



ANNUAL STATEMENT
For the Year Ended December 31, 2008
OF THE CONDITION AND AFFAIRS OF
THE TRAVELERS
INDEMNITY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 25658 Employer's ID Number 06-0566050
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MARCH 25, 1903 COMMENCED BUSINESS, MAY 12, 1906

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

OFFICERS

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

DIRECTORS

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

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

Handwritten signatures of Brian W. MacLean, Wendy C. Skjerven, and Douglas K. Russell. Printed names and titles: Brian W. MacLean (President), Wendy C. Skjerven (Secretary), Douglas K. Russell (Controller).

Subscribed and sworn to before me this

28th day of January, 2009

Notary Public signature and title

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).....	13,154,258,716	0	13,154,258,716	12,825,697,327
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	119,725,302	0	119,725,302	146,050,982
2.2 Common stocks.....	3,555,292,596	37,400,888	3,517,891,708	3,679,301,435
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	36,769,781	0	36,769,781	38,176,054
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).....	180,021,776	0	180,021,776	177,780,509
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....(417,980,146), Sch. E-Part 1), cash equivalents (\$....1,504,498, Sch. E-Part 2) and short-term investments (\$....531,053,825, Sch. DA).....	114,578,178	0	114,578,178	111,705,600
6. Contract loans (including \$.....0 premium notes).....	2,478,817	2,478,817	0	0
7. Other invested assets (Schedule BA).....	673,177,447	43,039,518	630,137,929	857,905,678
8. Receivables for securities.....	100,828,129	0	100,828,129	360,578
9. Aggregate write-ins for invested assets.....	0	0	0	(904,034)
10. Subtotals, cash and invested assets (Lines 1 to 9).....	17,937,130,742	82,919,223	17,854,211,519	17,836,074,129
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	168,882,443	0	168,882,443	161,992,949
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	249,312,993	46,128,073	203,184,920	239,234,399
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....13,023,588 earned but unbilled premiums).....	913,378,879	6,799,729	906,579,151	923,571,554
13.3 Accrued retrospective premiums.....	75,441,065	492,639	74,948,426	52,898,698
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	809,791,725	0	809,791,725	956,973,739
14.2 Funds held by or deposited with reinsured companies.....	4,670,635	0	4,670,635	12,355,589
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.....	7,547,481	0	7,547,481	12,411,590
16.2 Net deferred tax asset.....	895,929,594	594,898,591	301,031,003	281,403,951
17. Guaranty funds receivable or on deposit.....	9,060,837	0	9,060,837	10,041,444
18. Electronic data processing equipment and software.....	55,048,772	205,615	54,843,157	55,085,904
19. Furniture and equipment, including health care delivery assets (\$.....0).....	215,855,866	215,855,866	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	444,920,816
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	1,097,676,492	704,297,737	393,378,755	297,381,886
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	22,439,727,525	1,651,597,474	20,788,130,051	21,284,346,648
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	22,439,727,525	1,651,597,474	20,788,130,051	21,284,346,648

DETAILS OF WRITE-INS

0901. Deferred gain intercompany investment transfer.....	0	0	0	(904,034)
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	(904,034)
2301. Suspense, undistributed payments.....	104,571,793	0	104,571,793	21,248,683
2302. COLI supplemental benefits trust.....	103,117,844	0	103,117,844	115,874,926
2303. Equities and deposits in pools and associations.....	70,751,509	0	70,751,509	58,124,282
2398. Summary of remaining write-ins for Line 23 from overflow page.....	819,235,346	704,297,737	114,937,609	102,133,995
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	1,097,676,492	704,297,737	393,378,755	297,381,886

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,054,244,435	7,257,418,346
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	4,411,743	5,477,634
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,614,428,187	1,582,247,145
4. Commissions payable, contingent commissions and other similar charges.....	135,864,984	142,492,292
5. Other expenses (excluding taxes, licenses and fees).....	99,452,735	123,887,931
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	126,946,360	106,891,620
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 \$.....6,993,639,736 and including warranty reserves of \$.....0).....	1,888,702,988	1,875,314,505
10. Advance premium.....	56,514,587	50,811,744
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	8,328,618	7,141,139
12. Ceded reinsurance premiums payable (net of ceding commissions).....	110,921,642	123,730,320
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	177,174,134	274,342,864
14. Amounts withheld or retained by company for account of others.....	963,943,767	880,587,963
15. Remittances and items not allocated.....	133,982,960	108,170,846
16. Provision for reinsurance (Schedule F, Part 7).....	232,041,217	324,076,676
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	169,677,971	0
20. Payable for securities.....	7,486,768	4,678,710
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.....	41,762,857	(53,566,733)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	12,825,885,953	12,813,703,001
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	12,825,885,953	12,813,703,001
27. Aggregate write-ins for special surplus funds.....	43,908,761	90,260,004
28. Common capital stock.....	10,790,700	10,770,000
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.....	4,299,812,250	4,284,442,950
33. Unassigned funds (surplus).....	3,607,732,388	4,085,170,693
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).....	7,962,244,098	8,470,643,647
36. TOTALS (Page 2, Line 26, Col. 3).....	20,788,130,051	21,284,346,648

DETAILS OF WRITE-INS

2301. Escheat liability.....	59,232,474	1,893,744
2302. Retrospective premium reserve.....	27,821,831	0
2303. Reinsurance receivable/payable intercompany.....	5,118,729	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(50,410,176)	(55,460,477)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	41,762,857	(53,566,733)
2701. Special surplus from retroactive reinsurance.....	43,908,761	90,260,004
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	43,908,761	90,260,004
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

THE TRAVELERS INDEMNITY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,203,115,356	4,164,944,925
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,024,131,019	1,951,295,426
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	552,384,756	504,123,738
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,316,510,291	1,263,146,470
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,893,026,067	3,718,565,634
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	310,089,289	446,379,291
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,396,462,427	1,348,659,374
10. Net realized capital gains (losses) less capital gains tax of \$....(22,752,981) (Exhibit of Capital Gains (Losses)).....	(175,915,707)	(23,152,781)
11. Net investment gain (loss) (Lines 9 + 10).....	1,220,546,720	1,325,506,593
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....26,514,856 amount charged off \$....36,616,949).....	(10,102,093)	(8,738,702)
13. Finance and service charges not included in premiums.....	21,559,868	20,873,694
14. Aggregate write-ins for miscellaneous income.....	(101,082,279)	(10,250,014)
15. Total other income (Lines 12 through 14).....	(89,624,504)	1,884,978
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,441,011,505	1,773,770,862
17. Dividends to policyholders.....	5,112,029	5,418,654
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).....	1,435,899,476	1,768,352,209
19. Federal and foreign income taxes incurred.....	185,890,379	283,835,911
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,250,009,097	1,484,516,298
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	8,470,643,647	7,962,455,630
22. Net income (from Line 20).....	1,250,009,097	1,484,516,298
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(87,121,805).....	(436,573,975)	108,826,018
25. Change in net unrealized foreign exchange capital gain (loss).....	4,063,092	1,899,709
26. Change in net deferred income tax.....	56,342,200	95,148,432
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	(313,516,100)	(479,315,894)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	92,502,383	210,962,888
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.....	20,700	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	15,369,300	51,522,373
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.....	(1,185,000,000)	(965,000,000)
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.....	8,383,754	(371,807)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(508,399,549)	508,188,017
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	7,962,244,098	8,470,643,647
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. Fines and penalties of regulatory authorities.....	(3,503,991)	(407,257)
1402. Change in COLI cash values.....	(12,267,107)	4,587,126
1403. Retroactive reinsurance gain/loss.....	(41,884,162)	6,901,126
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(43,427,019)	(21,331,009)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(101,082,279)	(10,250,014)
3701. Prior period adjustment.....	8,383,754	(371,807)
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).....	8,383,754	(371,807)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,231,629,811	4,440,657,694
2. Net investment income.....	1,437,135,897	1,402,558,605
3. Miscellaneous income.....	(89,624,504)	1,884,978
4. Total (Lines 1 through 3).....	5,579,141,204	5,845,101,277
5. Benefit and loss related payments.....	2,073,503,853	1,811,526,568
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,841,869,174	1,689,022,534
8. Dividends paid to policyholders.....	3,924,550	3,097,114
9. Federal and foreign income taxes paid (recovered) net of \$.....25,290,545 tax on capital gains (losses).....	158,273,289	344,350,519
10. Total (Lines 5 through 9).....	4,077,570,865	3,847,996,735
11. Net cash from operations (Line 4 minus Line 10).....	1,501,570,339	1,997,104,542
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,941,414,773	2,010,064,619
12.2 Stocks.....	881,544,842	144,251,469
12.3 Mortgage loans.....	1,406,273	3,768,182
12.4 Real estate.....	0	4,791,195
12.5 Other invested assets.....	139,334,256	90,848,046
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(29)	(49,207)
12.7 Miscellaneous proceeds.....	2,808,058	3,912,110
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,966,508,174	2,257,586,414
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,610,947,781	2,269,028,856
13.2 Stocks.....	965,539,733	140,299,777
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	7,557,472	39,582,828
13.5 Other invested assets.....	80,977,030	63,609,688
13.6 Miscellaneous applications.....	101,371,585	51,425,122
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,766,393,601	2,563,946,271
14. Net increase (decrease) in contract loans and premium notes.....	296,677	(682,177)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(800,182,104)	(305,677,679)
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.....	15,390,000	51,522,372
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.....	1,185,000,000	965,000,000
16.6 Other cash provided (applied).....	471,094,344	(506,353,465)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(698,515,656)	(1,419,831,093)
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).....	2,872,579	271,595,770
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	111,705,600	(159,890,170)
19.2 End of year (Line 18 plus Line 19.1).....	114,578,178	111,705,600
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Intercompany transactions.....	566,221,683	(139,353,900)
20.0002 Bonds converted to stock.....	21,241,023	0
20.0003 Stock distributions from limited partnerships.....	10,959,892	0
20.0004 Bonds converted to other invested assets.....	5,000,000	0

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	124,157,743	56,714,401	57,182,322	123,689,822
2. Allied lines.....	101,187,742	48,833,011	46,160,658	103,860,095
3. Farmowners multiple peril.....	29,714,746	13,213,024	14,310,148	28,617,622
4. Homeowners multiple peril.....	627,029,582	319,744,755	332,977,856	613,796,481
5. Commercial multiple peril.....	652,970,543	316,917,166	304,221,465	665,666,245
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	64,524,745	24,564,586	26,443,367	62,645,965
9. Inland marine.....	189,850,037	81,710,388	78,626,395	192,934,029
10. Financial guaranty.....	(6,642)	0	0	(6,642)
11.1 Medical malpractice - occurrence.....	(17,763)	4,739	(2,537)	(10,487)
11.2 Medical malpractice - claims-made.....	(90,671)	245,828	73,633	81,524
12. Earthquake.....	17,864,618	8,594,861	8,497,988	17,961,491
13. Group accident and health.....	356,227	137,186	110,069	383,343
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	834,917	312,021	398,429	748,510
16. Workers' compensation.....	579,516,053	201,513,486	219,806,624	561,222,916
17.1 Other liability - occurrence.....	437,546,394	172,567,580	183,577,547	426,536,427
17.2 Other liability - claims-made.....	148,551,744	87,992,849	91,306,133	145,238,460
18.1 Products liability - occurrence.....	33,214,552	11,706,832	13,896,516	31,024,869
18.2 Products liability - claims-made.....	4,494,909	1,826,382	2,147,959	4,173,333
19.1, 19.2 Private passenger auto liability.....	436,679,334	142,859,577	140,942,973	438,595,939
19.3, 19.4 Commercial auto liability.....	352,487,904	164,228,104	163,090,272	353,625,736
21. Auto physical damage.....	377,711,084	135,105,973	133,800,311	379,016,747
22. Aircraft (all perils).....	(78,402)	(699,934)	(767,318)	(11,017)
23. Fidelity.....	14,684,083	12,431,162	10,884,812	16,230,434
24. Surety.....	5,656,472	39,388	(1,218,449)	6,914,309
26. Burglary and theft.....	2,470,267	860,504	1,078,410	2,252,362
27. Boiler and machinery.....	40,181,244	18,307,056	17,650,223	40,838,078
28. Credit.....	(1,358)	20,494	16,262	2,874
29. International.....	480,896	1,592,834	128,387	1,945,343
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	715,993	(128,619)	(30,682)	618,056
32. Reinsurance - nonproportional assumed liability.....	(16,201,765)	3,428,166	3,266,332	(16,039,931)
33. Reinsurance - nonproportional assumed financial lines.....	401,590	341,107	183,909	558,788
34. Aggregate write-ins for other lines of business.....	0	3,638	0	3,638
35. TOTALS.....	4,226,886,821	1,824,988,544	1,848,760,010	4,203,115,355

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	3,638	0	3,638
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	3,638	0	3,638

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	55,823,387	1,789,098	(430,163)	.0	57,182,322
2.	Allied lines.....	44,528,781	1,631,876	.0	.0	46,160,658
3.	Farmowners multiple peril.....	14,394,802	(84,655)	.0	.0	14,310,148
4.	Homeowners multiple peril.....	333,420,182	(442,326)	.0	.0	332,977,856
5.	Commercial multiple peril.....	305,288,860	(545,881)	(511,695)	(9,820)	304,221,465
6.	Mortgage guaranty.....	.0	.0	.0	.0	.0
8.	Ocean marine.....	26,997,281	261,235	(815,150)	.0	26,443,367
9.	Inland marine.....	66,467,522	15,419,473	(3,260,600)	.0	78,626,395
10.	Financial guaranty.....	.0	.0	.0	.0	.0
11.1	Medical malpractice - occurrence.....	(2,537)	.0	.0	.0	(2,537)
11.2	Medical malpractice - claims-made.....	282	.0	.0	73,351	73,633
12.	Earthquake.....	7,948,364	549,624	.0	.0	8,497,988
13.	Group accident and health.....	110,069	.0	.0	.0	110,069
14.	Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15.	Other accident and health.....	396,722	1,709	(2)	.0	398,429
16.	Workers' compensation.....	249,682,883	72,050	(3,866,273)	(26,082,036)	219,806,624
17.1	Other liability - occurrence.....	185,522,595	139,194	(939,983)	(1,144,258)	183,577,547
17.2	Other liability - claims-made.....	73,610,707	17,694,880	546	.0	91,306,133
18.1	Products liability - occurrence.....	14,117,921	39,968	(34,063)	(227,310)	13,896,516
18.2	Products liability - claims-made.....	2,145,684	2,437	(163)	.0	2,147,959
19.1, 19.2	Private passenger auto liability.....	140,942,973	.0	.0	.0	140,942,973
19.3, 19.4	Commercial auto liability.....	161,755,232	896,496	.0	438,543	163,090,272
21.	Auto physical damage.....	133,642,681	125,490	(0)	32,140	133,800,311
22.	Aircraft (all perils).....	(771,256)	3,937	.0	.0	(767,318)
23.	Fidelity.....	5,582,020	5,302,792	.0	.0	10,884,812
24.	Surety.....	430,373	1,517,220	(3,166,043)	.0	(1,218,449)
26.	Burglary and theft.....	729,345	349,065	.0	.0	1,078,410
27.	Boiler and machinery.....	16,880,011	770,211	.0	.0	17,650,223
28.	Credit.....	16,262	.0	.0	.0	16,262
29.	International.....	128,387	.0	.0	.0	128,387
30.	Warranty.....	.0	.0	.0	.0	.0
31.	Reinsurance - nonproportional assumed property.....	(30,682)	.0	.0	.0	(30,682)
32.	Reinsurance - nonproportional assumed liability.....	3,182,408	83,925	.0	.0	3,266,332
33.	Reinsurance - nonproportional assumed financial lines.....	183,909	.0	.0	.0	183,909
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35.	TOTALS.....	1,843,125,169	45,577,819	(13,023,588)	(26,919,390)	1,848,760,010
36.	Accrued retrospective premiums based on experience.....					26,919,390
37.	Earned but unbilled premiums.....					13,023,588
38.	Balance (sum of Lines 35 through 37).....					1,888,702,988

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

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.....	150,417,505	528,296,645	13,482,680	408,908,763	159,130,325	124,157,743
2. Allied lines.....	108,173,276	569,573,342	9,439,902	333,280,812	252,717,966	101,187,742
3. Farmowners multiple peril.....	26,163,155	104,542,804	0	97,871,113	3,120,101	29,714,746
4. Homeowners multiple peril.....	62,817,791	2,701,251,440	0	2,065,244,727	71,794,922	627,029,582
5. Commercial multiple peril.....	255,462,547	2,779,783,759	0	2,151,477,301	230,798,462	652,970,543
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	10,924	298,855,772	23,198	212,532,385	21,832,763	64,524,745
9. Inland marine.....	34,045,308	854,422,609	3,276,429	625,326,290	76,568,020	189,850,037
10. Financial guaranty.....	210,927	970,652	32,235	0	1,220,456	(6,642)
11.1 Medical malpractice - occurrence.....	0	(48,422)	0	(52,490)	21,831	(17,763)
11.2 Medical malpractice - claims-made.....	(1,843)	(387,610)	0	(298,643)	(138)	(90,671)
12. Earthquake.....	26,229,024	63,352,370	2,980,863	58,851,050	15,846,589	17,864,618
13. Group accident and health.....	0	356,227	0	0	0	356,227
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	1,054	833,792	0	0	(71)	834,917
16. Workers' compensation.....	425,018,203	2,405,590,740	71,843,430	1,909,719,334	413,216,986	579,516,053
17.1 Other liability - occurrence.....	298,707,620	1,768,505,673	(5)	1,441,758,162	187,908,732	437,546,394
17.2 Other liability - claims-made.....	(242,524)	777,211,560	38,452	489,449,714	139,006,030	148,551,744
18.1 Products liability - occurrence.....	7,036,476	131,500,640	0	109,398,387	(4,075,822)	33,214,552
18.2 Products liability - claims-made.....	5,639	19,306,733	0	14,804,831	12,631	4,494,909
19.1, 19.2 Private passenger auto liability.....	48,386,475	1,831,070,219	10,942,676	1,438,285,608	15,434,427	436,679,334
19.3, 19.4 Commercial auto liability.....	118,612,420	1,483,817,149	21,533,662	1,161,068,581	110,406,746	352,487,904
21. Auto physical damage.....	60,338,741	1,572,955,483	3,796,608	1,244,062,223	15,317,525	377,711,084
22. Aircraft (all perils).....	656	3,895,744	0	(257,779)	4,232,581	(78,402)
23. Fidelity.....	28,373	67,469,035	0	48,364,794	4,448,532	14,684,083
24. Surety.....	2,273,667	23,411,536	0	15,571,986	4,456,745	5,656,472
26. Burglary and theft.....	5,690	11,779,503	0	9,239,624	75,302	2,470,267
27. Boiler and machinery.....	12,115,682	109,082,784	60,621,385	132,344,495	9,294,112	40,181,244
28. Credit.....	1,624	(5,829)	0	(4,472)	1,624	(1,358)
29. International.....	0	2,064,817	0	1,583,921	0	480,896
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	1,936,800	2,573,202	2,358,254	1,435,755	715,993
32. Reinsurance - nonproportional assumed liability.....	XXX	28,526,273	2,458,894	(53,359,358)	100,546,290	(16,201,765)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,724,301	0	1,322,712	0	401,590
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,635,818,412	18,141,646,541	203,043,611	13,918,852,325	1,834,769,418	4,226,886,821

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	105,093,570	233,929,625	278,320,670	60,702,525	68,946,213	71,454,040	58,194,698	47.0
2. Allied lines.....	99,536,596	298,599,341	339,826,669	58,309,268	77,388,271	57,670,768	78,026,771	75.1
3. Farmowners multiple peril.....	14,750,362	54,683,511	53,295,565	16,138,308	5,128,440	6,979,019	14,287,729	49.9
4. Homeowners multiple peril.....	29,785,239	1,343,801,509	1,058,903,402	314,683,345	175,176,329	154,835,529	335,024,145	54.6
5. Commercial multiple peril.....	125,260,640	1,260,235,092	1,084,263,335	301,232,396	566,195,606	657,054,255	210,373,747	31.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	37,500	108,084,658	85,790,867	22,331,291	40,916,501	43,078,937	20,168,855	32.2
9. Inland marine.....	6,017,368	369,748,817	302,765,861	73,000,324	74,604,361	59,981,930	87,622,755	45.4
10. Financial guaranty.....	0	(3,056)	22,880	(25,936)	3,647	84,611	(106,900)	1,609.5
11.1 Medical malpractice - occurrence.....	2,500	47,250,002	37,039,034	10,213,468	20,279,453	32,336,802	(1,843,880)	17,582.7
11.2 Medical malpractice - claims-made.....	2,741,354	83,633,472	71,207,176	15,167,650	35,685,218	49,713,470	1,139,399	1,397.6
12. Earthquake.....	0	108,728	83,405	25,323	795,044	1,120,680	(300,314)	(1.7)
13. Group accident and health.....	0	1,306,295	(68,771)	1,375,065	5,023,514	6,375,006	23,574	6.1
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	220,050	343,834	325,238	238,646	10,275,899	10,777,752	(263,207)	(35.2)
16. Workers' compensation.....	317,091,232	1,258,775,428	1,340,707,747	235,158,913	2,439,266,053	2,281,054,074	393,370,891	70.1
17.1 Other liability - occurrence.....	113,798,291	1,217,840,902	1,085,294,434	246,344,759	1,453,197,721	1,647,318,375	52,224,105	12.2
17.2 Other liability - claims-made.....	147,323,915	412,486,136	479,395,108	80,414,943	395,153,844	371,647,521	103,921,265	71.6
18.1 Products liability - occurrence.....	7,783,990	120,134,373	104,597,032	23,321,332	380,224,040	338,380,934	65,164,438	210.0
18.2 Products liability - claims-made.....	0	4,551,108	4,247,581	303,527	7,899,249	7,815,843	386,934	9.3
19.1, 19.2 Private passenger auto liability.....	61,950,921	1,008,827,642	823,639,842	247,138,721	349,075,691	351,174,964	245,039,448	55.9
19.3, 19.4 Commercial auto liability.....	60,342,431	848,111,553	726,755,039	181,698,945	437,676,769	458,585,505	160,790,210	45.5
21. Auto physical damage.....	33,673,747	879,572,176	703,870,467	209,375,456	23,514,511	24,234,669	208,655,298	55.1
22. Aircraft (all perils).....	756,302	13,624,704	13,268,745	1,112,261	5,165,698	6,400,740	(122,780)	1,114.5
23. Fidelity.....	1,407,172	48,936,470	40,901,888	9,441,754	26,515,480	22,201,068	13,756,166	84.8
24. Surety.....	2,031,422	19,543,013	17,318,346	4,256,090	94,616,840	100,113,949	(1,241,018)	(17.9)
26. Burglary and theft.....	395	521,162	517,140	4,418	3,638,635	1,726,370	1,916,682	85.1
27. Boiler and machinery.....	1,286,240	33,100,573	26,682,716	7,704,097	13,411,730	12,232,028	8,883,800	21.8
28. Credit.....	0	(966,000)	(741,018)	(224,981)	2,851,703	2,745,262	(118,540)	(4,124.5)
29. International.....	100,000	7,392,698	5,747,648	1,745,050	3,600,032	2,968,463	2,376,619	122.2
30. Warranty.....	0	0	0	0	(315)	(317)	1	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	24,217,548	19,968,122	4,249,426	26,755,215	25,025,467	5,979,175	967.4
32. Reinsurance - nonproportional assumed liability.....	XXX	678,037,568	573,264,817	104,772,751	302,852,955	447,046,557	(39,420,851)	245.8
33. Reinsurance - nonproportional assumed financial lines.....	XXX	4,030,594	3,091,869	938,725	8,407,161	9,126,317	219,569	39.3
34. Aggregate write-ins for other lines of business.....	0	0	0	0	2,923	687	2,236	61.5
35. TOTALS.....	1,130,991,237	10,380,459,478	9,280,302,855	2,231,147,860	7,054,244,435	7,261,261,276	2,024,131,019	48.2

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	2,923	687	2,236	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	2,923	687	2,236	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.....	71,953,961	207,509,584	239,766,263	39,697,282	30,715,861	149,752,777	151,219,706	68,946,213	4,656,270
2. Allied lines.....	136,707,325	289,018,353	372,055,016	53,670,662	16,858,680	149,849,876	142,990,946	77,388,271	9,567,424
3. Farmowners multiple peril.....	3,448,017	18,961,973	17,250,164	5,159,825	(44,955)	126,042	112,471	5,128,440	17,896,883
4. Homeowners multiple peril.....	8,105,115	315,170,989	251,575,326	71,700,778	9,424,578	499,971,775	405,920,802	175,176,329	34,921,002
5. Commercial multiple peril.....	(52,174,797)	1,190,720,552	892,679,387	245,866,369	198,401,179	1,304,633,498	1,182,705,441	566,195,606	261,955,369
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	3,388,502	120,353,036	99,187,593	24,553,945	7,967,300	87,975,494	79,580,239	40,916,501	8,152,959
9. Inland marine.....	1,093,035	270,427,673	224,681,171	46,839,537	31,964,086	90,297,183	94,496,445	74,604,361	9,747,494
10. Financial guaranty.....	0	0	0	0	0	3,647	(1)	3,647	2,832
11.1 Medical malpractice - occurrence.....	19,116	71,240,587	54,789,229	16,470,474	67,457,956	19,533,156	83,182,133	20,279,453	3,688,806
11.2 Medical malpractice - claims-made.....	9,965,102	139,056,274	118,145,980	30,875,397	58,851,308	3,802,234	57,843,720	35,685,218	6,591,463
12. Earthquake.....	0	2,812	23,496	(20,684)	255,395	2,941,404	2,381,070	795,044	527,851
13. Group accident and health.....	0	4,218,056	403,614	3,814,442	0	1,555,452	346,380	(a) 5,023,514	208,719
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	283,380	3,081,896	201,816	3,163,460	2,283,891	7,551,843	2,723,295	(a) 10,275,899	2,205,330
16. Workers' compensation.....	1,643,292,280	6,491,858,733	6,830,611,293	1,304,539,719	1,081,276,766	5,651,530,672	5,598,081,105	2,439,266,053	293,157,068
17.1 Other liability - occurrence.....	143,207,112	1,629,441,478	1,491,690,296	280,958,294	1,039,933,827	4,898,868,270	4,766,562,671	1,453,197,721	470,350,825
17.2 Other liability - claims-made.....	174,358,038	582,992,415	633,054,232	124,296,221	108,057,559	1,566,490,172	1,403,690,108	395,153,844	94,162,483
18.1 Products liability - occurrence.....	27,773,246	322,469,585	281,187,185	69,055,646	125,877,055	1,344,393,073	1,159,101,734	380,224,040	211,844,195
18.2 Products liability - claims-made.....	1	3,418,109	3,396,427	21,683	1,872,337	36,938,660	30,933,431	7,899,249	4,992,229
19.1, 19.2 Private passenger auto liability.....	60,958,549	839,711,759	701,853,029	198,817,278	58,758,457	642,882,238	551,382,282	349,075,691	64,521,749
19.3, 19.4 Commercial auto liability.....	74,104,177	1,104,909,040	947,229,269	231,783,948	82,749,252	994,991,401	871,847,832	437,676,769	72,933,116
21. Auto physical damage.....	1,797,317	51,633,308	41,872,839	11,557,787	18,664,924	48,036,661	54,744,860	23,514,511	8,438,485
22. Aircraft (all perils).....	976,904	91,368,498	90,938,974	1,406,428	3,067,965	54,916,292	54,224,987	5,165,698	1,067,887
23. Fidelity.....	889,243	31,486,920	25,166,031	7,210,133	92,399,790	113,062,720	186,157,163	26,515,480	5,686,161
24. Surety.....	7,828,763	312,197,502	273,269,736	46,756,529	26,874,782	178,928,321	157,942,792	94,616,840	13,000,258
26. Burglary and theft.....	2,012	571,636	563,463	10,185	7,512,774	13,161,560	17,045,885	3,638,635	656,392
27. Boiler and machinery.....	252,132	33,276,787	28,641,298	4,887,621	2,856,490	35,706,461	30,038,842	13,411,730	2,160,061
28. Credit.....	0	9,367,147	7,185,538	2,181,608	4,798	2,872,379	2,207,083	2,851,703	9,135
29. International.....	1,015,823	8,647,208	7,412,511	2,250,520	100,728	5,704,627	4,455,842	3,600,032	59,319
30. Warranty.....	(1,354)	0	(1,039)	(315)	(130)	130	(0)	(315)	0
31. Reinsurance - nonproportional assumed property.....	XXX	70,669,268	56,548,068	14,121,199	XXX	69,429,635	56,795,619	26,755,215	1,603,587
32. Reinsurance - nonproportional assumed liability.....	XXX	799,614,951	630,326,571	169,288,381	XXX	721,249,902	587,685,327	302,852,955	9,560,685
33. Reinsurance - nonproportional assumed financial lines.....	XXX	11,073,831	8,736,155	2,337,676	XXX	26,444,997	20,375,511	8,407,161	101,874
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	12,552	9,628	2,923	276
35. TOTALS.....	2,319,242,998	15,024,469,959	14,330,440,930	3,013,272,026	3,074,142,654	18,723,615,105	17,756,785,350	7,054,244,435	1,614,428,187

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	0	0	0	0	12,552	9,628	2,923	276
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	12,552	9,628	2,923	276

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	90,911,580	0	0	90,911,580
1.2 Reinsurance assumed.....	1,047,777,611	0	0	1,047,777,611
1.3 Reinsurance ceded.....	862,727,800	0	0	862,727,800
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	275,961,391	0	0	275,961,391
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	232,435,592	0	232,435,592
2.2 Reinsurance assumed, excluding contingent.....	0	2,716,502,918	0	2,716,502,918
2.3 Reinsurance ceded, excluding contingent.....	0	2,307,164,040	0	2,307,164,040
2.4 Contingent - direct.....	0	11,358,583	0	11,358,583
2.5 Contingent - reinsurance assumed.....	0	58,116,475	0	58,116,475
2.6 Contingent - reinsurance ceded.....	0	53,477,243	0	53,477,243
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	657,772,285	0	657,772,285
3. Allowances to manager and agents.....	0	1,006,427	0	1,006,427
4. Advertising.....	21,304	18,575,103	0	18,596,407
5. Boards, bureaus and associations.....	2,701,368	15,402,852	1,743	18,105,962
6. Surveys and underwriting reports.....	34,761	17,177,101	106	17,211,969
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	176,463,363	273,769,065	4,500,662	454,733,090
8.2 Payroll taxes.....	8,224,199	18,268,315	310,342	26,802,856
9. Employee relations and welfare.....	21,908,922	35,410,097	370,320	57,689,339
10. Insurance.....	34,339,287	6,287,207	2,617	40,629,111
11. Directors' fees.....	0	5,480	0	5,480
12. Travel and travel items.....	3,386,744	16,888,308	129,009	20,404,061
13. Rent and rent items.....	10,537,202	25,226,672	(2,463,275)	33,300,598
14. Equipment.....	2,569,951	8,173,170	513,827	11,256,948
15. Cost or depreciation of EDP equipment and software.....	2,094,731	40,089,703	277,893	42,462,327
16. Printing and stationery.....	996,544	4,138,350	33,641	5,168,535
17. Postage, telephone and telegraph, exchange and express.....	4,038,912	17,105,436	6,813	21,151,162
18. Legal and auditing.....	6,706,702	13,286,064	328,873	20,321,640
19. Totals (Lines 3 to 18).....	274,023,989	510,809,351	4,012,572	788,845,912
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....2,720,661.....	0	126,264,755	0	126,264,755
20.2 Insurance department licenses and fees.....	0	9,438,010	0	9,438,010
20.3 Gross guaranty association assessments.....	0	(3,194)	0	(3,194)
20.4 All other (excluding federal and foreign income and real estate).....	0	3,569,780	0	3,569,780
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	139,269,351	0	139,269,351
21. Real estate expenses.....	0	0	18,143,697	18,143,697
22. Real estate taxes.....	0	0	6,260,601	6,260,601
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	2,399,376	8,659,304	988,630	12,047,310
25. Total expenses incurred.....	552,384,756	1,316,510,291	29,405,500	(a).....1,898,300,547
26. Less unpaid expenses - current year.....	1,614,428,187	360,834,774	1,419,216	1,976,682,177
27. Add unpaid expenses - prior year.....	1,582,247,145	366,980,638	6,291,205	1,955,518,988
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).....	520,203,714	1,322,656,155	34,277,489	1,877,137,357

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	4,329,653	59,675,192	988,630	64,993,475
2402. Service reimbursements.....	(1,930,278)	(19,468,498)	0	(21,398,775)
2403. Costs of computer software developed for internal use.....	0	(31,547,390)	0	(31,547,390)
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).....	2,399,376	8,659,304	988,630	12,047,310

(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).....15,532,611	.....15,475,896
1.1 Bonds exempt from U.S. tax.....	(a).....321,359,647	.....326,643,445
1.2 Other bonds (unaffiliated).....	(a).....280,561,123	.....281,488,731
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....10,640,393	.....10,795,780
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....550,236	.....550,236
2.21 Common stocks of affiliates.....	.....633,017,368	.....633,017,368
3. Mortgage loans.....	(c).....2,400,655	.....2,370,243
4. Real estate.....	(d).....50,189,143	.....50,189,143
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....16,778,086	.....17,260,944
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....91,152,297	.....91,271,606
9. Aggregate write-ins for investment income.....	.....5,888,570	.....5,888,570
10. Total gross investment income.....	.....1,428,070,129	.....1,434,951,962
11. Investment expenses.....		(g).....29,405,500
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....2,664,113
14. Depreciation on real estate and other invested assets.....		(i).....5,316,205
15. Aggregate write-ins for deductions from investment income.....		.....1,103,718
16. Total deductions (Lines 11 through 15).....		.....38,489,536
17. Net investment income (Line 10 minus Line 16).....		.....1,396,462,426

DETAILS OF WRITE-INS

0901. Miscellaneous Interest - Pool Plans & Reinsurance.....	.....3,355,174	.....3,355,174
0902. Miscellaneous Income.....	.....2,377,623	.....2,377,623
0903. Lending of Security Fees.....	.....154,282	.....154,282
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....1,492	.....1,492
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....5,888,570	.....5,888,570
1501. Management Fees.....		.....1,103,718
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).....		.....1,103,718

- (a) Includes \$.....(129,179,002) accrual of discount less \$.....(82,235,215) amortization of premium and less \$.....9,915,710 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....122,287 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 \$.....50,189,143 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....55,803 accrual of discount less \$.....473,005 amortization of premium and less \$.....887,263 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 \$.....5,316,205 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.....	.....17,806	.....0	.....17,806	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....(21,898)	.....0	.....(21,898)	.....(3,423,483)	.....0
1.2 Other bonds (unaffiliated).....	.....(11,261,399)	.....(178,356,398)	.....(189,617,796)	.....(100,442,508)	.....(539,952)
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....(5,177,698)	.....(28,347,681)	.....(33,525,379)	.....(14,149,503)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....526,912	.....(1,689,800)	.....(1,162,888)	.....(12,959,143)	.....(16,401)
2.21 Common stocks of affiliates.....	.....20,788,202	.....0	.....20,788,202	.....(238,421,831)	.....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.....	.....98	.....(127)	.....(29)	.....0	.....0
7. Derivative instruments.....	.....5,966,984	.....0	.....5,966,984	.....(4,143,156)	.....0
8. Other invested assets.....	.....(203,259)	.....363,916	.....160,657	.....(145,623,832)	.....(422,518)
9. Aggregate write-ins for capital gains (losses).....	.....(12,451)	.....(1,261,893)	.....(1,274,344)	.....(4,532,321)	.....5,041,962
10. Total capital gains (losses).....	.....10,623,297	.....(209,291,982)	.....(198,668,685)	.....(523,695,777)	.....4,063,090

DETAILS OF WRITE-INS

0901. Foreign Exchange.....	.....0	.....(1,261,893)	.....(1,261,893)	.....0	.....(327,189)
0902. Prior Year Reversal.....	.....0	.....0	.....0	.....904,034	.....0
0903. Correction of error - joint ventures.....	.....0	.....0	.....0	.....(8,383,754)	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....(12,451)	.....0	.....(12,451)	.....2,947,399	.....5,369,151
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....(12,451)	.....(1,261,893)	.....(1,274,344)	.....(4,532,321)	.....5,041,962

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.....	37,400,888	45,117,532	7,716,644
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.....	2,478,817	2,775,494	296,677
7. Other invested assets (Schedule BA).....	43,039,518	19,689,649	(23,349,869)
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).....	82,919,223	67,582,676	(15,336,547)
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.....	46,128,073	32,044,340	(14,083,733)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	6,799,729	11,703,376	4,903,647
13.3 Accrued retrospective premiums.....	492,639	912,377	419,738
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.....	594,898,591	471,867,713	(123,030,878)
17. Guaranty funds receivable or on deposit.....	0	0	0
18. Electronic data processing equipment and software.....	205,615	398,179	192,564
19. Furniture and equipment, including health care delivery assets.....	215,855,866	171,148,432	(44,707,435)
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.....	704,297,738	582,424,282	(121,873,456)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,651,597,474	1,338,081,374	(313,516,100)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. TOTALS (Lines 24 and 25).....	1,651,597,474	1,338,081,374	(313,516,100)

DETAILS OF WRITE-INS

0901.....	0	0	0
0902.....	0	0	0
0903.....	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0
2301. Amounts receivable under high deductible policies.....	2,103,177	14,711,712	12,608,536
2302. Other assets nonadmitted.....	702,135,749	567,712,569	(134,423,180)
2303. Other assets.....	130,334	0	(130,334)
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(71,523)	0	71,523
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	704,297,738	582,424,282	(121,873,456)

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

- A. The Travelers Indemnity Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner. The impact of any permitted accounting practices on statutory surplus was not material.
- B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.
- C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10, *Income Taxes*. 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) are generally 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 also exercises 100% control over The Travelers Lloyds Insurance Company, an unincorporated association, reported on Schedule BA based on the underlying statutory equity of its financial statements.

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

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

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

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

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company adopted the amended guidance in SSAP No. 63, *Underwriting Pools and Associations Including Intercompany Pools* (SSAP No. 63) effective in 2008, regarding the reporting of amounts due to/from affiliates for reinsurance. Amounts related to reinsurance agreements with affiliates are reported as an aggregate write-in rather than as a receivable from/payable to parent, subsidiaries and affiliates. As a result of the change, \$5.1 million is reported as an aggregate write-in for reinsurance due to affiliates. The Company is a party to a master netting agreement with its affiliates and continues to settle amounts due to or from affiliates on a net basis in accordance with SSAP No. 63.

The change to SSAP No. 63 had no impact on the net income or surplus. This impact of reporting reinsurance on a gross basis was \$5.1 million for net admitted assets and liabilities.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

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

The maximum percentage of any one loan-to-value of security at the time the loan was made, exclusive of any purchase money or insured or guaranteed mortgages was 39%.

NOTES TO FINANCIAL STATEMENTS

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 state sponsored LIHTC properties. The state sponsored LIHTC property investments primarily generate premium tax credits which allow the Company to offset premium taxes in North Carolina and are available through 2009.

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

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	\$1,089,006,364	\$ 971,797,141
Total of deferred tax liabilities	<u>(193,076,771)</u>	<u>(218,525,477)</u>
Net deferred tax asset (liability)	895,929,593	753,271,664
Deferred tax asset nonadmitted	<u>(594,898,591)</u>	<u>(471,867,713)</u>
Net admitted deferred tax asset (liability)	<u>\$ 301,031,002</u>	<u>\$ 281,403,951</u>
(Increase) decrease in nonadmitted asset	\$ (123,030,878)	\$ (74,503,676)

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

Not applicable.

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Federal	\$ 185,834,336	\$ 283,835,910
Foreign	<u>56,043</u>	<u>-</u>
	185,890,379	283,835,910
Federal income taxes on net capital gains	<u>(22,752,981)</u>	<u>15,246,635</u>
Federal and foreign income taxes incurred	<u>\$ 163,137,398</u>	<u>\$ 299,082,545</u>

NOTES TO FINANCIAL STATEMENTS

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	\$ 280,108,015	\$ 302,931,964
Unearned premium reserves	133,918,659	132,668,496
Nonadmitted assets	254,667,647	220,349,259
Guaranty fund assessments	19,429,464	18,258,588
Employee benefits	126,451,171	111,000,739
Investments	228,345,062	122,571,298
Other assets	<u>46,086,346</u>	<u>64,016,797</u>
Total deferred tax assets	1,089,006,364	971,797,141
Nonadmitted deferred tax assets	<u>(594,898,591)</u>	<u>(471,867,713)</u>
Admitted deferred tax assets	<u>494,107,773</u>	<u>499,929,428</u>
Deferred tax liabilities:		
Investments	161,200,499	193,556,855
Other liabilities	<u>31,876,272</u>	<u>24,968,622</u>
Total deferred tax liabilities	<u>193,076,771</u>	<u>218,525,477</u>
Net admitted tax asset	<u>\$ 301,031,002</u>	<u>\$ 281,403,951</u>

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

	<u>December 31, 2008</u>	<u>December 31, 2007</u>	<u>Change</u>
Total deferred tax assets	\$1,089,006,364	\$ 971,797,141	\$ 117,209,223
Total deferred tax liabilities	<u>(193,076,771)</u>	<u>(218,525,477)</u>	<u>25,448,706</u>
Net deferred tax asset (liability)	<u>\$ 895,929,593</u>	<u>\$ 753,271,664</u>	142,657,929
Tax effect of unrealized gains (losses)			(86,751,515)
Sale of subsidiaries			435,786
Change in net deferred income taxes			<u>\$ 56,342,200</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)	\$1,413,146,495
Taxes at statutory rate	\$ 494,601,273
Increase (decrease) attributable to:	
Nontaxable investment income	(332,771,281)
Nonadmitted assets	(69,369,471)
Other	<u>14,334,677</u>
Total statutory income taxes	<u>\$ 106,795,198</u>
Federal and foreign taxes incurred	\$ 163,137,398
Change in net deferred taxes	<u>(56,342,200)</u>
Total statutory income taxes	<u>\$ 106,795,198</u>
Effective tax rate	7.6%

- E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.
2. The Company has \$183,667,158 and \$294,953,185 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) On December 31, 2008, the Company completed the sale of Atlantic Insurance Company (AIC) to Scottsdale Insurance Company, an unaffiliated property and casualty insurer. To facilitate this sale the Company and AIC entered into a "Transfer and Assumption Agreement" and AIC transferred all of its assets, other than certain "Retained Assets" as defined in the "Transfer and Assumption Agreement" as well as all of its liabilities, to the Company prior to the sale. For additional details on the sale of AIC please see Schedule D Part 4.
- (2) On October 21, 2008 the Company acquired an aircraft and certain aviation assets valued at \$15.4 million from St. Paul Aviation, Inc. (Aviation), a non insurance affiliate in exchange for 207 shares of its common stock. This distribution qualified as a tax-free transfer under Sections 351 and 361 of the Internal Revenue Code. Following this transaction, Aviation merged with and into the Company's parent Travelers Insurance Group Holdings, Inc. (TIGHI) with TIGHI being the surviving corporation. As a result of this merger TIGHI continues to own 100% of the issued and outstanding common stock of the Company.
- (3) The Northland Company, a wholly owned non-insurance subsidiary of the Company was dissolved effective May 1, 2008. As a result of this dissolution, Commercial Guaranty Casualty Insurance Company (CGCIC) and Jupiter Holdings, Inc. became direct subsidiaries of the Company.

On June 2, 2008, the Company completed the sale of CGCIC to Max Specialty Insurance Company, an unaffiliated entity. Prior to the sale, CGCIC entered into a "Transfer and Assumption Agreement" and transferred all of its assets over and above certain "Retained Assets" as defined in the "Transfer and Assumption Agreement" as well as all of their liabilities to the Company. The "Transfer and Assumption Agreement" has an effective date of January 1, 2008. To properly report 2008 underwriting activity in the underwriting exhibits, the December 31, 2007 loss and LAE reserves of the Company as reported in the underwriting exhibits were adjusted to include the loss and LAE reserves of CGCIC. The amount of loss and LAE reserves reported in the financial statements as of December 31, 2007, however, were unaffected.

As a result of this sale, Commercial Guaranty Insurance Company (CGI) became a direct subsidiary of the Company. For additional details on the sale of CGCIC please see Schedule D Part 4.

NOTES TO FINANCIAL STATEMENTS

- (4) In December 2007, the Company purchased \$27.8 million of long-term bonds from its affiliate, The Premier Insurance Company of Massachusetts in exchange for cash.
- (5) On December 3, 2007, the Company sold \$22.1 million in unaffiliated common stock to its affiliate, St. Paul Fire and Marine Insurance Company (Fire and Marine).
- (6) On November 26, 2007 following a series of capital contributions, as approved by the Board of Directors of Travelers Property Casualty Corp. (TPC) and TIGHI, The Travelers Asset Funding Corporation (TAFC) with a statutory carrying value of \$51.5 million became a wholly-owned subsidiary of the Company. Also effective November 26, 2007 the Company proceeded to dissolve TAFC pursuant to a Plan of Liquidation and Dissolution (the Plan) entered into by the Company and TAFC. In accordance with the Plan, the Company and TAFC entered into an Assumption Agreement whereby the Company assumes all obligations and liabilities of TAFC not otherwise discharged by the Plan. The impact of the above capital contribution and resulting increase in nonadmitted assets was not material to the Company's surplus.

The State of Connecticut Insurance Department approved the contribution of TAFC to the Company, the Plan and the Assumption Agreement.

- (7) 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 merged with Discover Reinsurance Company (Discover Re), with the Company being the surviving entity. At the time of this merger Discover Re had a statutory carrying value of \$576,208,585.

As part of these transactions Discover Re Managers, Inc. distributed 100% of the common shares of 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 Fire and Marine. Fire and Marine 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 Fire and Marine's Annual Statement. In accordance with the "Plan of Merger", Discover Re then merged with and into the Company at which time all issued and outstanding shares of Discover Re were exchanged for 7,700 shares of the Company. TRV then contributed the 7,700 shares as a capital contribution to TPC which in turn contributed the 7,700 shares to TIGHI. As a result TIGHI continues to own all issued and outstanding shares of the Company. The statutory merger method was utilized in merging the two entities, of which the Company was the surviving entity.

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.

- (8) On October 1, 2007, the Company purchased \$64.2 million of long-term bonds from its affiliate, American Equity Insurance Company in exchange for an equal amount in the Travelers Money Market Liquidity Pool.
- (9) In August 2007, the Company made a capital contribution of \$27.4 million to its subsidiary, TINDY Foreign, Inc.

Schedule Y - Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification has been satisfied for any transaction requiring such action.

The following are general business arrangements that result in or are used for transactions with affiliates in the normal course of business:

1. The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by the Company. Settlements between the companies are made at least monthly.
 2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by the Company. 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 \$169,677,971 payable to and \$444,920,816 receivable from affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.
- (2) As described in Note 2, the Company adopted the amended guidance in SSAP No. 63 during 2008. The changes to SSAP No. 63 continue to permit the net settlement of balances resulting from an intercompany reinsurance agreement providing there is a contractual right of offset provision, but require the related amounts resulting from the reinsurance contract to be reported as an asset or liability.

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

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

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

TYPE OF CONTRACT AND DESCRIPTION	SERVICING COMPANY	OTHER PARTY
Service Expense Reimbursement	The Travelers Companies, Inc.	The Travelers Indemnity Company
Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Corporate Services Agreement	The Travelers Indemnity Company	First Floridian Auto and Home Insurance Company
Expense Allocation	The Travelers Indemnity Company	The Premier Insurance Company of Massachusetts
Corporate Services	The Travelers Indemnity Company	First Trenton Indemnity Company & Travelers Auto Insurance Company of New Jersey

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

NOTES TO FINANCIAL STATEMENTS

- G. All of the issued and outstanding common stock of the Company is owned by TIGHI, which in turn is indirectly owned by TRV, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. The Company directly owns Gulf Insurance Holdings U.K. Ltd. (GIH UK), a downstream noninsurance holding company. GIH UK directly owns Travelers Casualty and Surety Company of Europe, Limited (TC&S Europe), a United Kingdom domiciled insurance company, and Gulf Underwriting Holdings Limited, a downstream noninsurance holding company. Gulf Underwriting Holdings Limited directly owns Gulf Underwriting Limited, a United Kingdom domiciled insurance company.
- (1) The carrying value of the Company's investment in GIH UK was \$45,945,700 at December 31, 2008.
- (2) The Company has not obtained an audit of GIH UK's financial statements.
- (3) The Company has limited the carrying value of its investment in GIH UK to the value contained in the audited financial statements of TC&S Europe, including any adjustments required by SSAP 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSASP No. 88*. GIH UK's value is limited to its direct and indirect ownership of its insurance subsidiaries. GIH UK does not have any 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 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 \$7,949,730 and \$6,372,983 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 \$2,199,669 and \$2,488,496 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 \$18,990,697 and \$16,196,573 for 2008 and 2007, respectively.

E. Postemployment Benefits and Compensated Absences:

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

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

The Company has 150,000 shares of common capital stock authorized and 107,907 shares issued and outstanding with a par value of \$100 per share.

The Company paid ordinary dividends of \$1,185.0 million and \$965.0 million to its parent company, TIGHI in 2008 and 2007, respectively.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2009 without prior approval is \$1,250,009,000.

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 \$1,118,551,090.

NOTES TO FINANCIAL STATEMENTS**14. CONTINGENCIES****A. Contingent Commitments:**

At December 31, 2008, the Company had commitments to fund investments of \$157.4 million.

B. Assessments:

The Company has accrued liabilities of \$67.0 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$2.5 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 \$29.1 million and a premium tax recoverable asset of \$18.4 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 \$872,500 in the reporting period on six 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 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.

In the ordinary course 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 out of 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 relevant statutes of limitations, no term or in some cases an agreed upon term limitation. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.

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

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

- At December 31, 2008, the Company is a party to various lease agreements for office space, data processing equipment, automobiles and office equipment. The office space and data processing equipment leases are for various periods of time. The other leases generally do not exceed five years. Total rental expense under operating leases for the Company for 2008 and 2007 was \$145,438,031 and \$127,882,697, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

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

- Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$615,874,406 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	\$141,163,581
2010	125,909,428
2011	98,137,958
2012	76,447,286
2013	57,911,325

At December 31, 2008, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled \$ 629,157.

- Sale-Leaseback Transactions:

On June 28, 2007, the Company completed a sale-leaseback transaction which resulted in a realized gain of \$639,574. Future minimum rental payments for each of the next four years are as follows:

<u>Year</u>	<u>Operating Lease</u>
2009	503,792
2010	513,908
2011	524,024
2012	264,541

The lease expires on June 30, 2012.

B. Lessor's Business Activities:

Leasing is not a significant part of the Company's business activities.

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 other fixed income investments. The off-balance-sheet risks of these financial instruments were \$157.4 million at December 31, 2008.

In prior years, the Company underwrote insurance guaranteeing the structured settlements of certain life insurers. The Company no longer writes such guarantees. At December 31, 2008 and 2007, the Company's aggregate net amount of guarantees of principal and interest for such structured settlements was approximately \$22.5 million and \$24.3 million, respectively.

NOTES TO FINANCIAL STATEMENTS

Also in past years, the Company underwrote financial guarantee insurance representing the Company's participation in the Municipal Bond Insurance Association's (MBIA) guarantee of municipal bond obligations. The Company has no net exposure for the guarantee of principal and interest for such securities as the Company's participation in MBIA has been reinsured. The gross amounts of such financial guarantees was \$89 million and \$115 million at December 31, 2008 and 2007, respectively.

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:

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

During the year ended December 31, 2008, the Company's wash sales for securities with a NAIC designation 3 or below were as follows:

	<u>Number of Transactions</u>	<u>Book Value of Securities Sold</u>	<u>Cost of Securities Repurchased</u>	<u>Gain/(Loss)</u>
Bonds:				
NAIC 3	5	\$ 2,297,837	\$ 4,850,038	\$ 186,122
NAIC 4	4	\$ 2,151,291	\$ 180,886	\$ 9,981
NAIC 5	2	\$ 2,023,168	\$ 2,719,904	\$ 101,820
NAIC 6	1	\$ 1,082,274	\$ 149,204	\$ (53,273)
Preferred Stock:				
NAIC 4	1	\$ 506,104	\$ 832,464	\$ (85,421)

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	\$ 2,806	\$ 2,108	\$ 1,662	\$ 3,492	\$ 5,809
Part 1B	377	383	257	138	65,809
Part 1C	1,393	847	653	651	3,920
Part 1D	76,843	63,221	58,571	57,508	773,508
Part 1E	12,606	5,561	6,276	3,295	75,841
Part 1F - Section 1	256	857	445	778	3,047
Part 1F - Section 2	2,168	2,778	2,169	542	3,190
Part 1G	922	753	342	437	5,307
Part 1H - Section 1	24,726	17,936	17,179	11,993	632,029
Part 1H - Section 2	2,236	5,160	1,935	2,477	13,751
Part 1M	-	-	-	-	514
Part 1N	2,077	438	172	150	534
Part 1O	18,036	8,586	4,329	6,228	142,741
Part 1P	262	322	251	31	65
Part 1R - Section 1	7,614	7,219	6,755	6,722	328,310
Part 1R - Section 2	76	378	318	128	1,698

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	\$ (231)	\$ (390)	\$ (36)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(2,405)	(1,709)	(550)	(16,920)	-	(452)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	(58)	(16,117)	-	-	-	-	-	-
Special Liability	(19)	-	-	-	-	-	-	-	-
Other Liability – Occ	(2,202)	-	-	-	(344)	(1,599)	(57)	(256)	(23)
Other Liability – CM	-	(4,710)	-	-	-	-	-	-	-
Special Property	(102)	-	-	-	-	-	-	-	-
Other	(22)	-	-	-	-	-	-	-	-
Reinsurance A	(501)	-	-	-	-	-	-	-	-
Reinsurance B	(5,705)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable Tax Credits:

Not applicable.

G. Hybrid Securities:

At December 31, 2008 the Company held hybrid securities that are reported in Schedule D, Part 2, Section 1 as follows:

CUSIP	Issuer/Description	Type	Carrying Value
025816AU3	American Express AXP	Redeemable	\$ 854,790
054536AB3	AXA SA 144A	Perpetual	1,142,240
05518VAA3	BAC Capital Trust XIV	Perpetual	1,552,440
05568AAA8	BOI Capital Funding III 144A	Perpetual	1,193,240
06738CAF6	Barclays Bank PLC	Perpetual	899,610
37247DAG1	Genworth Financial Inc	Perpetual	437,930
42205MAA4	HBOS PLC FRNT	Perpetual	1,179,540
44978NAA3	ING CAP FDG TR III	Perpetual	2,766,330
90262PAA6	UBS Preferred Funding Trust	Perpetual	1,933,100
90264AAA7	UBS Preferred Funding V	Perpetual	1,541,080
92978AAA0	Wachovia Capital Trust III	Perpetual	420,000
G55356AG7	Lloyds TSB Bank PLC	Perpetual	8,250,000
Total			<u>\$22,170,300</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.

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

a. Actual cost	\$106,351,159
b. Book adjusted carrying value	107,348,551
c. Fair value	86,347,051
d. Other-than-temporary impairments	28,637,816

I. Federal Home Loan Bank Agreements:

Not applicable.

21. EVENTS SUBSEQUENT

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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:

	<u>Group Code</u>	<u>F.E.I.N.</u>	<u>Amount</u>
National Workers' Compensation Reinsurance Pool	0000	AA-9992118	\$ 2,285,882,760
Munich Reinsurance America Inc.	0361	13-4924125	741,255,862
Swiss Reinsurance America Corporation	0181	13-1675535	702,876,891
Transatlantic Reinsurance Company	0012	13-5616275	431,176,016
XL Reinsurance America	1285	13-1290712	381,500,288
United States Aircraft Insurance Group	0000	AA-9995043	308,297,960

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

B. Reinsurance Recoverable in Dispute:

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

C. Reinsurance Assumed and Ceded:

1.	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
Affiliates	\$ 8,085,149,635	\$ 1,197,522,777	\$ 6,221,223,958	\$ 921,449,538	\$ 1,863,925,677	\$ 276,073,239
All Other	68,810,750	10,191,827	772,415,778	114,405,488	(703,605,028)	(104,213,661)
Total	<u>\$ 8,153,960,385</u>	<u>\$ 1,207,714,604</u>	<u>\$ 6,993,639,736</u>	<u>\$ 1,035,855,026</u>	<u>\$ 1,160,320,649</u>	<u>\$ 171,859,578</u>

Direct Unearned Premium Reserve \$ 728,382,339

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$19,324,759 at December 31, 2008. This balance represents the Company's 23.29% pro rata share of the net amount of the TRV Pool (see Note 25):

Direct Business	\$ 10,401,135
Add: Reinsurance Assumed	74,879,174
Less: Reinsurance Ceded	<u>65,955,550</u>
Net	<u>\$ 19,324,759</u>

D. Uncollectible Reinsurance:

The Company has written off as uncollectible/(recovered) in the current year, certain reinsurance balances due (from the companies listed below) in the amount of \$21,215,080, which is reflected in losses incurred.

<u>Company – Uncollectible</u>	<u>Company – (Recovered)</u>
Lansdowne Insurance Company Ltd.	Axis Reinsurance Company
General Reinsurance Corporation	AXA General Insurance Ltd.
Small Business Administration	Mission Reinsurance Corporation
XL Reinsurance America Inc.	Municipal General Insurance Ltd.
Allianz Global Corporate & Specialty France	All other under (\$200,000)
Westport Insurance Corporation	
National Casualty Company	
Scottish Lion Insurance Company Ltd.	
Compania Agricola de Seguros SA	
Generali Assurances Iard	
Excess & Casualty Reinsurance Association	
Aviva Insurance Corporation of Canada	
Home Insurance Company	
OIC Runoff Ltd.	
London & Edinburgh Insurance Company Ltd.	
Andrew Weir Insurance Company Ltd.	
Tenecom Limited	
English & American Insurance Company Ltd.	
Employers Insurance Company of Wausau	
Lumbermen's Mutual Casualty Company	
Taisei Fire & Marine Insurance Company Ltd.	
Alea North America Insurance Company	
Winterthur Schweiz Versicherungs-Gesell	
All other under \$200,000	

E. Commutation of Ceded Reinsurance:

The Company has reported in the current year, a net gain of \$7,883,002, reflected in losses incurred resulting from commutations of reinsurance, (from the companies listed below):

<u>Company</u>
AAHRU Pool
Alea North America Insurance Company
Associated Accident and Health Reinsurance Underwriters
CIGNA Reinsurance Company
CIS Ltd.
Commercial Risk Re-Insurance Company
Continental Casualty Company
European Reinsurance Company of Zurich
Excess and Casualty Reinsurance Association
Exco Pool
First Allmerica
Global Re Corporation of America
Guardian Royal Exchange Assurance
Insco Ltd.
Lloyds of London
Lloyds Syndicate 205
LaSalle Re Ltd.

NOTES TO FINANCIAL STATEMENTS

London Life
Lumbermen's Mutual Casualty Company
Oslo Reinsurance Company
PMA Capital Insurance Company
Protective Insurance Company
Reliastar Life Insurance Company
Superior National
Tokio Re
Transatlantic Reinsurance Company
Trenwick America Re Corporation
Underwriters Re
XL Reinsurance America Inc.
Zurich Insurance Company Ltd.

F. Retroactive Reinsurance:

1.	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 2,189,260	\$113,118,566
(2) Adjustments - Prior Year(s)	(698,700)	42,285,564
(3) Adjustments - Current Year	<u>1,060,320</u>	<u>5,872,589</u>
(4) Current Total	<u>\$ 2,550,880</u>	<u>\$161,276,719</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,434,990	\$100,177,054
(2) Adjustments - Prior Year(s)	-	12,218,204
(3) Adjustments - Current Year	-	<u>277,112</u>
(4) Current Total	<u>\$ 2,434,990</u>	<u>\$112,672,370</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 900,809	\$ 82,952,236
(2) Current Year	<u>565,097</u>	<u>22,625,766</u>
(3) Current Total	<u>\$ 1,465,906</u>	<u>\$105,578,002</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 245,730	\$ 12,941,512
(2) Adjustments - Prior Year(s)	698,700	30,067,360
(3) Adjustments - Current Year	<u>(1,060,320)</u>	<u>5,595,477</u>
(4) Current Year Restricted Surplus	<u>\$ 944,430</u>	<u>\$ 42,964,332</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ (1,060,320)</u>	<u>\$ 5,640,017</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,490,560	\$ -
Parktown Insurance Company Ltd.	1,060,320	-
Commercial Risk Re-Insurance Co. (27955)	-	3,074,280
Everest Reinsurance Co. (26921)	-	83,912
XL Reinsurance America (13-1290712)	-	16,431,966
Folksamerica Reinsurance Co (38776)	-	1,160,556
General Reinsurance Corporation (22039)	-	69,870,000
nSpire Re Limited (AA-1784124)	-	18,537,153
Platinum Underwriters Reinsurance Inc. (10357)	-	23,275,775
Various	-	<u>28,843,077</u>
Total	<u>\$ 2,550,880</u>	<u>\$161,276,719</u>

f. Paid Loss/LAE Recoverable:

<u>Company</u>	<u>Paid Loss/LAE Recoverables</u>	<u>Amount Over 90 Days Past Due</u>	<u>Collateral Held</u>
Platinum Underwriters Reinsurance Inc. (10357)	\$ 324,055	-	-
nSpire Re Limited (AA-1784124)	-	-	6,009,075
Various	<u>966,575</u>	<u>61,500</u>	<u>42,514</u>
Total	<u>\$ 1,290,630</u>	<u>\$ 61,500</u>	<u>\$ 6,051,589</u>

G. Reinsurance Accounted for as a Deposit:

The Company entered into two ceded reinsurance arrangements which provided coverage for certain workers' compensation and general 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. Both of these agreements were terminated prior to January 1, 2005.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ -	\$ 2,354,935	\$ (69,644)	\$ 2,285,291
2006	-	-	(299,151)	1,986,140
2007	-	-	(440,396)	1,545,744
2008	-	-	(156,274)	1,389,470

On July 1, 2000 the Company entered into an assumed reinsurance agreement which was determined to be a deposit. Upon inception of the contract, the Company received a deposit of \$5.3 million. This contract was retroceded through a 60% quota share agreement. Both agreements were commuted in September 2008. The amounts disclosed below represent the assumed reinsurance agreement.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2000	\$ (5,300,000)	\$ (49,845)	\$ 713,135	\$ (4,636,710)
2001	-	(41,375)	1,066,640	(3,611,445)
2002	-	(30,905)	907,405	(2,734,945)
2003	-	(22,625)	488,265	(2,269,305)
2004	-	(17,540)	531,660	(1,755,185)
2005	-	(13,138)	454,830	(1,313,493)
2006	-	(9,743)	284,260	(1,038,976)
2007	-	-	-	(1,038,976)
2008	-	(6,228)	1,045,204	0

NOTES TO FINANCIAL STATEMENTS

The Company has two ceded reinsurance arrangements which provide coverage for certain inland marine policies issued by the Company. Given the contract terms and results of the Company's cash flow analysis, it was determined that these contracts did not fulfill the SSAP No. 62 requirements for risk transfer so they have been accounted for as deposits.

<u>Year</u>	<u>Deposits Received</u>	<u>Interest Income/ (Expense)</u>	<u>Cash Payments</u>	<u>Deposit Balance Asset/(Liability)</u>
2005	\$ -	\$ 3,640,488	\$ (23,568)	\$ 3,616,920
2006	-	470,189	(1,784,047)	2,303,062
2007	-	(28,962)	-	2,274,100
2008	55,911,485	(55,995,051)	-	2,190,534

The Company has two ceded reinsurance arrangements which provide coverage for certain workers' compensation policies issued by the Company. Given the contract terms and results of the Company's cash flow analysis, it was determined that these contracts did not fulfill the SSAP No. 62 requirements for risk transfer so they have been accounted for as deposits. Both of these contracts were 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	\$ 3,180,000	\$ 29,907	\$ (427,881)	\$ 2,782,026
2001	-	24,825	(639,984)	2,166,867
2002	-	18,543	(544,443)	1,640,967
2003	-	13,575	(292,959)	1,361,583
2004	-	10,524	(318,996)	1,053,111
2005	5,288,164	7,883	(272,898)	6,076,260
2006	-	5,846	(319,451)	5,762,655
2007	-	-	-	5,762,655
2008	-	3,736	(5,766,391)	0

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	\$ 75,441,065
2. Unsecured amount	4,926,380
3. Less: Nonadmitted amount (10%)	<u>492,639</u>
4. Admitted amount (1) - (3)	<u>\$ 74,948,426</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 \$318,734,033, primarily due to commercial auto liability, commercial multi-peril, other liability – occurrence, special property, and reinsurance nonproportional assumed liability lines of business, partially offset by an increase in products liability – occurrence line of business.

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

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

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

25. INTERCOMPANY POOLING ARRANGEMENTS

The Company is a participant in the TRV Pool, an intercompany pooling arrangement. The lead company of the TRV Pool is the Company. 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 the Company. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by the Company 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 the Company 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

NOTES TO FINANCIAL STATEMENTS

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 \$7,160,138 payable to affiliates 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 \$709,801,920 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 \$1,917,788,035 and the amount billed and outstanding on paid claims was \$19,199,119. These amounts represent the Company's proportionate share of the TRV Pool (see Note 25).

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

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

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

NOTES TO FINANCIAL STATEMENTS

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
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.

NOTES TO FINANCIAL STATEMENTS**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 23.29%.

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

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

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

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

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

In December 2008, the Company's affiliate, St. Paul Fire and Marine Insurance Company (Fire and Marine) sold Unionamerica. In conjunction with the sale Fire and Marine commuted its assumed intercompany reinsurance agreements with Unionamerica subsidiaries. As a result of these commutations and their impact on the TRV Pool, the Company's asbestos assumed calendar year paid losses increased by \$46,114,200 and the Company's asbestos assumed incurred losses decreased by \$7,918,600.

1. <u>Direct Basis - Asbestos:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 867,420,000	\$ 951,130,000	\$ 1,030,646,000	\$ 966,373,000	\$ 877,999,000
b. Incurred losses and LAE:	190,204,000	181,163,000	45,397,000	(3,899,000)	14,608,000
c. Calendar year payments for losses and LAE:	<u>106,494,000</u>	<u>101,647,000</u>	<u>109,670,000</u>	<u>84,475,000</u>	<u>169,984,000</u>
d. Ending reserves:	<u>\$ 951,130,000</u>	<u>\$ 1,030,646,000</u>	<u>\$ 966,373,000</u>	<u>\$ 877,999,000</u>	<u>\$ 722,623,000</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:	\$ 87,445,000	\$ 113,567,000	\$ 125,143,000	\$ 117,975,000	\$ 110,396,000
b. Incurred losses and LAE:	32,606,000	29,994,000	2,442,000	3,030,000	(6,197,000)
c. Calendar year payments for losses and LAE:	<u>6,484,000</u>	<u>18,418,000</u>	<u>9,610,000</u>	<u>10,609,000</u>	<u>59,561,000</u>
d. Ending reserves:	<u>\$ 113,567,000</u>	<u>\$ 125,143,000</u>	<u>\$ 117,975,000</u>	<u>\$ 110,396,000</u>	<u>\$ 44,638,000</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:	\$ 761,748,000	\$ 898,494,000	\$ 1,013,900,000	\$ 942,919,000	\$ 868,973,000
b. Incurred losses and LAE:	211,301,000	208,446,000	38,166,000	(82,000)	8,492,000
c. Calendar year payments for losses and LAE:	<u>74,555,000</u>	<u>93,040,000</u>	<u>109,147,000</u>	<u>73,864,000</u>	<u>199,388,000</u>
d. Ending reserves:	<u>\$ 898,494,000</u>	<u>\$ 1,013,900,000</u>	<u>\$ 942,919,000</u>	<u>\$ 868,973,000</u>	<u>\$ 678,077,000</u>

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

1. Direct Basis:	\$ 630,155,000
2. Assumed Reinsurance Basis:	\$ 15,262,000
3. Net of Ceded Reinsurance Basis:	\$ 582,822,000

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

1. Direct Basis:	\$ 167,296,000
2. Assumed Reinsurance Basis:	\$ 81,000
3. Net of Ceded Reinsurance Basis:	\$ 155,160,000

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

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

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

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

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the allegations of environmental harm at each site; the number of sites; the total number of potentially responsible

NOTES TO FINANCIAL STATEMENTS

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 \$6,521,200 and the Company's environmental assumed incurred losses decreased by \$1,164,500.

1. <u>Direct Basis - Environmental:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
a. Beginning reserves:	\$ 101,114,000	\$ 123,353,000	\$ 78,774,000	\$ 62,589,000	\$ 83,895,000
b. Incurred losses and LAE:	66,767,000	9,927,000	25,433,000	43,013,000	19,757,000
c. Calendar year payments for losses and LAE:	<u>44,528,000</u>	<u>54,506,000</u>	<u>41,618,000</u>	<u>21,707,000</u>	<u>25,463,000</u>
d. Ending reserves:	<u>\$ 123,353,000</u>	<u>\$ 78,774,000</u>	<u>\$ 62,589,000</u>	<u>\$ 83,895,000</u>	<u>\$ 78,189,000</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:	\$ 30,931,000	\$ 34,533,000	\$ 32,575,000	\$ 30,722,000	\$ 25,300,000
b. Incurred losses and LAE:	7,686,000	1,004,000	362,000	(338,000)	(1,110,000)
c. Calendar year payments for losses and LAE:	<u>4,084,000</u>	<u>2,962,000</u>	<u>2,215,000</u>	<u>5,084,000</u>	<u>9,449,000</u>
d. Ending reserves:	<u>\$ 34,533,000</u>	<u>\$ 32,575,000</u>	<u>\$ 30,722,000</u>	<u>\$ 25,300,000</u>	<u>\$ 14,741,000</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:	\$ 118,262,000	\$ 144,638,000	\$ 98,853,000	\$ 97,446,000	\$ 114,081,000
b. Incurred losses and LAE:	63,832,000	11,487,000	28,169,000	43,031,000	18,700,000
c. Calendar year payments for losses and LAE:	<u>37,456,000</u>	<u>57,272,000</u>	<u>29,576,000</u>	<u>26,396,000</u>	<u>36,431,000</u>
d. Ending reserves:	<u>\$ 144,638,000</u>	<u>\$ 98,853,000</u>	<u>\$ 97,446,000</u>	<u>\$ 114,081,000</u>	<u>\$ 96,350,000</u>

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

1. Direct Basis:	\$ 75,392,000
2. Assumed Reinsurance Basis:	\$ 8,637,000
3. Net of Ceded Reinsurance Basis	\$ 88,633,000

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

1. Direct Basis:	\$ 30,826,000
2. Assumed Reinsurance Basis:	\$ 49,000
3. Net of Ceded Reinsurance Basis	\$ 30,965,000

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

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

33. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

34. MULTIPLE PERIL CROP INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2008 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2008, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

<u>Company Name</u>	<u>FEIN</u>	<u>Company Name</u>	<u>FEIN</u>
350 MARKET STREET	41-1618103	ST. PAUL PROPERTIES, INC.	41-1412523
AE DEVELOPMENT GROUP, INC.	06-0952727	ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404
AE PROPERTIES, INC.	95-2798160	ST. PAUL RE (BERMUDA) LTD.	98-0114704
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	TCI GLOBAL SERVICES, INC.	52-1965525
ATHENA ASSURANCE COMPANY	41-1435765	TCS EUROPEAN INVESTMENTS, INC.	06-1549972
ATLANTIC INSURANCE COMPANY	75-6013587	THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755
BMR SPORTS PROPERTIES, INC.	52-1852190	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
CAMPERDOWN CORPORATION	41-1762781	THE NORTHLAND COMPANY	41-0588627
CAPTIVA, LTD.	98-0170615	THE ONE HUNDRED LIGHT STREET CORPORATION	52-1371908
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE PHOENIX INSURANCE COMPANY	06-0303275
COMMERCIAL GUARANTY CASUALTY INSURANCE COMPANY	35-0293730	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS INDEMNITY COMPANY	06-0566050
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER RE MANAGERS, INC.	06-1288492	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925131	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
DISCOVERY MANAGERS, LTD.	06-1273933	THE TRAVELERS MARINE CORPORATION	94-0338230
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TINDY RE INVESTMENTS, INC.	06-1575463
FARMINGTON CASUALTY COMPANY	06-1067463	TPC INVESTMENTS, INC.	06-1534005
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIDELITY JV HOLDING COMPANY NUMBER TWO, INC.	52-1649813	TRAVELERS (BERMUDA) LTD.	98-0190863
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS ALPHA HOLDINGS, INC.	06-1531058
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS AUTO INSURANCE COMPANY OF NEW JERSEY	22-3499393
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
JNO INDUSTRIAL, INC.	52-1802629	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
MOUNTAIN RIDGE INSURANCE COMPANY	52-1957776	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS INDEMNITY UK INVESTMENTS LLC	06-1591454
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SEABOARD SURETY COMPANY	13-5379820	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS MGA, INC.	75-2676034
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS PC FUND INVESTMENTS, INC.	06-1514468
ST. PAUL (BERMUDA) LTD.	98-0162036	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL AVIATION COMPANY	52-1993243	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL BERMUDA HOLDINGS, INC.	41-1835264	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	YONKERS FINANCING CORPORATION	20-3033027

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Connecticut

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

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2004
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/27/2006

- 3.4 By what department or departments? Connecticut
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

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

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information: _____

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

- 7.2 If yes,0.000 %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main St., Hartford, CT 06103

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Smitesh Davé, F.C.A.S. & M.A.A.A. (Vice President and Chief Corporate Actuary) The Travelers Companies, Inc.
One Tower Square, Hartford, CT 06183

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company _____

- 11.12 Number of parcels involved0
- 11.13 Total book/adjusted carrying value \$.....0

- 11.2 If yes, provide explanation. _____

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. \$.....4,458,004
- 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 | \$.....30,252,300 |
| 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 | \$.....965,327,653 |
| 23.29 Other | \$.....26,832,558 |

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year: \$.....21,427

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 [X]

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	4 New York Plaza, New York, NY 10004

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Citigroup Global Markets	233 South Wacker Drive, Sears Tower, Chicago, IL 60606	Future Account Agreements

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Oaktree Capital Management	333 South Grand Ave., Los Angeles, CA 90071

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

27.2 If yes, complete the following schedule:

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

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

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

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	...13,686,817,038	...13,571,764,831	.....(115,052,207)
28.2 Preferred stocks.....	.....119,725,302	.....122,992,567	.....3,267,265
28.3 Totals.....	...13,806,542,340	...13,694,757,398	.....(111,784,942)

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

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

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

OTHER

- 30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....8,907,259
- 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	3,919,527

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 31.1 Amount of payments for legal expenses, if any? \$.....25,255,942
- 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	8,221,440

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....556,485
- 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.....	\$.....4,203,115,356	\$.....4,164,944,925
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....18,221,962	\$.....20,347,558
2.5 Reserve Denominator.....	\$.....10,561,787,353	\$.....10,720,457,630
2.6 Reserve Ratio (2.4/2.5).....	.....0.2	.....0.2

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
 3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating policies \$.....43,601,156
 3.22 Non-participating policies \$.....4,183,285,666

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 [] No [X]
- 11.2 If yes, give full information:
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....22,546,135
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....5,636,534
- 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: \$.....22,642,257
- 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 \$.....1,405,897,087
 - 12.62 Collateral and other funds \$.....239,299,163

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....4,366,875
- 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 [X] No []

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....	.....0	.....0	.....0	.....0	.....0
16.12 Products.....	.....0	.....0	.....0	.....0	.....0
16.13 Automobile.....	.....(125)	.....(1,484)	.....0	.....0	.....0
16.14 Other*.....	.....0	.....0	.....0	.....0	.....0

* Disclose type of coverage:

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

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

Provide the following information for this exemption:

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

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

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

FIVE-YEAR HISTORICAL DATA

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

	1 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).....	9,418,447,364	9,465,408,123	9,685,716,888	10,037,418,133	5,539,054,490
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	4,012,565,978	4,042,595,904	3,857,084,243	3,723,785,642	2,564,154,826
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	6,414,627,640	6,445,677,549	6,304,637,272	6,090,517,091	4,878,363,245
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	97,648,110	120,494,089	147,295,590	449,841,083	129,995,624
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	37,219,471	57,942,908	51,879,253	74,915,966	19,222,086
6. Total (Line 35).....	19,980,508,564	20,132,118,573	20,046,613,246	20,376,477,914	13,130,790,271
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,992,382,458	1,909,297,504	1,884,531,172	1,849,107,080	1,545,553,810
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	813,241,491	847,182,788	747,420,091	681,858,367	628,477,694
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,414,342,459	1,445,122,174	1,332,842,144	1,157,366,391	1,391,056,999
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	22,004,595	14,022,461	24,937,104	97,707,302	45,306,322
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(15,084,182)	14,164,697	4,744,831	14,090,565	4,270,904
12. Total (Line 35).....	4,226,886,821	4,229,789,624	3,994,475,342	3,800,129,705	3,614,665,729
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	310,089,289	446,379,291	493,396,917	(103,667,782)	11,696,925
14. Net investment gain (loss) (Line 11).....	1,220,546,720	1,325,506,593	1,142,636,782	1,006,262,552	1,165,274,546
15. Total other income (Line 15).....	(89,624,504)	1,884,978	(20,956,029)	54,641,510	(1,800,842)
16. Dividends to policyholders (Line 17).....	5,112,029	5,418,654	3,407,236	3,440,706	(5,067,866)
17. Federal and foreign income taxes incurred (Line 19).....	185,890,379	283,835,911	245,477,734	217,425,119	245,025,689
18. Net income (Line 20).....	1,250,009,097	1,484,516,298	1,366,192,700	736,370,456	935,212,806
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	20,788,130,051	21,284,346,648	21,265,139,608	18,281,125,499	15,670,111,023
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	203,184,920	239,234,399	220,368,385	211,717,280	241,727,716
20.2 Deferred and not yet due (Line 13.2).....	906,579,151	923,571,554	1,174,244,428	824,788,075	736,303,100
20.3 Accrued retrospective premiums (Line 13.3).....	74,948,426	52,898,698	140,287,073	42,495,516	98,664,055
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	12,825,885,953	12,813,703,001	13,302,683,978	12,340,815,614	11,030,769,068
22. Losses (Page 3, Line 1).....	7,054,244,435	7,257,418,346	7,412,903,662	6,894,428,741	6,263,236,247
23. Loss adjustment expenses (Page 3, Line 3).....	1,614,428,187	1,582,247,145	1,536,806,218	1,504,585,758	1,272,044,595
24. Unearned premiums (Page 3, Line 9).....	1,888,702,988	1,875,314,505	1,805,625,439	1,660,813,146	1,591,280,672
25. Capital paid up (Page 3, Lines 28 & 29).....	10,790,700	10,770,000	13,000,000	10,000,000	10,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	7,962,244,098	8,470,643,647	7,962,455,631	5,940,309,885	4,639,341,956
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,501,570,339	1,997,104,542	1,121,496,031	1,345,451,960	1,433,427,385
Risk-Based Capital Analysis					
28. Total adjusted capital.....	7,962,244,098	8,470,643,647	7,962,455,631	5,940,309,885	4,639,341,956
29. Authorized control level risk-based capital.....	1,375,784,367	1,465,262,004	1,542,650,856	1,440,872,444	1,317,822,341
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).....	73.7	71.9	73.0	68.4	56.9
31. Stocks (Lines 2.1 & 2.2).....	20.4	21.4	22.0	22.5	30.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.2	0.2	0.2	0.6	0.7
33. Real estate (Lines 4.1, 4.2 & 4.3).....	1.0	1.0	0.9	1.0	1.1
34. Cash, cash equivalents and short-term investments (Line 5).....	0.6	0.6	(0.9)	0.8	2.7
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	3.5	4.8	4.8	5.8	7.6
37. Receivable for securities (Line 8).....	0.6	0.0	0.0	0.8	0.2
38. Aggregate write-ins for invested assets (Line 9).....	0.0	(0.0)	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 1).....	3,528,142,550	3,690,200,196	3,597,870,365	3,148,342,748	2,927,704,761
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.....	174,996,917	217,692,110	212,554,206	236,832,855	261,992,085
46. Total of above lines 40 to 45.....	3,703,139,467	3,907,892,306	3,810,424,571	3,385,175,603	3,189,696,846
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).....	46.5	46.1	51.5	57.0	89.6

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).....	(436,573,975)	108,826,018	401,361,552	83,491,131	(348,960,588)
49. Dividends to stockholders (Line 35).....	(1,185,000,000)	(965,000,000)	(120,000,000)	(380,000,000)	(816,500,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	(508,399,549)	508,188,017	1,503,504,434	1,300,967,929	138,330,407
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).....	5,712,645,252	5,612,760,185	5,925,705,260	1,345,285,395	3,763,082,883
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,026,801,525	2,184,030,011	2,635,832,496	1,816,673,315	1,184,788,309
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,985,406,329	2,418,303,309	2,989,884,348	2,085,895,142	1,700,153,342
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	80,311,898	224,230,877	269,838,817	(184,281,450)	67,429,929
55. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	706,285,710	422,035,384	372,277,510	(853,384,978)	198,444,785
56. Total (Line 35).....	11,511,450,714	10,861,359,765	12,193,538,431	4,210,187,424	6,913,899,248
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).....	1,039,762,259	1,170,713,285	1,013,800,017	858,935,321	664,701,305
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	401,417,312	375,868,631	358,722,238	398,873,646	283,652,417
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	663,201,699	467,925,197	568,948,206	609,835,186	453,813,037
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,805,688	34,468,679	43,089,775	(64,638,700)	24,357,861
61. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	109,960,902	57,788,042	65,436,283	(187,546,242)	35,832,100
62. Total (Line 35).....	2,231,147,860	2,106,763,833	2,049,996,519	1,615,459,210	1,462,356,720
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).....	48.2	46.9	47.3	61.2	65.5
65. Loss expenses incurred (Line 3).....	13.1	12.1	12.3	13.8	14.3
66. Other underwriting expenses incurred (Line 4).....	31.3	30.3	27.8	27.8	26.4
67. Net underwriting gain (loss) (Line 8).....	7.4	10.7	12.6	(2.8)	(6.2)
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).....	33.3	29.8	18.2	25.4	30.8
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	61.3	59.0	59.6	75.0	80.0
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).....	53.1	49.9	53.1	62.0	71.0
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).....	(322,867)	(137,116)	(94,841)	113,280	209,002
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).....	(3.8)	(1.7)	(1.6)	2.4	0.0
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).....	(401,872)	(173,266)	227,603	830,551	679,336
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).....	(5.0)	(2.9)	4.9	18.5	0.0

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	300,635	76,358	75,696	9,678	30,284	310	5,713	320,271	XXX
2. 1999.....	3,662,357	673,732	2,988,625	2,874,602	736,000	305,748	54,095	152,358	15,080	86,462	2,527,534	XXX
3. 2000.....	3,787,686	797,549	2,990,137	2,873,787	692,393	314,568	48,916	146,997	15,606	97,489	2,578,437	XXX
4. 2001.....	4,078,586	709,813	3,368,773	3,255,803	960,237	308,410	64,571	166,059	17,450	81,969	2,688,014	XXX
5. 2002.....	4,514,779	926,528	3,588,252	2,259,669	493,436	262,923	38,265	140,420	13,539	79,626	2,117,773	XXX
6. 2003.....	4,820,207	937,234	3,882,972	2,068,631	337,523	219,090	27,209	138,068	13,091	78,519	2,047,966	XXX
7. 2004.....	4,915,839	906,670	4,009,169	1,888,360	325,000	173,856	22,232	155,233	14,242	82,220	1,855,975	XXX
8. 2005.....	4,684,501	706,883	3,977,618	2,094,237	570,640	136,839	19,560	157,102	10,363	67,222	1,787,616	XXX
9. 2006.....	4,591,396	595,224	3,996,172	1,380,124	157,864	91,453	8,822	170,908	5,239	65,438	1,470,560	XXX
10. 2007.....	5,023,782	858,815	4,164,967	1,245,271	101,755	64,197	5,209	180,217	3,770	67,256	1,378,950	XXX
11. 2008.....	4,676,192	473,077	4,203,115	1,047,727	67,441	30,968	2,197	175,849	2,110	43,117	1,182,795	XXX
12. Totals.....	XXX	XXX	XXX	21,288,847	4,518,647	1,983,749	300,754	1,613,496	110,801	755,032	19,955,890	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.....	1,338,915	431,224	1,389,114	221,663	146,009	25,502	232,926	13,437	146,984	142	2,077	2,561,980	XXX
2. 1999.....	131,943	40,813	115,494	39,216	12,790	3,722	22,810	4,804	9,917	84	940	204,315	XXX
3. 2000.....	181,283	55,559	175,073	53,896	13,879	3,452	24,167	5,135	8,135	52	2,078	284,442	XXX
4. 2001.....	232,586	63,479	196,009	52,520	21,856	7,600	32,442	9,833	31,234	132	5,548	380,563	XXX
5. 2002.....	175,826	53,485	216,496	67,916	16,743	1,732	43,840	11,216	13,451	47	3,853	331,962	XXX
6. 2003.....	204,803	50,087	233,126	64,891	19,560	2,386	61,388	15,739	37,342	75	14,511	423,042	XXX
7. 2004.....	212,976	52,289	258,151	75,357	22,239	2,670	65,752	10,387	18,622	25	10,722	437,011	XXX
8. 2005.....	240,222	63,178	395,349	115,381	28,797	3,737	68,182	9,886	20,299	16	19,149	560,652	XXX
9. 2006.....	294,407	55,559	471,797	103,686	35,142	3,083	82,616	12,637	29,118	330	24,966	737,785	XXX
10. 2007.....	405,993	58,209	633,957	119,946	42,252	3,137	111,800	6,606	41,535	522	37,648	1,047,117	XXX
11. 2008.....	626,295	108,094	1,001,201	130,321	44,766	3,666	179,965	10,470	100,452	322	75,972	1,699,804	XXX
12. Totals.....	4,045,249	1,031,977	5,085,766	1,044,794	404,034	60,689	925,890	110,149	457,089	1,747	197,466	8,668,673	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	2,075,141	486,839
2. 1999.	3,625,663	893,814	2,731,849	99.0	132.7	91.4	0	0	23.29	167,408	36,907
3. 2000.	3,737,889	875,010	2,862,879	98.7	109.7	95.7	0	0	23.29	246,901	37,541
4. 2001.	4,244,400	1,175,822	3,068,578	104.1	165.7	91.1	0	0	23.29	312,595	67,968
5. 2002.	3,129,370	679,636	2,449,735	69.3	73.4	68.3	0	0	23.29	270,922	61,040
6. 2003.	2,982,008	511,000	2,471,007	61.9	54.5	63.6	0	0	23.29	322,952	100,090
7. 2004.	2,795,189	502,203	2,292,986	56.9	55.4	57.2	0	0	23.29	343,480	93,531
8. 2005.	3,141,029	792,760	2,348,268	67.1	112.1	59.0	0	0	23.29	457,012	103,640
9. 2006.	2,555,566	347,221	2,208,345	55.7	58.3	55.3	0	0	23.29	606,959	130,826
10. 2007.	2,725,221	299,155	2,426,066	54.2	34.8	58.2	0	0	23.29	861,795	185,322
11. 2008.	3,207,222	324,622	2,882,600	68.6	68.6	68.6	0	0	23.29	1,389,080	310,724
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7,054,245	1,614,428

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.....	6,111,695	5,948,675	5,907,639	6,626,532	6,709,870	7,073,045	7,366,781	7,466,510	7,566,354	7,625,794	59,440	159,284
2. 1999.....	2,185,969	2,193,543	2,305,055	2,408,364	2,498,100	2,551,837	2,560,941	2,587,910	2,590,758	2,588,803	(1,955)	893
3. 2000.....	XXX	2,179,488	2,264,305	2,344,856	2,511,722	2,651,254	2,682,126	2,715,014	2,705,868	2,728,876	23,008	13,862
4. 2001.....	XXX	XXX	2,677,875	2,718,037	2,830,764	2,884,671	2,859,427	2,895,453	2,877,875	2,895,402	17,527	(51)
5. 2002.....	XXX	XXX	XXX	2,402,474	2,226,509	2,288,988	2,322,471	2,339,129	2,324,596	2,319,917	(4,679)	(19,211)
6. 2003.....	XXX	XXX	XXX	XXX	2,388,448	2,265,156	2,311,494	2,305,938	2,318,909	2,322,466	3,557	16,529
7. 2004.....	XXX	XXX	XXX	XXX	XXX	2,619,336	2,385,844	2,287,071	2,225,842	2,147,071	(78,770)	(140,000)
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	2,653,652	2,435,847	2,356,271	2,193,183	(163,087)	(242,664)
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,218,001	2,145,547	2,027,488	(118,059)	(190,513)
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,284,495	2,224,648	(59,848)	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,625,503	XXX	XXX
12. Totals.....											(322,867)	(401,872)

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	1,201,168	2,117,340	2,875,971	3,600,672	3,965,096	4,298,468	4,594,409	4,829,840	5,120,137	XXX	XXX
2. 1999.....	766,808	1,281,915	1,662,910	1,974,493	2,124,993	2,212,814	2,287,921	2,334,579	2,369,166	2,390,256	XXX	XXX
3. 2000.....	XXX	774,603	1,324,320	1,721,636	1,999,584	2,092,480	2,213,357	2,296,743	2,365,389	2,447,046	XXX	XXX
4. 2001.....	XXX	XXX	791,214	1,436,929	1,848,442	2,124,420	2,322,947	2,426,670	2,492,544	2,539,405	XXX	XXX
5. 2002.....	XXX	XXX	XXX	678,247	1,146,645	1,431,043	1,662,433	1,825,093	1,925,618	1,990,892	XXX	XXX
6. 2003.....	XXX	XXX	XXX	XXX	691,842	1,185,994	1,505,929	1,695,403	1,841,152	1,922,989	XXX	XXX
7. 2004.....	XXX	XXX	XXX	XXX	XXX	691,183	1,189,065	1,429,796	1,609,863	1,714,984	XXX	XXX
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	738,789	1,281,562	1,492,897	1,640,877	XXX	XXX
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	707,884	1,096,751	1,304,890	XXX	XXX
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	770,326	1,202,503	XXX	XXX
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,009,057	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.....	3,213,788	2,437,042	1,901,500	2,004,098	1,599,499	1,662,221	1,722,467	1,610,641	1,558,811	1,395,495
2. 1999.....	827,599	367,658	168,161	69,877	162,000	134,138	95,343	111,398	107,084	95,955
3. 2000.....	XXX	806,910	401,082	165,351	230,935	266,850	186,647	191,176	154,201	142,346
4. 2001.....	XXX	XXX	1,220,795	662,096	459,484	291,188	194,902	199,277	165,342	169,834
5. 2002.....	XXX	XXX	XXX	1,186,019	570,821	396,703	289,308	237,385	204,978	188,778
6. 2003.....	XXX	XXX	XXX	XXX	1,193,092	591,988	403,847	285,857	238,111	223,566
7. 2004.....	XXX	XXX	XXX	XXX	XXX	1,404,416	761,169	496,978	350,881	248,752
8. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	1,221,466	760,139	579,491	348,876
9. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,041,958	690,982	450,420
10. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,006,557	633,963
11. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,056,099

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status	2							3	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama.....AL	L	21,718,878	22,041,395	2,730	7,718,554	957,478	63,206,683	22,796	0
2. Alaska.....AK	L	906,913	902,394	0	380,937	650,796	6,287,019	128	0
3. Arizona.....AZ	L	31,712,260	32,837,326	300	12,078,225	6,789,450	55,886,491	20,156	0
4. Arkansas.....AR	L	21,877,348	22,748,415	598	17,309,666	10,198,372	83,091,644	18,255	0
5. California.....CA	Q	1,678,353	1,018,757	0	15,492,370	(29,677,525)	113,732,883	1,784	0
6. Colorado.....CO	L	48,202,817	49,115,012	32,172	24,247,824	30,781,720	99,679,891	67,686	0
7. Connecticut.....CT	L	35,898,120	38,044,527	9,830	57,298,283	18,457,134	168,476,000	116,335	0
8. Delaware.....DE	L	8,960,921	10,703,684	0	7,994,330	9,056,325	42,160,733	33,626	0
9. District of Columbia.....DC	L	17,903,988	18,913,714	0	6,367,232	8,395,222	53,765,600	12,266	0
10. Florida.....FL	L	49,668,797	51,728,456	134,240	21,155,230	(43,328,561)	341,663,261	8,452	0
11. Georgia.....GA	L	43,222,004	43,072,885	4,506	21,188,785	9,833,589	80,141,137	241,893	0
12. Hawaii.....HI	L	5,724,561	8,436,812	0	1,742,431	937,043	25,016,519	592	0
13. Idaho.....ID	L	9,411,069	9,579,513	77	5,300,293	7,124,491	12,594,949	14,813	0
14. Illinois.....IL	L	87,663,527	102,233,263	8,662	78,264,510	84,465,393	310,000,137	68,335	0
15. Indiana.....IN	L	29,656,304	35,342,044	0	19,204,196	21,598,410	54,351,212	14,201	0
16. Iowa.....IA	L	19,141,549	17,678,510	0	21,710,437	20,829,444	57,826,942	11,149	0
17. Kansas.....KS	L	45,721,786	46,999,765	4,080	23,456,877	29,926,824	77,081,899	32,528	0
18. Kentucky.....KY	L	15,024,580	14,957,328	0	11,356,046	(47,685)	95,030,461	11,038	0
19. Louisiana.....LA	L	15,824,476	14,690,716	11,407	14,908,556	1,267,693	72,424,003	11,715	0
20. Maine.....ME	L	4,577,665	4,397,796	0	1,859,049	90,006	30,251,155	19,513	0
21. Maryland.....MD	L	47,693,552	49,155,721	2,394	24,976,874	16,743,992	77,265,930	240,651	0
22. Massachusetts.....MA	L	101,464,224	105,426,920	43,049	56,602,862	8,930,209	293,478,651	509,791	0
23. Michigan.....MI	L	36,242,597	36,553,802	0	21,413,273	18,299,439	134,828,186	22,068	0
24. Minnesota.....MN	L	19,992,203	19,827,818	0	9,999,216	6,611,633	89,164,131	18,289	0
25. Mississippi.....MS	L	22,936,879	23,968,832	2,471	12,170,122	4,935,426	65,949,618	19,290	0
26. Missouri.....MO	L	30,965,874	30,645,486	46	17,203,057	16,284,084	84,088,520	25,639	0
27. Montana.....MT	L	10,284,891	10,211,592	0	10,258,247	19,400,948	23,731,072	20,342	0
28. Nebraska.....NE	L	27,150,849	27,656,395	52,272	16,806,967	9,112,443	55,900,791	18,783	0
29. Nevada.....NV	L	29,373,961	34,165,596	0	6,300,318	5,638,873	38,698,938	20,733	0
30. New Hampshire.....NH	L	12,635,966	12,824,476	0	20,634,508	1,562,872	41,615,960	22,429	0
31. New Jersey.....NJ	L	97,664,966	106,342,932	138,691	78,671,161	71,955,100	425,917,540	132,645	0
32. New Mexico.....NM	L	7,199,009	6,657,883	0	4,775,040	2,933,221	21,302,792	6,109	0
33. New York.....NY	L	139,889,392	145,833,599	28,477	157,023,148	41,701,974	754,218,410	546,706	0
34. North Carolina.....NC	L	85,360,495	90,438,704	12,912	40,398,716	30,149,628	154,982,729	442,303	0
35. North Dakota.....ND	L	2,057,585	1,890,932	0	340,938	347,029	1,609,801	962	0
36. Ohio.....OH	L	31,323,284	32,089,720	0	29,534,156	44,770,976	103,430,093	24,471	0
37. Oklahoma.....OK	L	26,939,627	24,687,697	680	26,937,019	33,410,494	37,508,469	2,240	0
38. Oregon.....OR	L	12,064,599	11,663,883	18	5,275,610	2,835,113	26,023,005	15,104	0
39. Pennsylvania.....PA	L	93,948,375	95,729,084	1,996	52,873,314	21,690,172	318,893,524	946,681	0
40. Rhode Island.....RI	L	7,214,829	7,153,620	0	5,357,565	(1,356,330)	28,611,538	25,673	0
41. South Carolina.....SC	L	19,663,261	20,595,722	3,504	9,672,222	10,920,210	48,169,839	23,641	0
42. South Dakota.....SD	L	2,669,690	2,880,683	0	7,407,442	3,070,488	14,840,779	1,794	0
43. Tennessee.....TN	L	53,100,272	55,890,563	54,263	17,662,463	12,426,927	149,783,146	85,803	0
44. Texas.....TX	L	75,583,432	76,957,921	37,839	50,959,818	(93,081,360)	206,839,465	148,962	0
45. Utah.....UT	L	11,496,688	11,459,730	0	5,037,714	3,830,131	16,339,173	19,642	0
46. Vermont.....VT	L	7,060,162	7,580,948	0	3,575,217	3,805,399	29,835,870	20,982	0
47. Virginia.....VA	L	52,319,133	56,584,382	3,418	36,133,813	22,997,368	152,104,783	84,077	0
48. Washington.....WA	L	24,271,419	25,646,567	276	15,140,779	(4,458,486)	40,714,643	39,552	0
49. West Virginia.....WV	L	9,774,405	8,787,474	8	1,903,583	1,895,255	52,873,311	8,631	0
50. Wisconsin.....WI	L	18,369,548	17,864,241	74,951	14,880,144	15,332,525	53,006,065	8,950	0
51. Wyoming.....WY	L	3,810,098	3,694,570	0	1,909,229	917,332	3,745,235	2,735	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	8,007	6,289	0	945	(39,548)	10,507	0	0
54. Puerto Rico.....PR	L	544,585	580,052	0	35,305	(9,722)	99,264	4	0
55. US Virgin Islands.....VI	L	13,222	12,383	0	0	28,897	48,248	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	235,417	213,360	0	86,621	(377,234)	5,087,011	0	0
59. Totals.....	(a).....53	1,635,818,412	1,707,121,888	665,867	1,130,991,237	521,521,093	5,393,385,652	4,232,945	0

DETAILS OF WRITE-INS

5801. Other Alien Combined.....	XXX	235,417	213,360	0	86,621	(377,234)	5,087,011	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	235,417	213,360	0	86,621	(377,234)	5,087,011	0	0

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

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

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

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

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. St. Paul Properties, Inc.	Delaware	41-1412523	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659	... .. Travelers Casualty UK Investments, L.L.C.	Delaware	06-6033504
... .. St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Travelers MGA, Inc.	Texas	75-2876034
... .. Seaboard Surety Company (22535)*	New York	13-5379820	... .. Travelers Guarantee Company of Canada*	Canada	
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Coronation Insurance Company, Ltd. *	Canada	
... .. Athena Assurance Company (41769) *	Minnesota	41-1435765	... .. TCS European Investments Inc.	Connecticut	06-1549972
... .. St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... .. Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... .. St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... .. Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... .. UA Combined Investment Co., Ltd.	United Kingdom		... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... .. Jago Dedicated, Ltd. (88.9%)	United Kingdom		... .. Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
... .. Jago Capital Limited	United Kingdom		... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... .. Lloyds Syndicate 205 (50%)*	United Kingdom		... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... .. Jago Dedicated, Ltd. (11.1%)	United Kingdom		... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
... .. Jago Capital Limited	United Kingdom		... .. First Trenton Indemnity Company (29930) *	New Jersey	22-3129711
... .. Lloyds Syndicate 205 (50%)*	United Kingdom		... .. Travelers Auto Insurance Co. of New Jersey (10785) *	New Jersey	22-3499393
... .. MMedica Insurance Company, Ltd. *	Ireland		... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... .. Captiva, Ltd. (81.1%)*	Bermuda	98-0170615	... .. Select Insurance Company (22233) *	Texas	75-6013697
... .. United States Fidelity and Guaranty Company (25887) *	Maryland	52-0515280	... .. Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... .. Gulf Underwriting Holdings Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... .. Gulf Underwriting Limited *	United Kingdom	
... .. Discover Re Managers, Inc.	Delaware	06-1288492	... .. Lloyds Syndicate 205 (50%)*	United Kingdom	
... .. Discovery Managers, Ltd.	Connecticut	06-1273933	... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... .. USF&G Capital I	Delaware	52-1953822	... .. Jupiter Holdings, Inc.	Minnesota	41-1769846
... .. USF&G Capital III	Delaware	52-2044075	... .. American Equity Insurance Company (43117) *	Arizona	86-0703220
... Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776	... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106
... St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264	... .. Northland Insurance Company (24015) *	Minnesota	41-6009967
... St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036	... .. Northfield Insurance Company (27987) *	Iowa	41-0983992
... St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704	... .. Northland Casualty Company (24031) *	Minnesota	94-6051964
... Travelers Insurance Company Limited *	United Kingdom		... .. Travelers Indemnity UK Investments, LLC	Connecticut	06-1591454
... F&G U.K. Underwriters Limited	United Kingdom		... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
... Lloyds Syndicate 5000 (40%)*	United Kingdom		... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
... Aprilgrange Limited	United Kingdom		... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
... Lloyds Syndicate 5000 (60%)*	United Kingdom		... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
... Travelers Property Casualty Corp.	Connecticut	06-1008174	... .. Constitution State Services, LLC	Delaware	06-1501229
... Travelers Insurance Group Holdings Inc.	Delaware	06-1445591	... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... TPC Investments Inc.	Connecticut	06-1534005	... .. TINDY RE Investments, Inc.	Connecticut	06-1575463
... The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509	... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... AE Properties, Inc.	California	95-2798160	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... Standard Fire UK Investments, LLC	Delaware	06-6033509	... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755	... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... Auto Hartford Investments LLC	Delaware	06-0848755	... .. The Travelers Marine Corporation	California	94-0338230
... Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264			
... Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274			

Notes:

* Denotes affiliated insurer

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

2008 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2F-Section 1-Medical Malpractice-Occurrence	56
Cash Flow	5	Schedule P-Part 2F-Section 2-Medical Malpractice-Claims-Made	56
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	56
Exhibit of Net Investment Income	12	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	56
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	56
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	57
Five-Year Historical Data	17	Schedule P-Part 2J-Auto Physical Damage	57
General Interrogatories	15	Schedule P-Part 2K-Fidelity, Surety	57
Jurat Page	1	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	57
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2M-International	57
Notes To Financial Statements	14	Schedule P-Part 2N-Reinsurance	58
Overflow Page For Write-ins	97	Schedule P-Part 2O-Reinsurance	58
Schedule A-Part 1	E01	Schedule P-Part 2P-Reinsurance	58
Schedule A-Part 2	E02	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	59
Schedule A-Part 3	E03	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	59
Schedule A-Verification Between Years	SI02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	59
Schedule B-Part 1	E04	Schedule P-Part 2T-Warranty	59
Schedule B-Part 2	E05	Schedule P-Part 3-Summary	32
Schedule B-Part 3	E06	Schedule P-Part 3A-Homeowners/Farmowners	60
Schedule B-Verification Between Years	SI02	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	60
Schedule BA-Part 1	E07	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	60
Schedule BA-Part 2	E08	Schedule P-Part 3D-Workers' Compensation	60
Schedule BA-Part 3	E09	Schedule P-Part 3E-Commercial Multiple Peril	60
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3F-Section 1-Medical Malpractice-Occurrence	61
Schedule D-Part 1	E10	Schedule P-Part 3F-Section 2-Medical Malpractice-Claims-Made	61
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	61
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	61
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	61
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	62
Schedule D-Part 3	E13	Schedule P-Part 3J-Auto Physical Damage	62
Schedule D-Part 4	E14	Schedule P-Part 3K-Fidelity/Surety	62
Schedule D-Part 5	E15	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	62
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3M-International	62
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3N-Reinsurance	63
Schedule D-Summary By Country	SI04	Schedule P-Part 3O-Reinsurance	63
Schedule D-Verification Between Years	SI03	Schedule P-Part 3P-Reinsurance	63
Schedule DA-Part 1	E17	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	64
Schedule DA-Verification Between Years	SI11	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	64
Schedule DB-Part A-Section 1	E18	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	64
Schedule DB-Part A-Section 2	E18	Schedule P-Part 3T-Warranty	64
Schedule DB-Part A-Section 3	E19	Schedule P-Part 4-Summary	32
Schedule DB-Part A-Verification Between Years	SI12	Schedule P-Part 4A-Homeowners/Farmowners	65
Schedule DB-Part B-Section 1	E19	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	65
Schedule DB-Part B-Section 2	E20	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	65
Schedule DB-Part B-Section 3	E20	Schedule P-Part 4D-Workers' Compensation	65
Schedule DB-Part B-Verification Between Years	SI12	Schedule P-Part 4E-Commercial Multiple Peril	65
Schedule DB-Part C-Section 1	E21	Schedule P-Part 4F-Section 1-Medical Malpractice-Occurrence	66
Schedule DB-Part C-Section 2	E21	Schedule P-Part 4F-Section 2-Medical Malpractice-Claims-Made	66
Schedule DB-Part C-Section 3	E22	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	66
Schedule DB-Part C-Verification Between Years	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	66
Schedule DB-Part D-Section 1	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	66
Schedule DB-Part D-Section 2	E23	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	67
Schedule DB-Part D-Section 3	E23	Schedule P-Part 4J-Auto Physical Damage	67
Schedule DB-Part D-Verification Between Years	SI13	Schedule P-Part 4K-Fidelity/Surety	67
Schedule DB-Part E-Section 1	E24	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	67
Schedule DB-Part E-Verification Between Years	SI13	Schedule P-Part 4M-International	67
Schedule DB-Part F-Section 1	SI14	Schedule P-Part 4N-Reinsurance	68
Schedule DB-Part F-Section 2	SI15	Schedule P-Part 4O-Reinsurance	68
Schedule E-Part 1-Cash	E25	Schedule P-Part 4P-Reinsurance	68
Schedule E-Part 2-Cash Equivalents	E26	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	69
Schedule E-Part 3-Special Deposits	E27	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	69
Schedule E-Verification Between Years	SI16	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	69
Schedule F-Part 1	20	Schedule P-Part 4T-Warranty	69
Schedule F-Part 2	21	Schedule P-Part 5A-Homeowners/Farmowners	70
Schedule F-Part 3	22	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	71
Schedule F-Part 4	23	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	72
Schedule F-Part 5	24	Schedule P-Part 5D-Workers' Compensation	73
Schedule F-Part 6	25	Schedule P-Part 5E-Commercial Multiple Peril	74
Schedule F-Part 7	26	Schedule P-Part 5F-Medical Malpractice-Claims-Made	75
Schedule F-Part 8	27	Schedule P-Part 5F-Medical Malpractice-Occurrence	76
Schedule H-Accident and Health Exhibit-Part 1	28	Schedule P-Part 5H-Other Liability-Claims-Made	77
Schedule H-Accident and Health Exhibit-Part 2, 3 and 4	29	Schedule P-Part 5H-Other Liability-Occurrence	78
Schedule H-Accident and Health Exhibit-Part 5-Health Claims	30	Schedule P-Part 5R-Products Liability-Claims-Made	79
Schedule P-Part 1-Summary	31	Schedule P-Part 5R-Products Liability-Occurrence	80
Schedule P-Part 1A-Homeowners/Farmowners	33	Schedule P-Part 5T-Warranty	81
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	34	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	82
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	35	Schedule P-Part 6D-Workers' Compensation	82
Schedule P-Part 1D-Workers' Compensation	36	Schedule P-Part 6E-Commercial Multiple Peril	83
Schedule P-Part 1E-Commercial Multiple Peril	37	Schedule P-Part 6H-Other Liability-Claims-Made	83
Schedule P-Part 1F-Section 1-Medical Malpractice-Occurrence	38	Schedule P-Part 6H-Other Liability-Occurrence	84
Schedule P-Part 1F-Section 2-Medical Malpractice-Claims-Made	39	Schedule P-Part 6M-International	84
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	40	Schedule P-Part 6N-Reinsurance	85
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	41	Schedule P-Part 6O-Reinsurance	85
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	42	Schedule P-Part 6R-Products Liability-Claims-Made	86
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	43	Schedule P-Part 6R-Products Liability-Occurrence	86
Schedule P-Part 1J-Auto Physical Damage	44	Schedule P-Part 7A-Primary Loss Sensitive Contracts	87
Schedule P-Part 1K-Fidelity/Surety	45	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	46	Schedule P Interrogatories	91
Schedule P-Part 1N-Reinsurance	48	Schedule T-Exhibit of Premiums Written	92
Schedule P-Part 1O-Reinsurance	49	Schedule T-Part 2-Interstate Compact-Exhibit of Premiums Written	93
Schedule P-Part 1P-Reinsurance	50	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	94
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	51	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	95
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	52	Statement of Income	4
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	53	Summary Investment Schedule	SI01
Schedule P-Part 1T-Warranty	54	Supplemental Exhibits and Schedules Interrogatories	96
Schedule P-Part 2-Summary	32	Underwriting and Investment Exhibit Part 1-Premiums Earned	6
Schedule P-Part 2A-Homeowners/Farmowners	55	Underwriting and Investment Exhibit Part 1A-Recapitulation of All Premiums	7
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	55	Underwriting and Investment Exhibit Part 1B-Premiums Written	8
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	55	Underwriting and Investment Exhibit Part 2-Losses Paid and Incurred	9
Schedule P-Part 2D-Workers' Compensation	55	Underwriting and Investment Exhibit Part 2A-Unpaid Losses and LAE	10
Schedule P-Part 2E-Commercial Multiple Peril	55	Underwriting and Investment Exhibit Part 3-Expenses	11