756
35. TOTALS.....	878,004,607	379,165,753	384,093,487	873,076,873

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	756	0	756
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	756	0	756

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	11,600,910	371,801	(89,394)	.0	11,883,316
2.	Allied lines.....	9,253,727	339,128	.0	.0	9,592,854
3.	Farmowners multiple peril.....	2,991,449	(17,592)	.0	.0	2,973,856
4.	Homeowners multiple peril.....	69,289,553	(91,922)	.0	.0	69,197,631
5.	Commercial multiple peril.....	63,443,456	(113,442)	(106,338)	(2,041)	63,221,635
6.	Mortgage guaranty.....	.0	.0	.0	.0	.0
8.	Ocean marine.....	5,610,427	54,289	(169,400)	.0	5,495,315
9.	Inland marine.....	13,812,916	3,204,390	(677,600)	.0	16,339,706
10.	Financial guaranty.....	.0	.0	.0	.0	.0
11.1	Medical malpractice - occurrence.....	(527)	.0	.0	.0	(527)
11.2	Medical malpractice - claims-made.....	59	.0	.0	15,243	15,302
12.	Earthquake.....	1,651,785	114,220	.0	.0	1,766,005
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.....	51,887,726	14,973	(803,468)	(5,420,226)	45,679,005
17.1	Other liability - occurrence.....	38,554,288	28,927	(195,342)	(237,793)	38,150,079
17.2	Other liability - claims-made.....	15,297,373	3,677,253	113	.0	18,974,740
18.1	Products liability - occurrence.....	2,933,909	8,306	(7,079)	(47,238)	2,887,898
18.2	Products liability - claims-made.....	445,904	507	(34)	.0	446,377
19.1, 19.2	Private passenger auto liability.....	29,289,995	.0	.0	.0	29,289,995
19.3, 19.4	Commercial auto liability.....	33,615,085	186,305	.0	91,136	33,892,526
21.	Auto physical damage.....	27,772,889	26,079	.0	6,679	27,805,647
22.	Aircraft (all perils).....	(160,278)	818	.0	.0	(159,460)
23.	Fidelity.....	1,160,025	1,101,997	.0	.0	2,262,022
24.	Surety.....	89,438	315,300	(657,950)	.0	(253,211)
26.	Burglary and theft.....	151,568	72,541	.0	.0	224,109
27.	Boiler and machinery.....	3,507,911	160,061	.0	.0	3,667,972
28.	Credit.....	3,380	.0	.0	.0	3,380
29.	International.....	26,681	.0	.0	.0	26,681
30.	Warranty.....	.0	.0	.0	.0	.0
31.	Reinsurance - nonproportional assumed property.....	(6,376)	.0	.0	.0	(6,376)
32.	Reinsurance - nonproportional assumed liability.....	661,350	17,441	.0	.0	678,791
33.	Reinsurance - nonproportional assumed financial lines.....	38,219	.0	.0	.0	38,219
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35.	TOTALS.....	382,922,840	9,471,377	(2,706,490)	(5,594,240)	384,093,487
36.	Accrued retrospective premiums based on experience.....					5,594,240
37.	Earned but unbilled premiums.....					2,706,490
38.	Balance (sum of Lines 35 through 37).....					392,394,217

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

THE STANDARD FIRE INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	16,715,182	25,801,781	2,193,780	18,908,962	0	25,801,781
2. Allied lines.....	207,790,517	21,028,282	7,627,499	215,418,017	0	21,028,282
3. Farmowners multiple peril.....	0	6,175,156	0	0	0	6,175,156
4. Homeowners multiple peril.....	753,338,175	130,305,847	2,451,112	755,789,288	0	130,305,847
5. Commercial multiple peril.....	110,162	135,696,756	0	110,162	0	135,696,756
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	64,330,025	13,409,179	0	64,330,025	0	13,409,179
9. Inland marine.....	13,390,615	39,453,593	0	13,390,615	0	39,453,593
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	(3,691)	0	0	0	(3,691)
11.2 Medical malpractice - claims-made.....	0	(18,843)	0	0	0	(18,843)
12. Earthquake.....	11,271,609	3,712,527	0	11,271,609	0	3,712,527
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.....	84,230,521	120,431,842	0	84,230,521	0	120,431,842
17.1 Other liability - occurrence.....	13,166,820	90,928,491	80,858	13,247,678	0	90,928,491
17.2 Other liability - claims-made.....	0	30,871,209	0	0	0	30,871,209
18.1 Products liability - occurrence.....	0	6,902,466	0	0	0	6,902,466
18.2 Products liability - claims-made.....	0	934,107	0	0	0	934,107
19.1, 19.2 Private passenger auto liability.....	187,215,640	90,748,303	162,095,568	349,311,208	0	90,748,303
19.3, 19.4 Commercial auto liability.....	0	73,252,103	0	0	0	73,252,103
21. Auto physical damage.....	121,355,316	78,493,845	118,886,058	240,241,374	0	78,493,845
22. Aircraft (all perils).....	0	(16,293)	0	0	0	(16,293)
23. Fidelity.....	0	3,051,566	0	0	0	3,051,566
24. Surety.....	1,266	1,017,836	0	1,266	0	1,017,836
26. Burglary and theft.....	9,172	513,358	21,121	30,293	0	513,358
27. Boiler and machinery.....	0	8,350,246	0	0	0	8,350,246
28. Credit.....	0	(282)	0	0	0	(282)
29. International.....	0	99,937	0	0	0	99,937
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	148,794	0	0	0	148,794
32. Reinsurance - nonproportional assumed liability.....	XXX	(3,366,962)	0	0	0	(3,366,962)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	83,456	0	0	0	83,456
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,472,925,020	878,004,607	293,355,996	1,766,281,016	0	878,004,607

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.....	8,659,264	13,769,270	9,813,669	12,614,866	14,328,024	14,849,187	12,093,702	47.0
2. Allied lines.....	95,195,547	14,391,828	97,469,863	12,117,512	16,082,406	11,984,823	16,215,096	75.1
3. Farmowners multiple peril.....	0	3,353,775	0	3,353,775	1,065,764	1,450,341	2,969,197	49.9
4. Homeowners multiple peril.....	408,546,788	66,052,845	409,203,867	65,395,766	36,404,183	32,177,070	69,622,879	54.6
5. Commercial multiple peril.....	526,662	62,600,464	526,662	62,600,464	117,663,666	136,545,412	43,718,718	31.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	25,967,567	4,640,766	25,967,567	4,640,766	8,503,043	8,952,429	4,191,380	32.2
9. Inland marine.....	5,119,413	15,170,527	5,119,413	15,170,527	15,503,869	12,464,443	18,209,953	45.4
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	0	2,122,507	0	2,122,507	4,214,365	6,720,056	(383,185)	17,585.4
11.2 Medical malpractice - claims-made.....	0	3,152,058	0	3,152,058	7,415,906	10,331,181	236,784	1,397.6
12. Earthquake.....	1,166	5,262	1,166	5,262	165,222	232,894	(62,409)	(1.7)
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.....	34,179,753	48,869,432	34,179,753	48,869,432	506,914,877	474,036,136	81,748,173	70.1
17.1 Other liability - occurrence.....	544,160	51,235,758	585,900	51,194,017	301,995,578	342,331,075	10,858,521	12.3
17.2 Other liability - claims-made.....	0	16,711,392	0	16,711,392	82,118,705	77,233,750	21,596,348	71.6
18.1 Products liability - occurrence.....	341,075	4,846,513	341,075	4,846,513	79,016,075	70,307,569	13,555,019	210.2
18.2 Products liability - claims-made.....	0	63,077	0	63,077	1,641,579	1,624,246	80,410	9.3
19.1, 19.2 Private passenger auto liability.....	113,301,576	138,667,915	200,610,478	51,359,013	72,542,994	72,979,252	50,922,754	55.9
19.3, 19.4 Commercial auto liability.....	151	37,759,678	151	37,759,678	90,955,586	94,564,817	34,150,446	46.5
21. Auto physical damage.....	63,204,059	121,054,213	140,747,014	43,511,258	4,886,656	4,993,278	43,404,636	55.1
22. Aircraft (all perils).....	0	231,144	0	231,144	1,073,507	1,330,167	(25,516)	1,114.5
23. Fidelity.....	0	1,962,133	0	1,962,133	5,510,302	4,613,705	2,858,731	84.8
24. Surety.....	0	884,477	0	884,477	19,662,753	20,805,132	(257,902)	(20.2)
26. Burglary and theft.....	(4)	3,212	2,290	918	756,161	358,765	398,315	85.1
27. Boiler and machinery.....	0	1,601,023	0	1,601,023	2,787,153	2,541,993	1,846,183	21.8
28. Credit.....	0	(46,754)	0	(46,754)	592,625	569,997	(24,126)	(4,041.2)
29. International.....	0	362,647	0	362,647	748,139	616,890	493,896	122.2
30. Warranty.....	0	0	0	0	(66)	(66)	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	883,092	0	883,092	5,560,122	5,200,655	1,242,559	967.4
32. Reinsurance - nonproportional assumed liability.....	XXX	21,773,298	0	21,773,298	62,937,239	92,902,763	(8,192,225)	245.8
33. Reinsurance - nonproportional assumed financial lines.....	XXX	195,081	0	195,081	1,747,130	1,896,581	45,630	39.3
34. Aggregate write-ins for other lines of business.....	0	0	0	0	608	143	465	61.5
35. TOTALS.....	755,587,176	632,316,634	924,568,868	463,334,942	1,462,794,172	1,504,614,681	421,514,433	48.3

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	608	143	465	61.5
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	608	143	465	61.5

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.....	1,536,194	8,527,304	1,813,827	8,249,671	1,419,021	6,162,027	1,502,695	14,328,024	967,641
2. Allied lines.....	67,159,454	11,576,230	67,582,142	11,153,542	2,734,001	5,280,859	3,085,996	16,082,406	1,988,250
3. Farmowners multiple peril.....	0	1,072,286	0	1,072,286	(10)	(6,522)	(10)	1,065,764	3,719,232
4. Homeowners multiple peril.....	87,562,932	15,317,203	87,979,673	14,900,462	216,482,148	21,559,112	216,537,539	36,404,183	7,257,091
5. Commercial multiple peril.....	1,318,024	51,094,600	1,318,024	51,094,600	2,135,718	66,569,066	2,135,718	117,663,666	54,438,127
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	13,113,099	5,102,666	13,113,099	5,102,666	12,423,662	3,400,377	12,423,662	8,503,043	1,694,303
9. Inland marine.....	619,365	9,733,935	619,365	9,733,935	165,329	5,769,934	165,329	15,503,869	2,025,670
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	3,422,803	0	3,422,803	3,456,546	791,561	3,456,546	4,214,365	766,587
11.2 Medical malpractice - claims-made.....	0	6,416,355	0	6,416,355	0	999,551	0	7,415,906	1,369,802
12. Earthquake.....	1,264	(4,299)	1,264	(4,299)	(16,266)	169,521	(16,266)	165,222	109,695
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation.....	245,335,273	271,102,276	245,335,273	271,102,276	154,198,831	235,812,602	154,198,831	506,914,877	60,922,288
17.1 Other liability - occurrence.....	4,875,739	58,443,798	4,932,328	58,387,209	45,398,024	243,632,118	45,421,773	301,995,578	97,745,729
17.2 Other liability - claims-made.....	0	25,830,559	0	25,830,559	9,003	56,288,146	9,003	82,118,705	19,568,332
18.1 Products liability - occurrence.....	1,105,114	14,350,765	1,105,114	14,350,765	7,743,450	64,665,310	7,743,450	79,016,075	44,024,299
18.2 Products liability - claims-made.....	0	4,506	0	4,506	0	1,637,073	0	1,641,579	1,037,458
19.1, 19.2 Private passenger auto liability.....	74,637,193	80,423,693	113,743,773	41,317,114	70,944,755	31,225,880	70,944,755	72,542,994	13,408,556
19.3, 19.4 Commercial auto liability.....	1	48,168,067	1	48,168,067	52,827	42,787,519	52,827	90,955,586	15,156,561
21. Auto physical damage.....	2,476,444	5,335,088	5,409,660	2,401,873	(1,193,338)	2,484,783	(1,193,338)	4,886,656	1,753,639
22. Aircraft (all perils).....	0	292,276	0	292,276	8,967	781,231	8,967	1,073,507	221,922
23. Fidelity.....	0	1,498,370	0	1,498,370	286	4,011,932	286	5,510,302	1,181,667
24. Surety.....	0	9,716,685	0	9,716,685	18,997	9,946,067	18,997	19,662,753	2,701,642
26. Burglary and theft.....	0	2,268	152	2,117	57	754,071	83	756,161	136,408
27. Boiler and machinery.....	0	1,015,719	0	1,015,719	0	1,771,435	0	2,787,153	448,892
28. Credit.....	0	453,370	0	453,370	0	139,255	0	592,625	1,898
29. International.....	0	467,691	0	467,691	0	280,448	0	748,139	12,327
30. Warranty.....	0	(66)	0	(66)	0	(0)	0	(66)	0
31. Reinsurance - nonproportional assumed property.....	XXX	2,934,590	0	2,934,590	XXX	2,625,532	0	5,560,122	333,249
32. Reinsurance - nonproportional assumed liability.....	XXX	35,180,582	0	35,180,582	XXX	27,756,657	0	62,937,239	1,986,849
33. Reinsurance - nonproportional assumed financial lines.....	XXX	485,803	0	485,803	XXX	1,261,327	0	1,747,130	21,171
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	608	0	608	57
35. TOTALS.....	499,740,095	667,965,126	542,953,692	624,751,529	515,982,008	838,557,477	516,496,843	1,462,794,172	334,999,344

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	0	608	0	608	57
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	608	0	608	57

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

THE STANDARD FIRE INSURANCE COMPANY

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.....	44,205,048	0	0	44,205,048
1.2 Reinsurance assumed.....	53,534,518	0	0	53,534,518
1.3 Reinsurance ceded.....	40,246,261	0	0	40,246,261
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	57,493,304	0	0	57,493,304
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	265,028,112	0	265,028,112
2.2 Reinsurance assumed, excluding contingent.....	0	182,369,652	0	182,369,652
2.3 Reinsurance ceded, excluding contingent.....	0	314,058,979	0	314,058,979
2.4 Contingent - direct.....	0	357,877	0	357,877
2.5 Contingent - reinsurance assumed.....	0	3,324,578	0	3,324,578
2.6 Contingent - reinsurance ceded.....	0	357,877	0	357,877
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	136,663,363	0	136,663,363
3. Allowances to manager and agents.....	0	209,148	0	209,148
4. Advertising.....	4,426	3,920,220	0	3,924,646
5. Boards, bureaus and associations.....	561,266	3,348,677	286	3,910,229
6. Surveys and underwriting reports.....	7,131	3,520,916	0	3,528,047
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	34,938,941	56,617,477	683,124	92,239,542
8.2 Payroll taxes.....	1,541,602	3,728,120	11,660	5,281,382
9. Employee relations and welfare.....	4,822,011	7,845,358	50,581	12,717,949
10. Insurance.....	8,432,473	1,179,545	0	9,612,019
11. Directors' fees.....	0	1,115	0	1,115
12. Travel and travel items.....	798,889	3,503,265	117,494	4,419,648
13. Rent and rent items.....	2,409,970	5,275,875	(212,378)	7,473,467
14. Equipment.....	585,186	1,673,019	69,229	2,327,433
15. Cost or depreciation of EDP equipment and software.....	454,268	9,073,398	20,716	9,548,382
16. Printing and stationery.....	221,871	848,768	(216)	1,070,423
17. Postage, telephone and telegraph, exchange and express.....	871,273	3,527,759	(9,207)	4,389,825
18. Legal and auditing.....	1,523,473	2,804,742	43,991	4,372,205
19. Totals (Lines 3 to 18).....	57,172,781	107,077,400	775,280	165,025,461
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....565,393.....	0	26,211,622	0	26,211,622
20.2 Insurance department licenses and fees.....	0	1,961,165	0	1,961,165
20.3 Gross guaranty association assessments.....	0	(664)	0	(664)
20.4 All other (excluding federal and foreign income and real estate).....	0	747,428	0	747,428
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	28,919,551	0	28,919,551
21. Real estate expenses.....	0	0	686,366	686,366
22. Real estate taxes.....	0	0	236,645	236,645
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	481,932	(94,163)	127,845	515,614
25. Total expenses incurred.....	115,148,016	272,566,151	1,826,136	(a).....389,540,304
26. Less unpaid expenses - current year.....	334,999,344	75,138,592	561,334	410,699,270
27. Add unpaid expenses - prior year.....	328,242,735	75,732,217	1,571,724	405,546,675
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).....	108,391,407	273,159,775	2,836,527	384,387,710

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	883,071	10,507,679	127,845	11,518,595
2402. Service reimbursements.....	(401,140)	(4,045,836)	0	(4,446,976)
2403. Costs of computer software developed for internal use.....	0	(6,556,005)	0	(6,556,005)
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).....	481,932	(94,163)	127,845	515,614

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....4,262,731	.....3,352,107
1.1 Bonds exempt from U.S. tax.....	(a).....70,720,075	.....73,027,245
1.2 Other bonds (unaffiliated).....	(a).....40,020,588	.....39,905,894
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....104,503	.....104,503
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....80,800,000	.....80,800,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....1,105,509	.....1,105,509
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....3,222,952	.....3,222,952
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....11,655,162	.....11,655,162
9. Aggregate write-ins for investment income.....	.....2,464,645	.....2,464,645
10. Total gross investment income.....	.....214,356,166	.....215,638,017
11. Investment expenses.....		(g).....1,826,136
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).....270,506
15. Aggregate write-ins for deductions from investment income.....		.....218,389
16. Total deductions (Lines 11 through 15).....		.....2,315,031
17. Net investment income (Line 10 minus Line 16).....		.....213,322,986

DETAILS OF WRITE-INS

0901. AIPSO Interest Income.....	.....2,480,454	.....2,480,454
0902. Miscellaneous Income.....	.....(154,706)	.....(154,706)
0903. Lending of Security Fees.....	.....138,897	.....138,897
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).....	.....2,464,645	.....2,464,645
1501. Management Fees.....		.....218,389
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).....		.....218,389

- (a) Includes \$.....(2,851,687) accrual of discount less \$.....6,704,868 amortization of premium and less \$.....1,030,290 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....1,105,509 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....270,506 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.....	.....(301,069)	.....0	.....(301,069)	.....12,532	.....0
1.2 Other bonds (unaffiliated).....	.....(4,077,469)	.....(6,449,494)	.....(10,526,963)	.....(5,935,297)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....(530,000)	.....(530,000)	.....83,358	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....69,773	.....(84,547)	.....(14,773)	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(25,063,551)	.....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.....	.....921,875	.....0	.....921,875	.....(1,732,217)	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....(28,963,678)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....(25,915,703)	.....0
10. Total capital gains (losses).....	.....(3,386,890)	.....(7,064,040)	.....(10,450,931)	.....(87,514,557)	.....0

DETAILS OF WRITE-INS

0901. Correction of Error - Joint Venture.....	.....0	.....0	.....0	.....(25,915,703)	.....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	.....(25,915,703)	.....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.....	1,194,101	155,244	(1,038,856)
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).....	125,674	7,388,010	7,262,336
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).....	1,319,775	7,543,254	6,223,480
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.....	9,586,083	6,659,279	(2,926,804)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,413,082	2,432,131	1,019,049
13.3 Accrued retrospective premiums.....	102,378	189,605	87,228
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.....	75,753,793	51,315,695	(24,438,098)
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.....	412,307	519,039	106,732
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.....	774,961	5,607,005	4,832,044
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	89,362,378	74,266,009	(15,096,369)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.0	.0	.0
26. TOTALS (Lines 24 and 25).....	89,362,378	74,266,009	(15,096,369)

DETAILS OF WRITE-INS

0901.....	.0	.0	.0
0902.....	.0	.0	.0
0903.....	.0	.0	.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. Amounts receivable under high deductible policies.....	437,071	3,057,307	2,620,237
2302. Other assets nonadmitted.....	337,890	2,549,698	2,211,808
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).....	774,961	5,607,005	4,832,044

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

- A. The Standard Fire Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The impact of any permitted accounting practices on statutory surplus was not material.
- B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.
- C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10, *Income Taxes*.

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

Short-term investments are stated at amortized cost.

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

Common stocks of non-affiliates are stated at NAIC fair value.

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

Real estate is stated at depreciated cost, net of encumbrances and specific impairments.

Loan-backed and structured securities are amortized using the retrospective method, except for securities that have incurred a decline in fair value that is other than temporary 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.

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

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

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

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

Property-casualty reserves are established for loss and LAE and include estimates of both reported and unreported claims incurred and related expenses. The reserves are regularly adjusted based upon experience. In determining loss and LAE reserves, the Company continually reviews its overall reserve position, its reserving techniques and its reinsurance. These reserves represent the estimated ultimate cost of all incurred losses and LAE net of reinsurance. Since the reserves are based on estimates, the ultimate liability may be more or less than such reserves. The effects of changes in such estimated reserves are included in net income in the period in which the estimates are changed. Such changes may be material to net income and could occur in a future period. For a discussion of loss and LAE related to asbestos and environmental reserves, see Note 32.

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

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, \$42.2 million is reported as an aggregate write-ins 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 \$42.2 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.

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities:

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

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

The Company uses exchange traded financial futures contracts (U.S. Treasury note futures contracts) in connection with macrohedges intended to reduce interest rate risk by adjusting portfolio duration. See Schedule DB - Part D for additional information.

Margin payments are required to enter a futures contract and contract gains or losses are settled daily in cash. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract.

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

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	\$ 144,728,778	\$ 147,914,883
Total of deferred tax liabilities	<u>(25,016,654)</u>	<u>(47,301,708)</u>
Net deferred tax asset (liability)	119,712,124	100,613,175
Deferred tax asset nonadmitted	<u>(75,753,793)</u>	<u>(51,315,695)</u>
Net admitted deferred tax asset (liability)	<u>\$ 43,958,331</u>	<u>\$ 49,297,480</u>
 (Increase) decrease in nonadmitted asset	 \$ (24,438,098)	 \$ 22,696,808

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	\$ 54,476,973	\$ 77,491,776
Foreign	<u>21,849</u>	<u>-</u>
	54,498,822	77,491,776
Federal income taxes on net capital gains	<u>(2,023,036)</u>	<u>(744,100)</u>
Federal and foreign income taxes incurred	<u>\$ 52,475,786</u>	<u>\$ 76,747,676</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	\$ 58,097,624	\$ 62,809,620
Unearned premium reserves	27,467,595	27,273,693
Nonadmitted assets	4,345,070	7,978,275
Guaranty fund assessments	6,026,788	5,717,404
Investments	47,566,636	42,391,792
Other assets	<u>1,225,065</u>	<u>1,744,099</u>
Total deferred tax assets	144,728,778	147,914,883
Nonadmitted deferred tax assets	<u>(75,753,793)</u>	<u>(51,315,695)</u>
Admitted deferred tax assets	<u>68,974,985</u>	<u>96,599,188</u>
Deferred tax liabilities:		
Investments	19,271,724	41,539,765
Guaranty fund assessments	362,149	303,429
Other liabilities	<u>5,382,781</u>	<u>5,458,514</u>
Total deferred tax liabilities	25,016,654	47,301,708
Net admitted tax asset	<u>\$ 43,958,331</u>	<u>\$ 49,297,480</u>

NOTES TO FINANCIAL STATEMENTS

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	\$ 144,728,778	\$ 147,914,883	\$ (3,186,104)
Total deferred tax liabilities	(25,016,654)	(47,301,708)	22,285,053
Net deferred tax asset (liability)	<u>\$ 119,712,124</u>	<u>\$ 100,613,175</u>	19,098,949
Tax effect of unrealized gains (losses)			<u>(22,490,582)</u>
Change in net deferred income taxes			<u>\$ (3,391,633)</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)	\$ 270,271,460
Taxes at statutory rate	\$ 94,595,011
Increase (decrease) attributable to:	
Nontaxable investment income	(50,320,283)
Prior period book adjustment	9,070,496
Other	<u>2,522,195</u>
Total statutory income taxes	<u>\$ 55,867,419</u>
Federal and foreign taxes incurred	\$ 52,475,786
Change in net deferred taxes	<u>3,391,633</u>
Total statutory income taxes	<u>\$ 55,867,419</u>
Effective tax rate	20.7%

- E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.
2. The Company has \$40,856,212 and \$90,527,380 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. 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 \$23,713,828 and \$12,777,620 receivable from 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 and/or liability.

As described in Note 25, the Company participates in an intercompany reinsurance agreement with affiliates. The Company is a party to a master netting agreement with its affiliates and continues to settle amounts due to/from affiliates on a net basis in accordance with SSAP No. 63. As a result of the change in guidance, the Company reported the respective amounts resulting from the affiliated reinsurance contracts on a gross basis as an aggregate write-in asset or liability (see Note 25).

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

F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

TYPE OF CONTRACT AND DESCRIPTION	SERVICING COMPANY	OTHER PARTY
Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹

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

NOTES TO FINANCIAL STATEMENTS

- G. All of the issued and outstanding common stock of the Company is owned by Travelers Insurance Group Holdings, Inc. (TIGHI), which in turn is indirectly owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.

11. DEBT

Not applicable.

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

Not applicable.

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

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

The Company participates in a qualified noncontributory defined benefit pension plan in the form of a cash balance sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV and by Travelers Property Casualty Corp. (TPC) which covers certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$1,652,068 and \$1,324,398 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 \$457,124 and \$517,146 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 \$3,946,542 and \$3,365,883 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

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

The Company paid ordinary dividends of \$275.0 million and \$205.0 million to its parent company, TIGHI 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 \$217,795,000.

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

The change in the balance of the special surplus funds is a result of retroactive reinsurance activity occurring in 2008. See Note 22F for additional detail.

Unassigned funds or surplus has been increased by cumulative net unrealized gains of \$269,198,623.

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

At December 31, 2008, the Company had commitments to fund investments of \$28.1 million.

B. Assessments:

The Company has accrued liabilities of \$13.9 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$513 thousand at December 31, 2008. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

NOTES TO FINANCIAL STATEMENTS

In addition, in 2008 the Company accrued an assessment liability of \$6.1 million and a premium tax recoverable asset of \$3.8 million related to the Texas Windstorm Insurance Association assessment following Hurricane Ike. A portion of the liability has been paid in 2008 with the remainder to be paid in 2009. The Texas premium tax offsets are expected to be realized over a period of five or more years.

C. Gain Contingencies:

Not applicable.

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

Not applicable.

E. All Other Contingencies:

The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 26.

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.

For a discussion of contingencies related to asbestos and environmental reserves, see Note 32.

15. LEASES

Not applicable.

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

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were \$28.1 million at December 31, 2008.

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

A. Transfers of Receivables Reported as Sales:

Not applicable.

B. Transfer and Servicing of Financial Assets:

The Company engages in securities lending activities from which it generates net investment income from the lending of certain of its investments to other institutions for short periods of time. Borrowers of these securities provide collateral equal to at least 102% of the market value of the loaned securities plus accrued interest. This collateral is held by a third party custodian, and the Company has the right to access the collateral only in the event that the institution borrowing the Company's securities is in default under the lending agreement. Therefore, the Company does not recognize the receipt of the collateral held by the third party custodian or the obligation to return the collateral. The loaned securities remain a recorded asset of the Company. 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's direct premiums written through managing general agents (MGA) (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators (TPA) were as follows:

Name and Address of MGA / TPA	F.E.I.N.	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premiums Written
Covansys 7701 College Blvd., Suite 200 Overland Park, KS 66210	38-2606945	Yes	National Flood Insurance Program	C, CA, I, P, U	\$188,007,778

LEGEND:

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

20. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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	Accident Years					1994 & Prior
	1998	1997	1996	1995	1994	
Part 1A	\$ 583	\$ 438	\$ 345	\$ 726	\$ 1,207	
Part 1B	78	80	53	29	13,676	
Part 1C	289	176	136	135	815	
Part 1D	15,969	13,138	12,172	11,951	160,746	
Part 1E	2,620	1,156	1,304	685	15,761	
Part 1F - Section 1	53	178	92	162	633	
Part 1F - Section 2	451	577	451	113	663	
Part 1G	192	156	71	91	1,103	
Part 1H - Section 1	5,138	3,727	3,570	2,492	131,345	
Part 1H - Section 2	465	1,072	402	515	2,858	
Part 1M	-	-	-	-	107	
Part 1N	432	91	36	31	111	
Part 1O	3,748	1,784	900	1,294	29,664	
Part 1P	54	67	52	7	14	
Part 1R - Section 1	1,582	1,500	1,404	1,397	68,228	
Part 1R - Section 2	16	79	66	27	353	

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

	2002	2001	2000	1999	1998	1997	1996	1995	1994
Commercial Auto	\$ (48)	\$ (81)	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(500)	(355)	(114)	(3,516)	-	(94)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	(12)	(3,349)	-	-	-	-	-	-
Special Liability	(4)	-	-	-	-	-	-	-	-
Other Liability - Occ	(458)	-	-	-	(72)	(332)	(12)	(53)	(5)
Other Liability - CM	-	(979)	-	-	-	-	-	-	-
Special Property	(21)	-	-	-	-	-	-	-	-
Other	(5)	-	-	-	-	-	-	-	-
Reinsurance A	(104)	-	-	-	-	-	-	-	-
Reinsurance B	(1,185)	-	-	-	-	-	-	-	-

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:

CUSIP	Issuer/Description	Type	Carrying Value
91731KAA8	USB Capital IX	Perpetual	<u>\$ 470,000</u>

H. Subprime Mortgage Related Risk Exposure

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

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

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

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

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

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

a. Actual cost	\$19,643,264
b. Book adjusted carrying value	19,594,056
c. Fair value	15,273,154

NOTES TO FINANCIAL STATEMENTS

I. Federal Home Loan Bank Agreements:

Not applicable.

21. EVENTS SUBSEQUENT

Not applicable.

22. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the TRV Pool (see Note 25) and/or other reinsurance programs with affiliates and takes credit for reinsurance ceded directly and indirectly to these companies. The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums at December 31, 2008, in connection with reinsurance agreements among affiliated insurers, were as follows:

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

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,253,635,257
Travelers Casualty and Surety Company	06-6033504	9,214,708,595
The Phoenix Insurance Company	06-0303275	2,262,590,633
The Standard Fire Insurance Company	06-6033509	2,190,187,733
United States Fidelity and Guaranty Company	52-0515280	1,996,379,440
Travelers Casualty Insurance Company of America	06-0876835	1,235,519,199
Farmington Casualty Company	06-1067463	669,726,827
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	619,949,834
The Travelers Indemnity Company of Connecticut	06-0336212	619,949,834
The Charter Oak Fire Insurance Company	06-0291290	574,698,021
Northland Insurance Company	41-6009967	553,178,823
St. Paul Surplus Lines Insurance Company	41-1230819	398,215,952
The Travelers Indemnity Company of America	58-6020487	348,438,958
St. Paul Protective Insurance Company	36-2542404	262,460,513
Northfield Insurance Company	41-0983992	235,309,426
Travelers Commercial Insurance Company	06-1286268	212,683,519
Travelers Casualty Company of Connecticut	06-1286266	212,683,519
Travelers Commercial Casualty Company	95-3634110	212,683,519
St. Paul Mercury Insurance Company	41-0881659	181,007,251
Travelers Property Casualty Company of America	36-2719165	162,906,526
Travelers Property Casualty Insurance Company	06-1286274	135,755,438
Athena Assurance Company	41-1435765	131,230,257
St. Paul Medical Liability Insurance Company	41-1435766	131,230,257
Travelers Personal Security Insurance Company	06-1286264	122,179,894
Travelers Personal Insurance Company	36-3703200	122,179,894
Travelers Excess and Surplus Lines Company	06-1203698	122,179,894
TravCo Insurance Company	35-1838077	122,179,894
The Travelers Home and Marine Insurance Company	35-1838079	122,179,894
Discover Property & Casualty Insurance Company	36-2999370	63,352,538
Discover Specialty Insurance Company	52-1925132	63,352,538
Northland Casualty Company	94-6051964	63,352,538
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	45,251,813
American Equity Specialty Insurance Company	86-0868106	45,251,813
St. Paul Guardian Insurance Company	41-0963301	45,251,813
Total		<u>\$ 34,751,841,854</u>

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

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
Travelers Property Casualty Company of America	36-2719165	\$ 9,366,087,609
St. Paul Fire and Marine Insurance Company	41-0406690	8,855,323,945
Travelers Casualty and Surety Company	06-6033504	4,628,610,336
United States Fidelity and Guaranty Company	52-0515280	3,069,733,829
The Travelers Indemnity Company of America	58-6020487	2,536,055,712
The Travelers Indemnity Company of Connecticut	06-0336212	2,419,010,492
St. Paul Mercury Insurance Company	41-0881659	2,224,346,409
The Standard Fire Insurance Company	06-6033509	2,009,570,753
The Charter Oak Fire Insurance Company	06-0291290	1,886,846,206
The Phoenix Insurance Company	06-0303275	1,562,946,051
Discover Property & Casualty Insurance Company	36-2999370	973,296,164
St. Paul Surplus Lines Insurance Company	41-1230819	842,967,142
The Travelers Home and Marine Insurance Company	35-1838079	821,831,768
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	809,136,922
Northland Insurance Company	41-6009967	728,701,533
Travelers Casualty Insurance Company of America	06-0876835	633,558,189
Farmington Casualty Company	06-1067463	453,985,388
Travelers Property Casualty Insurance Company	06-1286274	292,003,044
St. Paul Guardian Insurance Company	41-0963301	273,937,124
TravCo Insurance Company	35-1838077	230,326,186
Northfield Insurance Company	41-0983992	215,106,186
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	212,421,693
Travelers Commercial Casualty Company	95-3634110	181,692,174
St. Paul Protective Insurance Company	36-2542404	171,840,705
Travelers Commercial Insurance Company	06-1286268	158,018,238
Travelers Excess and Surplus Lines Company	06-1203698	146,827,098
Travelers Personal Insurance Company	36-3703200	118,280,054
Travelers Personal Security Insurance Company	06-1286264	92,309,072
Travelers Casualty Company of Connecticut	06-1286266	78,529,376
St. Paul Medical Liability Insurance Company	41-1435766	71,732,366
Discover Specialty Insurance Company	52-1925132	42,430,639
Athena Assurance Company	41-1435765	42,119,137
Northland Casualty Company	94-6051964	23,202,852
American Equity Specialty Insurance Company	86-0868106	19,834,322
Total		<u>\$ 46,192,618,714</u>

NOTES TO FINANCIAL STATEMENTS

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:

NONE

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

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 392,394,217	\$ 58,119,025	\$ 822,969,388	\$ 121,893,178	\$ (430,575,171)	\$ (63,774,153)
All Other	<u>100,807,120</u>	<u>14,930,932</u>	-	-	<u>100,807,120</u>	<u>14,930,932</u>
Total	<u>\$ 493,201,337</u>	<u>\$ 73,049,957</u>	<u>\$ 822,969,388</u>	<u>\$ 121,893,178</u>	<u>\$ (329,768,051)</u>	<u>\$ (48,843,221)</u>

Direct Unearned Premium Reserve \$ 722,162,268

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$4,015,965 at December 31, 2008. This balance represents the Company's 4.84% pro rata share of the net amount of the TRV Pool (see Note 25):

Direct Business	\$ 422,788
Add: Reinsurance Assumed	4,015,965
Less: Reinsurance Ceded	<u>422,788</u>
Net	<u>\$ 4,015,965</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	Assumed	Ceded
1. a. Reserves Transferred:		
(1) Initial Reserves	\$ 454,960	\$ 23,507,680
(2) Adjustments - Prior Year(s)	(145,200)	8,787,554
(3) Adjustments - Current Year	<u>220,350</u>	<u>1,220,409</u>
(4) Current Total	<u>\$ 530,110</u>	<u>\$ 33,515,643</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 506,026	\$ 20,818,246
(2) Adjustments - Prior Year(s)	-	2,539,120
(3) Adjustments - Current Year	-	<u>57,588</u>
(4) Current Total	<u>\$ 506,026</u>	<u>\$ 23,414,954</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 187,201	\$ 17,238,679
(2) Current Year	<u>117,436</u>	<u>4,701,962</u>
(3) Current Total	<u>\$ 304,637</u>	<u>\$ 21,940,641</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 51,066	\$ 2,689,434
(2) Adjustments - Prior Year(s)	145,200	6,248,434
(3) Adjustments - Current Year	<u>(220,350)</u>	<u>1,162,821</u>
(4) Current Year Restricted Surplus	<u>\$ 196,266</u>	<u>\$ 8,928,612</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ (220,350)</u>	<u>\$ 1,172,077</u>

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 309,760	\$ -
Parktown Insurance Company Ltd.	220,350	-
Commercial Risk Re-Insurance Co. (27955)	-	638,880
Everest Reinsurance Co. (26921)	-	17,438
XL Reinsurance America (13-1290712)	-	3,414,801
Folksamerica Reinsurance Co (38776)	-	241,180
General Reinsurance Corporation (22039)	-	14,520,000
nSpire Re Limited (AA-1784124)	-	3,852,289
Platinum Underwriters Reinsurance Inc. (10357)	-	4,837,044
Various	-	<u>5,994,010</u>
Total	<u>\$ 530,110</u>	<u>\$ 33,515,643</u>

f. Paid Loss/LAE Recoverable:

Company	Paid Loss/LAE Recoverables	Amount Over 90 Days Past Due	Collateral Held
Platinum Underwriters Reinsurance Inc. (10357)	\$ 67,343	\$ -	\$ -
nSpire Re Limited (AA-178412)	-	-	1,248,773
Various	<u>200,868</u>	<u>12,781</u>	<u>8,835</u>
Total	<u>\$ 268,211</u>	<u>\$ 12,781</u>	<u>\$ 1,257,608</u>

NOTES TO FINANCIAL STATEMENTS

G. Reinsurance Accounted for as a Deposit:

Not applicable.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. Accrued retrospective premiums (Page 2, Line 13.3) have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts. Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss expense reserves), or collateral as permitted by SSAP No. 66, *Retrospectively Rated Contracts*, has been nonadmitted. The amount shown in Part D below is the Company's proportionate share of the accrued retrospective premiums of the TRV Pool (see Note 25).

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

C. See Schedule P - Part 7A.

D. Calculation of nonadmitted retrospective premium:

1. Total accrued retro premium	\$ 15,677,748
2. Unsecured amount	1,023,773
3. Less: Nonadmitted amount (10%)	<u>102,377</u>
4. Admitted amount (1) - (3)	<u>\$ 15,575,371</u>

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 \$66,083,195, primarily due to commercial auto liability, commercial multi-peril, other liability – occurrence, special property, and reinsurance nonproportional assumed liability lines of business, partially offset by an increase in products liability – occurrence line of business.

The decrease in commercial auto liability was a result of better than expected loss development, primarily for accident years 2005 through 2007, which was attributable to several factors, including improved legal and judicial environments, and enhanced risk control, underwriting and claim process initiatives. The decrease in commercial multi-peril is primarily due to improved legal and judicial environments, and enhanced risk control, underwriting and claim process initiatives. Also contributing to the change was improvement in the litigation environment relating to, and ongoing claim settlements for, Hurricane Katrina. The decrease in other liability – occurrence primarily reflected significant favorable prior year reserve development, driven by several factors, including improved legal and judicial environments, as well as enhanced risk control, underwriting and claim processes. Also contributing to the decrease was a reallocation of IBNR to products liability – occurrence. The decrease in other liability – occurrence was partially offset by a strengthening of environmental reserves, driven by an increase in anticipated defense and settlement costs for certain of its pending policyholders. The decrease in special property was a result of favorable development in the 2007 accident year for certain large property, ocean marine and inland marine claims, and improvements in the litigation environment relating to, and ongoing settlements for, Hurricane Katrina. The decrease in reinsurance nonproportional assumed liability was primarily caused by the commutations of intercompany reinsurance agreements with subsidiaries of Unionamerica Holdings Limited (Unionamerica), a United Kingdom based affiliate, immediately prior to its sale.

The increase in products liability – occurrence was primarily caused by a reallocation of IBNR from other liability – occurrence. Also contributing to the increase was a strengthening of the asbestos reserves, driven by an increase in the estimated costs associated with litigating asbestos coverage matters and an increase in estimated losses for certain individual policyholders.

The remaining changes are generally the result of ongoing analyses of recent loss data and trends. A portion of the change from prior year effects relates to retrospectively rated policies and will not have a material impact on surplus due to accompanying premium adjustments.

25. INTERCOMPANY POOLING ARRANGEMENTS

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

As of December 31, 2008 the Company had \$42,152,664 payable to Indemnity as a result of its intercompany pooling transactions which settled in January 2009.

26. STRUCTURED SETTLEMENTS

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims.

The following life insurance companies held reserves at December 31, 2008, for structured settlement annuities purchased by members of the TRV Pool (see Note 25), of which \$147,507,140 is attributable to the Company:

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
OM Financial Life Insurance Company, Baltimore, MD	Yes	\$694,133,956
MetLife Insurance Company of Connecticut, Hartford, CT	Yes	484,898,239
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	272,075,052
Symetra Life Insurance Company, Bellevue, WA	Yes	265,173,388
All other companies		1,331,387,549

27. HEALTH CARE RECEIVABLES

Not applicable.

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

At December 31, 2008 the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$398,544,186 and the amount billed and outstanding on paid claims was \$3,989,856. These amounts represent the Company's proportionate share of the TRV Pool (see Note 25).

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

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

Non-Fatal Cases: United States Life Tables Total Population 1969-71 – MI
 United States Life Tables Total Population 1979-81 – TX
 United States Life Tables Total Population 1999 – FL, NJ & NY
 United States Life Tables Total Male or Total Female 1989-91 – CA
 United States Life Tables Total Male or Total Female 2003 – MA
 United States Life Tables Total Male or Total Female 2000 – MN
 United States Life Tables Total Male or Total Female 1999 – all other states

Fatal Cases: United States Life Tables Total Female 1969-71 – MI *
 United States Life Tables Total Female 1979-81 – TX *
 United States Life Tables Total Female 1989-91 – CA *
 United States Life Tables Total Female 2003 – MA *
 * and the 1979 NCCI Remarriage Table
 New York Mandated Mortality & Remarriage Table – NY
 United States Life Tables Total Female 2000 – MN **
 United States Life Tables Total Female 1999 – all other states **
 ** and the Railroad Retirement Board Remarriage Table

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

The December 31, 2008 liabilities of the Company and its affiliates listed below included the following amounts of such discounted liabilities:

<u>Company</u>	<u>Workers' Compensation</u>	<u>Other Liability</u>
St. Paul Fire and Marine Insurance Company	\$ 474,093,829	\$ 12,370,955
The Travelers Indemnity Company	445,407,233	11,622,409
Travelers Casualty and Surety Company	389,372,747	10,160,251
The Phoenix Insurance Company	95,621,991	2,495,150
The Standard Fire Insurance Company	92,562,087	2,415,305
United States Fidelity and Guaranty Company	84,338,596	2,200,722
Travelers Casualty Insurance Company of America	52,209,607	1,362,352
Farmington Casualty Company	28,304,109	738,564
The Automobile Insurance Company of Hartford, Connecticut	26,200,425	683,671
The Travelers Indemnity Company of Connecticut	26,200,425	683,671
The Charter Oak Fire Insurance Company	24,287,986	633,768
Northland Insurance Company	23,331,766	608,817
St. Paul Surplus Lines Insurance Company	16,829,470	439,146
The Travelers Indemnity Company of America	14,725,787	384,253
St. Paul Protective Insurance Company	11,092,151	289,437
Northfield Insurance Company	9,944,687	259,496
Travelers Casualty Company of Connecticut	8,988,467	234,544
Travelers Commercial Casualty Company	8,988,467	234,544
Travelers Commercial Insurance Company	8,988,467	234,544
St. Paul Mercury Insurance Company	7,649,759	199,612
Travelers Property Casualty Company of America	6,884,783	179,651
Travelers Property Casualty Insurance Company	5,737,319	149,709
St. Paul Medical Liability Insurance Company	5,546,075	144,719
Athena Assurance Company	5,546,075	144,719

NOTES TO FINANCIAL STATEMENTS

TravCo Insurance Company	5,163,588	134,738
Travelers Excess and Surplus Lines Company	5,163,588	134,738
The Travelers Home and Marine Insurance Company	5,163,588	134,738
Travelers Personal Insurance Company	5,163,588	134,738
Travelers Personal Security Insurance Company	5,163,588	134,738
Discover Property & Casualty Insurance Company	2,677,416	69,864
Discover Specialty Insurance Company	2,677,416	69,864
Northland Casualty Company	2,677,416	69,864
American Equity Specialty Insurance Company	1,912,440	49,903
St. Paul Guardian Insurance Company	1,912,440	49,903
Fidelity and Guaranty Insurance Underwriters, Inc.	1,912,440	49,903
Total	<u>\$ 1,912,439,816</u>	<u>\$ 49,903,000</u>

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2008 was as follows:

Tabular Discount Included in Schedule P - Part 1

Company	Workers' Compensation		Other Liability	
	Case	IBNR	Case	IBNR
St. Paul Fire and Marine Insurance Company	\$110,345,993	\$101,759,601	\$ 1,855,037	\$ 1,884,285
The Travelers Indemnity Company	103,669,147	95,602,304	1,742,791	1,770,273
Travelers Casualty and Surety Company	90,627,043	83,575,050	1,523,539	1,547,564
The Phoenix Insurance Company	22,256,150	20,524,325	374,150	380,050
The Standard Fire Insurance Company	21,543,953	19,867,546	362,177	367,888
United States Fidelity and Guaranty Company	19,629,924	18,102,454	330,000	335,204
Travelers Casualty Insurance Company of America	12,151,858	11,206,281	204,286	207,507
Farmington Casualty Company	6,587,820	6,075,200	110,748	112,495
The Automobile Insurance Company of Hartford, CT	6,098,185	5,623,665	102,517	104,134
The Travelers Indemnity Company of Connecticut	6,098,185	5,623,665	102,517	104,134
The Charter Oak Fire Insurance Company	5,653,062	5,213,178	95,034	96,533
Northland Insurance Company	5,430,501	5,007,935	91,293	92,732
St. Paul Surplus Lines Insurance Company	3,917,082	3,612,281	65,850	66,889
The Travelers Indemnity Company of America	3,427,447	3,160,746	57,619	58,528
St. Paul Protective Insurance Company	2,581,713	2,380,822	43,401	44,086
Northfield Insurance Company	2,314,640	2,134,530	38,912	39,525
Travelers Casualty Company of Connecticut	2,092,078	1,929,287	35,170	35,725
Travelers Commercial Casualty Company	2,092,078	1,929,287	35,170	35,725
Travelers Commercial Insurance Company	2,092,078	1,929,287	35,170	35,725
St. Paul Mercury Insurance Company	1,780,492	1,641,946	29,932	30,404
Travelers Property Casualty Company of America	1,602,443	1,477,751	26,939	27,364
Travelers Property Casualty Insurance Company	1,335,369	1,231,459	22,449	22,803
St. Paul Medical Liability Insurance Company	1,290,857	1,190,411	21,701	22,043
Athena Assurance Company	1,290,857	1,190,411	21,701	22,043
TravCo Insurance Company	1,201,832	1,108,314	20,204	20,523
Travelers Excess and Surplus Lines Company	1,201,832	1,108,314	20,204	20,523
The Travelers Home and Marine Insurance Company	1,201,832	1,108,314	20,204	20,523
Travelers Personal Insurance Company	1,201,832	1,108,314	20,204	20,523
Travelers Personal Security Insurance Company	1,201,832	1,108,314	20,204	20,523
Discover Property & Casualty Insurance Company	623,172	574,681	10,476	10,641
Discover Specialty Insurance Company	623,172	574,681	10,476	10,641
Northland Casualty Company	623,172	574,681	10,476	10,641
American Equity Specialty Insurance Company	445,123	410,486	7,483	7,601
St. Paul Guardian Insurance Company	445,123	410,486	7,483	7,601
Fidelity and Guaranty Insurance Underwriters, Inc.	445,123	410,486	7,483	7,601
Total	<u>\$445,123,000</u>	<u>\$410,486,493</u>	<u>\$ 7,483,000</u>	<u>\$ 7,601,000</u>

B. Non-tabular reserves have not been discounted.

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

32. ASBESTOS/ENVIRONMENTAL RESERVES

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

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

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

With respect to reserving procedures, the Special Liability Group staff members are in daily contact with each other on pending asbestos claim activities and anticipated development. The Company also conducts quarterly asbestos reserve reviews with representatives of the claim, legal, reinsurance, finance and actuarial areas to review asbestos trends and other relevant factors. Based on these reviews, asbestos reserves are established for the Company's future exposure. Beginning in 2007 the Company supplemented the existing annual in-depth asbestos claim review and the existing quarterly asbestos reserve review with additional aggregate quarterly reserve analyses. These additional analyses provide the Company with an increased ability to detect and respond to emerging trends in its quarterly reserve estimates.

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder at least annually. In the course of this review, the Company generally considers, among other factors: available insurance coverage, including the role of any umbrella or excess insurance the Company has issued to the policyholder; limits and deductibles; an analysis of the policyholder's potential liability; the jurisdictions involved; past and anticipated future claim activity and loss development on pending claims; past settlement values of similar claims; allocated claim adjustment expense; potential role of other insurance; the role, if any, of non-asbestos claims or potential non-asbestos claims in any resolution process; and applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim. For certain policyholders an estimate of the gross ultimate exposure for indemnity and related claim adjustment expense is determined, and for those policyholders the Company calculates, by each policy year, a ceded reinsurance projection based on any applicable facultative and treaty reinsurance, past ceded experience and reinsurance collections. Conventional actuarial methods are not utilized to establish asbestos reserves nor have the Company's evaluations resulted in any way of determining a meaningful average asbestos defense or indemnity payment.

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

In December 2008, the Company's affiliate, St. Paul Fire and Marine Insurance Company (Fire and Marine) sold Unionamerica. In conjunction with the sale Fire and Marine commuted its assumed intercompany reinsurance agreements with Unionamerica subsidiaries. As a result of these commutations and their impact on the TRV Pool, the Company's asbestos assumed calendar year paid losses increased by \$9,583,200 and the Company's asbestos assumed incurred losses decreased by \$1,645,600.

NOTES TO FINANCIAL STATEMENTS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
1. <u>Direct Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 180,263,000	\$ 197,659,000	\$ 214,183,000	\$ 200,826,000	\$ 182,461,000
b. Incurred losses and LAE:	39,527,000	37,648,000	9,434,000	(810,000)	3,035,000
c. Calendar year payments for losses and LAE:	<u>22,131,000</u>	<u>21,124,000</u>	<u>22,791,000</u>	<u>17,555,000</u>	<u>35,325,000</u>
d. Ending reserves:	<u>\$ 197,659,000</u>	<u>\$ 214,183,000</u>	<u>\$ 200,826,000</u>	<u>\$ 182,461,000</u>	<u>\$ 150,171,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 18,172,000	\$ 23,601,000	\$ 26,006,000	\$ 24,517,000	\$ 22,942,000
b. Incurred losses and LAE:	6,776,000	6,232,000	508,000	630,000	(1,288,000)
c. Calendar year payments for losses and LAE:	<u>1,347,000</u>	<u>3,827,000</u>	<u>1,997,000</u>	<u>2,205,000</u>	<u>12,378,000</u>
d. Ending reserves:	<u>\$ 23,601,000</u>	<u>\$ 26,006,000</u>	<u>\$ 24,517,000</u>	<u>\$ 22,942,000</u>	<u>\$ 9,276,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 158,302,000	\$ 186,720,000	\$ 210,703,000	\$ 195,952,000	\$ 180,585,000
b. Incurred losses and LAE:	43,912,000	43,318,000	7,931,000	(17,000)	1,765,000
c. Calendar year payments for losses and LAE:	<u>15,494,000</u>	<u>19,335,000</u>	<u>22,682,000</u>	<u>15,350,000</u>	<u>41,436,000</u>
d. Ending reserves:	<u>\$ 186,720,000</u>	<u>\$ 210,703,000</u>	<u>\$ 195,952,000</u>	<u>\$ 180,585,000</u>	<u>\$ 140,914,000</u>

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

1. Direct Basis:	\$ 130,955,000
2. Assumed Reinsurance Basis:	\$ 3,172,000
3. Net of Ceded Reinsurance Basis:	\$ 121,119,000

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

1. Direct Basis:	\$ 34,766,000
2. Assumed Reinsurance Basis:	\$ 17,000
3. Net of Ceded Reinsurance Basis:	\$ 32,245,000

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

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

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

The resolution of environmental exposures by the Company generally occurs by settlement on a policyholder-by-policyholder basis as opposed to a claim-by-claim basis. Generally, the Company strives to extinguish any obligations it may have under any policy issued to the policyholder for past, present and future environmental liabilities and extinguish any pending coverage litigation dispute with the policyholder. This form of settlement is commonly referred to as a "buy-back" of policies for future environmental liability. In addition, many of the agreements have also extinguished any insurance obligation which the Company may have for other claims, including but not limited to asbestos and other cumulative injury claims. The Company and its policyholders may also agree to settlements which extinguish any liability arising from known specified sites or claims. These agreements also include appropriate indemnities and hold harmless provisions to protect the Company. The Company's general purpose in executing these agreements is to reduce the Company's potential environmental exposure and eliminate the risks presented by coverage litigation with the policyholder and related costs.

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the allegations of environmental harm at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. Conventional actuarial techniques are not used to estimate these reserves.

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

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

As a result of the commutations described above and their impact on the TRV Pool, the Company's environmental assumed calendar year paid losses increased by \$1,355,200 and the Company's environmental assumed incurred losses decreased by \$242,000.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
1. <u>Direct Basis - Environmental:</u>					
a. Beginning reserves:	\$ 21,013,000	\$ 25,635,000	\$ 16,370,000	\$ 13,007,000	\$ 17,435,000
b. Incurred losses and LAE:	13,876,000	2,062,000	5,286,000	8,939,000	4,106,000
c. Calendar year payments for losses and LAE:	<u>9,254,000</u>	<u>11,327,000</u>	<u>8,649,000</u>	<u>4,511,000</u>	<u>5,292,000</u>
d. Ending reserves:	<u>\$ 25,635,000</u>	<u>\$ 16,370,000</u>	<u>\$ 13,007,000</u>	<u>\$ 17,435,000</u>	<u>\$ 16,249,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>					
a. Beginning reserves:	\$ 6,428,000	\$ 7,176,000	\$ 6,770,000	\$ 6,384,000	\$ 5,258,000
b. Incurred losses and LAE:	1,597,000	210,000	74,000	(69,000)	(231,000)
c. Calendar year payments for losses and LAE:	<u>849,000</u>	<u>616,000</u>	<u>460,000</u>	<u>1,057,000</u>	<u>1,964,000</u>
d. Ending reserves:	<u>\$ 7,176,000</u>	<u>\$ 6,770,000</u>	<u>\$ 6,384,000</u>	<u>\$ 5,258,000</u>	<u>\$ 3,063,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>					
a. Beginning reserves:	\$ 24,577,000	\$ 30,058,000	\$ 20,543,000	\$ 20,251,000	\$ 23,708,000
b. Incurred losses and LAE:	13,265,000	2,387,000	5,854,000	8,942,000	3,886,000
c. Calendar year payments for losses and LAE:	<u>7,784,000</u>	<u>11,902,000</u>	<u>6,146,000</u>	<u>5,485,000</u>	<u>7,571,000</u>
d. Ending reserves:	<u>\$ 30,058,000</u>	<u>\$ 20,543,000</u>	<u>\$ 20,251,000</u>	<u>\$ 23,708,000</u>	<u>\$ 20,023,000</u>

NOTES TO FINANCIAL STATEMENTS

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

1. Direct Basis:	\$	15,668,000
2. Assumed Reinsurance Basis:	\$	1,795,000
3. Net of Ceded Reinsurance Basis	\$	18,419,000

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

1. Direct Basis:	\$	6,406,000
2. Assumed Reinsurance Basis:	\$	10,000
3. Net of Ceded Reinsurance Basis	\$	6,435,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2008 are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in asbestos and environmental claims beyond that which is anticipated, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of disputes pertaining to the amount of available coverage for asbestos and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company, future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims and the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers. In addition, uncertainties arise from the insolvency or bankruptcy of policyholders and other defendants, although in recent years the Company has noted a decrease in the number and volatility of asbestos-related bankruptcies. It is also not possible to predict changes in the legal, regulatory and legislative environment and their impact on the future development of asbestos and environmental claims. This development will be affected by future court and regulatory decisions and interpretations, as well as changes in applicable legislation. It is also difficult to predict the ultimate outcome of complex coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

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

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 [X] No []
- 11.11 Name of real estate holding company
AE Properties, Inc
- 11.12 Number of parcels involved2
- 11.13 Total book/adjusted carrying value \$.....48,053,453
- 11.2 If yes, provide explanation.
Holds ground leases

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. \$.....1,113,001
- 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 | \$.....1,198,122 |
| 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 | \$.....139,549,745 |
| 23.29 Other | \$.....3,152,112 |

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 [X] No []
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] No [] N/A []
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)
Citigroup Global Markets	233 South Wacker Drive, Sears Tower, Chicago, IL 60606	Future Account Agreements

- 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.....	2,595,028,587	2,589,635,298	(5,393,289)
28.2 Preferred stocks.....	1,082,216	1,082,216	0
28.3 Totals.....	2,596,110,803	2,590,717,514	(5,393,289)

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? \$.....1,851,058
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office, Inc	814,535

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 31.1 Amount of payments for legal expenses, if any? \$.....5,248,551
- 31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Simpson, Thatcher & Bartlett	1,708,534

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....115,646
- 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

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 lives0
 All years prior to most current three years:
 1.64 Total premium earned \$.....0
 1.65 Total incurred claims \$.....0
 1.66 Number of covered lives0

- 1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$.....0
 1.72 Total incurred claims \$.....0
 1.73 Number of covered lives0
 All years prior to most current three years:
 1.74 Total premium earned \$.....0
 1.75 Total incurred claims \$.....0
 1.76 Number of covered lives0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....873,076,873	\$.....865,238,160
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....2,190,187,733	\$.....2,222,481,615
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 \$.....9,060,953
 3.22 Non-participating policies \$.....868,943,654

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

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

5. FOR RECIPROCAL EXCHANGES ONLY:

- 5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 5.22 As a direct expense of the exchange Yes [] No [] N/A []
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

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

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

In order to manage its risk, the Company monitors the concentration of insured employees on a location basis. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages quarterly and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

The Company uses RiskLink, a product developed by Risk Management Solutions, Inc., to estimate its Probable Maximum Loss (PML). Property exposures are modeled using RiskLink to determine locations of concentration including California, Florida, New Madrid, the Northeast, the Gulf States, and the Mid Atlantic States. For terrorism risk, the Company uses RMS-PTM, a product developed by Risk Management Solutions, Inc. Conventional attack PML's are developed for combined property and workers' compensation exposures and compared with aggregate corporate guidelines. Buildings with large exposures have a site engineering analysis performed.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.17
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No [X]
 - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information:
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....4,685,414
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....1,171,354
- 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: \$.....4,705,390
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From0.0 %
 - 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....292,165,818
 - 12.62 Collateral and other funds \$.....49,729,839

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....907,500
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Company's Reinsurance Allocation Agreement and Pooling Agreement
-
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []
- 14.5 If the answer to 14.4 is no, please explain:

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

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....					
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 [X]

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

Provide the following information for this exemption:

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

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

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

FIVE-YEAR HISTORICAL DATA

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

	1 2008	2 2007	3 2006	4 2005	5 2004
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	860,835,393	801,747,194	731,246,923	707,788,101	603,842,702
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	668,264,255	640,378,344	616,367,867	517,496,664	515,167,787
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,114,150,365	1,168,092,298	1,169,138,694	1,015,409,984	1,099,613,084
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	4,170,322	2,351,368	5,292,050	24,967,717	136,267
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(3,134,712)	2,884,632	1,669,335	3,158,954	1,223,343
6. Total (Line 35).....	2,644,285,623	2,615,453,836	2,523,714,869	2,268,821,420	2,219,983,184
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	414,045,986	405,740,760	375,232,450	401,510,361	342,903,660
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	169,003,386	171,258,254	158,648,094	137,068,386	177,625,118
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	293,920,890	289,465,210	299,173,886	224,953,948	378,528,981
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	4,169,056	2,349,500	5,255,252	24,957,276	125,555
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(3,134,712)	2,884,632	1,669,335	3,158,954	1,223,343
12. Total (Line 35).....	878,004,607	871,698,356	839,979,016	791,648,925	900,406,657
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	63,848,273	92,991,694	104,982,783	(21,734,271)	82,806,476
14. Net investment gain (loss) (Line 11).....	204,895,091	260,582,068	159,996,156	199,854,862	164,285,952
15. Total other income (Line 15).....	4,613,486	2,788,356	205,970	6,226,291	3,732,459
16. Dividends to policyholders (Line 17).....	1,062,354	1,126,075	764,766	772,278	(1,469,807)
17. Federal and foreign income taxes incurred (Line 19).....	54,498,822	77,491,776	58,083,505	30,739,571	67,515,205
18. Net income (Line 20).....	217,795,674	277,744,267	206,336,638	152,835,033	184,779,488
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	3,653,337,339	3,750,201,302	3,599,560,790	3,347,729,088	3,243,996,606
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	41,993,167	49,712,639	49,283,011	47,717,543	56,456,259
20.2 Deferred and not yet due (Line 13.2).....	188,013,793	191,537,060	190,550,979	185,060,005	210,914,604
20.3 Accrued retrospective premiums (Line 13.3).....	15,575,371	10,993,117	6,383,237	9,538,262	18,004,546
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	2,346,058,799	2,328,122,163	2,323,342,559	2,343,963,656	2,319,294,906
22. Losses (Page 3, Line 1).....	1,462,794,172	1,504,614,681	1,490,205,486	1,541,202,501	1,438,207,088
23. Loss adjustment expenses (Page 3, Line 3).....	334,999,344	328,242,735	331,407,612	336,740,717	315,854,155
24. Unearned premiums (Page 3, Line 9).....	392,394,217	389,624,199	382,914,061	372,702,134	411,538,790
25. Capital paid up (Page 3, Lines 28 & 29).....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	1,307,278,540	1,422,079,139	1,276,218,231	1,003,765,432	924,701,700
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	207,494,490	293,676,634	198,561,279	219,865,600	288,196,613
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,307,278,540	1,422,079,139	1,276,218,231	1,003,765,432	924,701,700
29. Authorized control level risk-based capital.....	220,262,313	231,404,798	224,570,915	224,661,932	196,815,679
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1).....	77.4	74.2	74.3	73.9	73.2
31. Stocks (Lines 2.1 & 2.2).....	16.4	16.7	16.4	16.9	18.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.6
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.1	0.1	0.1	0.2	0.2
34. Cash, cash equivalents and short-term investments (Line 5).....	2.1	3.5	3.4	3.4	3.8
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	4.0	5.5	5.8	5.7	4.0
37. Receivable for securities (Line 8).....	0.0	0.0	0.0	0.0	0.2
38. Aggregate write-ins for invested assets (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 1).....	534,655,485	559,719,036	525,113,835	490,042,049	495,387,305
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.....	544,730	778,696	1,420,937	1,143,762	1,943,740
46. Total of above lines 40 to 45.....	535,200,215	560,497,732	526,534,772	491,185,811	497,331,045
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).....	40.9	39.4	41.3	48.9	57.3

THE STANDARD FIRE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2008	2007	2006	2005	2004
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24).....	(65,023,975)	62,604,570	71,278,311	1,205,463	9,488,402
49. Dividends to stockholders (Line 35).....	(275,000,000)	(205,000,000)	0	(75,000,000)	(159,000,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	(114,800,599)	145,860,908	272,452,799	79,063,732	35,251,043
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	451,795,043	397,555,902	401,194,938	401,077,267	345,125,405
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	336,573,758	299,875,405	813,989,029	340,371,214	237,373,849
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	573,521,035	483,240,756	587,034,337	535,375,366	409,174,595
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,162,503	8,936,711	9,101,334	(24,323,291)	485,473
55. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	22,851,471	19,854,924	14,581,425	(34,167,056)	12,049,892
56. Total (Line 35).....	1,387,903,810	1,209,463,699	1,825,901,062	1,218,333,501	1,004,209,214
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	216,077,687	177,765,995	208,007,334	228,976,573	189,006,125
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	83,420,343	73,292,767	73,113,321	61,393,927	66,454,437
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	137,822,939	111,365,790	127,702,344	170,624,101	128,315,967
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	3,162,503	8,936,711	9,101,334	(24,323,291)	485,473
61. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	22,851,471	19,854,924	14,581,425	(34,167,056)	12,049,892
62. Total (Line 35).....	463,334,942	391,216,187	432,505,757	402,504,255	396,311,895
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2).....	48.3	46.9	46.1	61.4	51.8
65. Loss expenses incurred (Line 3).....	13.2	12.1	12.2	13.8	11.9
66. Other underwriting expenses incurred (Line 4).....	31.2	30.3	28.9	27.5	26.8
67. Net underwriting gain (loss) (Line 8).....	7.3	10.7	12.7	(2.6)	9.6
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.5	29.7	28.5	27.9	25.4
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	61.5	59.0	58.4	75.1	63.7
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).....	67.2	61.3	65.8	78.9	97.4
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(66,938)	(28,384)	(19,393)	26,405	(13,512)
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).....	(4.7)	(2.2)	(1.9)	2.9	(1.5)
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(83,167)	(34,295)	54,072	190,191	16,475
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).....	(6.5)	(3.4)	5.8	21.4	2.2

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	62,466	15,861	15,729	2,009	6,293	64	1,187	66,555	XXX
2. 1999.....	748,476	132,038	616,437	596,760	151,973	63,276	11,234	31,520	3,113	17,967	525,238	XXX
3. 2000.....	777,428	162,755	614,673	576,524	143,642	64,880	10,165	30,206	3,243	20,260	514,559	XXX
4. 2001.....	836,896	146,625	690,270	668,333	199,219	64,030	13,412	34,400	3,623	17,034	550,509	XXX
5. 2002.....	933,248	177,247	756,000	456,220	93,341	54,581	7,952	28,987	2,815	16,547	435,681	XXX
6. 2003.....	999,022	194,477	804,544	425,783	65,511	45,503	5,637	28,621	2,721	16,317	426,037	XXX
7. 2004.....	1,005,010	170,258	834,752	390,777	65,799	36,075	4,561	31,905	2,931	17,087	385,466	XXX
8. 2005.....	968,122	141,667	826,455	434,128	117,611	28,376	4,013	32,487	2,105	13,970	371,262	XXX
9. 2006.....	952,537	119,120	833,417	286,716	32,726	18,990	1,818	35,494	1,062	13,599	305,595	XXX
10. 2007.....	965,499	100,256	865,243	258,774	21,139	13,341	1,083	37,451	783	13,977	286,562	XXX
11. 2008.....	970,836	97,760	873,077	217,718	14,001	6,436	456	36,543	438	8,960	245,801	XXX
12. Totals.....	XXX	XXX	XXX	4,374,201	920,823	411,218	62,341	333,907	22,898	156,906	4,113,264	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.....	277,607	89,562	288,365	45,995	30,334	5,292	48,389	2,792	30,562	29	430	531,587	XXX
2. 1999.....	27,173	8,482	23,782	8,149	2,658	774	4,706	998	2,061	17	195	41,960	XXX
3. 2000.....	37,293	11,546	35,850	11,199	2,884	717	4,942	1,067	1,691	11	431	58,120	XXX
4. 2001.....	48,119	13,192	40,649	10,901	4,542	1,579	6,736	2,043	6,491	27	1,151	78,795	XXX
5. 2002.....	36,531	11,108	44,580	14,032	3,480	360	8,869	2,330	2,795	10	801	68,415	XXX
6. 2003.....	42,561	10,404	48,286	13,370	4,065	496	12,653	3,271	7,760	16	3,016	87,769	XXX
7. 2004.....	44,223	10,851	53,520	15,580	4,606	545	13,650	2,154	3,869	5	2,228	90,734	XXX
8. 2005.....	49,857	13,064	82,020	23,825	5,981	773	14,155	2,051	4,219	3	3,982	116,515	XXX
9. 2006.....	61,179	11,543	98,026	21,545	7,297	634	17,166	2,626	6,051	68	5,188	153,302	XXX
10. 2007.....	84,371	12,097	131,603	24,879	8,781	652	23,224	1,368	8,631	108	7,824	217,507	XXX
11. 2008.....	130,151	22,464	207,785	26,951	9,303	762	37,385	2,168	20,876	66	15,788	353,090	XXX
12. Totals.....	839,064	214,312	1,054,468	216,425	83,930	12,584	191,876	22,868	95,006	361	41,033	1,797,794	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	430,414	101,173
2. 1999.	751,936	184,739	567,198	100.5	139.9	92.0	0	0	4.84	34,325	7,635
3. 2000.	754,270	181,590	572,679	97.0	111.6	93.2	0	0	4.84	50,398	7,722
4. 2001.	873,300	243,996	629,304	104.3	166.4	91.2	0	0	4.84	64,676	14,120
5. 2002.	636,043	131,948	504,095	68.2	74.4	66.7	0	0	4.84	55,971	12,444
6. 2003.	615,232	101,426	513,806	61.6	52.2	63.9	0	0	4.84	67,073	20,696
7. 2004.	578,626	102,426	476,200	57.6	60.2	57.0	0	0	4.84	71,312	19,422
8. 2005.	651,223	163,446	487,777	67.3	115.4	59.0	0	0	4.84	94,987	21,527
9. 2006.	530,919	72,022	458,896	55.7	60.5	55.1	0	0	4.84	126,117	27,184
10. 2007.	566,177	62,108	504,069	58.6	61.9	58.3	0	0	4.84	178,999	38,508
11. 2008.	666,197	67,305	598,891	68.6	68.8	68.6	0	0	4.84	288,522	64,569
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,462,794	334,999

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.....	1,256,252	1,226,615	1,218,974	1,368,559	1,386,254	1,461,448	1,522,456	1,544,631	1,565,393	1,577,748	12,355	33,117
2. 1999.....	450,559	460,713	481,946	501,459	519,364	530,316	531,789	537,632	538,060	537,592	(468)	(40)
3. 2000.....	XXX	440,290	457,613	473,592	502,238	529,242	535,134	542,333	540,413	545,174	4,761	2,842
4. 2001.....	XXX	XXX	552,322	555,404	578,654	591,265	586,054	593,579	589,946	593,422	3,475	(157)
5. 2002.....	XXX	XXX	XXX	495,379	453,380	469,434	478,135	481,306	478,286	477,314	(972)	(3,992)
6. 2003.....	XXX	XXX	XXX	XXX	495,628	470,755	480,444	479,322	482,084	483,009	925	3,687
7. 2004.....	XXX	XXX	XXX	XXX	XXX	544,147	495,661	475,161	462,652	446,204	(16,448)	(28,957)
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	551,256	505,946	489,235	455,660	(33,575)	(50,285)
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	460,688	445,842	421,307	(24,535)	(39,381)
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	474,669	462,212	(12,457)	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	545,462	XXX	XXX
12. Totals.....											(66,938)	(83,167)

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	248,293	436,978	593,898	743,611	818,856	887,135	948,635	997,557	1,057,883	XXX	XXX
2. 1999.....	159,330	270,188	349,739	412,534	443,137	460,971	476,083	485,571	492,584	496,830	XXX	XXX
3. 2000.....	XXX	153,976	263,515	341,018	397,260	415,593	439,809	456,772	470,795	487,597	XXX	XXX
4. 2001.....	XXX	XXX	164,175	294,822	376,785	433,747	474,845	496,389	510,026	519,732	XXX	XXX
5. 2002.....	XXX	XXX	XXX	140,468	235,453	293,351	341,266	375,055	395,948	409,509	XXX	XXX
6. 2003.....	XXX	XXX	XXX	XXX	143,772	246,757	313,467	352,843	383,130	400,137	XXX	XXX
7. 2004.....	XXX	XXX	XXX	XXX	XXX	143,742	247,203	297,230	334,646	356,492	XXX	XXX
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	153,531	266,327	310,192	340,880	XXX	XXX
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	147,109	227,921	271,162	XXX	XXX
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	160,081	249,894	XXX	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	209,696	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.....	663,456	503,426	393,091	414,522	331,540	344,387	357,146	334,432	323,686	289,744
2. 1999.....	169,067	75,271	35,023	14,453	33,383	27,482	19,498	22,915	21,978	19,688
3. 2000.....	XXX	166,755	83,552	38,898	47,788	54,178	37,594	38,774	31,399	28,971
4. 2001.....	XXX	XXX	250,625	132,818	93,568	60,385	40,437	41,322	34,448	35,218
5. 2002.....	XXX	XXX	XXX	244,236	112,818	80,417	59,949	48,761	42,024	38,661
6. 2003.....	XXX	XXX	XXX	XXX	247,446	122,755	83,490	59,002	49,148	46,310
7. 2004.....	XXX	XXX	XXX	XXX	XXX	291,598	157,937	103,056	72,940	51,638
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	253,627	157,709	120,023	72,505
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	216,290	143,562	93,583
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	209,098	131,647
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	219,320

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							3	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama.....AL	L	20,867,993	21,985,595	82	11,513,314	11,066,466	13,591,824	191,168	0
2. Alaska.....AK	L	22,778	20,215	0	6,835	(969,791)	451,977	0	0
3. Arizona.....AZ	L	13,963,358	14,274,590	0	6,628,446	6,574,611	8,538,550	143,472	0
4. Arkansas.....AR	L	13,533,756	14,279,287	0	17,852,483	18,843,872	9,435,267	106,872	0
5. California.....CA	L	180,205,600	180,435,418	0	76,521,025	79,423,774	83,257,857	2,964,387	0
6. Colorado.....CO	L	37,531,287	39,621,780	0	18,823,061	20,103,029	13,566,798	220,582	0
7. Connecticut.....CT	L	119,670,697	123,559,129	0	45,113,867	60,948,354	84,536,004	1,584,807	0
8. Delaware.....DE	L	6,575,612	6,717,894	0	3,372,061	3,036,688	5,860,971	66,025	0
9. District of Columbia.....DC	L	25,582,533	26,102,165	0	7,269,756	8,945,152	9,207,827	291,473	0
10. Florida.....FL	L	38,796,573	40,481,692	0	6,734,282	12,634,995	52,151,791	23,765	0
11. Georgia.....GA	L	52,675,896	56,963,935	0	34,356,160	32,730,990	22,969,702	734,767	0
12. Hawaii.....HI	L	395,688	314,729	0	21,068	408,757	1,311,715	233	0
13. Idaho.....ID	L	1,175,813	1,194,514	0	691,816	716,407	702,737	8,656	0
14. Illinois.....IL	L	13,025,031	10,902,474	962	5,536,470	6,890,727	8,420,721	58,425	0
15. Indiana.....IN	L	19,947,440	19,636,308	0	18,606,663	22,503,865	9,204,142	142,705	0
16. Iowa.....IA	L	3,199,517	3,526,041	0	7,059,183	6,769,513	2,660,571	25,437	0
17. Kansas.....KS	L	10,753,368	10,860,356	0	4,946,545	7,208,294	6,982,131	60,691	0
18. Kentucky.....KY	L	20,292,659	21,328,777	0	15,218,020	15,609,624	8,839,822	163,336	0
19. Louisiana.....LA	L	43,194,841	43,383,447	0	39,094,091	3,719,555	134,646,528	234,748	0
20. Maine.....ME	L	10,660,626	10,863,154	0	5,772,442	5,668,511	12,237,117	154,100	0
21. Maryland.....MD	L	173,179,985	170,601,402	0	64,253,244	72,508,564	45,932,956	1,151,867	0
22. Massachusetts.....MA	L	48,286,877	45,425,372	0	11,142,757	14,619,841	19,766,224	256,230	0
23. Michigan.....MI	L	4,817,118	4,377,448	0	3,309,566	4,086,444	15,136,731	21,568	0
24. Minnesota.....MN	L	19,644,002	19,345,693	0	18,350,771	21,311,113	22,078,959	140,006	0
25. Mississippi.....MS	L	6,076,644	5,971,438	0	3,598,570	2,536,790	8,490,901	38,139	0
26. Missouri.....MO	L	35,715,429	37,029,530	0	26,735,983	31,237,814	15,614,878	189,916	0
27. Montana.....MT	L	2,593,215	2,742,783	0	1,067,008	980,389	2,229,212	22,326	0
28. Nebraska.....NE	L	6,126,949	6,515,305	0	7,365,892	8,903,433	4,462,155	29,083	0
29. Nevada.....NV	L	4,338,535	4,646,529	0	1,858,294	1,595,366	2,525,176	41,467	0
30. New Hampshire.....NH	L	8,039,579	8,327,610	0	2,529,868	3,330,032	2,516,711	108,877	0
31. New Jersey.....NJ	L	16,396,559	16,285,536	0	5,069,012	7,249,381	18,606,800	58,900	0
32. New Mexico.....NM	L	8,510,357	8,398,365	0	5,184,761	6,661,539	5,787,104	49,942	0
33. New York.....NY	L	49,109,377	47,692,785	0	13,687,900	10,978,391	46,151,376	409,522	0
34. North Carolina.....NC	L	70,045,197	67,162,986	0	29,877,492	34,125,194	29,200,495	646,696	0
35. North Dakota.....ND	L	380,845	411,926	0	84,720	209,933	379,241	4,369	0
36. Ohio.....OH	L	34,068,966	35,923,679	0	26,971,606	28,784,658	13,456,488	464,595	0
37. Oklahoma.....OK	L	18,318,732	18,416,362	0	16,893,188	18,282,134	7,362,312	50,395	0
38. Oregon.....OR	L	2,742,914	2,822,940	0	2,433,263	3,138,488	13,778,472	27,283	0
39. Pennsylvania.....PA	L	36,557,691	36,499,248	0	18,358,853	21,848,860	59,577,107	462,637	0
40. Rhode Island.....RI	L	14,797,397	15,372,564	0	4,503,125	4,979,094	7,307,336	194,727	0
41. South Carolina.....SC	L	75,667,222	78,354,007	0	32,497,270	28,098,583	31,009,325	875,109	0
42. South Dakota.....SD	L	414,936	437,938	0	327,232	479,656	1,140,903	3,124	0
43. Tennessee.....TN	L	52,702,066	55,299,330	0	32,285,823	33,391,743	15,733,797	467,965	0
44. Texas.....TX	L	45,854,108	41,299,533	0	51,105,479	93,254,134	78,974,599	162,955	0
45. Utah.....UT	L	5,953,866	6,423,982	11	2,201,803	2,624,166	3,555,766	78,503	0
46. Vermont.....VT	L	5,833,200	6,020,805	0	3,212,438	2,362,196	2,123,931	105,351	0
47. Virginia.....VA	L	67,602,133	70,551,528	0	27,542,141	29,464,021	24,634,210	537,937	0
48. Washington.....WA	L	9,608,129	9,760,397	0	5,277,987	7,332,296	6,874,885	82,662	0
49. West Virginia.....WV	L	2,359,750	2,292,389	0	1,077,995	1,124,294	2,529,855	13,424	0
50. Wisconsin.....WI	L	14,246,949	14,723,951	0	11,539,704	16,518,508	17,183,696	186,319	0
51. Wyoming.....WY	L	461,802	511,577	0	105,840	372,897	470,349	5,364	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	L	29,063	25,790	0	0	0	0	0	0
55. US Virgin Islands.....VI	L	374,362	421,717	0	0	2,556,100	2,556,100	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	0	0	0	0	0	0	0	0
59. Totals.....(a).....53		1,472,925,020	1,486,543,945	1,055	755,587,176	837,779,447	1,015,722,103	14,062,906	0

DETAILS OF WRITE-INS

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

(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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