

ANNUAL STATEMENT
For the Year Ended December 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
ST. PAUL FIRE AND MARINE
INSURANCE COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 24767 Employer's ID Number 41-0406690
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, APRIL 20, 1925

COMMENCED BUSINESS, APRIL 22, 1925

Statutory Home Office: 385 Washington Street, St. Paul, MN 55102
Main Administrative Office: 385 Washington Street, St. Paul, MN 55102 (651) 310-7911
Mail Address: 385 Washington Street, St. Paul, MN 55102
Primary Location of Books and Records: 385 Washington Street, St. Paul, MN 55102 (651) 310-7911
Internet Website Address: www.travelers.com
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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, and Smitesh Davé.

DIRECTORS

JAY STEVEN BENET BRIAN WILLIAM MacLEAN
ANDY FRANCIS BESSETTE DOREEN SPADORCIA
WILLIAM HERBERT HEYMAN KENNETH FRANKLIN SPENCE, III
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
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).....	11,578,281,236	0	11,578,281,236	12,697,383,273
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	16,924,541	0	16,924,541	41,437,120
2.2 Common stocks.....	3,096,888,262	10,142,220	3,086,746,042	3,331,882,597
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	55,920,293	0	55,920,293	2,535,000
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).....	94,244,599	0	94,244,599	97,907,961
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	643,965,338	0	643,965,338	652,724,201
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....29,619,168, Sch. E-Part 1), cash equivalents (\$....998,782, Sch. E-Part 2) and short-term investments (\$....798,508,374, Sch. DA).....	829,126,325	0	829,126,325	419,462,764
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	591,410,556	5,410,642	585,999,914	610,757,941
8. Receivables for securities.....	6,959,752	0	6,959,752	531,372
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	16,913,720,901	15,552,862	16,898,168,040	17,854,622,228
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	149,121,443	0	149,121,443	166,098,151
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	295,379,236	49,098,967	246,280,270	290,131,464
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....15,367,475 earned but unbilled premiums).....	970,670,690	7,706,336	962,964,354	984,110,194
13.3 Accrued retrospective premiums.....	80,299,871	524,367	79,775,504	56,305,656
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	10,428,941	0	10,428,941	1,275,467
14.2 Funds held by or deposited with reinsured companies.....	28,985,054	0	28,985,054	87,679,189
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.....	63,206,232	0	63,206,232	40,503,727
16.2 Net deferred tax asset.....	706,399,338	459,735,523	246,663,815	275,933,724
17. Guaranty funds receivable or on deposit.....	7,362,303	0	7,362,303	9,251,378
18. Electronic data processing equipment and software.....	610,729	0	610,729	842,361
19. Furniture and equipment, including health care delivery assets (\$.....0).....	12,193,102	12,193,102	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	496,288,287	26,895,209	469,393,078	75,942,014
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	19,734,666,128	571,706,366	19,162,959,762	19,842,695,554
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	19,734,666,128	571,706,366	19,162,959,762	19,842,695,554

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. Reinsurance receivable/payable intercompany.....	356,101,682	0	356,101,682	0
2302. Equities and deposits in pools and associations.....	42,598,786	0	42,598,786	32,531,368
2303. State surcharges receivable.....	25,649,267	0	25,649,267	5,366,774
2398. Summary of remaining write-ins for Line 23 from overflow page.....	71,938,552	26,895,209	45,043,343	38,043,872
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	496,288,287	26,895,209	469,393,078	75,942,014

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,861,178,116	8,055,245,217
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	5,865,426	24,499,371
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,826,620,788	1,806,063,470
4. Commissions payable, contingent commissions and other similar charges.....	150,847,301	158,352,686
5. Other expenses (excluding taxes, licenses and fees).....	114,175,486	137,015,034
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	134,938,293	114,741,652
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 \$.....794,704,262 and including warranty reserves of \$.....0).....	2,098,724,313	2,099,873,010
10. Advance premium.....	169,475	532,163
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	8,865,025	7,601,066
12. Ceded reinsurance premiums payable (net of ceding commissions).....	127,350,702	142,027,032
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	34,008	34,008
14. Amounts withheld or retained by company for account of others.....	81,256,734	89,404,591
15. Remittances and items not allocated.....	16,860,771	76,627,569
16. Provision for reinsurance (Schedule F, Part 7).....	57,123,629	40,397,742
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	132,151,676	5,308,266
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	164,247,727	239,862,837
20. Payable for securities.....	12,276,426	596,772
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.....	3,767,388	(36,594,199)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	12,796,453,285	12,961,588,288
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	12,796,453,285	12,961,588,288
27. Aggregate write-ins for special surplus funds.....	47,736,719	30,299,521
28. Common capital stock.....	20,000,000	20,000,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	3,275,206,526	3,275,206,526
33. Unassigned funds (surplus).....	3,023,563,232	3,555,601,219
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....	0	0
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39).....	6,366,506,477	6,881,107,266
36. TOTALS (Page 2, Line 26, Col. 3).....	19,162,959,762	19,842,695,554

DETAILS OF WRITE-INS

2301. Retrospective premium reserve.....	29,613,705	0
2302. Investment real estate liability.....	27,900,696	28,224,861
2303. Escheat liability.....	5,084,258	445,400
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(58,831,270)	(65,264,460)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,767,388	(36,594,199)
2701. Special surplus from retroactive reinsurance.....	46,736,719	29,299,521
2702. Guaranty surplus fund.....	1,000,000	1,000,000
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	47,736,719	30,299,521
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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,700,530,731	4,676,657,681
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,283,689,460	2,171,617,087
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	602,444,343	570,879,443
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,467,502,680	1,423,355,487
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	4,353,636,482	4,165,852,017
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	346,894,248	510,805,664
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	839,335,728	845,862,624
10. Net realized capital gains (losses) less capital gains tax of \$....(48,383,935) (Exhibit of Capital Gains (Losses)).....	(103,977,947)	28,408,911
11. Net investment gain (loss) (Lines 9 + 10).....	735,357,781	874,271,535
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....(7,299,629) amount charged off \$....3,453,092).....	(10,752,721)	(9,301,521)
13. Finance and service charges not included in premiums.....	22,948,438	22,218,071
14. Aggregate write-ins for miscellaneous income.....	14,155,156	(4,204,348)
15. Total other income (Lines 12 through 14).....	26,350,873	8,712,202
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,108,602,903	1,393,789,401
17. Dividends to policyholders.....	5,441,271	5,767,644
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).....	1,103,161,632	1,388,021,757
19. Federal and foreign income taxes incurred.....	253,778,169	240,176,771
20. Net income (Line 18 minus Line 19) (to Line 22).....	849,383,463	1,147,844,986
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	6,881,107,266	7,019,878,853
22. Net income (from Line 20).....	849,383,463	1,147,844,986
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(137,077,673).....	68,850,703	321,066,190
25. Change in net unrealized foreign exchange capital gain (loss).....	(164,229,371)	50,340,139
26. Change in net deferred income tax.....	(35,557,921)	(67,624,534)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	(125,966,486)	119,330,435
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(16,725,888)	3,458,899
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	(263,274,270)
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.....	(1,100,000,000)	(1,428,000,000)
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.....	9,644,709	(21,913,433)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(514,600,789)	(138,771,588)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	6,366,506,477	6,881,107,266
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.....	23,108,143	6,913,072
1402. Change in COLI cash values.....	(1,826,537)	683,009
1403. Fines and penalties of regulatory authorities.....	(2,867,973)	(168,253)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(4,258,477)	(11,632,177)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	14,155,156	(4,204,348)
3701. Prior period adjustment.....	9,644,709	(21,913,433)
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).....	9,644,709	(21,913,433)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,716,545,639	4,706,502,128
2. Net investment income.....	1,064,695,747	893,874,566
3. Miscellaneous income.....	26,350,873	8,712,202
4. Total (Lines 1 through 3).....	5,807,592,259	5,609,088,896
5. Benefit and loss related payments.....	2,802,951,527	2,298,074,463
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,052,959,491	2,033,779,317
8. Dividends paid to policyholders.....	4,177,311	3,835,682
9. Federal and foreign income taxes paid (recovered) net of \$.....19,693,477 tax on capital gains (losses).....	228,096,739	297,700,261
10. Total (Lines 5 through 9).....	5,088,185,069	4,633,389,722
11. Net cash from operations (Line 4 minus Line 10).....	719,407,190	975,699,174
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,977,579,326	3,708,247,272
12.2 Stocks.....	376,249,481	1,166,064,847
12.3 Mortgage loans.....	295,000	0
12.4 Real estate.....	0	2,603,430
12.5 Other invested assets.....	92,050,824	485,041,906
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	750,703	7,212,520
12.7 Miscellaneous proceeds.....	11,679,654	415,882
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,458,604,988	5,369,585,857
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,017,248,388	3,633,636,203
13.2 Stocks.....	101,977,253	1,001,618,648
13.3 Mortgage loans.....	53,680,293	2,535,000
13.4 Real estate.....	20,251,879	67,562,006
13.5 Other invested assets.....	225,951,382	190,515,865
13.6 Miscellaneous applications.....	6,428,381	8,151,436
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,425,537,577	4,904,019,158
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).....	1,033,067,411	465,566,699
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	(263,274,270)
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.....	1,100,000,000	1,428,000,000
16.6 Other cash provided (applied).....	(242,811,040)	155,196,286
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,342,811,040)	(1,536,077,984)
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).....	409,663,561	(94,812,111)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	419,462,764	514,274,875
19.2 End of year (Line 18 plus Line 19.1).....	829,126,325	419,462,764
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Receipt of non-cash distribution from subsidiary.....	10,496,787	0
20.0002 Dissolution of affiliate.....	8,678,406	0
20.0003 Liquidation of affiliate.....	3,103,469	0

ST. PAUL FIRE AND MARINE INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	174,607,423	83,036,402	77,893,187	179,750,639
2. Allied lines.....	112,536,009	54,226,370	50,883,646	115,878,733
3. Farmowners multiple peril.....	31,628,534	14,064,013	15,231,797	30,460,750
4. Homeowners multiple peril.....	667,413,627	340,338,019	354,423,402	653,328,244
5. Commercial multiple peril.....	695,525,320	336,388,948	323,313,169	708,601,099
6. Mortgage guaranty.....	.0	.0	.0	.0
8. Ocean marine.....	86,752,124	34,041,156	35,780,890	85,012,389
9. Inland marine.....	214,990,378	97,496,937	92,174,153	220,313,163
10. Financial guaranty.....	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	(18,907)	5,044	(2,701)	(11,162)
11.2 Medical malpractice - claims-made.....	(96,511)	261,660	78,375	86,774
12. Earthquake.....	23,829,083	11,773,476	10,521,553	25,081,006
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.....	616,840,195	214,492,607	233,963,341	597,369,461
17.1 Other liability - occurrence.....	483,728,784	192,816,457	203,098,093	473,447,148
17.2 Other liability - claims-made.....	167,826,475	97,054,591	100,379,040	164,502,026
18.1 Products liability - occurrence.....	87,619,248	35,147,961	34,542,191	88,225,017
18.2 Products liability - claims-made.....	6,012,743	2,436,486	2,801,181	5,648,048
19.1, 19.2 Private passenger auto liability.....	464,803,809	152,060,495	150,020,452	466,843,853
19.3, 19.4 Commercial auto liability.....	404,954,223	189,499,703	186,916,274	407,537,653
21. Auto physical damage.....	414,137,750	148,567,257	148,005,709	414,699,298
22. Aircraft (all perils).....	(82,237)	(745,013)	(816,738)	(10,513)
23. Fidelity.....	16,490,875	13,561,413	11,850,570	18,201,718
24. Surety.....	9,198,968	41,924	(1,296,924)	10,537,816
26. Burglary and theft.....	2,912,717	1,021,202	1,231,945	2,701,974
27. Boiler and machinery.....	45,474,771	20,514,893	19,917,497	46,072,168
28. Credit.....	(1,445)	21,814	17,310	3,059
29. International.....	511,868	1,695,421	136,656	2,070,633
30. Warranty.....	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	762,107	(137,102)	(32,828)	657,833
32. Reinsurance - nonproportional assumed liability.....	(17,245,327)	3,645,283	3,476,702	(17,076,746)
33. Reinsurance - nonproportional assumed financial lines.....	427,454	363,076	195,754	594,776
34. Aggregate write-ins for other lines of business.....	.0	3,872	.0	3,872
35. TOTALS.....	4,711,540,058	2,043,694,368	2,054,703,696	4,700,530,731

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	.0	3,872	.0	3,872
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	3,872	.0	3,872

ST. PAUL FIRE AND MARINE INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	75,678,941	3,056,460	(842,215)	.0	77,893,187
2. Allied lines.....	49,032,962	1,850,683	.0	.0	50,883,646
3. Farmowners multiple peril.....	15,321,904	(90,107)	.0	.0	15,231,797
4. Homeowners multiple peril.....	354,894,217	(470,815)	.0	.0	354,423,402
5. Commercial multiple peril.....	325,133,821	(574,793)	(1,235,407)	(10,452)	323,313,169
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	36,172,576	534,016	(925,702)	.0	35,780,890
9. Inland marine.....	72,866,026	22,906,839	(3,598,712)	.0	92,174,153
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	(2,701)	.0	.0	.0	(2,701)
11.2 Medical malpractice - claims-made.....	.300	.0	.0	78,075	78,375
12. Earthquake.....	9,902,601	618,951	.0	.0	10,521,553
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.....	265,763,834	76,690	(4,115,325)	(27,761,858)	233,963,341
17.1 Other liability - occurrence.....	204,841,740	475,078	(1,000,771)	(1,217,954)	203,098,093
17.2 Other liability - claims-made.....	81,192,347	19,186,532	.162	.0	100,379,040
18.1 Products liability - occurrence.....	29,870,258	4,957,988	(44,105)	(241,950)	34,542,191
18.2 Products liability - claims-made.....	2,762,781	38,589	(189)	.0	2,801,181
19.1, 19.2 Private passenger auto liability.....	150,020,452	.0	.0	.0	150,020,452
19.3, 19.4 Commercial auto liability.....	185,485,560	1,199,186	(235,259)	466,788	186,916,274
21. Auto physical damage.....	147,799,515	171,984	(0)	34,210	148,005,709
22. Aircraft (all perils).....	(820,929)	4,191	.0	.0	(816,738)
23. Fidelity.....	6,181,948	5,668,622	.0	.0	11,850,570
24. Surety.....	458,091	1,614,938	(3,369,953)	.0	(1,296,924)
26. Burglary and theft.....	858,103	373,842	.0	.0	1,231,945
27. Boiler and machinery.....	19,034,818	882,678	.0	.0	19,917,497
28. Credit.....	17,310	.0	.0	.0	17,310
29. International.....	136,656	.0	.0	.0	136,656
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	(32,828)	.0	.0	.0	(32,828)
32. Reinsurance - nonproportional assumed liability.....	3,387,372	89,330	.0	.0	3,476,702
33. Reinsurance - nonproportional assumed financial lines.....	195,754	.0	.0	.0	195,754
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	2,036,153,429	62,570,884	(15,367,475)	(28,653,142)	2,054,703,696
36. Accrued retrospective premiums based on experience.....					28,653,142
37. Earned but unbilled premiums.....					15,367,475
38. Balance (sum of Lines 35 through 37).....					2,098,724,313

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

**ST. PAUL FIRE AND MARINE 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.....	161,925,711	138,772,661	2,527,764	104,876,388	23,742,325	174,607,423
2. Allied lines.....	51,466,134	108,401,208	884,852	48,143,833	72,352	112,536,009
3. Farmowners multiple peril.....	0	31,628,534	0	0	0	31,628,534
4. Homeowners multiple peril.....	(423)	667,413,627	37,297	36,873	0	667,413,627
5. Commercial multiple peril.....	17,640,276	695,025,326	(3,880)	17,135,572	830	695,525,320
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	234,779,033	68,769,689	417,077	215,980,160	1,233,515	86,752,124
9. Inland marine.....	81,036,800	202,077,392	658,810	65,465,780	3,316,844	214,990,378
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	(48,422)	(18,907)	0	(48,422)	0	(18,907)
11.2 Medical malpractice - claims-made.....	(37,873)	(96,511)	(346,969)	(384,842)	0	(96,511)
12. Earthquake.....	4,879,605	19,015,196	0	3,138	62,580	23,829,083
13. Group accident and health.....	0	0	356,227	356,227	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	855,109	0	(21,317)	833,792	0	0
16. Workers' compensation.....	(6,967,388)	616,912,062	(1,027,873)	(7,923,394)	0	616,840,195
17.1 Other liability - occurrence.....	626,772,764	469,414,196	8,922,861	621,331,784	49,253	483,728,784
17.2 Other liability - claims-made.....	327,112,300	158,119,269	1,736,956	318,843,218	298,832	167,826,475
18.1 Products liability - occurrence.....	114,731,250	35,842,364	2,112,187	57,839,143	7,227,411	87,619,248
18.2 Products liability - claims-made.....	18,090,854	4,784,406	0	16,862,517	0	6,012,743
19.1, 19.2 Private passenger auto liability.....	23,906	464,803,809	0	23,906	0	464,803,809
19.3, 19.4 Commercial auto liability.....	171,331,339	375,216,520	6,187,057	145,575,027	2,205,665	404,954,223
21. Auto physical damage.....	48,507,389	402,037,692	1,180,403	37,508,409	79,325	414,137,750
22. Aircraft (all perils).....	3,900,264	(83,451)	(2,696)	3,897,568	(1,214)	(82,237)
23. Fidelity.....	33,261,618	15,629,817	66,755	32,467,314	0	16,490,875
24. Surety.....	9,120,878	9,509,104	772,415	10,203,430	0	9,198,968
26. Burglary and theft.....	4,226,877	2,629,367	26,879	3,970,406	0	2,912,717
27. Boiler and machinery.....	11,307,740	42,794,685	313,603	8,929,743	11,514	45,474,771
28. Credit.....	0	(1,445)	(1,700)	(1,700)	0	(1,445)
29. International.....	0	2,239,890	336,795	2,064,817	0	511,868
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	694,771	1,986,751	1,919,415	0	762,107
32. Reinsurance - nonproportional assumed liability.....	XXX	(16,902,971)	28,029,229	28,371,585	0	(17,245,327)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	427,454	1,724,301	1,724,301	0	427,454
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,913,915,742	4,515,055,752	56,873,785	1,736,005,989	38,299,232	4,711,540,058

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 []

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.....	100,275,845	80,141,636	67,289,900	113,127,581	104,702,823	110,826,223	107,004,181	59.5
2. Allied lines.....	28,941,886	60,342,351	27,082,516	62,201,720	87,794,309	61,476,171	88,519,858	76.4
3. Farmowners multiple peril.....	0	17,177,701	0	17,177,701	5,458,738	7,428,505	15,207,935	49.9
4. Homeowners multiple peril.....	193,003	334,985,935	228,309	334,950,629	186,458,613	164,807,761	356,601,481	54.6
5. Commercial multiple peril.....	3,241,137	321,360,791	3,888,077	320,713,851	602,736,375	699,209,585	224,240,641	31.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	86,090,687	24,590,545	74,333,439	36,347,793	50,470,546	52,770,195	34,048,144	40.1
9. Inland marine.....	50,751,502	78,800,868	43,834,629	85,717,741	84,018,491	70,723,218	99,013,015	44.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	43,958,877	11,021,270	44,108,877	10,871,270	21,795,412	34,629,317	(1,962,635)	17,582.6
11.2 Medical malpractice - claims-made.....	73,248,858	19,592,631	76,696,961	16,144,528	38,541,877	54,203,623	482,782	556.4
12. Earthquake.....	0	26,954	0	26,954	7,378,131	3,941,325	3,463,759	13.8
13. Group accident and health.....	0	1,024,926	1,024,926	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.....	7,483	326,571	334,054	0	0	0	0	0.0
16. Workers' compensation.....	99,249,848	266,088,868	115,030,359	250,308,356	2,596,731,440	2,428,340,070	418,699,727	70.1
17.1 Other liability - occurrence.....	207,032,895	280,150,156	222,011,263	265,171,787	1,586,474,829	1,798,223,957	53,422,659	11.3
17.2 Other liability - claims-made.....	151,643,981	90,452,849	154,960,024	87,136,806	437,479,256	413,045,759	111,570,304	67.8
18.1 Products liability - occurrence.....	79,751,062	25,399,607	64,035,546	41,115,124	538,005,863	496,346,872	82,774,115	93.8
18.2 Products liability - claims-made.....	3,212,878	1,259,104	2,943,578	1,528,405	23,304,752	13,921,309	10,911,849	193.2
19.1, 19.2 Private passenger auto liability.....	25,102	263,055,771	25,102	263,055,771	371,558,020	373,792,494	260,821,297	55.9
19.3, 19.4 Commercial auto liability.....	115,799,455	196,191,034	108,981,530	203,008,959	554,891,051	565,088,592	192,811,418	47.3
21. Auto physical damage.....	24,927,031	228,732,961	25,768,563	227,891,429	36,575,624	33,720,005	230,747,048	55.6
22. Aircraft (all perils).....	7,474,453	6,729,797	12,927,484	1,276,766	6,354,078	7,032,054	598,791	(5,695.9)
23. Fidelity.....	35,951,090	10,171,877	35,835,976	10,286,991	29,353,152	24,025,436	15,614,707	85.8
24. Surety.....	4,115,267	7,909,720	7,494,182	4,530,805	103,121,603	108,611,268	(958,860)	(9.1)
26. Burglary and theft.....	15,381	4,749	(38,619)	58,748	4,154,802	1,976,232	2,237,319	82.8
27. Boiler and machinery.....	1,259,381	8,223,647	852,292	8,630,735	16,524,631	13,443,448	11,711,918	25.4
28. Credit.....	0	(746,517)	(507,045)	(239,471)	3,035,368	2,919,467	(123,571)	(4,039.3)
29. International.....	0	9,250,138	7,392,698	1,857,440	3,831,893	3,159,648	2,529,685	122.2
30. Warranty.....	0	0	0	0	(336)	(337)	1	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	12,723,854	10,925,574	1,798,279	29,351,920	25,625,963	5,524,237	839.8
32. Reinsurance - nonproportional assumed liability.....	XXX	675,967,583	563,906,906	112,060,677	322,114,570	476,233,682	(42,058,435)	246.3
33. Reinsurance - nonproportional assumed financial lines.....	XXX	5,033,083	4,033,899	999,184	8,957,171	9,722,644	233,711	39.3
34. Aggregate write-ins for other lines of business.....	0	0	0	0	3,112	732	2,380	61.5
35. TOTALS.....	1,117,167,103	3,035,990,459	1,675,401,000	2,477,756,561	7,861,178,116	8,055,245,217	2,283,689,460	48.6

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	3,112	732	2,380	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	3,112	732	2,380	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.....	102,242,885	67,514,032	69,517,497	100,239,419	(5,091,441)	75,899,979	66,345,133	104,702,823	11,515,388
2. Allied lines.....	17,924,296	58,414,472	19,211,199	57,127,568	11,099,016	38,253,857	18,686,132	87,794,309	10,459,671
3. Farmowners multiple peril.....	0	5,492,390	245	5,492,145	0	(12,863)	20,543	5,458,738	19,049,537
4. Homeowners multiple peril.....	156,654	76,348,681	186,649	76,318,686	600,735	116,246,945	6,707,753	186,458,613	37,170,101
5. Commercial multiple peril.....	21,590,226	263,113,248	23,002,002	261,701,472	29,022,757	354,714,856	42,702,710	602,736,375	278,837,574
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	98,963,399	32,727,542	98,700,280	32,990,661	68,424,998	20,714,942	71,660,055	50,470,546	9,089,657
9. Inland marine.....	67,379,946	52,293,388	65,363,384	54,309,950	18,497,415	31,905,603	20,694,477	84,018,491	13,171,006
10. Financial guaranty.....	0	0	0	0	3,647	(0)	3,647	0	0
11.1 Medical malpractice - occurrence.....	60,478,352	17,606,260	60,553,353	17,531,259	(4,739,824)	4,054,298	(4,949,678)	21,795,412	4,014,990
11.2 Medical malpractice - claims-made.....	112,297,493	43,693,575	123,047,131	32,943,936	(12,620,154)	11,066,273	(7,151,822)	38,541,877	7,396,974
12. Earthquake.....	15,137	(22,017)	137	(7,017)	6,603,078	868,288	86,218	7,378,131	872,607
13. Group accident and health.....	0	3,714,006	3,714,006	0	0	698,125	698,125	(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.....	113,759	2,928,906	3,042,665	0	752,916	6,658,591	7,411,507	(a) 0	0
16. Workers' compensation.....	703,249,003	1,488,040,270	802,722,782	1,388,566,491	302,996,112	1,304,235,546	399,066,708	2,596,731,440	312,206,067
17.1 Other liability - occurrence.....	388,314,536	378,915,317	464,583,470	302,646,383	1,307,688,880	1,393,293,268	1,417,153,702	1,586,474,829	520,975,293
17.2 Other liability - claims-made.....	186,998,300	151,641,674	198,841,289	139,798,685	305,107,301	298,432,962	305,859,692	437,479,256	109,552,799
18.1 Products liability - occurrence.....	227,892,451	76,613,388	140,702,278	163,803,560	437,877,238	341,901,778	405,576,713	538,005,863	275,094,206
18.2 Products liability - claims-made.....	11,659,060	23,080	1,388,306	10,293,833	22,728,350	8,438,120	18,155,551	23,304,752	9,459,721
19.1, 19.2 Private passenger auto liability.....	147,141	211,622,162	147,141	211,622,162	784,161	159,935,859	784,162	371,558,020	68,677,294
19.3, 19.4 Commercial auto liability.....	161,619,924	258,533,427	128,343,179	291,810,172	182,354,159	226,349,844	145,623,123	554,891,051	89,795,304
21. Auto physical damage.....	4,635,295	15,976,451	5,563,306	15,048,440	24,414,101	13,361,795	16,248,711	36,575,624	12,273,283
22. Aircraft (all perils).....	43,629,677	48,181,180	90,076,830	1,734,026	8,560,673	38,442,352	42,382,972	6,354,078	1,281,943
23. Fidelity.....	6,284,321	8,111,687	6,516,663	7,879,345	38,540,563	22,916,820	39,983,576	29,353,152	6,531,445
24. Surety.....	92,015,252	69,299,657	111,544,210	49,770,699	75,285,470	57,839,052	79,773,618	103,121,603	13,836,544
26. Burglary and theft.....	43,826	16,331	8,295	51,863	7,135,470	3,900,145	6,932,676	4,154,802	717,742
27. Boiler and machinery.....	11,038,230	5,452,190	10,844,722	5,645,698	6,072,887	10,876,057	6,070,010	16,524,631	2,554,168
28. Credit.....	0	11,160,791	8,838,675	2,322,116	0	3,557,248	2,843,995	3,035,368	9,723
29. International.....	0	11,042,673	8,647,208	2,395,465	1,903	6,122,353	4,687,828	3,831,893	63,139
30. Warranty.....	0	(336)	0	(336)	0	0	0	(336)	0
31. Reinsurance - nonproportional assumed property.....	XXX	65,545,652	53,784,212	11,761,440	XXX	63,959,900	46,369,420	29,351,920	1,713,193
32. Reinsurance - nonproportional assumed liability.....	XXX	656,807,767	477,045,167	179,762,600	XXX	701,277,230	558,925,260	322,114,570	10,192,688
33. Reinsurance - nonproportional assumed financial lines.....	XXX	13,153,350	10,665,115	2,488,235	XXX	32,887,655	26,418,719	8,957,171	108,435
34. Aggregate write-ins for other lines of business.....	0	0	0	0	12,552	3,112	12,552	3,112	294
35. TOTALS.....	2,318,689,162	4,093,961,191	2,986,601,399	3,426,048,954	2,832,112,961	5,348,799,988	3,745,783,787	7,861,178,116	1,826,620,788

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	12,552	3,112	12,552	3,112	294
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	12,552	3,112	12,552	3,112	294

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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	245,918,699	0	0	245,918,699
1.2 Reinsurance assumed.....	289,686,092	0	0	289,686,092
1.3 Reinsurance ceded.....	234,539,356	0	0	234,539,356
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	301,065,435	0	0	301,065,435
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	264,874,232	0	264,874,232
2.2 Reinsurance assumed, excluding contingent.....	0	694,933,061	0	694,933,061
2.3 Reinsurance ceded, excluding contingent.....	0	245,131,565	0	245,131,565
2.4 Contingent - direct.....	0	11,727,661	0	11,727,661
2.5 Contingent - reinsurance assumed.....	0	16,482,873	0	16,482,873
2.6 Contingent - reinsurance ceded.....	0	6,820,734	0	6,820,734
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	736,065,529	0	736,065,529
3. Allowances to manager and agents.....	0	1,112,708	0	1,112,708
4. Advertising.....	23,499	25,717,505	0	25,741,004
5. Boards, bureaus and associations.....	2,979,676	19,954,378	12,270	22,946,324
6. Surveys and underwriting reports.....	38,644	14,916,469	0	14,955,112
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	191,314,536	311,986,435	8,243,264	511,544,235
8.2 Payroll taxes.....	8,985,169	16,691,509	148,367	25,825,045
9. Employee relations and welfare.....	24,160,399	44,810,311	351,649	69,322,359
10. Insurance.....	36,558,957	5,167,839	0	41,726,796
11. Directors' fees.....	0	31,906	0	31,906
12. Travel and travel items.....	3,829,966	20,221,829	80,322	24,132,117
13. Rent and rent items.....	11,797,132	30,799,887	123,266	42,720,285
14. Equipment.....	2,975,951	8,359,774	269,228	11,604,953
15. Cost or depreciation of EDP equipment and software.....	2,354,225	38,873,386	222,895	41,450,506
16. Printing and stationery.....	1,111,360	4,512,381	10,037	5,633,778
17. Postage, telephone and telegraph, exchange and express.....	4,529,656	17,016,676	(12,054)	21,534,278
18. Legal and auditing.....	7,716,879	10,953,547	325,298	18,995,724
19. Totals (Lines 3 to 18).....	298,376,048	571,126,541	9,774,543	879,277,131
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....2,895,887.....	0	143,873,777	0	143,873,777
20.2 Insurance department licenses and fees.....	0	10,072,248	0	10,072,248
20.3 Gross guaranty association assessments.....	0	(3,400)	0	(3,400)
20.4 All other (excluding federal and foreign income and real estate).....	0	3,721,810	0	3,721,810
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	157,664,434	0	157,664,434
21. Real estate expenses.....	0	0	42,911,094	42,911,094
22. Real estate taxes.....	0	0	19,468,252	19,468,252
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	3,002,859	2,646,176	(691,786)	4,957,250
25. Total expenses incurred.....	602,444,342	1,467,502,680	71,462,102	(a).....2,141,409,124
26. Less unpaid expenses - current year.....	1,826,620,788	397,115,869	2,156,410	2,225,893,066
27. Add unpaid expenses - prior year.....	1,806,063,471	403,263,532	6,845,840	2,216,172,843
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).....	581,887,025	1,473,650,344	76,151,532	2,131,688,901

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	5,057,457	56,947,759	(691,786)	61,313,430
2402. Service reimbursements.....	(2,054,598)	(20,722,373)	0	(22,776,970)
2403. Costs of computer software developed for internal use.....	0	(33,579,210)	0	(33,579,210)
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).....	3,002,859	2,646,176	(691,786)	4,957,250

(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).....73,015,278	.....71,841,223
1.1 Bonds exempt from U.S. tax.....	(a).....257,258,636	.....248,591,780
1.2 Other bonds (unaffiliated).....	(a).....252,903,963	.....245,862,232
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....2,845,955	.....2,787,808
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....7,385,660	.....7,382,256
2.21 Common stocks of affiliates.....	.....124,810,038	.....124,810,038
3. Mortgage loans.....	(c).....983,120	.....1,358,509
4. Real estate.....	(d).....136,372,146	.....136,372,146
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....11,109,222	.....11,165,569
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....91,732,620	.....91,270,368
9. Aggregate write-ins for investment income.....	.....3,320,485	.....3,320,485
10. Total gross investment income.....	.....961,737,122	.....944,762,413
11. Investment expenses.....		(g).....71,462,102
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....539,686
14. Depreciation on real estate and other invested assets.....		(i).....32,674,106
15. Aggregate write-ins for deductions from investment income.....		.....750,791
16. Total deductions (Lines 11 through 15).....		.....105,426,685
17. Net investment income (Line 10 minus Line 16).....		.....839,335,728

DETAILS OF WRITE-INS

0901. Property and Wind Pool Plans.....	.....1,134,065	.....1,134,065
0902. Lending of Security Fees.....	.....1,993,460	.....1,993,460
0903. SPVC Loans.....	.....312,692	.....312,692
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....(119,733)	.....(119,733)
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....3,320,485	.....3,320,485
1501. Management Fees.....		.....750,791
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).....		.....750,791

- (a) Includes \$.....(12,919,665) accrual of discount less \$.....41,116,651 amortization of premium and less \$.....3,514,560 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 \$.....11,078,886 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....843,280 accrual of discount less \$.....247,480 amortization of premium and less \$.....505,072 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 \$.....32,674,106 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.....	.....573,953	.....0	.....573,953	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....5,558,181	.....(685,378)	.....4,872,803	.....958,955	.....0
1.2 Other bonds (unaffiliated).....	.....2,785,751	.....(20,184,782)	.....(17,399,031)	.....(57,945,749)	.....(35,795,718)
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....237,406	.....(4,160,488)	.....(3,923,082)	.....(20,352,091)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....(1,846,560)	.....(32,705,468)	.....(34,552,028)	.....(21,902,844)	.....0
2.21 Common stocks of affiliates.....	.....(110,302,487)	.....0	.....(110,302,487)	.....202,634,603	.....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.....	.....46,174	.....704,528	.....750,703	.....0	.....(1,031,752)
7. Derivative instruments.....	.....0	.....0	.....0	.....(3,312,500)	.....0
8. Other invested assets.....	.....1,868,864	.....21,028	.....1,889,892	.....(158,662,635)	.....(995,055)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....5,727,394	.....5,727,394	.....(9,644,709)	.....(126,406,847)
10. Total capital gains (losses).....	.....(101,078,717)	.....(51,283,165)	.....(152,361,882)	.....(68,226,969)	.....(164,229,371)

DETAILS OF WRITE-INS

0901. Foreign Exchange.....	.....0	.....5,727,394	.....5,727,394	.....0	.....(126,406,847)
0902. Correction of error - joint ventures.....	.....0	.....0	.....0	.....(9,644,709)	.....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	.....5,727,394	.....5,727,394	.....(9,644,709)	.....(126,406,847)

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.....	10,142,220	3,163,243	(6,978,977)
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).....	5,410,642	4,038,761	(1,371,880)
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).....	15,552,862	7,202,004	(8,350,858)
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.....	49,098,967	34,108,167	(14,990,800)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	7,706,336	12,925,804	5,219,468
13.3 Accrued retrospective premiums.....	524,367	971,138	446,771
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.....	459,735,523	332,231,664	(127,503,859)
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.....	12,193,102	14,604,678	2,411,576
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.....	26,895,209	43,696,425	16,801,216
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	571,706,366	445,739,880	(125,966,486)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. TOTALS (Lines 24 and 25).....	571,706,366	445,739,880	(125,966,486)

DETAILS OF WRITE-INS

0901.....	0	0	0
0902.....	0	0	0
0903.....	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0
2301. Other assets nonadmitted.....	18,642,880	28,008,612	9,365,732
2302. Amounts receivable under high deductible policies.....	2,169,144	15,687,812	13,518,669
2303. Freddie Mac collateral held.....	6,083,186	0	(6,083,186)
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).....	26,895,209	43,696,425	16,801,216

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

- A. St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Minnesota. The State of Minnesota requires that insurance companies domiciled in Minnesota prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Minnesota Department of Commerce. The impact of any permitted accounting practices on statutory surplus was not material.
- B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.
- C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10, *Income Taxes*. Goodwill is recognized in accordance with SSAP No. 68, *Business Combinations and Goodwill*, and amortized to unrealized capital losses over a period not to exceed 10 years.

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

Short-term investments are stated at amortized cost.

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

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

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

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

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.

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

Property-casualty reserves are established for loss and LAE and include estimates of both reported and unreported claims incurred and related expenses. The reserves are regularly adjusted based upon experience. In determining loss and LAE reserves, the Company continually reviews its overall reserve position, its reserving techniques and its reinsurance. These reserves represent the estimated ultimate cost of all incurred losses and LAE net of reinsurance. Since the reserves are based on estimates, the ultimate liability may be more or less than such reserves. The effects of changes in such estimated reserves are included in net income in the period in which the estimates are changed. Such changes may be material to net income and could occur in a future period. For a discussion of loss and LAE related to asbestos and environmental reserves, see Note 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, \$356.1 million is reported as an aggregate write-ins for reinsurance due from 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 \$356.1 million for net admitted assets and liabilities.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

NOTES TO FINANCIAL STATEMENTS**5. INVESTMENTS****A. Mortgage Loans:**

The rate of interest on the Company's commercial mortgage loan made during the year was 8.75%.

The maximum percentage of any one loan-to-value of security at the time the loan was made, exclusive of any purchase money or insured or guaranteed mortgages was 72%.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities were recalculated using actual and anticipated cash flows, including anticipated prepayments, with the original cost. For those securities that are other than temporarily impaired the prospective method is utilized.

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

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

E. Repurchase Agreements:

Not applicable.

F. Real Estate

Not applicable.

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

The Company has investments in certain federal and state sponsored LIHTC properties. The state sponsored LIHTC property investments primarily generate premium tax credits which allow the Company to offset premium taxes in Georgia and are available through 2014.

In addition, the Company has investment interests in various National Equity Fund Limited Partnerships which are federal LIHTC investments. The credits generated from these investments primarily offset Federal income taxes and are available through 2010.

Management of the Company is not aware of any of the LIHTC investments and related properties being the subject of any federal or state regulatory reviews.

Current LIHTC investments do not exceed 10% of the Company's total net admitted assets.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

A. Surplus excludes due and accrued investment income if amounts are over 180 days past due for mortgage loans and over 90 days past due for all other invested assets.

B. At December 31, 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	\$ 868,381,475	\$ 822,480,248
Total of deferred tax liabilities	<u>(161,982,137)</u>	<u>(214,314,860)</u>
Net deferred tax asset (liability)	706,399,338	608,165,388
Deferred tax asset nonadmitted	<u>(459,735,523)</u>	<u>(332,231,664)</u>
Net admitted deferred tax asset (liability)	<u>\$ 246,663,815</u>	<u>\$ 275,933,724</u>
(Increase) decrease in nonadmitted asset	\$ (127,503,859)	\$ 106,759,292

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

As of December 31, The Company had undistributed earnings in certain foreign subsidiaries of \$8,982,000. The Company does not expect those unremitted earnings to reverse and become taxable to The Company in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Federal	\$ 235,915,491	\$ 214,198,838
Foreign	<u>17,862,677</u>	<u>25,977,933</u>
	253,778,168	240,176,771
Federal income tax on net capital gains	<u>(48,383,935)</u>	<u>(30,966,577)</u>
Federal and foreign income taxes incurred	<u>\$ 205,394,233</u>	<u>\$ 209,210,194</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	\$ 326,984,113	\$ 351,175,034
Unearned premium reserves	146,922,565	147,028,361
Net operating loss	28,265,164	32,118,948
Nonadmitted assets	35,609,578	38,620,740
Investments	256,827,657	172,085,850
Other assets	<u>73,772,398</u>	<u>81,451,315</u>
Total deferred tax assets	868,381,475	822,480,248
Nonadmitted deferred tax assets	<u>(459,735,523)</u>	<u>(332,231,664)</u>
Admitted deferred tax assets	<u>408,645,952</u>	<u>490,248,584</u>
Deferred tax liabilities:		
Investments	125,297,463	178,306,473
Other liabilities	<u>36,684,674</u>	<u>36,008,387</u>
Total deferred tax liabilities	<u>161,982,137</u>	<u>214,314,860</u>
Net admitted tax asset	<u>\$ 246,663,815</u>	<u>\$ 275,933,724</u>

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

Deferred income taxes include a benefit of \$28,265,164 from net operating losses.

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

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	\$ 868,381,475	\$ 822,480,248	\$ 45,901,227
Total deferred tax liabilities	<u>(161,982,137)</u>	<u>(214,314,860)</u>	<u>52,332,723</u>
Net deferred tax asset (liability)	<u>\$ 706,399,338</u>	<u>\$ 608,165,388</u>	98,233,950
Tax effect of unrealized gains (losses)			(137,077,673)
Dissolution of subsidiary			<u>3,285,803</u>
Change in net deferred income taxes			<u>\$ (35,557,920)</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)	\$1,054,777,697
Taxes at statutory rate	\$ 369,172,194
Increase (decrease) attributable to:	
Nontaxable investment income	(118,827,550)
Sale of foreign subsidiary	(18,113,679)
Other	<u>8,721,188</u>
Total statutory income taxes	<u>\$ 240,952,153</u>
Federal and foreign taxes incurred	\$ 205,394,233
Change in net deferred taxes	<u>35,557,920</u>
Total statutory income taxes	<u>\$ 240,952,153</u>
Effective tax rate	22.8%

- E. 1. The Company has net operating loss carryforwards of \$80,757,611 that expire during the years 2017 through 2018.
2. The Company has \$217,893,157 and \$304,057,967 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. (1) In September 2008, the Company received dividends totaling \$10.5 million from its wholly owned subsidiary, Unionamerica Holdings Limited (Unionamerica). The dividends received were comprised of the following three subsidiaries, Travelers Special Services Limited, UA Combined Investment Company Limited, and MFCM Limited with statutory carrying values of \$7.5 million, \$3.0 million and \$2.7 thousand, respectively.

In December 2008, the Company sold its subsidiary Unionamerica to Royston Run-Off Limited, an unaffiliated entity. The transaction resulted in an immaterial gain to the Company.

NOTES TO FINANCIAL STATEMENTS

- (2) On October 15, 2008 the Company entered into an "Agreement and Plan of Restructuring" with the following affiliates Seaboard Surety Company (Seaboard), Travelers Casualty and Surety Company of America (America), Travelers Casualty and Surety Company (TCS), TRV, Travelers Property Casualty Corp. (TPC), and Travelers Insurance Group Holdings Inc. (TIGHI), intended to reorganize the corporate structure of certain TRV companies in order to merge Seaboard with and into America. See Note 22 - Events Subsequent
- (3) In December 2007, TRV contributed St. Paul Reinsurance Company Limited (St. Paul Re), a U.K. insurance affiliate with a statutory carrying value of \$297.7 million, to the Company. The Company in turn contributed St. Paul Re to its subsidiary Unionamerica Holdings Limited.
- (4) On December 3, 2007, the Company purchased \$22.1 million in unaffiliated common stock from its affiliate, The Travelers Indemnity Company (Indemnity).
- (5) On October 1, 2007 in accordance with a "Plan of Merger" and in connection with and as part of a series of related transactions as contemplated by and described in the "Agreement and Plan of Restructuring" dated June 20, 2007 the Company's indirect subsidiary Discover Re merged with Indemnity, with Indemnity being the surviving entity. At the time of this merger Discover Re had a statutory carrying value of \$576.2 million.

As part of these transactions Discover Re Managers, Inc. distributed 100% of the common shares of Discover Reinsurance Company (Discover Re) to its parent, United States Fidelity and Guaranty Company (USF&G). USF&G then distributed 100% of the common shares of Discover Re to its sole shareholder and parent the Company. The Company then distributed 100% of the common shares of Discover Re to its sole shareholder and parent TRV. Each of these transactions qualified as a tax-free spin-off distribution under Section 355 of the Internal Revenue Code and was reported as a return of capital / decrease in surplus in USF&G's and the Company's Annual Statement. In accordance with the "Plan of Merger", Discover Re then merged with and into The Travelers Indemnity Company (Indemnity) at which time all issued and outstanding shares of Discover Re were exchanged for 7,700 shares of Indemnity. TRV then contributed the 7,700 shares as a capital contribution to Travelers Property Casualty Corp. which in turn contributed the 7,700 shares to TIGHI. As a result TIGHI continues to own all issued and outstanding shares of its wholly owned subsidiary Indemnity. The statutory merger method was utilized in merging the two entities, of which Indemnity was the surviving entity.

All required regulatory approvals were obtained by the Company and its affiliates in connection with the "Plan of Merger" dated September 21, 2007 and the "Agreement and Plan of Restructuring" dated June 20, 2007.

- (6) In September 2007, the Company made a capital contribution of \$6 million to its subsidiary, St. Paul Fire and Casualty Insurance Company.
- (7) In July 2007, the Company made capital contributions of \$30 million and \$10 million to its subsidiaries, St. Paul Mercury Insurance Company and St. Paul Guardian Insurance Company, respectively.

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 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 \$164,247,727 and \$239,862,837 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.
- (2) As described in Note 2, the Company adopted the amended guidance in SSAP No. 63 during 2008. The changes to SSAP No. 63 continue to permit the net settlement of balances resulting from an intercompany reinsurance agreement providing there is a contractual right of offset provision, but require the related amounts resulting from the reinsurance contract to be reported as an asset 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. Guarantees or undertakings, including the company and any affiliates:

- Effective July 7, 2006, an affiliate of the Company assumed a construction loan and the Company has guaranteed payment of the construction loan and provided indemnification to the lender in the event of environmental liabilities for which the lender is held responsible. The maximum for the construction loan was \$9.4 million and the environmental guarantee is not limited.
- In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of \$50.0 million.
- Effective May 1, 2000, the Company's wholly-owned subsidiary, USF&G sold one of its subsidiaries, THI Holdings, Inc. USF&G agreed to indemnify the purchaser from certain liabilities in connection with the sale, and the Company agreed to guarantee those obligations.
- In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USF&G's obligations under insurance and reinsurance contracts issued by USF&G on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.
- Effective September 30, 1997, the Company entered into an unconditional guaranty that St. Paul Medical Liability Insurance Company, a downstream subsidiary, would maintain required capital and surplus, each in the amount of \$2.5 million, as a condition of becoming licensed in the State of Maine.
- Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard, a New York domiciled insurance company, of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice.
- Effective December 10, 1993, the Company has guaranteed the performance by St. Paul Travelers International Insurance Company Limited (St. Paul Limited), an affiliate incorporated in England, of all St. Paul Limited's obligations arising out of its insurance or reinsurance contracts. Effective March 1, 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice. Effective December 31, 2007, pursuant to the order of English Court, made on December 31, 2007, under Part VII of the Financial Services & Markets Act, obligations relating to certain business as of December 31, 2007, were transferred to Unionamerica Insurance Company Limited (Unionamerica), an affiliate of St. Paul Limited. This resulted in those obligations no longer being covered by the guarantees. The guarantees will remain in force, however, for the obligations arising out of insurance or reinsurance contracts not transferred to Unionamerica and for business subsequently written by St. Paul Limited. In December 2008, Unionamerica was sold to an unaffiliated entity. See note 10A for further discussion.
- Effective September 28, 1993, the Company guaranteed the performance by St. Paul Reinsurance Company Limited (St. Paul Re Ltd.), an affiliate incorporated in England, of all of St. Paul Re Ltd.'s obligations arising out of its insurance or reinsurance contracts. The Company could terminate this guarantee at any time upon six months prior notice. Effective June 15, 2007, the guarantee was terminated prospectively but the guarantee

NOTES TO FINANCIAL STATEMENTS

remained in force with respect to prior obligations of St. Paul Re Ltd. Pursuant to the order of English Court made on December 13, 2007, under Part VII of the Financial Services & Markets Act, all relevant obligations of St. Paul Re Ltd, as of December 31, 2007, were transferred to Unionamerica, an affiliate of St. Paul Ltd. This resulted in the transferred obligations no longer being covered by the guarantee. In December 2008, Unionamerica was sold to an unaffiliated entity. See note 10A for further discussion.

9. The Company guaranteed the timely payment of Discover Reinsurance Company's (Discover Re) obligations with respect to all insurance policies and reinsurance policies issued by Discover Re. On October 1, 2007, Discover Re was merged into The Indemnity. The merger resulted in the automatic termination of the guarantee with respect to any future claims. However, the Company continues to guarantee to Indemnity all obligations of Discover Re incurred before the termination date.

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

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

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

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

- H. Not applicable.

- I. The Company owns 100% of USF&G, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in USF&G at USF&G's statutory equity. The statement value of USF&G assets and liabilities as of December 31, 2008 were \$4.2 billion and \$2.1 billion, respectively. USF&G's net income was \$173.5 million for the year ended December 31, 2008.

- J. Not applicable.

- K. Not applicable.

- L. The Company directly owns Northbrook Holdings, Inc. (Northbrook), a downstream noninsurance holding company. Northbrook directly owns Discover Property & Casualty Insurance Company (DPCIC), an Illinois domiciled insurance company, and St. Paul Protective Insurance Company (SPPIC), an Illinois domiciled insurer.

- (1) The carrying value of the Company's investment in Northbrook was \$2 at December 31, 2008.
- (2) The Company has not obtained an audit of Northbrook's financial statements.
- (3) The Company has limited the carrying value of its investment in Northbrook to the value contained in the statutory audited financial statements of DPCIC and SPPIC, including any adjustments required by SSAP 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88*.
- (4) Northbrook does not have any material assets other than the ownership of its insurance subsidiaries. Northbrook does not have any material direct liabilities, commitments, contingencies, guarantees or obligations that are required to be reported.

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 \$8,461,728 and \$6,783,437 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 \$2,341,345 and \$2,648,769 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 \$20,213,797 and \$17,239,718 for 2008 and 2007, respectively.

- E. Postemployment Benefits and Compensated Absences:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

F. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

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

The Company paid ordinary dividends of \$1,100.0 million and \$678.0 million to its parent company, TRV in 2008 and 2007, respectively.

The Minnesota Department of Commerce granted approval for a \$560.9 million extraordinary distribution / return capital of the company's indirect subsidiary Discover Re as well as \$750.0 million of extraordinary cash dividends to TRV during 2007. See Note 10 for additional detail.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Minnesota insurance companies to shareholders without prior approval of the Minnesota Department of Commerce 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 \$849,383,000.

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 \$998,037,609.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2008, the Company had commitments to fund investments of \$571.3 million.

B. Assessments:

The Company has accrued liabilities of \$71.3 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$2.6 million 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.

In addition, in 2008 the Company accrued an assessment liability of \$40.0 million and a premium tax recoverable asset of \$19.6 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:

The Company paid \$542,500 in the reporting period on five claims to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits. The claim count information provided herein is disclosed on a per claim direct basis.

E. All Other Contingencies:

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 process of selling business entities to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business entities being sold, covenants and obligations of the Company and/or its subsidiaries following the close, and in certain cases obligations arising from undisclosed liabilities, imposition of additional taxes due to either a change in the tax law or an adverse interpretation of the tax law. Such indemnification provisions generally survive for periods ranging from the applicable closing date to the expiration of the relevant statutes of limitations, or in some cases agreed upon term limitations.

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

A. Lessee Leasing Arrangements:

1. At December 31, 2008, the Company is a party to various lease agreements for office space and office equipment. The office space and office equipment leases are for various periods of time. Total rental expense under operating leases for the Company for 2008 and 2007 was \$13,981,162 and \$20,081,671, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

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

2. Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$41,640,696 at December 31, 2008. Future minimum rental payments for each of the five succeeding years are as follows:

<u>Year</u>	<u>Operating Leases</u>
2009	\$ 10,188,712
2010	8,998,078
2011	7,038,719
2012	6,035,612
2013	3,813,739

At December 31, 2008, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled \$ 2,931,730.

3. Sale-Leaseback Transactions:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**B. Lessor's Business Activities:**

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was \$295,648,324 and \$266,637,579 as of December 31, 2008 and 2007, respectively. On December 31, 2008, the Company has minimum annual lease payments receivable under noncancelable leasing arrangements as follows:

<u>Year</u>	<u>Operating Leases</u>
2009	\$ 114,852,538
2010	96,876,308
2011	70,539,639
2012	43,431,191
2013	25,899,383
2014 and later years	52,363,928

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, limited liability companies, and venture capital entities. The off-balance-sheet risks of these financial instruments were \$571.3 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 did not have any direct premiums written through managing general agents (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators.

20. OTHER ITEMS**A. Extraordinary Items:**

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures:

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

2008 Schedule P:

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

Schedule P	<u>Accident Years</u>				
	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994 & Prior</u>
Part 1A	\$ 2,986	\$ 2,244	\$ 1,769	\$ 3,717	\$ 6,183
Part 1B	402	408	274	147	70,047
Part 1C	1,970	1,443	765	863	5,269
Part 1D	81,793	67,293	62,344	61,213	823,404
Part 1E	13,527	5,921	6,682	3,509	80,723
Part 1F - Section 1	272	912	473	828	3,243
Part 1F - Section 2	2,308	2,958	2,310	577	3,396
Part 1G	1,636	754	404	457	6,102
Part 1H - Section 1	27,412	19,908	18,916	13,872	679,141
Part 1H - Section 2	2,679	5,858	2,187	2,801	15,457
Part 1M	-	-	-	-	547
Part 1N	2,210	467	183	159	570
Part 1O	19,675	9,618	4,901	7,458	154,970
Part 1P	279	342	267	33	70
Part 1R - Section 1	10,999	8,395	7,704	8,081	354,107
Part 1R - Section 2	449	417	348	145	1,831

NOTES TO FINANCIAL STATEMENTS

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

	2002	2001	2000	1999	1998	1997	1996	1995	1994
Commercial Auto	\$ (246)	\$ (415)	\$ (39)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(2,560)	(1,819)	(586)	(18,009)	-	(481)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	(62)	(17,155)	-	-	-	-	-	-
Special Liability	(20)	-	-	-	-	-	-	-	-
Other Liability – Occ	(2,344)	-	-	-	(366)	(1,702)	(61)	(273)	(24)
Other Liability – CM	(3,129)	(5,013)	-	-	-	-	-	-	-
Special Property	(109)	-	-	-	-	-	-	-	-
Other	(23)	-	-	-	-	-	-	-	-
Reinsurance A	(533)	-	-	-	-	-	-	-	-
Reinsurance B	(6,072)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable Tax Credits:

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
025816AU3	American Express AXP	Redeemable	\$ 1,709,580
055960AA6	BNP Paribas Capital Trust 144A	Perpetual	4,597,550
055967AA1	BOI Cap Funding II 144A	Perpetual	1,153,800
06738CAF6	Barclays Bank PLC	Perpetual	1,799,220
06738CAF6	Barclays Bank PLC	Perpetual	1,390,840
233048AA5	DBS Bank Ltd. Singapore Notes	Redeemable	1,746,860
236363AA5	Danske Perpetual PFD	Perpetual	1,751,500
337363AE5	First Union Inst Cap I PDF	Redeemable	44,973
40411CAA0	HBOS Capital Funding LP	Perpetual	1,293,160
564759PS1	Manufacturers & Traders	Redeemable	2,531,067
90262WAA1	UBS Preferred Funding Trust	Perpetual	7,009,730
92978AAA0	Wachovia Capital Trust III	Perpetual	840,000
Total			<u>\$25,868,280</u>

H. Subprime Mortgage Related Risk Exposure:

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

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

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

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

Overall exposure to subprime mortgage-backed securities is sufficiently small in that the Company would likely have other securities available for liquidity needs. The Company utilizes discounted cash flow valuation analysis in its regular, ongoing review of its existing subprime mortgage portfolio, as well as in its analysis of subprime mortgage-backed bonds for purchase. Included in this analysis are conservative assumptions regarding default and loss severity on the underlying mortgage pool. 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	\$6,192,869
b. Book adjusted carrying value	6,464,256
c. Fair value	5,624,929

I. Federal Home Loan Bank Agreements:

Not applicable.

21. EVENTS SUBSEQUENT

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

The Company 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:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,012,509,732	\$ 298,080,599	\$ 778,831,180	\$ 115,355,698	\$ 1,233,678,552	\$ 182,724,901
All Other	<u>29,475,869</u>	<u>4,365,785</u>	<u>15,873,082</u>	<u>2,351,024</u>	<u>13,602,787</u>	<u>2,014,761</u>
Total	<u>\$ 2,041,985,601</u>	<u>\$ 302,446,384</u>	<u>\$ 794,704,262</u>	<u>\$ 117,706,722</u>	<u>\$ 1,247,281,339</u>	<u>\$ 184,739,662</u>

Direct Unearned Premium Reserve \$ 851,442,973

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$26,632,862 at December 31, 2008. This balance represents the Company's 24.79% pro rata share of the net amount of the TRV Pool (see Note 25):

Direct Business	\$ 13,602,616
Add: Reinsurance Assumed	25,245,226
Less: Reinsurance Ceded	<u>12,214,980</u>
Net	<u>\$ 26,632,862</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

1.	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,330,260	\$ 124,868,983
(2) Adjustments - Prior Year(s)	(743,700)	45,932,268
(3) Adjustments - Current Year	<u>1,128,611</u>	<u>7,182,333</u>
(4) Current Total	<u>\$ 2,715,171</u>	<u>\$ 177,983,584</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,591,816	\$ 111,093,969
(2) Adjustments - Prior Year(s)	-	13,005,121
(3) Adjustments - Current Year	-	<u>294,959</u>
(4) Current Total	<u>\$ 2,591,816</u>	<u>\$ 124,394,049</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 958,825	\$ 90,956,669
(2) Current Year	<u>601,493</u>	<u>24,527,958</u>
(3) Current Total	<u>\$ 1,560,318</u>	<u>\$ 115,484,627</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 261,556	\$ 13,775,014
(2) Adjustments - Prior Year(s)	743,700	32,927,147
(3) Adjustments - Current Year	<u>(1,128,611)</u>	<u>6,887,373</u>
(4) Current Year Restricted Surplus	<u>\$ 1,005,256</u>	<u>\$ 45,731,464</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ (1,128,611)</u>	<u>\$ 7,858,071</u>

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 1,586,560	\$ -
Parktown Insurance Company Ltd.	1,128,611	-
Commercial Risk Re-Insurance Co. (27955)	-	3,272,280
Everest Reinsurance Co. (26921)	-	89,317
XL Reinsurance America (13-1290712)	-	17,490,272
Folksamerica Reinsurance Co (38776)	-	1,235,302
General Reinsurance Corporation (22039)	-	74,370,000
nSpire Re Limited (AA-1784124)	-	19,731,045
Platinum Underwriters Reinsurance Inc. (10357)	-	31,094,644
Various	-	<u>30,700,724</u>
Total	<u>\$ 2,715,171</u>	<u>\$ 177,983,584</u>

f. Paid Loss/LAE Recoverable:

Company	Paid Loss/LAE Recoverables	Amount Over 90 Days Past Due	Collateral Held
Platinum Underwriters Reinsurance Inc. (10357)	\$ 429,009	\$ -	\$ -
nSpire Re Limited (AA-178412)	-	-	6,396,092
Various	<u>1,028,828</u>	<u>65,460</u>	<u>45,252</u>
Total	<u>\$ 1,457,837</u>	<u>\$ 65,460</u>	<u>\$ 6,441,344</u>

NOTES TO FINANCIAL STATEMENTS

G. Reinsurance Accounted for as a Deposit:

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

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
1999	\$ (254,300)	\$ (1,290,000)	-	\$ (1,544,300)
2000	-	-	-	(1,544,300)
2001	-	-	-	(1,544,300)
2002	-	(128,000)	-	(1,672,300)
2003	-	-	-	(1,672,300)
2004	-	-	-	(1,672,300)
2005	-	-	\$ 326,376	(1,345,924)
2006	-	-	494,769	(851,155)
2007	-	-	65,102	(786,053)
2008	-	-	-	(786,053)

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on April 1, 2000. This is an assumed excess of loss reinsurance contract covering Section A non marine whole account, Section B whole account. This agreement was commuted during 2008.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2000	\$ (2,123,000)	-	-	\$ (2,123,000)
2001	-	-	-	(2,123,000)
2002	-	-	-	(2,123,000)
2003	-	\$ (2,877,000)	-	(5,000,000)
2004	-	-	-	(5,000,000)
2005	-	-	-	(5,000,000)
2006	-	-	-	(5,000,000)
2007	-	-	-	(5,000,000)
2008	-	1,159,183	3,840,817	0

On July 1, 2000 the Company entered into an assumed reinsurance agreement which was determined to be a deposit. Given the contract terms and results of the Company's cash flow analyses, it was subsequently determined that the agreement did not fulfill the risk transfer requirements of SSAP 62 so the agreement has been accounted for as a deposit. This agreement was commuted during 2008.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2008	\$ (469,775)	\$ -	\$ 469,775	\$ 0

The Company entered into several ceded reinsurance arrangements which provided coverage for certain workers' compensation, employers liability and automobile liability policies issued by the Company. Given the contract terms and results of the Company's cash flow analyses, it was subsequently determined that the agreements did not fulfill the risk transfer requirements of SSAP No. 62 so they are now being accounted for as deposits.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ 873,720	\$26,680,680	\$ (494,109)	\$ 27,060,291
2006	148,015	1,845,526	(6,006,897)	23,046,935
2007	-	(1,424,040)	(6,327,360)	15,295,535
2008	40,650	(50,387)	(6,038,558)	9,247,240

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	\$ 80,299,871
2. Unsecured amount	5,243,665
3. Less: Nonadmitted amount (10%)	<u>524,367</u>
4. Admitted amount (1) - (3)	<u>\$ 79,775,504</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 \$350,497,916, 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 subsidiary, immediately prior to its sale.

NOTES TO FINANCIAL STATEMENTS

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

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 \$356,101,682 receivable from 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 \$755,516,943 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 \$2,041,303,795 and the amount billed and outstanding on paid claims was \$20,435,645. These amounts represent the Company's proportionate share of the TRV Pool (see Note 25).

NOTES TO FINANCIAL STATEMENTS**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
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

<u>Company</u>	<u>Workers' Compensation</u>		<u>Other Liability</u>	
	<u>Case</u>	<u>IBNR</u>	<u>Case</u>	<u>IBNR</u>
St. Paul Fire and Marine Insurance Company	\$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

NOTES TO FINANCIAL STATEMENTS

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 24.79%.

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 sold Unionamerica. In conjunction with the sale the Company 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 \$49,084,200 and the Company's asbestos assumed incurred losses decreased by \$8,428,600.

1. <u>Direct Basis - Asbestos:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 923,287,000	\$1,012,388,000	\$1,097,025,000	\$1,028,613,000	\$ 934,547,000
b. Incurred losses and LAE:	202,454,000	192,831,000	48,322,000	(4,150,000)	15,548,000
c. Calendar year payments for losses and LAE:	<u>113,353,000</u>	<u>108,194,000</u>	<u>116,734,000</u>	<u>89,916,000</u>	<u>180,932,000</u>
d. Ending reserves:	<u>\$1,012,388,000</u>	<u>\$1,097,025,000</u>	<u>\$1,028,613,000</u>	<u>\$ 934,547,000</u>	<u>\$ 769,163,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 93,077,000	\$ 120,881,000	\$ 133,202,000	\$ 125,573,000	\$ 117,506,000
b. Incurred losses and LAE:	34,706,000	31,925,000	2,600,000	3,225,000	(6,596,000)
c. Calendar year payments for losses and LAE:	<u>6,902,000</u>	<u>19,604,000</u>	<u>10,229,000</u>	<u>11,292,000</u>	<u>63,397,000</u>
d. Ending reserves:	<u>\$ 120,881,000</u>	<u>\$ 133,202,000</u>	<u>\$ 125,573,000</u>	<u>\$ 117,506,000</u>	<u>\$ 47,513,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 810,808,000	\$ 956,362,000	\$1,079,200,000	\$ 1,003,648,000	\$924,940,000
b. Incurred losses and LAE:	224,910,000	221,870,000	40,625,000	(87,000)	9,037,000
c. Calendar year payments for losses and LAE:	<u>79,356,000</u>	<u>99,032,000</u>	<u>116,177,000</u>	<u>78,621,000</u>	<u>212,229,000</u>
d. Ending reserves:	<u>\$ 956,362,000</u>	<u>\$1,079,200,000</u>	<u>\$1,003,648,000</u>	<u>\$ 924,940,000</u>	<u>\$ 721,748,000</u>

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

1. Direct Basis:	\$ 670,741,000
2. Assumed Reinsurance Basis:	\$ 16,245,000
3. Net of Ceded Reinsurance Basis:	\$ 620,359,000

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

1. Direct Basis:	\$ 178,070,000
2. Assumed Reinsurance Basis:	\$ 86,000
3. Net of Ceded Reinsurance Basis:	\$ 165,153,000

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.

NOTES TO FINANCIAL STATEMENTS

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 \$6,941,200 and the Company's environmental assumed incurred losses decreased by \$1,239,500.

1. <u>Direct Basis - Environmental:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 107,626,000	\$ 131,298,000	\$ 83,848,000	\$ 66,620,000	\$ 89,299,000
b. Incurred losses and LAE:	71,068,000	10,567,000	27,070,000	45,784,000	21,029,000
c. Calendar year payments for losses and LAE:	<u>47,396,000</u>	<u>58,017,000</u>	<u>44,298,000</u>	<u>23,105,000</u>	<u>27,103,000</u>
d. Ending reserves:	<u>\$ 131,298,000</u>	<u>\$ 83,848,000</u>	<u>\$ 66,620,000</u>	<u>\$ 89,299,000</u>	<u>\$ 83,225,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 32,923,000	\$ 36,757,000	\$ 34,673,000	\$ 32,701,000	\$ 26,929,000
b. Incurred losses and LAE:	8,181,000	1,069,000	386,000	(360,000)	(1,181,000)
c. Calendar year payments for losses and LAE:	<u>4,347,000</u>	<u>3,153,000</u>	<u>2,358,000</u>	<u>5,412,000</u>	<u>10,058,000</u>
d. Ending reserves:	<u>\$ 36,757,000</u>	<u>\$ 34,673,000</u>	<u>\$ 32,701,000</u>	<u>\$ 26,929,000</u>	<u>\$ 15,690,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 125,879,000	\$ 153,954,000	\$ 105,220,000	\$ 103,722,000	\$ 121,428,000
b. Incurred losses and LAE:	67,944,000	12,227,000	29,983,000	45,802,000	19,904,000
c. Calendar year payments for losses and LAE:	<u>39,869,000</u>	<u>60,961,000</u>	<u>31,481,000</u>	<u>28,096,000</u>	<u>38,777,000</u>
d. Ending reserves:	<u>\$ 153,954,000</u>	<u>\$ 105,220,000</u>	<u>\$ 103,722,000</u>	<u>\$ 121,428,000</u>	<u>\$ 102,555,000</u>

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

1. Direct Basis:	\$ 80,247,000
2. Assumed Reinsurance Basis:	\$ 9,193,000
3. Net of Ceded Reinsurance Basis	\$ 94,341,000

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

1. Direct Basis:	\$ 32,812,000
2. Assumed Reinsurance Basis:	\$ 52,000
3. Net of Ceded Reinsurance Basis	\$ 32,960,000

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.

NOTES TO FINANCIAL STATEMENTS

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? Minnesota

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/29/2004

- 3.4 By what department or departments? Minnesota
- 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
See 11.2 below.

- 11.12 Number of parcels involved4
- 11.13 Total book/adjusted carrying value \$.....49,222,563

- 11.2 If yes, provide explanation.
St. Paul Properties, Inc: 3 parcels; total book/adjusted carrying value \$ 35,754,263; A residential golf course development and an Industrial Park Development in New Orleans, LA and a 254 room hotel in St. Paul, MN
Chandler AZ, LLC: 1 parcel; total book/adjusted carrying value \$ 13,468,300; Holds a single member LLC that owns an office building in Chandler, AZ.

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 [] No [X]

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.

\$.....2,268,002

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 | \$.....84,145,359 |
| 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 | \$.....1,528,150,459 |
| 23.29 Other | \$.....36,215,580 |

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

- 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
- 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 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
The Bank of New York	One Wall Street, New York, NY 10286

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

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	Clarion CRA Securities	259 North Radnor-Chester Rd., Radnor, PA 19087
N/A	Neuberger Berman	605 Third Ave., 36th Fl., New York, NY 10158

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

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.....	...12,377,788,392	...12,429,664,475	.....51,876,083
28.2 Preferred stocks.....	.....16,924,541	.....16,924,541	.....0
28.3 Totals.....	...12,394,712,933	...12,446,589,016	.....51,876,083

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 No

29.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....9,480,934

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	4,171,965

31.1 Amount of payments for legal expenses, if any? \$.....26,882,559

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	8,750,944

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....592,325

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.....	\$.....4,700,530,731	\$.....4,676,657,681
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....11,792,388,642	\$.....11,985,681,069
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 \$.....46,409,302
 - 3.22 Non-participating policies \$.....4,665,130,756

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 [X] No []
- 8.2 If yes, give full information:
Please see footnote 22E for a list of commutations.
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [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 [] No [X]
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 [X] No []
- 11.2 If yes, give full information:
The company guarantees the policies of several of its subsidiaries as disclosed in its parent's Form B filing.
-
- 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 \$.....23,998,226
12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....5,999,557
- 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: \$.....24,100,539
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From0.0 %
12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of credit \$.....1,496,444,344
12.62 Collateral and other funds \$.....256,262,036

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....4,648,125
- 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).....	3,393,570,157	3,426,121,788	3,412,101,073	3,943,969,834	4,072,191,446
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,230,254,741	1,277,955,449	1,257,579,055	1,488,695,574	1,070,337,549
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,773,936,700	1,734,521,094	1,842,660,314	2,394,528,745	589,450,634
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	72,124,146	71,740,881	88,620,778	145,194,350	343,789,554
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	15,959,536	64,887,412	50,645,282	43,611,633	60,459,134
6. Total (Line 35).....	6,485,845,279	6,575,226,623	6,651,606,502	8,016,000,136	6,136,228,317
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).....	2,231,670,058	2,184,977,847	2,103,846,752	1,669,278,384	3,064,622,214
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	943,013,361	968,350,386	920,610,181	973,426,304	744,659,853
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,526,712,139	1,487,385,424	1,587,653,720	2,020,308,661	398,805,253
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	26,200,266	15,472,519	30,963,785	(114,752,476)	221,051,035
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(16,055,766)	14,660,249	11,533,477	1,714,048	51,976,321
12. Total (Line 35).....	4,711,540,058	4,670,846,424	4,654,607,916	4,549,974,921	4,481,114,676
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	346,894,248	510,805,664	555,226,903	(88,714,965)	(994,610,797)
14. Net investment gain (loss) (Line 11).....	735,357,781	874,271,535	623,564,024	877,453,216	1,186,062,644
15. Total other income (Line 15).....	26,350,873	8,712,202	(12,826,284)	8,289,043	61,011,923
16. Dividends to policyholders (Line 17).....	5,441,271	5,767,644	4,007,798	4,047,167	7,476,931
17. Federal and foreign income taxes incurred (Line 19).....	253,778,169	240,176,771	303,576,896	(190,290,108)	54,518,388
18. Net income (Line 20).....	849,383,463	1,147,844,986	858,379,950	983,270,235	190,468,451
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	19,162,959,762	19,842,695,554	20,171,993,801	19,900,457,827	19,049,272,602
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	246,280,270	290,131,464	297,424,581	277,058,021	298,847,631
20.2 Deferred and not yet due (Line 13.2).....	962,964,354	984,110,194	1,001,129,046	975,122,963	788,341,168
20.3 Accrued retrospective premiums (Line 13.3).....	79,775,504	56,305,656	33,451,716	49,985,801	258,412
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	12,796,453,285	12,961,588,288	13,152,114,948	13,324,598,297	13,540,614,357
22. Losses (Page 3, Line 1).....	7,861,178,116	8,055,245,217	8,162,526,178	8,399,417,898	8,496,951,431
23. Loss adjustment expenses (Page 3, Line 3).....	1,826,620,788	1,806,063,470	1,851,897,924	1,865,968,230	1,903,876,611
24. Unearned premiums (Page 3, Line 9).....	2,098,724,313	2,099,873,010	2,105,017,678	2,039,240,515	2,011,739,762
25. Capital paid up (Page 3, Lines 28 & 29).....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	6,366,506,477	6,881,107,266	7,019,878,853	6,575,859,529	5,508,658,245
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	719,407,190	975,699,174	1,034,230,115	379,260,642	2,120,396,603
Risk-Based Capital Analysis					
28. Total adjusted capital.....	6,366,506,477	6,881,107,266	7,019,878,853	6,575,859,529	5,508,658,245
29. Authorized control level risk-based capital.....	1,047,018,163	1,200,098,848	1,228,604,067	1,219,633,336	1,546,788,634
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).....	68.5	71.1	70.4	71.4	69.6
31. Stocks (Lines 2.1 & 2.2).....	18.4	18.9	17.7	16.7	19.0
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.3	0.0	0.0	0.0	0.1
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.4	4.2	3.9	3.8	4.4
34. Cash, cash equivalents and short-term investments (Line 5).....	4.9	2.3	2.8	3.1	2.2
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	3.5	3.4	5.1	4.9	4.8
37. Receivable for securities (Line 8).....	0.0	0.0	0.0	0.1	0.0
38. Aggregate write-ins for invested assets (Line 9).....	0.0	0.0	0.0	0.0	(0.1)
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	4,703,464
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).....	2,985,665,423	3,228,535,982	3,120,042,402	2,867,283,896	3,030,018,163
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.....	75,773,042	93,701,053	512,413,707	492,013,333	483,609,830
46. Total of above lines 40 to 45.....	3,061,438,465	3,322,237,035	3,632,456,109	3,359,297,229	3,518,331,457
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).....	48.1	48.3	51.7	51.1	62.3

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).....	68,850,703	321,066,190	888,888,774	(188,222,617)	(844,120,232)
49. Dividends to stockholders (Line 35).....	(1,100,000,000)	(1,428,000,000)	(780,000,000)	0	(150,000,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	(514,600,789)	(138,771,588)	444,019,324	1,067,201,284	432,931,408
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).....	1,927,134,247	1,995,697,705	2,160,078,963	(1,074,515,034)	2,070,762,530
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	652,961,163	588,888,740	630,914,544	447,985,544	404,636,169
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	811,327,076	713,791,478	847,992,917	(60,017,682)	310,002,660
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	68,010,556	188,182,204	158,108,277	168,126,767	352,731,903
55. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	693,724,519	366,825,178	332,599,373	(117,378,943)	285,281,372
56. Total (Line 35).....	4,153,157,561	3,853,385,305	4,129,694,074	(635,799,348)	3,423,414,634
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).....	1,138,341,007	1,086,589,554	1,124,407,680	1,169,690,708	1,115,526,525
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	489,024,173	431,698,913	419,076,085	399,861,778	253,979,294
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	719,097,476	600,237,544	677,332,103	43,217,928	175,357,597
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,435,765	49,754,445	47,902,477	446,955,659	224,602,320
61. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	114,858,141	110,617,591	77,128,520	793,049,295	159,065,644
62. Total (Line 35).....	2,477,756,561	2,278,898,047	2,345,846,866	2,852,775,368	1,928,531,380
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).....	48.6	46.4	46.1	60.3	74.3
65. Loss expenses incurred (Line 3).....	12.8	12.2	12.5	13.9	17.8
66. Other underwriting expenses incurred (Line 4).....	31.2	30.4	29.3	27.8	27.8
67. Net underwriting gain (loss) (Line 8).....	7.4	10.9	12.1	(1.9)	(20.0)
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).....	30.6	30.3	29.0	27.7	29.6
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	61.4	58.6	58.6	74.2	92.2
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 35, Col. 1 x 100.0).....	74.0	67.9	66.3	69.2	81.3
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).....	(360,687)	(165,041)	(93,482)	146,009	1,229,470
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).....	(5.2)	(2.4)	(1.4)	2.7	24.2
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).....	(471,225)	(181,613)	297,687	1,008,758	1,974,653
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).....	(6.7)	(2.8)	5.4	19.9	40.1

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX	XXX	XXX	333,833	89,498	81,386	10,359	41,885	330	8,214	356,916	XXX	
2. 1999.....	4,020,467	764,577	3,255,890	3,162,871	828,143	339,098	60,431	161,812	16,313	95,607	2,758,893	XXX	
3. 2000.....	4,146,455	888,438	3,258,017	3,178,753	882,913	350,737	55,794	156,132	18,032	107,793	2,728,882	XXX	
4. 2001.....	4,513,642	844,661	3,668,981	3,528,714	1,072,735	344,951	70,211	176,547	18,910	92,124	2,888,355	XXX	
5. 2002.....	5,023,651	1,045,627	3,978,025	2,489,631	580,994	298,508	42,167	149,293	15,245	95,659	2,299,027	XXX	
6. 2003.....	5,479,699	1,154,011	4,325,688	2,269,463	359,178	246,751	29,137	146,772	14,115	89,439	2,260,556	XXX	
7. 2004.....	5,424,395	926,738	4,497,657	2,042,707	338,518	191,209	23,637	163,475	15,074	94,462	2,020,161	XXX	
8. 2005.....	5,230,670	745,705	4,484,964	2,275,611	606,872	151,383	20,733	166,375	10,964	77,502	1,954,801	XXX	
9. 2006.....	5,136,742	630,341	4,506,400	1,533,753	171,873	102,196	9,312	181,770	5,420	73,728	1,631,114	XXX	
10. 2007.....	5,221,314	544,633	4,676,681	1,393,109	110,392	71,834	5,545	191,823	4,012	73,793	1,536,817	XXX	
11. 2008.....	5,242,940	542,410	4,700,531	1,155,455	77,546	34,120	2,338	187,172	2,244	46,663	1,294,619	XXX	
12. Totals.....	XXX	XXX	XXX	23,363,901	5,118,663	2,212,172	329,664	1,723,054	120,659	854,985	21,730,142	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,444,203	467,656	1,479,875	234,795	157,005	27,169	248,600	14,295	174,519	147	2,366	2,760,140	XXX
2. 1999.....	146,279	46,752	125,453	43,486	14,455	4,002	25,088	5,406	10,556	89	1,088	222,096	XXX
3. 2000.....	205,472	64,754	197,979	61,219	16,008	3,707	27,107	6,021	8,659	56	2,371	319,468	XXX
4. 2001.....	262,049	71,584	217,464	58,322	25,845	8,193	37,679	11,013	33,246	141	6,056	427,030	XXX
5. 2002.....	206,948	60,143	238,768	75,314	21,725	2,001	48,915	13,220	14,317	50	4,356	379,944	XXX
6. 2003.....	233,984	53,798	263,757	71,690	24,537	2,581	67,153	17,452	39,747	79	16,514	483,579	XXX
7. 2004.....	240,585	55,789	289,693	84,560	27,996	2,873	74,176	11,220	19,816	26	11,923	497,797	XXX
8. 2005.....	282,041	72,739	438,787	123,752	35,028	4,026	79,613	11,410	21,607	17	21,578	645,132	XXX
9. 2006.....	334,401	59,132	524,851	112,741	42,339	3,249	98,181	14,325	30,991	350	28,667	840,966	XXX
10. 2007.....	483,669	64,494	692,212	134,724	51,886	3,339	129,149	8,637	44,210	556	43,184	1,189,375	XXX
11. 2008.....	726,962	123,701	1,113,969	147,073	54,034	3,905	209,766	14,644	107,208	343	85,778	1,922,272	XXX
12. Totals.....	4,566,592	1,140,544	5,582,807	1,147,678	470,858	65,045	1,045,429	127,643	504,876	1,854	223,882	9,687,799	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,221,626	538,513
2. 1999.	3,985,612	1,004,623	2,980,989	99.1	131.4	91.6	0	0	24.79	181,493	40,603
3. 2000.	4,140,846	1,092,496	3,048,350	99.9	123.0	93.6	0	0	24.79	277,477	41,991
4. 2001.	4,626,495	1,311,110	3,315,385	102.5	155.2	90.4	0	0	24.79	349,607	77,423
5. 2002.	3,468,106	789,134	2,678,971	69.0	75.5	67.3	0	0	24.79	310,258	69,686
6. 2003.	3,292,166	548,031	2,744,135	60.1	47.5	63.4	0	0	24.79	372,253	111,325
7. 2004.	3,049,656	531,698	2,517,958	56.2	57.4	56.0	0	0	24.79	389,928	107,869
8. 2005.	3,450,446	850,512	2,599,933	66.0	114.1	58.0	0	0	24.79	524,337	120,795
9. 2006.	2,848,481	376,402	2,472,080	55.5	59.7	54.9	0	0	24.79	687,379	153,587
10. 2007.	3,057,891	331,699	2,726,192	58.6	60.9	58.3	0	0	24.79	976,663	212,712
11. 2008.	3,588,685	371,794	3,216,891	68.4	68.5	68.4	0	0	24.79	1,570,156	352,115
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,861,178	1,826,621

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.....	6,565,493	6,410,292	6,359,250	7,097,404	7,175,690	7,566,379	7,880,039	8,007,068	8,111,924	8,172,870	60,946	165,802
2. 1999.....	2,387,801	2,441,308	2,548,376	2,640,414	2,731,923	2,788,074	2,794,684	2,828,621	2,832,706	2,829,351	(3,355)	730
3. 2000.....	XXX	2,357,941	2,457,246	2,522,672	2,670,183	2,812,209	2,841,918	2,880,617	2,874,822	2,907,471	32,649	26,853
4. 2001.....	XXX	XXX	2,950,749	2,939,621	3,057,627	3,116,284	3,090,214	3,127,158	3,117,556	3,131,599	14,043	4,441
5. 2002.....	XXX	XXX	XXX	2,630,095	2,416,678	2,500,492	2,549,983	2,564,296	2,552,068	2,541,798	(10,270)	(22,498)
6. 2003.....	XXX	XXX	XXX	XXX	2,660,297	2,519,501	2,584,763	2,578,737	2,585,909	2,586,395	486	7,659
7. 2004.....	XXX	XXX	XXX	XXX	XXX	2,907,558	2,645,908	2,532,114	2,455,597	2,364,322	(91,275)	(167,792)
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	2,945,500	2,714,889	2,617,919	2,435,639	(182,280)	(279,250)
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,486,732	2,405,145	2,279,564	(125,581)	(207,169)
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,567,850	2,511,801	(56,049)	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,942,949	XXX	XXX
12. Totals.....											(360,687)	(471,225)

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	1,291,136	2,271,499	3,075,228	3,852,117	4,240,314	4,596,363	4,919,243	5,175,390	5,490,751	XXX	XXX
2. 1999.....	832,289	1,419,066	1,833,373	2,155,000	2,320,271	2,419,332	2,501,034	2,553,192	2,590,898	2,613,394	XXX	XXX
3. 2000.....	XXX	815,613	1,406,298	1,803,263	2,101,657	2,201,849	2,331,709	2,424,232	2,502,078	2,590,782	XXX	XXX
4. 2001.....	XXX	XXX	865,311	1,534,475	1,964,389	2,262,046	2,481,217	2,598,925	2,677,256	2,730,719	XXX	XXX
5. 2002.....	XXX	XXX	XXX	719,462	1,226,420	1,532,340	1,784,882	1,970,756	2,092,223	2,164,979	XXX	XXX
6. 2003.....	XXX	XXX	XXX	XXX	759,074	1,309,248	1,660,020	1,868,485	2,032,695	2,127,899	XXX	XXX
7. 2004.....	XXX	XXX	XXX	XXX	XXX	748,730	1,296,935	1,559,176	1,755,781	1,871,761	XXX	XXX
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	805,862	1,409,375	1,640,800	1,799,390	XXX	XXX
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	775,071	1,221,081	1,454,764	XXX	XXX
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	845,595	1,349,006	XXX	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,109,691	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.....	3,459,198	2,631,666	2,048,474	2,145,159	1,708,204	1,776,381	1,837,537	1,723,413	1,668,219	1,488,492
2. 1999.....	897,751	404,861	188,474	80,599	174,325	143,555	101,093	119,725	117,662	103,427
3. 2000.....	XXX	884,916	445,595	212,456	254,207	288,255	197,677	201,099	167,811	160,122
4. 2001.....	XXX	XXX	1,337,973	715,636	501,996	329,225	220,798	221,194	190,167	189,784
5. 2002.....	XXX	XXX	XXX	1,309,852	617,024	441,772	335,416	266,453	230,512	207,210
6. 2003.....	XXX	XXX	XXX	XXX	1,318,719	660,084	466,970	332,272	273,545	252,073
7. 2004.....	XXX	XXX	XXX	XXX	XXX	1,572,827	860,045	565,721	397,148	279,364
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	1,351,698	855,790	647,842	394,534
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,166,512	770,453	509,090
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,110,048	693,709
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,178,755

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

	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)
States, Etc.		Direct Premiums Written	Direct Premiums Earned							
1. Alabama.....	AL	L	18,432,361	17,085,356	55,020	3,703,374	3,691,642	90,639,526	15,440	486,755
2. Alaska.....	AK	L	6,049,889	6,077,544	6,832	1,601,541	(448,118)	11,174,755	888	101,039
3. Arizona.....	AZ	L	24,400,830	24,558,454	43,770	9,856,434	14,431,856	74,611,626	14,671	928,454
4. Arkansas.....	AR	L	10,732,392	9,892,404	72,409	7,719,210	(3,679,610)	17,922,788	8,961	281,640
5. California.....	CA	L	155,273,601	164,202,946	677,657	77,847,928	59,412,246	433,868,030	149,894	3,959,935
6. Colorado.....	CO	L	38,171,529	37,203,598	11,322	12,860,932	25,402,088	98,601,218	48,624	597,961
7. Connecticut.....	CT	L	21,261,774	20,628,843	82,578	29,429,210	14,052,641	98,617,801	35,436	729,822
8. Delaware.....	DE	L	4,698,520	4,598,510	9,369	8,600,918	15,969,520	25,778,491	2,966	235,859
9. District of Columbia.....	DC	L	4,619,019	4,741,026	6,548	7,781,905	1,359,222	26,281,633	3,171	840
10. Florida.....	FL	L	85,166,786	85,650,354	549,984	39,398,735	27,662,877	162,350,863	4,114	3,201,388
11. Georgia.....	GA	L	32,978,627	32,493,085	41,934	13,558,585	14,738,169	93,567,373	34,567	1,193,479
12. Hawaii.....	HI	L	4,155,121	3,599,604	5,705	1,599,686	(2,078,192)	7,707,953	729	759,330
13. Idaho.....	ID	L	3,785,642	3,711,388	5,190	1,388,620	723,869	7,549,892	5,513	134,958
14. Illinois.....	IL	L	73,089,049	73,030,849	52,264	90,944,465	57,372,491	357,881,546	46,482	2,397,002
15. Indiana.....	IN	L	15,068,414	15,728,195	7,109	14,602,945	5,245,432	55,143,346	8,139	757,103
16. Iowa.....	IA	L	12,196,097	12,400,797	31,272	12,327,990	13,992,791	41,692,295	6,953	141,068
17. Kansas.....	KS	L	20,457,209	19,750,609	7,472	11,510,851	8,066,561	43,773,736	10,791	168,745
18. Kentucky.....	KY	L	12,305,535	13,258,917	30,624	8,870,196	10,154,214	40,203,277	9,560	348,690
19. Louisiana.....	LA	L	65,275,805	60,098,394	106,931	35,967,351	16,020,589	143,188,743	38,616	976,817
20. Maine.....	ME	L	4,865,795	4,725,127	8,294	4,912,892	8,445,125	12,984,277	4,384	124,427
21. Maryland.....	MD	L	21,477,700	21,203,344	14,104	13,930,793	14,592,953	77,283,328	23,139	352,662
22. Massachusetts.....	MA	L	44,738,466	47,176,960	87,814	17,803,613	41,178,576	153,518,420	78,937	1,022,135
23. Michigan.....	MI	L	28,331,470	26,040,894	54,852	16,181,762	15,268,578	91,584,751	18,882	497,938
24. Minnesota.....	MN	L	36,578,217	36,690,828	54,831	28,556,297	12,775,119	148,499,345	22,237	843,466
25. Mississippi.....	MS	L	20,132,109	21,188,071	53,810	9,339,344	(2,818,770)	53,570,166	16,217	833,437
26. Missouri.....	MO	L	21,984,758	22,415,702	7,081	15,655,028	9,853,513	79,114,408	17,405	1,173,977
27. Montana.....	MT	L	7,208,982	7,075,308	34,294	1,897,466	(1,903,031)	22,424,005	11,627	43,450
28. Nebraska.....	NE	L	6,271,489	5,578,006	13,949	2,985,434	18,613,324	44,210,927	3,971	93,932
29. Nevada.....	NV	L	11,843,439	10,308,475	59,231	12,583,262	12,397,093	49,540,152	9,040	2,661,723
30. New Hampshire.....	NH	L	6,392,737	6,337,881	13,842	1,659,737	41,345	22,413,220	9,806	176,163
31. New Jersey.....	NJ	L	58,800,296	58,404,554	39,114	40,556,418	39,426,816	178,640,300	72,255	2,656,852
32. New Mexico.....	NM	L	33,792,845	31,539,960	70,682	11,945,467	18,043,380	46,170,876	31,151	188,656
33. New York.....	NY	L	143,034,391	141,970,101	149,185	82,977,048	90,104,325	486,332,773	167,597	5,596,029
34. North Carolina.....	NC	L	24,153,162	22,856,094	40,209	26,324,017	11,861,824	55,638,493	24,293	415,648
35. North Dakota.....	ND	L	7,278,676	7,919,517	18,476	3,572,292	4,550,631	8,985,233	3,222	74,186
36. Ohio.....	OH	L	34,860,856	33,627,202	3,147	25,355,478	13,915,113	95,656,927	18,070	669,716
37. Oklahoma.....	OK	L	23,797,838	21,060,814	79,575	21,292,126	18,921,886	34,917,096	1,689	483,219
38. Oregon.....	OR	L	12,576,963	12,295,336	5,498	6,209,738	8,544,639	27,308,661	13,618	253,549
39. Pennsylvania.....	PA	L	61,927,903	72,628,863	121,462	36,199,983	42,475,839	186,794,782	54,698	1,530,395
40. Rhode Island.....	RI	L	4,599,344	5,463,804	8,363	13,396,450	4,334,128	50,152,716	9,970	58,537
41. South Carolina.....	SC	L	11,161,986	9,629,178	25,494	6,890,220	5,563,203	34,107,828	11,439	469,587
42. South Dakota.....	SD	L	4,450,465	4,162,357	6,592	2,227,288	814,282	16,182,818	2,660	55,872
43. Tennessee.....	TN	L	16,664,237	15,105,057	42,409	13,171,598	23,398,460	62,539,743	12,899	710,220
44. Texas.....	TX	L	160,289,863	153,148,724	68,973	74,344,060	94,068,418	414,653,124	133,121	5,059,173
45. Utah.....	UT	L	21,546,443	20,800,922	21,522	7,304,963	4,429,065	34,646,929	27,804	242,284
46. Vermont.....	VT	L	3,120,551	4,302,454	5,003	1,462,971	2,944,409	10,658,328	4,157	464,958
47. Virginia.....	VA	L	32,795,261	30,979,859	34,792	12,692,834	19,218,079	79,965,283	42,041	356,240
48. Washington.....	WA	L	51,748,093	60,112,897	8,448	31,345,324	50,006,862	123,548,884	66,841	2,486,581
49. West Virginia.....	WV	L	15,174,872	14,360,743	44,120	17,772,110	19,266,251	32,041,344	7,828	99,144
50. Wisconsin.....	WI	L	23,486,097	21,843,081	41,181	13,235,278	9,578,425	75,011,844	10,255	415,889
51. Wyoming.....	WY	L	29,483,035	26,428,162	7,747	9,489,850	11,096,468	24,164,631	20,689	56,431
52. American Samoa.....	AS	N	0	0	0	0	0	0	0	0
53. Guam.....	GU	L	15,543	9,711	0	0	(7,878)	9,365	0	0
54. Puerto Rico.....	PR	L	1,063,667	1,147,313	0	(1,713,469)	(2,203,130)	7,208,295	5	0
55. US Virgin Islands.....	VI	L	476,891	615,490	0	69,589	21,824	863,625	0	0
56. Northern Mariana Islands.....	MP	N	0	0	0	0	0	0	0	0
57. Canada.....	CN	L	249,998,102	264,983,653	0	119,045,135	148,618,261	412,972,922	0	0
58. Aggregate Other Alien.....	OT	XXX	69,675,002	73,840,557	0	26,923,827	16,754,508	65,931,415	0	0
59. Totals.....	(a).....54		1,913,915,742	1,926,687,875	3,048,081	1,117,167,103	1,066,280,204	5,150,802,123	1,397,462	47,567,362

DETAILS OF WRITE-INS

5801. Other Alien Combined.....	XXX		69,675,002	73,840,557	0	26,923,827	16,754,508	65,931,415	0	0
5802.....	XXX		0	0	0	0	0	0	0	0
5803.....	XXX		0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX		69,675,002	73,840,557	0	26,923,827	16,754,508	65,931,415	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.

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

**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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