

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).....	9,659,480,700	0	9,659,480,700	8,976,595,109
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	43,158,978	0	43,158,978	73,638,219
2.2 Common stocks.....	3,544,675,089	14,267,363	3,530,407,726	3,304,230,222
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	981,487	0	981,487	1,059,419
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(670,280), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....383,453,540, Sch. DA).....	382,783,260	0	382,783,260	319,273,163
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	533,985,856	2,802,371	531,183,486	558,596,098
8. Receivables for securities.....	275,384	0	275,384	202,251,236
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	14,165,340,755	17,069,734	14,148,271,021	13,435,643,465
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	122,267,546	0	122,267,546	121,557,997
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	224,488,984	37,637,131	186,851,853	175,196,944
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....(2,106,730) earned but unbilled premiums).....	733,543,320	5,555,212	727,988,108	790,900,997
13.3 Accrued retrospective premiums.....	98,849,834	413,199	98,436,635	65,519,535
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	0	0	0	0
14.2 Funds held by or deposited with reinsured companies.....	4,856,491	0	4,856,491	4,626,426
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	15,775,023
16.2 Net deferred tax asset.....	469,801,260	170,108,940	299,692,320	218,980,816
17. Guaranty funds receivable or on deposit.....	1,184,531	0	1,184,531	1,345,768
18. Electronic data processing equipment and software.....	0	0	0	0
19. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	30,091,536	0	30,091,536	20,306,438
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	290,490,243	156,039,355	134,450,888	110,394,062
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	16,140,914,501	386,823,571	15,754,090,930	14,960,247,470
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	16,140,914,501	386,823,571	15,754,090,930	14,960,247,470

DETAILS OF WRITE-INS

0901.....	0	0	0	0
0902.....	0	0	0	0
0903.....	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Reinsurance receivable intercompany.....	57,392,864	0	57,392,864	0
2302. Equities and deposits in pools and associations.....	34,252,693	0	34,252,693	35,661,638
2303. Suspense, undistributed payments.....	26,914,430	0	26,914,430	48,282,641
2398. Summary of remaining write-ins for Line 23 from overflow page.....	171,930,257	156,039,355	15,890,901	26,449,783
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	290,490,243	156,039,355	134,450,888	110,394,062

TRAVELERS CASUALTY AND SURETY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	6,013,644,237	6,153,406,887
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,588,679	543,939
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,411,960,807	1,409,212,116
4. Commissions payable, contingent commissions and other similar charges.....	108,169,638	118,692,954
5. Other expenses (excluding taxes, licenses and fees).....	98,458,253	89,676,004
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	85,189,927	108,728,406
7.1 Current federal and foreign income taxes (including \$.....(55,169,022) on realized capital gains (losses)).....	3,233,193	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....326,247 and interest thereon \$.....37,555.....	363,802	389,790
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....224,601,161 and including warranty reserves of \$.....0).....	1,631,005,232	1,650,650,056
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	7,527,984	7,280,836
12. Ceded reinsurance premiums payable (net of ceding commissions).....	102,018,811	95,811,553
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	29,196,341	41,624,871
15. Remittances and items not allocated.....	1,462,412	2,611,759
16. Provision for reinsurance (Schedule F, Part 7).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Payable for securities.....	40,673,189	1,897,220
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.....	21,672,735	56,933,182
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	9,556,165,241	9,737,459,572
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	9,556,165,241	9,737,459,572
27. Aggregate write-ins for special surplus funds.....	114,355,459	38,384,817
28. Common capital stock.....	25,000,000	25,000,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	2,179,824,585	2,041,092,700
33. Unassigned funds (surplus).....	3,878,745,645	3,118,310,381
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....	0	0
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39).....	6,197,925,689	5,222,787,898
36. TOTALS (Page 2, Line 26, Col. 3).....	15,754,090,930	14,960,247,470

DETAILS OF WRITE-INS

2301. Retrospective premium reserve.....	53,812,445	24,321,704
2302. Escheat liability.....	936,955	1,288,870
2303. Special reserve fund.....	500,000	500,000
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(33,576,665)	30,822,609
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	21,672,735	56,933,182
2701. Special surplus for deferred taxes.....	84,109,510	0
2702. Special surplus from retroactive reinsurance.....	30,245,949	38,384,817
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).....	114,355,459	38,384,817
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

TRAVELERS CASUALTY AND SURETY COMPANY

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	3,696,882,834	3,673,284,945
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,703,927,701	1,773,686,763
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	451,388,051	484,382,978
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,185,873,818	1,180,756,683
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,341,189,569	3,438,826,425
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	355,693,265	234,458,521
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,139,409,526	733,456,486
10. Net realized capital gains (losses) less capital gains tax of \$....418,408 (Exhibit of Capital Gains (Losses)).....	(15,832,537)	(81,875,867)
11. Net investment gain (loss) (Lines 9 + 10).....	1,123,576,989	651,580,618
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....(6,614,536) amount charged off \$....5,793,992).....	(12,408,528)	(8,831,198)
13. Finance and service charges not included in premiums.....	19,181,006	18,847,527
14. Aggregate write-ins for miscellaneous income.....	(4,667,054)	764,972
15. Total other income (Lines 12 through 14).....	2,105,425	10,781,300
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,481,375,679	896,820,439
17. Dividends to policyholders.....	3,559,112	4,468,910
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).....	1,477,816,567	892,351,530
19. Federal and foreign income taxes incurred.....	142,364,670	133,232,720
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,335,451,896	759,118,810
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,222,787,898	5,408,584,262
22. Net income (from Line 20).....	1,335,451,896	759,118,810
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....20,743,356.....	73,235,616	251,867,999
25. Change in net unrealized foreign exchange capital gain (loss).....	550,842	(663,794)
26. Change in net deferred income tax.....	(58,340,499)	(44,847,905)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	149,114,642	(28,785,750)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	11,283,899	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	138,731,885	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(759,000,000)	(1,140,000,000)
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.....	84,109,510	17,514,277
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	975,137,791	(185,796,364)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	6,197,925,689	5,222,787,898
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.....	(9,324)	(2,346,267)
1402. Retroactive reinsurance gain/loss.....	(2,298,621)	18,709,111
1403. Profit and loss, miscellaneous.....	(2,359,109)	(15,597,872)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(4,667,054)	764,972
3701. Change in special surplus from deferred taxes.....	84,109,510	0
3702. Prior period adjustment.....	0	17,514,277
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).....	84,109,510	17,514,277

TRAVELERS CASUALTY AND SURETY COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	3,693,596,584	3,695,567,954
2. Net investment income.....	1,174,162,904	767,750,187
3. Miscellaneous income.....	2,105,425	10,781,300
4. Total (Lines 1 through 3).....	4,869,864,913	4,474,099,441
5. Benefit and loss related payments.....	1,842,875,675	1,948,671,648
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,658,552,556	1,639,235,920
8. Dividends paid to policyholders.....	3,311,964	3,430,821
9. Federal and foreign income taxes paid (recovered) net of \$.....1,393,139 tax on capital gains (losses).....	123,774,863	132,226,094
10. Total (Lines 5 through 9).....	3,628,515,058	3,723,564,483
11. Net cash from operations (Line 4 minus Line 10).....	1,241,349,855	750,534,958
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	898,825,892	2,533,938,952
12.2 Stocks.....	48,916,854	2,995,034
12.3 Mortgage loans.....	77,932	2,760,708
12.4 Real estate.....	0	0
12.5 Other invested assets.....	62,903,454	65,049,432
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	240,751,821	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,251,475,953	2,604,744,126
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,579,893,330	2,139,923,140
13.2 Stocks.....	139,627,881	1,508,131
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	56,668,522	109,814,171
13.6 Miscellaneous applications.....	0	233,913,108
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,776,189,733	2,485,158,550
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(524,713,780)	119,585,576
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.....	138,731,885	0
16.3 Borrowed funds.....	(63,543)	12,572
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	759,000,000	1,140,000,000
16.6 Other cash provided (applied).....	(32,794,320)	32,111,126
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(653,125,978)	(1,107,876,302)
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).....	63,510,097	(237,755,768)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	319,273,163	557,028,931
19.2 End of year (Line 18 plus Line 19.1).....	382,783,260	319,273,163
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Intercompany transaction.....	183,168,567	(26,286,515)
20.0002 Received stock of subsidiary in lieu of cash as capital contribution.....	138,731,885	0
20.0003 Stocks converted to bonds.....	43,547,554	0
20.0004 Stock distributions from limited partnerships.....	541,974	1,387,631
20.0005 Exchange of stock.....	354,022	0
20.0006 Prior period adjustment.....	0	12,286

TRAVELERS CASUALTY AND SURETY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	111,875,728	49,988,495	49,837,989	112,026,234
2. Allied lines.....	90,970,059	40,353,412	40,297,385	91,026,087
3. Farmowners multiple peril.....	28,700,655	12,509,859	13,819,247	27,391,267
4. Homeowners multiple peril.....	577,460,608	291,087,554	306,891,735	561,656,428
5. Commercial multiple peril.....	567,358,104	265,948,864	272,655,219	560,651,749
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	54,085,108	23,116,657	22,496,234	54,705,531
9. Inland marine.....	139,868,607	68,734,797	65,191,242	143,412,161
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(1,356)	(2,218)	(960)	(2,614)
11.2 Medical professional liability - claims-made.....	734	64,369	3,702	61,401
12. Earthquake.....	17,131,323	7,428,898	8,043,946	16,516,276
13. Group accident and health.....	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	0	0	0	0
16. Workers' compensation.....	512,896,445	192,153,834	198,166,466	506,883,812
17.1 Other liability - occurrence.....	345,548,203	158,575,555	148,562,551	355,561,206
17.2 Other liability - claims-made.....	126,443,667	79,819,359	74,054,891	132,208,135
17.3 Excess workers' compensation.....	5,982,980	1,907,007	1,997,011	5,892,976
18.1 Products liability - occurrence.....	26,790,813	12,148,264	10,944,364	27,994,713
18.2 Products liability - claims-made.....	3,863,932	1,877,735	1,701,493	4,040,174
19.1, 19.2 Private passenger auto liability.....	386,973,810	123,211,633	119,588,628	390,596,815
19.3, 19.4 Commercial auto liability.....	305,496,146	142,572,690	137,603,060	310,465,776
21. Auto physical damage.....	327,154,811	116,967,555	112,265,099	331,857,267
22. Aircraft (all perils).....	1,565,131	(670,786)	500,151	394,194
23. Fidelity.....	11,281,013	9,515,447	7,808,759	12,987,701
24. Surety.....	6,614,370	(1,065,162)	(881,882)	6,431,090
26. Burglary and theft.....	1,905,547	942,740	856,335	1,991,952
27. Boiler and machinery.....	34,534,498	15,429,735	14,919,892	35,044,341
28. Credit.....	(10,627)	14,216	5,085	(1,496)
29. International.....	2,012,797	112,236	172,007	1,953,025
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	208,989	(26,822)	45,580	136,588
32. Reinsurance - nonproportional assumed liability.....	3,962,307	2,855,411	2,466,744	4,350,975
33. Reinsurance - nonproportional assumed financial lines.....	810,871	160,773	366,613	605,031
34. Aggregate write-ins for other lines of business.....	55,996	0	11,958	44,038
35. TOTALS.....	3,691,541,269	1,615,732,108	1,610,390,544	3,696,882,834

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	55,996	0	11,958	44,038
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).....	55,996	0	11,958	44,038

TRAVELERS CASUALTY AND SURETY COMPANY 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.....	48,847,395	1,366,641	(376,046)	.0	49,837,989
2. Allied lines.....	39,342,897	954,488	.0	.0	40,297,385
3. Farmowners multiple peril.....	13,819,399	(151)	(0)	.0	13,819,247
4. Homeowners multiple peril.....	306,991,548	(99,814)	.0	.0	306,891,735
5. Commercial multiple peril.....	269,936,041	(472,277)	3,191,455	.0	272,655,219
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	22,676,845	165,509	(346,120)	.0	22,496,234
9. Inland marine.....	55,102,182	10,618,420	(529,360)	.0	65,191,242
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(960)	.0	.0	.0	(960)
11.2 Medical professional liability - claims-made.....	221	.0	.0	3,481	3,702
12. Earthquake.....	7,724,551	319,395	.0	.0	8,043,946
13. Group accident and health.....	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0	.0
16. Workers' compensation.....	217,042,948	(2,531)	2,326,221	(21,200,172)	198,166,466
17.1 Other liability - occurrence.....	148,557,176	1,555,397	(372,514)	(1,177,508)	148,562,551
17.2 Other liability - claims-made.....	62,125,078	11,916,597	13,216	.0	74,054,891
17.3 Excess workers' compensation.....	1,996,100	.0	911	.0	1,997,011
18.1 Products liability - occurrence.....	10,926,933	13,551	46,269	(42,390)	10,944,364
18.2 Products liability - claims-made.....	1,701,111	.0	381	.0	1,701,493
19.1, 19.2 Private passenger auto liability.....	119,588,628	.0	.0	.0	119,588,628
19.3, 19.4 Commercial auto liability.....	137,621,150	283,686	.0	(301,776)	137,603,060
21. Auto physical damage.....	112,220,836	47,317	(0)	(3,054)	112,265,099
22. Aircraft (all perils).....	498,878	1,274	.0	.0	500,151
23. Fidelity.....	4,770,457	3,038,030	272	.0	7,808,759
24. Surety.....	317,975	648,099	(1,847,957)	.0	(881,882)
26. Burglary and theft.....	617,006	239,328	.0	.0	856,335
27. Boiler and machinery.....	14,500,256	419,636	.0	.0	14,919,892
28. Credit.....	5,085	.0	.0	.0	5,085
29. International.....	172,007	.0	.0	.0	172,007
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	45,580	.0	.0	.0	45,580
32. Reinsurance - nonproportional assumed liability.....	2,347,793	118,951	.0	.0	2,466,744
33. Reinsurance - nonproportional assumed financial lines.....	366,613	.0	.0	.0	366,613
34. Aggregate write-ins for other lines of business.....	11,958	.0	.0	.0	11,958
35. TOTALS.....	1,599,873,684	31,131,548	2,106,730	(22,721,418)	1,610,390,544
36. Accrued retrospective premiums based on experience.....					22,721,418
37. Earned but unbilled premiums.....					(2,106,730)
38. Balance (sum of Lines 35 through 37).....					1,631,005,232

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	11,958	.0	.0	.0	11,958
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).....	11,958	.0	.0	.0	11,958

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

TRAVELERS CASUALTY AND SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	4,457,936	111,875,728	2,211,618	6,669,555	0	111,875,728
2. Allied lines.....	2,161,007	90,970,059	9,685,211	11,846,218	0	90,970,059
3. Farmowners multiple peril.....	0	28,700,655	0	0	0	28,700,655
4. Homeowners multiple peril.....	55,968,829	577,460,608	1,901,431	57,870,260	0	577,460,608
5. Commercial multiple peril.....	103,547	567,358,104	0	103,547	0	567,358,104
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	3,198	54,085,108	0	3,198	0	54,085,108
9. Inland marine.....	412,580	139,868,607	0	412,580	0	139,868,607
10. Financial guaranty.....	(77,332)	0	116,497	39,165	0	0
11.1 Medical professional liability - occurrence.....	0	(1,356)	0	0	0	(1,356)
11.2 Medical professional liability - claims-made.....	0	734	0	0	0	734
12. Earthquake.....	34,979	17,131,323	0	34,979	0	17,131,323
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	257,387,139	512,896,445	(8,599)	257,378,541	0	512,896,445
17.1 Other liability - occurrence.....	354,725	345,548,203	(38,872)	315,853	0	345,548,203
17.2 Other liability - claims-made.....	9,960,103	126,443,667	0	9,960,103	0	126,443,667
17.3 Excess workers' compensation.....	0	5,982,980	0	0	0	5,982,980
18.1 Products liability - occurrence.....	2,007	26,790,813	0	2,007	0	26,790,813
18.2 Products liability - claims-made.....	0	3,863,932	0	0	0	3,863,932
19.1, 19.2 Private passenger auto liability.....	0	386,973,810	0	0	0	386,973,810
19.3, 19.4 Commercial auto liability.....	5,430	305,496,146	0	5,430	0	305,496,146
21. Auto physical damage.....	0	327,154,811	0	0	0	327,154,811
22. Aircraft (all perils).....	0	1,565,131	0	0	0	1,565,131
23. Fidelity.....	465,525	11,281,013	0	465,525	0	11,281,013
24. Surety.....	61,602,941	6,614,373	(10,577)	61,592,367	0	6,614,370
26. Burglary and theft.....	159,246	1,905,547	19,259	178,505	0	1,905,547
27. Boiler and machinery.....	0	34,534,498	0	0	0	34,534,498
28. Credit.....	0	(10,627)	0	0	0	(10,627)
29. International.....	0	2,012,797	0	0	0	2,012,797
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	208,989	157	157	0	208,989
32. Reinsurance - nonproportional assumed liability.....	XXX	3,962,307	3,628	3,628	0	3,962,307
33. Reinsurance - nonproportional assumed financial lines.....	XXX	810,871	0	0	0	810,871
34. Aggregate write-ins for other lines of business.....	0	55,996	0	0	0	55,996
35. TOTALS.....	393,001,860	3,691,541,272	13,879,753	406,881,616	0	3,691,541,269

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	55,996	0	0	0	55,996
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	55,996	0	0	0	55,996

(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.....	3,264,818	48,845,269	4,573,729	47,536,357	55,466,529	60,272,431	42,730,456	38.1
2. Allied lines.....	693,288	102,469,891	30,378,603	72,784,576	51,860,739	67,652,434	56,992,881	62.6
3. Farmowners multiple peril.....	0	14,022,639	0	14,022,639	7,484,206	4,483,256	17,023,590	62.1
4. Homeowners multiple peril.....	21,887,227	299,941,698	22,667,541	299,161,384	133,412,587	153,138,255	279,435,716	49.8
5. Commercial multiple peril.....	2,532,695	242,630,765	2,632,695	242,530,765	457,706,187	494,965,334	205,271,617	36.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	25,248,724	1,370,653	23,878,071	33,865,029	35,768,996	21,974,104	40.2
9. Inland marine.....	158,933	61,773,867	158,933	61,773,867	58,568,503	65,218,753	55,123,618	38.4
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	5,392,531	0	5,392,531	11,574,130	17,728,194	(761,533)	29,128.6
11.2 Medical professional liability - claims-made.....	0	7,741,432	0	7,741,432	30,924,342	31,195,836	7,469,938	12,165.8
12. Earthquake.....	1,005	126	211	919	660,300	695,025	(33,806)	(0.2)
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	142,720,166	204,993,746	143,039,413	204,674,498	2,241,509,046	2,132,394,013	313,789,531	61.9
17.1 Other liability - occurrence.....	133,480,293	156,987,129	134,326,282	156,141,140	1,118,630,673	1,174,752,682	100,019,131	28.1
17.2 Other liability - claims-made.....	67,155	76,469,473	67,155	76,469,473	354,226,642	345,441,494	85,254,621	64.5
17.3 Excess workers' compensation.....	8,622,046	3,193,807	8,622,046	3,193,807	95,623,805	95,625,403	3,192,209	54.2
18.1 Products liability - occurrence.....	14,542,856	34,874,227	14,597,065	34,820,018	295,415,416	332,389,931	(2,154,497)	(7.7)
18.2 Products liability - claims-made.....	0	1,498,710	0	1,498,710	6,462,356	6,905,484	1,055,582	26.1
19.1, 19.2 Private passenger auto liability.....	5,559,743	218,244,767	5,559,743	218,244,767	303,894,114	305,160,196	216,978,684	55.6
19.3, 19.4 Commercial auto liability.....	285,157	153,975,487	285,157	153,975,487	358,815,890	382,614,820	130,176,557	41.9
21. Auto physical damage.....	(16,665)	175,285,326	(16,665)	175,285,326	20,076,132	20,556,264	174,805,194	52.7
22. Aircraft (all perils).....	79,731	801,377	234,069	647,039	6,456,991	4,515,828	2,588,202	656.6
23. Fidelity.....	(198,558)	8,284,124	1,036,327	7,049,239	28,561,466	23,179,700	12,431,005	95.7
24. Surety.....	690,247	7,237,875	558,816	7,369,306	64,987,437	82,713,563	(10,356,820)	(161.0)
26. Burglary and theft.....	512	99,187	5,163	94,535	2,659,508	3,180,877	(426,834)	(21.4)
27. Boiler and machinery.....	38	9,330,396	943	9,329,491	9,480,406	11,724,469	7,085,428	20.2
28. Credit.....	0	(15,983)	0	(15,983)	2,483,716	2,492,944	(25,211)	1,685.8
29. International.....	0	943,800	0	943,800	1,894,526	3,147,130	(308,804)	(15.8)
30. Warranty.....	0	0	0	0	(276)	(276)	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	10,684,655	151,037	10,533,618	11,478,555	23,389,274	(1,377,101)	(1,008.2)
32. Reinsurance - nonproportional assumed liability.....	XXX	17,084,389	8,604,217	8,480,172	244,033,659	264,752,519	(12,238,689)	(281.3)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	123,914	0	123,914	5,402,762	7,349,498	(1,822,821)	(301.3)
34. Aggregate write-ins for other lines of business.....	0	9,452	0	9,452	28,858	2,556	35,754	81.2
35. TOTALS.....	334,370,686	1,888,172,801	378,853,136	1,843,690,351	6,013,644,237	6,153,406,887	1,703,927,701	46.1

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	9,452	0	9,452	28,858	2,556	35,754	81.2
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	9,452	0	9,452	28,858	2,556	35,754	81.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	1,401,117	31,616,720	2,172,882	30,844,955	445,172	24,688,124	511,722	55,466,529	5,596,537
2. Allied lines.....	219,738	32,968,919	397,765	32,790,892	88,616	19,187,462	206,231	51,860,739	9,627,757
3. Farmowners multiple peril.....	0	3,798,411	0	3,798,411	9,206	3,685,795	9,206	7,484,206	1,778,282
4. Homeowners multiple peril.....	7,941,169	73,814,953	8,305,341	73,450,781	4,727,543	60,008,696	4,774,433	133,412,587	30,806,269
5. Commercial multiple peril.....	2,782,923	244,643,521	6,775,880	240,650,564	13,068,706	217,055,623	13,068,706	457,706,187	221,088,492
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	60,183	24,361,652	316,280	24,105,555	1,288	9,759,474	1,288	33,865,029	7,011,733
9. Inland marine.....	3,862	34,475,972	20,259	34,459,575	38,305	24,108,928	38,305	58,568,503	8,292,885
10. Financial guaranty.....	0	0	0	0	(0)	(0)	(1)	0	0
11.1 Medical professional liability - occurrence.....	277,501	7,454,668	277,501	7,454,668	2,822,745	4,119,463	2,822,745	11,574,130	2,480,103
11.2 Medical professional liability - claims-made.....	0	23,118,247	0	23,118,247	0	7,806,095	0	30,924,342	4,044,107
12. Earthquake.....	30	10,192	30	10,192	40,754	650,108	40,754	660,300	408,869
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation.....	903,396,236	1,165,553,255	908,226,923	1,160,722,569	666,871,501	1,084,830,366	670,915,390	2,241,509,046	275,610,931
17.1 Other liability - occurrence.....	140,353,373	208,831,212	140,748,770	208,435,815	891,745,261	910,423,856	891,974,259	1,118,630,673	402,582,561
17.2 Other liability - claims-made.....	10,828,959	109,543,113	10,828,959	109,543,113	13,929,997	247,976,972	17,223,440	354,226,642	105,488,067
17.3 Excess workers' compensation.....	85,362,628	34,817,427	85,362,628	34,817,427	78,174,027	60,806,378	78,174,027	95,623,805	2,513,131
18.1 Products liability - occurrence.....	17,461,827	50,602,705	18,299,694	49,764,838	621,511,515	245,948,277	621,809,214	295,415,416	168,215,410
18.2 Products liability - claims-made.....	0	657,818	0	657,818	21	5,804,538	21	6,462,356	4,447,106
19.1, 19.2 Private passenger auto liability.....	74,132,348	180,808,073	74,132,348	180,808,073	12,551,967	123,086,041	12,551,967	303,894,114	68,385,645
19.3, 19.4 Commercial auto liability.....	5,404,884	188,044,880	5,561,888	187,887,875	2,292,557	170,928,014	2,292,557	358,815,890	58,459,691
21. Auto physical damage.....	(1,250)	9,149,555	(1,250)	9,149,555	191,583	10,926,577	191,583	20,076,132	4,613,377
22. Aircraft (all perils).....	477,846	1,990,031	1,226,018	1,241,859	90,699	5,215,132	90,699	6,456,991	1,338,697
23. Fidelity.....	190	7,115,743	190	7,115,743	(49,878)	21,481,192	(14,409)	28,561,466	6,980,244
24. Surety.....	21,712,648	37,633,857	26,954,812	32,391,693	21,587,572	46,217,367	35,209,195	64,987,437	10,132,921
26. Burglary and theft.....	0	9,446	884	8,562	62,210	2,653,779	65,043	2,659,508	716,758
27. Boiler and machinery.....	0	3,423,940	33	3,423,907	0	6,056,499	0	9,480,406	1,430,770
28. Credit.....	0	1,426,866	0	1,426,866	0	1,056,850	0	2,483,716	512,872
29. International.....	0	927,714	0	927,714	0	966,812	0	1,894,526	28,576
30. Warranty.....	0	(276)	0	(276)	0	0	0	(276)	0
31. Reinsurance - nonproportional assumed property.....	XXX	9,244,588	491,777	8,752,811	XXX	2,725,744	0	11,478,555	1,338,759
32. Reinsurance - nonproportional assumed liability.....	XXX	176,865,538	41,856,605	135,008,933	XXX	109,024,726	0	244,033,659	7,865,590
33. Reinsurance - nonproportional assumed financial lines.....	XXX	1,324,969	176,427	1,148,541	XXX	4,254,221	0	5,402,762	162,513
34. Aggregate write-ins for other lines of business.....	0	19,365	0	19,365	0	9,493	0	28,858	2,155
35. TOTALS.....	1,271,816,213	2,664,253,074	1,332,132,645	2,603,936,642	2,330,201,367	3,431,462,604	2,351,956,375	6,013,644,237	1,411,960,807
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	19,365	0	19,365	0	9,493	0	28,858	2,155
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	19,365	0	19,365	0	9,493	0	28,858	2,155

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

TRAVELERS CASUALTY AND SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	73,528,467	0	0	73,528,467
1.2 Reinsurance assumed.....	222,481,728	0	0	222,481,728
1.3 Reinsurance ceded.....	76,220,343	0	0	76,220,343
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	219,789,852	0	0	219,789,852
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	47,564,739	0	47,564,739
2.2 Reinsurance assumed, excluding contingent.....	0	554,684,126	0	554,684,126
2.3 Reinsurance ceded, excluding contingent.....	0	50,449,503	0	50,449,503
2.4 Contingent - direct.....	0	781,347	0	781,347
2.5 Contingent - reinsurance assumed.....	0	4,494,522	0	4,494,522
2.6 Contingent - reinsurance ceded.....	0	781,120	0	781,120
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	556,294,111	0	556,294,111
3. Allowances to manager and agents.....	0	566,027	0	566,027
4. Advertising.....	3,563	22,645,307	0	22,648,870
5. Boards, bureaus and associations.....	1,067,293	15,606,922	1,451	16,675,666
6. Surveys and underwriting reports.....	11,605	15,812,763	0	15,824,368
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	136,549,331	265,730,650	2,104,576	404,384,557
8.2 Payroll taxes.....	10,085,638	17,423,069	165,964	27,674,671
9. Employee relations and welfare.....	22,231,361	36,590,484	304,681	59,126,526
10. Insurance.....	33,380,266	4,830,959	9,659	38,220,884
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	7,668,734	13,603,079	67,136	21,338,949
13. Rent and rent items.....	7,606,283	21,179,876	143,720	28,929,879
14. Equipment.....	1,211,215	6,032,778	53,482	7,297,475
15. Cost or depreciation of EDP equipment and software.....	(1,833,520)	81,837,306	235,916	80,239,702
16. Printing and stationery.....	814,173	3,054,028	19,124	3,887,325
17. Postage, telephone and telegraph, exchange and express.....	(145,458)	18,152,691	37,893	18,045,126
18. Legal and auditing.....	10,613,016	10,190,898	256,289	21,060,203
19. Totals (Lines 3 to 18).....	229,263,500	533,256,837	3,399,891	765,920,228
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....1,956,297.....	0	96,145,406	0	96,145,406
20.2 Insurance department licenses and fees.....	0	7,681,004	0	7,681,004
20.3 Gross guaranty association assessments.....	0	718,354	0	718,354
20.4 All other (excluding federal and foreign income and real estate).....	0	4,616,563	0	4,616,563
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	109,161,326	0	109,161,326
21. Real estate expenses.....	0	0	526,987	526,987
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	2,334,699	(12,838,458)	19,994	(10,483,765)
25. Total expenses incurred.....	451,388,051	1,185,873,816	3,946,872	(a) 1,641,208,739
26. Less unpaid expenses - current year.....	1,411,960,807	291,849,429	(31,611)	1,703,778,625
27. Add unpaid expenses - prior year.....	1,409,212,116	316,050,044	1,047,320	1,726,309,480
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).....	448,639,360	1,210,074,431	5,025,802	1,663,739,594

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	7,288,658	47,891,451	19,994	55,200,103
2402. Costs of computer software developed for internal use.....	(4,359,372)	(55,608,581)	0	(59,967,953)
2403. Service reimbursements.....	(594,587)	(5,121,328)	0	(5,715,915)
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).....	2,334,699	(12,838,458)	19,994	(10,483,765)

(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).....14,419,414	.....15,026,422
1.1 Bonds exempt from U.S. tax.....	(a).....276,769,205	.....277,483,576
1.2 Other bonds (unaffiliated).....	(a).....133,991,464	.....133,941,958
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....4,612,932	.....4,050,608
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....696,567,033	.....696,567,033
3. Mortgage loans.....	(c).....67,049	.....67,049
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....1,788,646	.....1,788,646
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....12,703,119	.....12,703,119
9. Aggregate write-ins for investment income.....	.....2,913,263	.....2,913,263
10. Total gross investment income.....	.....1,143,832,125	.....1,144,541,674
11. Investment expenses.....		(g).....3,946,874
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....960,274
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....225,000
16. Total deductions (Lines 11 through 15).....		.....5,132,148
17. Net investment income (Line 10 minus Line 16).....		.....1,139,409,526

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....2,675,433	.....2,675,433
0902. Securities Lending Income.....	.....25,399	.....25,399
0903. Miscellaneous Income.....	.....212,432	.....212,432
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....2,913,263	.....2,913,263
1501. Management Fees.....		.....225,000
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).....		.....225,000

- (a) Includes \$.....15,442,357 accrual of discount less \$.....51,938,746 amortization of premium and less \$.....8,376,883 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....(882,709)	.....(882,709)	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....3,821,070	.....0	.....3,821,070	.....1,534,857	.....0
1.2 Other bonds (unaffiliated).....	.....14,125,527	.....(10,527,592)	.....3,597,935	.....30,243,391	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....520,000	.....(594,740)	.....(74,740)	.....17,143,054	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....80,168	.....(120,619)	.....(40,451)	.....19,943	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....53,782,405	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....(4,034,281)	.....0	.....(4,034,281)	.....13,009,360	.....0
8. Other invested assets.....	.....(460,286)	.....0	.....(460,286)	.....(21,754,036)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(17,340,668)	.....(17,340,668)	.....0	.....0
10. Total capital gains (losses).....	.....14,052,199	.....(29,466,328)	.....(15,414,129)	.....93,978,973	.....0

DETAILS OF WRITE-INS

0901. Foreign Exchange.....	.....0	.....(13,966)	.....(13,966)	.....0	.....0
0902. Real Gain Long-Term Bond Recoverable.....	.....0	.....33,143	.....33,143	.....0	.....0
0903. Cumulative Effect of SSAP 43R.....	.....0	.....(17,359,845)	.....(17,359,845)	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(17,340,668)	.....(17,340,668)	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	14,267,363	48,424,389	34,157,026
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Other invested assets (Schedule BA).....	2,802,371	3,846,926	1,044,555
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).....	17,069,734	52,271,315	35,201,581
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.....	37,637,131	40,324,928	2,687,797
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	5,555,212	5,944,289	389,077
13.3 Accrued retrospective premiums.....	413,199	430,662	17,463
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.....	170,108,940	335,980,245	165,871,305
17. Guaranty funds receivable or on deposit.....	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets.....	156,039,355	185,096,285	29,056,929
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	386,823,571	620,047,723	233,224,152
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. TOTALS (Lines 24 and 25).....	386,823,571	620,047,723	233,224,152

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.....	2,750,836	1,838,586	(912,250)
2302. Other assets nonadmitted.....	153,288,519	183,257,698	29,969,179
2303.....	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	156,039,355	185,096,285	29,056,929

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

- A. Travelers Casualty and Surety 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. 10R, *Income Taxes- Revised, A Temporary Replacement of SSAP No. 10*. 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.

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 Travelers Lloyds of Texas 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 had no material changes in accounting principles during 2009.

3. BUSINESS COMBINATIONS AND GOODWILL**A. Statutory Purchase Method:**

1. On January 1, 2005, the Company purchased from its affiliate, the St. Paul Fire and Marine Insurance Company (Fire and Marine), 100% of the Travelers Guarantee Company of Canada (Travelers Guarantee, formerly known as St. Paul Guarantee Insurance Company), a Canadian insurance company.

In conjunction with this purchase, a formal filing was made with the Office of the Superintendent of Financial Institutions in Canada in order to amalgamate Travelers Guarantee and Travelers Casualty and Surety Company of Canada, a subsidiary of the Company. The effective date of the amalgamation was January 1, 2005 and Travelers Guarantee was the surviving company.

2. The purchase of Travelers Guarantee was accounted for as a statutory purchase.
3. The cost of Travelers Guarantee was \$135.0 million resulting in goodwill in the amount of \$41.7 million.

1. Goodwill amortization relating to the purchase of Travelers Guarantee was \$4.2 million for the year ended December 31, 2009.

B. Statutory Merger:

Not applicable.

C. Impairment Loss:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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 83%.

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 are revalued quarterly using actual and currently estimated future cash flows, including anticipated prepayments, with the original cost. For those securities where an other-than-temporary impairment has been recognized, 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.

As a result of recording other-than-temporary impairments during 2009, the Company changed from the retrospective to prospective method for valuing the securities listed below.

Cusip

55275RAD4
36242DKV4
576455AC3
57643LRK4
76110WUP9
92977YBR1
46630GBC8

The following table provides aggregated information on structured securities classified on the basis for the recognized other-than-temporary impairments:

	Amortized cost basis before other-than- temporary impairment	Other-than-t emporary impairment recognized in loss	Amortized cost basis after other-than- temporary impairment	Fair Value
Aggregate Intent & Ability to Retain	\$ 57,139,839	\$15,340,627	\$41,264,549	\$31,123,845

The above table does not reflect the impact of amortization and/or payment of principal that have occurred on securities that have multiple other-than-temporary impairments.

Loan-backed and structured securities with other-than-temporary impairments are as follows:

Cusip	Amortized cost basis before other-than- temporary impairment	Projected Cash Flow	Other-than- temporary impairment recognized in loss	Amortized cost basis after other-than- temporary impairment	Fair Value	Impairment Quarter
55275RAD4	\$13,265,552	\$ 8,172,656	\$ 5,092,896	\$8,172,656	\$5,142,033	Q3 - 2009
36242DKV4	4,012,012	3,627,657	384,555	3,627,657	2,903,581	Q3 - 2009
576455AC3	13,881,639	10,286,719	3,594,920	10,286,719	5,247,888	Q3 - 2009
57643LRK4	14,218,359	8,906,250	5,312,109	8,906,250	7,224,803	Q3 - 2009
76110WUP9	639,406	602,541	36,865	602,541	255,240	Q3 - 2009
92977YBR1	6,396,631	6,344,953	51,678	6,344,953	5,432,772	Q4 - 2009
36242DKV4	3,382,872	3,063,197	319,675	3,063,197	2,750,007	Q4 - 2009
576455AC3	10,400,100	10,218,750	181,350	10,218,750	5,533,089	Q4 - 2009
57643LRK4	8,512,704	8,231,841	280,863	8,231,841	7,465,111	Q4 - 2009
46630GBC8	4,726,240	4,660,518	65,722	4,660,518	4,596,507	Q4 - 2009
76110WUP9	592,628	572,634	19,994	572,634	204,326	Q4 - 2009

The gross unrealized investment losses and related fair value for impaired securities for which an other-than-temporary impairment has not been recognized as a realized loss were as follows:

	Less Than 12 Months		12 Months or Longer		Total	
	Gross Unrealized		Gross Unrealized		Gross Unrealized	
	Fair Value	Loss	Fair Value	Loss	Fair Value	Loss
Loan-backed securities	\$16,280,872	\$ 37,795	\$ 2,273,686	\$ 12,206	\$18,554,558	\$ 50,001
Structured securities	65,280,660	9,862,692	105,656,632	6,910,710	170,937,292	16,773,402

When determining whether or not to recognize an other-than-temporary impairment, the Company considers estimated cash flows, the investee's current financial condition, liquidity, near term recovery prospects, and other relevant information, including the outlook for the business sectors in which the investee operates.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements:

Not applicable.

F. Real Estate

Not applicable.

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

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

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

B. At December 31, 2009, 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:

	December 31, 2009			December 31, 2008
	Ordinary	Capital	Total	Total
Gross deferred tax assets	\$ 508,378,211	40,457,125	548,835,336	\$ 684,140,095
Statutory valuation allowance adjustment	-	-	-	-
Adjusted gross deferred tax assets	508,378,211	40,457,125	548,835,336	684,140,095
Gross deferred tax liabilities	(66,198,292)	(12,835,784)	(79,034,076)	(129,179,034)
Net deferred tax asset (liability)	442,179,919	27,621,341	469,801,260	554,961,061
Deferred tax asset nonadmitted	(144,015,922)	(26,093,018)	(170,108,940)	(335,980,245)
Net admitted deferred tax asset (liability)	298,163,997	1,528,323	299,692,320	218,980,816
(Increase) decrease in nonadmitted asset			165,871,305	(50,556,455)

The Company has elected to admit deferred tax assets (DTA) pursuant to SSAP No. 10R. The election is new for 2009.

The increase in the admitted DTA as the result of SSAP No. 10R is as follows:

	With SSAP 10R	Without SSAP 10R	Change
Admitted DTA – Ordinary	298,163,997	215,073,369	83,090,628
Admitted DTA – Capital	1,528,323	509,441	1,018,882
Total Admitted DTA	299,692,320	215,582,810	84,109,510

The amount of each result or component of the deferred tax calculation as determined by SSAP No. 10R paragraph 10 is as follows:

	Ordinary	Capital	Total
a. Amount from loss carryback capacity based on reversals by the end of the subsequent year	215,073,369	509,441	215,582,810
b. Amount after the application of a. expected to be realized subject to 10% of adjusted surplus (566,793,761)			
c. Amount after application of a. and b. offset against DTL's	66,198,292	12,835,784	79,034,076
DTL's netted within deferred tax assets	(66,198,292)	(12,835,784)	(79,034,076)
Total Admitted Assets	215,073,369	509,441	215,582,810
e.i Amount from loss carryback capacity based on reversals during time periods corresponding to IRS rules not to exceed 3 years	260,686,854	1,018,882	261,705,736
e.ii Amount after the application of e.i expected to be realized subject to 15% of adjusted surplus (850,190,642)	37,477,143	509,441	37,986,584
e.iii Amount after application of e.i and e.ii offset against DTL's	66,198,292	12,835,784	79,034,076
DTL's netted within deferred tax assets	(66,198,292)	(12,835,784)	(79,034,076)
Total Admitted Assets	298,163,997	1,528,323	299,692,320

Risk-based capital:

	With SSAP 10R	Without SSAP 10R	Difference
Total adjusted capital	6,197,925,689	6,061,363,325	136,562,364
Authorized control level risk-based capital	1,003,193,902	1,003,050,803	143,099

B. As of December 31, 2009 the Company had undistributed earnings in certain foreign subsidiaries of \$55,957,547. The Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Federal	\$ 140,552,847	\$ 129,126,316
Foreign	<u>1,811,824</u>	<u>4,106,404</u>
	142,364,671	133,232,720
Federal income taxes on net capital gains	<u>418,408</u>	<u>(24,848,081)</u>
Federal and foreign income taxes incurred	<u>\$ 142,783,079</u>	<u>\$ 108,384,639</u>

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

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Deferred tax assets:		
Claims and claim adjustment expense reserves	\$ 221,219,300	\$ 255,326,637
Unearned premium reserves	112,884,072	115,545,504
Nonadmitted assets	70,777,649	81,654,033
Guaranty Fund assessments	19,029,631	22,166,293
Employee benefits	568,010	835,641
Investments	73,233,256	151,430,821
Other assets	<u>51,123,418</u>	<u>57,181,166</u>
Total deferred tax assets	548,835,336	684,140,095
Nonadmitted deferred tax assets	<u>(170,108,940)</u>	<u>(335,980,245)</u>
Admitted deferred tax assets	<u>378,726,396</u>	<u>348,159,850</u>
Deferred tax liabilities:		
Investments	56,881,572	99,395,073
Foreign subsidiary earnings	19,596,250	17,687,250
Guaranty fund assessments	252,780	295,800
Other liabilities	<u>2,303,474</u>	<u>11,800,911</u>
Total deferred tax liabilities	<u>79,034,076</u>	<u>129,179,034</u>
Net admitted tax asset	<u>\$ 299,692,320</u>	<u>\$ 218,980,816</u>

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

There are no adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset.

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

	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>Change</u>
Total deferred tax assets	\$ 548,835,336	\$ 684,140,095	\$ (135,304,759)
Total deferred tax liabilities	<u>(79,034,076)</u>	<u>(129,179,034)</u>	<u>50,144,958</u>
Net deferred tax asset (liability)	<u>\$ 469,801,260</u>	<u>\$ 554,961,061</u>	(85,159,801)
Tax effect of unrealized gains (losses)			20,743,356
Deferred tax change in cumulative effect			<u>6,075,946</u>
Change in net deferred income taxes			<u>\$ (58,340,499)</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, 2009</u>
Pretax net income (loss)	\$1,478,234,975
Taxes at statutory rate	\$ 517,382,241
Increase (decrease) attributable to:	
Nontaxable investment income	(327,597,001)
Other	<u>11,338,338</u>
Total statutory income taxes	<u>\$ 201,123,578</u>
Federal and foreign taxes incurred	\$ 142,783,079
Change in net deferred taxes	<u>58,340,499</u>
Total statutory income taxes	<u>\$ 201,123,578</u>
Effective tax rate	13.6%

- E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.
2. The Company has \$148,272,971 and \$90,033,144 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 January 2, 2009 in accordance with a Plan of Merger and in connection with and as part of a series of related transactions as contemplated by and described in the "Agreement and Plan of Restructuring" dated October 15, 2008, Seaboard Surety Company (Seaboard) merged with and into Travelers Casualty and Surety Company of America (America), with America being the surviving corporation. At the time of this merger Seaboard had a statutory carrying value of \$138,731,884.

NOTES TO FINANCIAL STATEMENTS

As part of these transactions St. Paul Fire and Marine Insurance Company (Fire and Marine) distributed 100% of the common shares of Seaboard to its sole shareholder and parent TRV. The transaction qualifies as a tax-free spin-off distribution under Section 355 of the Internal Revenue Code and was reported as a combination of return of capital and dividend paid in Fire and Marine's annual statement. In accordance with the "Plan of Merger, Seaboard then merged with and into America at which time all issued and outstanding shares of Seaboard were exchanged for 400 shares of America. TRV then contributed the 400 shares as a capital contribution to Travelers Property Casualty Corp. (TPC). TPC then contributed the 400 shares to Travelers Insurance Group Holdings Inc. (TIGHI) which in turn contributed the 400 shares to America's parent, the Company. The statutory merger method was utilized in merging the two entities, of which America was the surviving entity.

(2) In May 2008, the Company received a return of capital of \$1.5 million from its subsidiary, Travelers Casualty UK Investments, LLC.

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 Travelers Indemnity Company (Indemnity). Settlements between the companies are made at least monthly.
 2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2009 and 2008, the TRVMMLP totaled \$4.6 billion and \$4.9 billion, respectively.
- D. (1) At December 31, 2009 and 2008, the Company had \$30,091,536 and \$20,306,438 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) The Company adopted the amended guidance in SSAP No. 63 during 2008. The changes to SSAP No. 63 continue to permit the net settlement of balances resulting from an intercompany reinsurance agreement providing there is a contractual right of offset provision, but require the related amounts resulting from the reinsurance contract to be reported as an asset and/or liability.

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

- E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets to liabilities, to the extent not disclosed in Note 14.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

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

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

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. The Company owns 100% of America, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in America at America's statutory equity. The statement value of America's assets and liabilities as of December 31, 2009 were \$4.3 billion and \$2.5 billion, respectively. America's net income was \$403.3 million for the year ended December 31, 2009.

J. Not applicable.

K. Not applicable.

L. Not applicable.

11. DEBT

Not applicable.

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

A. Defined Benefit Plans:

Not applicable.

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

NOTES TO FINANCIAL STATEMENTS**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 a nonqualified defined benefit pension plan sponsored by TRV which covers certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$8,577,388 and \$6,949,608 for 2009 and 2008, 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 \$2,880,044 and \$1,922,944 for 2009 and 2008, 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 \$18,086,596 and \$16,601,569 for 2009 and 2008, 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 1,000 shares of common capital stock authorized, issued and outstanding with a par value of \$25,000 per share.

The Company paid ordinary dividends of \$759.0 million \$1,140.0 million to its parent company, TIGHI in 2009 and 2008, 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 by the end of 2010 without prior approval is \$1,335,451,000. However, TRV may decide to accelerate the timing within 2010 and/or increase the amount of dividends from its subsidiaries in 2010 which could result in certain of the Company's dividends being subject to approval by the Connecticut Insurance Department.

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 special surplus from retroactive reinsurance is a result of ongoing activity occurring in 2009. See Note 22F for additional detail. In addition, special surplus was generated in 2009 from the Company's adoption of SSAP No. 10R. These additional admitted DTA's are segregated as an aggregate write-in for special surplus funds. See Note 9 for additional detail.

Unassigned funds or surplus has been increased by cumulative net unrealized gains of \$2,121,447,407.

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

At December 31, 2009, the Company had commitments to fund investments of \$255.0 million.

B. Assessments:

The Company has accrued liabilities of \$59.6 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$1.2 million at December 31, 2009. 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.

At December 31, 2009, the Company had no assessment liability related to the Texas Windstorm Insurance Association. A premium tax recoverable asset of \$3.2 million related to 2008 payments remains and is expected to be realized over a period of four or more years.

C. Gain Contingencies:

Not applicable.

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

Not applicable.

E. All Other Contingencies:

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

In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2009, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.

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

NOTES TO FINANCIAL STATEMENTS

15. LEASES

A. Lessee Leasing Arrangements:

- At December 31, 2009, the Company is a party to various lease agreements for office space and office equipment. The office space and office equipment leases are for various periods of time. Total rental expense under operating leases for the Company for 2009 and 2008 was \$5,844,225 and \$6,072,315, 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 \$17,130,755 at December 31, 2009. Future minimum rental payments for each of the five succeeding years are as follows:

<u>Year</u>	<u>Operating Leases</u>
2010	\$ 6,042,284
2011	5,500,695
2012	3,948,792
2013	1,638,984
2014	0

At December 31, 2009, aggregate future minimum rental payments to be received by the Company under non-cancelable subleases totaled \$4,482,556.

- Sale-Leaseback Transactions:

Not applicable.

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 and limited liability companies. The off-balance-sheet risks of these financial instruments were \$255.0 million at December 31, 2009.

In prior years, the Company underwrote insurance guaranteeing the securities of other insurers, primarily corporate bond issuers. 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. See Note 35 for additional discussion.

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. The Company accepts only cash as collateral for securities on loan and restricts the manner in which that cash is invested to U.S. Treasury repurchase agreements. See Schedule LS for additional information.

C. Wash Sales:

Not applicable.

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

Not applicable.

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

The Company did not have any direct premiums written through managing general agents (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators.

20. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures:

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

2009 Schedule P:

The 1999 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	Accident Years				
	1999	1998	1997	1996	1995 & Prior
Part 1A	\$ (5)	\$ 134	\$ 223	\$ 84	\$ 797
Part 1B	(267)	281	301	192	57,233
Part 1C	1,633	628	(236)	416	2,671
Part 1D	68,266	75,327	59,889	52,170	689,245
Part 1E	15,066	10,164	6,980	5,150	65,969
Part 1F - Section 1	793	183	228	166	2,967
Part 1F - Section 2	3,753	1,700	2,177	1,766	4,267
Part 1G	886	674	589	434	3,576
Part 1H - Section 1	30,466	17,887	9,094	10,518	534,094
Part 1H - Section 2	4,907	2,418	2,880	2,317	14,171
Part 1M	142	-	-	-	42
Part 1N	909	506	447	170	572
Part 1O	15,164	11,562	5,163	3,416	123,104
Part 1P	523	229	281	219	85
Part 1R - Section 1	13,811	5,308	4,581	4,513	269,164
Part 1R - Section 2	439	78	313	156	1,935

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	\$ (204)	\$ (341)	\$ (32)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(2,056)	(1,374)	(388)	(13,015)	-	(295)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	(9,460)	-	-	-	-	-	-
Special Liability	(5)	-	-	-	-	-	-	-	-
Other Liability - Occ	(1,705)	-	-	-	-	-	-	-	(40)
Other Liability - CM	-	(2,713)	-	-	-	-	-	-	-
Special Property	(17)	-	-	-	-	-	-	-	-
Other	(2)	-	-	-	-	-	-	-	-
Reinsurance A	(157)	-	-	-	-	-	-	-	-
Reinsurance B	(1,946)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable Tax Credits:

Not applicable.

G. 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 at the time of issuance:

- 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. Based upon the credit performance of mortgages within each securitization, the Company projects voluntary prepayments, defaults and loss severity to estimate any expected losses.

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

a. Actual cost	\$38,863,683
b. Book adjusted carrying value	49,067,598
c. Fair value	40,331,782
d. Other-than-temporary impairments	14,518,999

21. EVENTS SUBSEQUENT

Not applicable.

NOTES TO FINANCIAL STATEMENTS

22. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the Travelers Reinsurance Pool (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, 2009, 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	\$ 11,032,692,004
Travelers Casualty and Surety Company	06-6033504	9,058,268,452
The Phoenix Insurance Company	06-0303275	2,224,118,484
The Standard Fire Insurance Company	06-6033509	2,152,946,693
United States Fidelity and Guaranty Company	52-0515280	1,962,111,332
Travelers Casualty Insurance Company of America	06-0876835	1,214,515,655
Farmington Casualty Company	06-1067463	658,339,071
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	609,408,465
The Travelers Indemnity Company of Connecticut	06-0336212	609,408,465
The Charter Oak Fire Insurance Company	06-0291290	564,926,095
Northland Insurance Company	41-6009967	542,690,364
St. Paul Surplus Lines Insurance Company	41-1230819	391,444,853
The Travelers Indemnity Company of America	58-6020487	342,514,247
St. Paul Protective Insurance Company	36-2542404	257,997,744
Northfield Insurance Company	41-0983992	231,308,322
Travelers Casualty Company of Connecticut	06-1286266	209,067,137
Travelers Commercial Casualty Company	95-3634110	209,067,137
Travelers Commercial Insurance Company	06-1286268	209,067,137
St. Paul Mercury Insurance Company	41-0881659	177,929,476
Travelers Property Casualty Company of America	36-2719165	160,136,531
Travelers Property Casualty Insurance Company	06-1286274	133,447,109
Athena Assurance Company	41-1435765	128,998,873
St. Paul Medical Liability Insurance Company	41-1435766	128,998,873
Travelers Personal Security Insurance Company	06-1286264	120,102,398
Travelers Personal Insurance Company	36-3703200	120,102,398
Travelers Excess and Surplus Lines Company	06-1203698	120,102,398
TravCo Insurance Company	35-1838077	120,102,398
The Travelers Home and Marine Insurance Company	35-1838079	120,102,398
Discover Property & Casualty Insurance Company	36-2999370	62,275,318
Discover Specialty Insurance Company	52-1925132	62,275,318
Northland Casualty Company	94-6051964	62,275,318
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	44,482,369
American Equity Specialty Insurance Company	86-0868106	44,482,369
St. Paul Guardian Insurance Company	41-0963301	44,482,369
Total		<u>\$ 34,130,187,570</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	\$ 8,878,009,110
St. Paul Fire and Marine Insurance Company	41-0406690	7,929,726,233
Travelers Casualty and Surety Company	06-6033504	4,448,210,363
United States Fidelity and Guaranty Company	52-0515280	2,842,379,459
The Travelers Indemnity Company of America	58-6020487	2,505,407,835
St. Paul Mercury Insurance Company	41-0881659	2,353,813,082
The Travelers Indemnity Company of Connecticut	06-0336212	2,325,601,866
The Charter Oak Fire Insurance Company	06-0291290	1,978,632,366
The Standard Fire Insurance Company	06-6033509	1,794,787,844
The Phoenix Insurance Company	06-0303275	1,601,694,247
The Travelers Home and Marine Insurance Company	35-1838079	1,225,224,985
Discover Property & Casualty Insurance Company	36-2999370	900,601,147
Travelers Casualty Insurance Company of America	06-0876835	814,770,798
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	782,436,832
St. Paul Surplus Lines Insurance Company	41-1230819	739,229,963
Northland Insurance Company	41-6009967	651,457,145
Farmington Casualty Company	06-1067463	497,794,928
Travelers Property Casualty Insurance Company	06-1286274	298,018,983
St. Paul Guardian Insurance Company	41-0963301	271,588,342
TravCo Insurance Company	35-1838077	241,998,880
Travelers Commercial Insurance Company	06-1286268	228,129,749
Northfield Insurance Company	41-0983992	197,833,053
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	189,409,317
Travelers Excess and Surplus Lines Company	06-1203698	166,996,669
St. Paul Protective Insurance Company	36-2542404	145,402,383
Travelers Commercial Casualty Company	95-3634110	135,691,194
Travelers Personal Security Insurance Company	06-1286264	107,583,943
Travelers Personal Insurance Company	36-3703200	95,662,774
Travelers Casualty Company of Connecticut	06-1286266	87,336,175
St. Paul Medical Liability Insurance Company	41-1435766	71,051,867
Athena Assurance Company	41-1435765	39,093,036
Discover Specialty Insurance Company	52-1925132	29,363,863
Northland Casualty Company	94-6051964	19,077,720
American Equity Specialty Insurance Company	86-0868106	18,002,285
Total		<u>\$ 44,612,018,436</u>

2. Unaffiliated Company Recoverables:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded:

1.	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 1,631,005,234	\$ 233,246,104	\$ 224,601,161	\$ 32,119,668	\$ 1,406,404,073	\$ 201,126,436
All Other	<u>12,834,793</u>	<u>1,835,473</u>	-	-	<u>12,834,793</u>	<u>1,835,473</u>
Total	<u>\$ 1,643,840,027</u>	<u>\$ 235,081,577</u>	<u>\$ 224,601,161</u>	<u>\$ 32,119,668</u>	<u>\$ 1,419,238,866</u>	<u>\$ 202,961,909</u>

Direct Unearned Premium Reserve \$ 211,766,366

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$12,428,365 at December 31, 2009. This balance represents the Company's 20.36% pro rata share of the net amount of the TRV Pool (see Note 25):

Direct Business	\$ 1,673,517
Add: Reinsurance Assumed	12,428,365
Less: Reinsurance Ceded	<u>1,673,517</u>
Net	<u>\$ 12,428,365</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

1.	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ 1,913,840	\$ 98,887,678
(2) Adjustments - Prior Year(s)	316,127	42,099,613
(3) Adjustments - Current Year	<u>(436,694)</u>	<u>(2,480,256)</u>
(4) Current Total	<u>\$ 1,793,273</u>	<u>\$138,507,035</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,128,656	\$ 87,574,273
(2) Adjustments - Prior Year(s)	-	10,923,342
(3) Adjustments - Current Year	-	<u>(1,336)</u>
(4) Current Total	<u>\$ 2,128,656</u>	<u>\$ 98,496,279</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 1,281,488	\$ 92,295,749
(2) Current Year	<u>38,333</u>	<u>11,996,396</u>
(3) Current Total	<u>\$ 1,319,821</u>	<u>\$104,292,145</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 214,816	\$ 11,313,405
(2) Adjustments - Prior Year(s)	(316,127)	31,176,271
(3) Adjustments - Current Year	<u>436,694</u>	<u>(2,478,920)</u>
(4) Current Year Restricted Surplus	<u>\$ 825,616</u>	<u>\$ 29,420,334</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ (490,233)</u>	<u>\$ 10,590,422</u>

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	\$ 1,303,040	\$ -
Parktown Insurance Company Ltd.	490,233	-
Commercial Risk Re-Insurance Co. (27955)	-	2,687,520
Everest Reinsurance Co. (26921)	-	14,818
XL Reinsurance America (13-1290712)	-	14,364,742
General Reinsurance Corporation (22039)	-	61,080,000
nSpire Re Limited (AA-1784124)	-	16,233,831
Platinum Underwriters Reinsurance Inc. (10357)	-	19,597,082
Various	-	<u>24,529,042</u>
Total	<u>\$ 1,793,273</u>	<u>\$138,507,035</u>

- f. Paid Loss/LAE Recoverable:

Company	Paid Loss/LAE Recoverables	Amount Over 90 Days Past Due	Collateral Held
Platinum Underwriters Reinsurance Inc. (10357)	\$ 113,100	\$ -	\$ -
nSpire Re Limited (AA-178412)	-	-	4,122,070
Various	<u>350,831</u>	<u>274</u>	<u>32,728</u>
Total	<u>\$ 463,931</u>	<u>\$ 274</u>	<u>\$ 4,154,798</u>

NOTES TO FINANCIAL STATEMENTS

G. Reinsurance Accounted for as a Deposit:

In connection with the 1992 sale of American Re-Insurance Company (Am Re), a reinsurance agreement was entered into that provides that to the extent Am Re incurred losses in 1991 and prior that were still outstanding at January 1, 1992, in excess of \$2.7 billion, the Company has an 80% participation in payments on those losses up to a maximum of \$500 million. This agreement has been accounted for as a deposit since 1999 and a liability has been established for the expected payout under the agreement. Payout was completed in June 2009.

Year	Interest Income/ (Expense)	Cash Payments	Deposit Balance Asset/(Liability)
1995			\$ (151,300,000)
1996	\$ (9,300,000)		(160,600,000)
1997	(13,200,000)		(173,800,000)
1998	(15,500,000)		(189,300,000)
1999	(13,000,000)		(202,300,000)
2000	(15,200,000)		(217,500,000)
2001	(22,500,000)		(240,000,000)
2002	(34,000,000)		(274,000,000)
2003	(50,500,000)		(324,500,000)
2004	(48,000,000)		(372,500,000)
2005	(53,000,000)	\$ 94,810,284	(330,689,716)
2006	(25,841,076)	102,686,093	(253,844,699)
2007	(30,698,167)	128,654,177	(155,888,689)
2008	(15,696,151)	126,349,085	(45,235,755)
2009	(2,264,605)	47,500,360	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 retrospective premium	\$ 98,849,834
2. Unsecured amount	4,131,993
3. Less: Nonadmitted amount (10%)	<u>413,199</u>
4. Admitted amount (1) - (3)	<u>\$ 98,436,635</u>

24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

In 2009, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$237,218,768, resulting from better than expected loss development for recent accident years in the other liability – occurrence, commercial multi-peril, homeowners, commercial auto liability, workers' compensation, and special property lines, partially offset by deterioration in the other liability – claims made line. The improvement in the other liability – occurrence and commercial multi-peril lines was attributable to several factors, including improved legal and judicial environments, as well as enhanced risk control, underwriting and claim process initiatives. This was partially offset by unfavorable development in asbestos and environmental reserves. The improvement in the homeowners line primarily reflected favorable loss experience related to Hurricanes Katrina and Ike, and the 2007 California wildfires. The commercial auto liability line of business experienced better than expected loss development which was attributable to more favorable legal and judicial environments, claim handling initiatives focused on the automobile line of insurance and improvements in auto safety technology. The favorable development in the workers' compensation line was attributable to improvement in adjusting and other loss adjustment expenses and better than expected experience for tabular claims. The improvement in the special property line reflected better than expected development for certain large property and inland marine exposures in the 2007 and 2008 accident years, and favorable litigation environment relating to, and ongoing claim settlements for, Hurricane Katrina. The deterioration in the other liability – claims made line resulted from unfavorable loss emergence for professional liability coverages, primarily errors & omissions (E&O).

The above changes include a reclassification of IBNR reserves: commercial auto liability and other liability – occurrence IBNR reserves have been decreased and increased by \$20,970,800, respectively, to correct a classification error at December 31, 2008. This reclassification had no impact to total reserves.

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

25. INTERCOMPANY POOLING ARRANGEMENTS

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

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

TRV Pool Participant	NAIC Company Code	Pool Participation %
St. Paul Fire and Marine Insurance Company	24767	24.79
The Travelers Indemnity Company	25658	23.29
Travelers Casualty and Surety Company	19038	20.36
The Phoenix Insurance Company	25623	5.00
The Standard Fire Insurance Company	19070	4.84
United States Fidelity and Guaranty Company	25887	4.41
Travelers Casualty Insurance Company of America	19046	2.73
Farmington Casualty Company	41483	1.48
The Automobile Insurance Company of Hartford, Connecticut	19062	1.37
The Travelers Indemnity Company of Connecticut	25682	1.37
The Charter Oak Fire Insurance Company	25615	1.27
Northland Insurance Company	24015	1.22
St. Paul Surplus Lines Insurance Company	30481	0.88
The Travelers Indemnity Company of America	25666	0.77
St. Paul Protective Insurance Company	19224	0.58
Northfield Insurance Company	27987	0.52

NOTES TO FINANCIAL STATEMENTS

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, 2009 the Company had \$57,392,864 receivable from Indemnity as a result of its intercompany pooling transactions which settled in January 2010.

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, 2009, for structured settlement annuities purchased by members of the TRV Pool (see Note 25), of which \$610,252,079 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	\$674,237,376
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	456,953,309
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	264,252,171
Symetra Life Insurance Company, Bellevue, WA	Yes	257,419,546
All other companies		1,344,446,436

27. HEALTH CARE RECEIVABLES

Not applicable.

28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

As of December 31, 2009, 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, 2009, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,607,538,112 and the amount billed and outstanding on paid claims was \$14,579,332. 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. Except for certain third party administered claims, tabular workers' compensation case reserves have been discounted in accordance with the various state laws under which the benefits are paid. The tabular case reserves, as included in Schedule P, reflect a discount rate of 3.5% or as specified by state requirements, generally using the following United States Life Tables:

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

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

The Company's develops loss reserve estimates for workers' compensation tabular claims that are expectations of what the ultimate settlement costs for these claims will be upon final resolution in the future. These estimates are based on the Company's assessment of facts and circumstances currently known and, using Company experience, multiple actuarial estimation methods. This includes estimates of payment patterns reflecting actual mortality, morbidity and settlement history that relate both to claims currently identified as tabular as well as claims not yet identified as tabular ("IBNR" tabular). The total reserves and the corresponding discount that the Company has established for these claims reflects these multiple estimation methods, payment patterns and a discount rate of 5%. The liabilities and discount amounts shown below reflect estimates of the ultimate liability for tabular claims. Furthermore, the case vs. IBNR discount amounts shown below each reflects estimates of the ultimate resolution costs for these claims: case amounts for claims already identified as tabular; IBNR amounts for claims yet to be identified as tabular.

NOTES TO FINANCIAL STATEMENTS

The December 31, 2009 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	\$ 425,707,279	\$ 14,308,289
The Travelers Indemnity Company	399,948,467	13,442,522
Travelers Casualty and Surety Company	349,632,924	11,751,385
The Phoenix Insurance Company	85,862,702	2,885,900
The Standard Fire Insurance Company	83,115,096	2,793,551
United States Fidelity and Guaranty Company	75,730,903	2,545,364
Travelers Casualty Insurance Company of America	46,881,035	1,575,701
Farmington Casualty Company	25,415,360	854,226
The Automobile Insurance Company of Hartford, Connecticut	23,526,380	790,737
The Travelers Indemnity Company of Connecticut	23,526,380	790,737
The Charter Oak Fire Insurance Company	21,809,126	733,019
Northland Insurance Company	20,950,499	704,160
St. Paul Surplus Lines Insurance Company	15,111,836	507,918
The Travelers Indemnity Company of America	13,222,856	444,429
St. Paul Protective Insurance Company	9,960,073	334,764
Northfield Insurance Company	8,929,721	300,134
Travelers Casualty Company of Connecticut	8,071,094	271,275
Travelers Commercial Casualty Company	8,071,094	271,275
Travelers Commercial Insurance Company	8,071,094	271,275
St. Paul Mercury Insurance Company	6,869,016	230,872
Travelers Property Casualty Company of America	6,182,115	207,785
Travelers Property Casualty Insurance Company	5,151,762	173,154
St. Paul Medical Liability Insurance Company	4,980,037	167,382
Athena Assurance Company	4,980,037	167,382
TravCo Insurance Company	4,636,586	155,839
Travelers Excess and Surplus Lines Company	4,636,586	155,839
The Travelers Home and Marine Insurance Company	4,636,586	155,839
Travelers Personal Insurance Company	4,636,586	155,839
Travelers Personal Security Insurance Company	4,636,586	155,839
Discover Property & Casualty Insurance Company	2,404,156	80,805
Discover Specialty Insurance Company	2,404,156	80,805
Northland Casualty Company	2,404,156	80,805
American Equity Specialty Insurance Company	1,717,254	57,718
St. Paul Guardian Insurance Company	1,717,254	57,718
Fidelity and Guaranty Insurance Underwriters, Inc.	1,717,254	57,718
Total	<u>\$ 1,717,254,046</u>	<u>\$ 57,718,000</u>

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2009 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	\$ 90,836,749	\$ 122,212,840	\$ 3,543,236	\$ 3,915,086
The Travelers Indemnity Company	85,340,383	114,817,958	3,328,840	3,678,190
Travelers Casualty and Surety Company	74,604,130	100,373,277	2,910,055	3,215,455
The Phoenix Insurance Company	18,321,250	24,649,626	714,650	789,650
The Standard Fire Insurance Company	17,734,970	23,860,838	691,781	764,381
United States Fidelity and Guaranty Company	16,159,343	21,740,970	630,321	696,471
Travelers Casualty Insurance Company of America	10,003,403	13,458,696	390,199	431,149
Farmington Casualty Company	5,423,090	7,296,289	211,536	233,736
The Automobile Insurance Company of Hartford, CT	5,020,023	6,753,998	195,814	216,364
The Travelers Indemnity Company of Connecticut	5,020,023	6,753,998	195,814	216,364
The Charter Oak Fire Insurance Company	4,653,598	6,261,005	181,521	200,571
Northland Insurance Company	4,470,385	6,014,509	174,375	192,675
St. Paul Surplus Lines Insurance Company	3,224,540	4,338,334	125,778	138,978
The Travelers Indemnity Company of America	2,821,473	3,796,042	110,056	121,606
St. Paul Protective Insurance Company	2,125,265	2,859,357	82,899	91,599
Northfield Insurance Company	1,905,410	2,563,561	74,324	82,124
Travelers Casualty Company of Connecticut	1,722,198	2,317,065	67,177	74,227
Travelers Commercial Casualty Company	1,722,198	2,317,065	67,177	74,227
Travelers Commercial Insurance Company	1,722,198	2,317,065	67,177	74,227
St. Paul Mercury Insurance Company	1,465,700	1,971,970	57,172	63,172
Travelers Property Casualty Company of America	1,319,130	1,774,773	51,455	56,855
Travelers Property Casualty Insurance Company	1,099,275	1,478,978	42,879	47,379
St. Paul Medical Liability Insurance Company	1,062,633	1,429,678	41,450	45,800
Athena Assurance Company	1,062,633	1,429,678	41,450	45,800
TravCo Insurance Company	989,348	1,331,080	38,591	42,641
Travelers Excess and Surplus Lines Company	989,348	1,331,080	38,591	42,641
The Travelers Home and Marine Insurance Company	989,348	1,331,080	38,591	42,641
Travelers Personal Insurance Company	989,348	1,331,080	38,591	42,641
Travelers Personal Security Insurance Company	989,348	1,331,080	38,591	42,641
Discover Property & Casualty Insurance Company	512,995	690,190	20,010	22,110
Discover Specialty Insurance Company	512,995	690,190	20,010	22,110
Northland Casualty Company	512,995	690,190	20,010	22,110
American Equity Specialty Insurance Company	366,425	492,993	14,293	15,793
St. Paul Guardian Insurance Company	366,425	492,993	14,293	15,793
Fidelity and Guaranty Insurance Underwriters, Inc.	366,425	492,993	14,293	15,793
Total	<u>\$366,425,000</u>	<u>\$492,992,519</u>	<u>\$14,293,000</u>	<u>\$15,793,000</u>

B. Non-tabular reserves have not been discounted.

C. In 2009, the Company changed payment pattern assumptions used in determining the ultimate discount amount. This change increased the amount of discount by a total of \$27 million for the Companies shown above.

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 20.36%.

- 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 2008 asbestos assumed calendar year paid losses increased by \$40,312,800 and the Company's 2008 asbestos assumed incurred losses decreased by \$6,922,400.

1. <u>Direct Basis - Asbestos:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 831,473,000	\$ 900,985,000	\$ 844,799,000	\$ 767,543,000	\$ 631,713,000
b. Incurred losses and LAE:	158,371,000	39,687,000	(3,408,000)	12,769,000	32,576,000
c. Calendar year payments for losses and LAE:	<u>88,859,000</u>	<u>95,873,000</u>	<u>73,848,000</u>	<u>148,599,000</u>	<u>71,457,000</u>
d. Ending reserves:	<u>\$ 900,985,000</u>	<u>\$ 844,799,000</u>	<u>\$ 767,543,000</u>	<u>\$ 631,713,000</u>	<u>\$ 592,832,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 99,280,000	\$ 109,399,000	\$ 103,133,000	\$ 97,079,000	\$ 39,556,000
b. Incurred losses and LAE:	26,220,000	2,135,000	3,413,000	(5,339,000)	5,090,000
c. Calendar year payments for losses and LAE:	<u>16,101,000</u>	<u>8,401,000</u>	<u>9,467,000</u>	<u>52,184,000</u>	<u>7,498,000</u>
d. Ending reserves:	<u>\$ 109,399,000</u>	<u>\$ 103,133,000</u>	<u>\$ 97,079,000</u>	<u>\$ 39,556,000</u>	<u>\$ 37,148,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 785,459,000	\$ 886,346,000	\$ 824,295,000	\$ 759,709,000	\$ 592,825,000
b. Incurred losses and LAE:	182,222,000	33,365,000	5,000	7,431,000	37,665,000
c. Calendar year payments for losses and LAE:	<u>81,335,000</u>	<u>95,416,000</u>	<u>64,591,000</u>	<u>174,315,000</u>	<u>69,479,000</u>
d. Ending reserves:	<u>\$ 886,346,000</u>	<u>\$ 824,295,000</u>	<u>\$ 759,709,000</u>	<u>\$ 592,825,000</u>	<u>\$ 561,011,000</u>

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

1. Direct Basis:	\$ 516,282,000
2. Assumed Reinsurance Basis:	\$ 11,564,000
3. Net of Ceded Reinsurance Basis:	\$ 479,773,000

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

1. Direct Basis:	\$ 147,484,000
2. Assumed Reinsurance Basis:	\$ 377,000
3. Net of Ceded Reinsurance Basis:	\$ 140,884,000

- 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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

As a result of the commutations described above and their impact on the TRV Pool, the Company's 2008 environmental assumed calendar year paid losses increased by \$5,700,800 and the Company's 2008 environmental assumed incurred losses decreased by \$1,018,000.

1. <u>Direct Basis - Environmental:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 107,835,000	\$ 68,864,000	\$ 54,715,000	\$ 73,341,000	\$ 68,352,000
b. Incurred losses and LAE:	8,678,000	22,233,000	37,602,000	17,271,000	17,103,000
c. Calendar year payments for losses and LAE:	<u>47,649,000</u>	<u>36,382,000</u>	<u>18,976,000</u>	<u>22,260,000</u>	<u>17,701,000</u>
d. Ending reserves:	<u>\$ 68,864,000</u>	<u>\$ 54,715,000</u>	<u>\$ 73,341,000</u>	<u>\$ 68,352,000</u>	<u>\$ 67,754,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 30,188,000	\$ 28,477,000	\$ 26,857,000	\$ 22,282,000	\$ 12,997,000
b. Incurred losses and LAE:	879,000	317,000	50,000	(919,000)	203,000
c. Calendar year payments for losses and LAE:	<u>2,590,000</u>	<u>1,937,000</u>	<u>4,625,000</u>	<u>8,366,000</u>	<u>1,727,000</u>
d. Ending reserves:	<u>\$ 28,477,000</u>	<u>\$ 26,857,000</u>	<u>\$ 22,282,000</u>	<u>\$ 12,997,000</u>	<u>\$ 11,473,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
a. Beginning reserves:	\$ 126,442,000	\$ 86,417,000	\$ 85,187,000	\$ 99,745,000	\$ 84,239,000
b. Incurred losses and LAE:	10,042,000	24,625,000	37,651,000	16,352,000	14,252,000
c. Calendar year payments for losses and LAE:	<u>50,067,000</u>	<u>25,855,000</u>	<u>23,093,000</u>	<u>31,858,000</u>	<u>18,452,000</u>
d. Ending reserves:	<u>\$ 86,417,000</u>	<u>\$ 85,187,000</u>	<u>\$ 99,745,000</u>	<u>\$ 84,239,000</u>	<u>\$ 80,039,000</u>

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

1. Direct Basis:	\$ 66,307,000
2. Assumed Reinsurance Basis:	\$ 6,283,000
3. Net of Ceded Reinsurance Basis	\$ 74,390,000

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

1. Direct Basis:	\$ 22,924,000
2. Assumed Reinsurance Basis:	\$ 165,000
3. Net of Ceded Reinsurance Basis	\$ 22,901,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2009 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

35. FINANCIAL GUARANTY INSURANCE

In prior years, the Company underwrote insurance guaranteeing the securities of other insurers, primarily corporate bond issuers. The Company no longer writes such guarantees. At December 31, 2009 and 2008, the Company's aggregate net amount of guarantees of principal and interest for such securities was approximately \$0.5 million.

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 \$82.0 million and \$340.3 million at December 31, 2009 and 2008 respectively.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2009 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2009, 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 PROTECTIVE INSURANCE COMPANY	36-2542404
AE DEVELOPMENT GROUP, INC.	06-0952727	ST. PAUL RE (BERMUDA) LTD.	98-0114704
AE PROPERTIES, INC.	95-2798160	ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	TCI GLOBAL SERVICES, INC.	52-1965525
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	TCS EUROPEAN INVESTMENTS, INC.	06-1549972
ATHENA ASSURANCE COMPANY	41-1435765	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 PHOENIX INSURANCE COMPANY	06-0303275
CAPTIVA, LTD.	98-0170615	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS INDEMNITY COMPANY	06-0566050
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
DISCOVER RE MANAGERS, INC.	06-1288492	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925131	THE TRAVELERS MARINE CORPORATION	94-0338230
DISCOVERY MANAGERS, LTD.	06-1273933	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TINDY RE INVESTMENTS, INC.	06-1575463
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TPC INVESTMENTS, INC.	06-1534005
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVCO INSURANCE COMPANY	35-1838077
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	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 CO. 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 BERMUDA HOLDINGS, INC.	41-1835264	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
ST. PAUL PROPERTIES, INC.	41-1412523	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. 12/31/2009
- 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,
 - 7.21 State the percentage of foreign control0.000 %
 - 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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

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

- 8.4 If response to 8.3 is yes, please provide the names and 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 [X] No []

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

\$.....0

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 22.3)?

Yes [X] No []

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

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

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

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

Yes [X] No [] N/A []

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

\$.....19,325,448

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 | \$.....4,595,334 |
| 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 | \$.....563,843,155 |
| 23.29 Other | \$.....46,804,180 |

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 25.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	270 Park Avenue, New York, NY 10017-2070

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)
UBS	1 North Wacker 31st Floor, Chicago, IL 60606	Future Account Agreements

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Citigroup Global Markets	UBS	January 2009	Lower Fees

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A		

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

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.....	...10,042,934,239	...10,462,582,097	.....419,647,858
28.2 Preferred stocks.....	.....43,158,978	.....43,406,553	.....247,575
28.3 Totals.....	...10,086,093,217	...10,505,988,650	.....419,895,433

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 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No

30.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....9,244,250

31.2 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.	3,840,952

32.1 Amount of payments for legal expenses, if any? \$.....22,363,897

32.2 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, THACHER & BARTLETT	6,978,057

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....615,811

33.2 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
US CHAMBER OF COMMERCE	181,204

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....3,696,882,834	\$.....3,673,284,945
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....9,058,198,956	\$.....9,213,812,997
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
- 3.2 If yes, state the amount of calendar year premiums written on:
 - 3.21 Participating policies \$.....38,836,570
 - 3.22 Non-participating policies \$.....3,652,704,700

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. The Company also develops conventional attack PML's for combined property and workers' compensation exposures for comparison 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.15
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No [X]
 - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information:
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....20,117,282
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....5,029,320
- 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: \$.....21,364,456
- 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 \$.....1,142,286,372
 - 12.62 Collateral and other funds \$.....228,889,623

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....5,395,400
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.1

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

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

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

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

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

* Disclose type of coverage:

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

- 18.1 Do you act as a custodian for health savings account? Yes [] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0
- 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 2009	2 2008	3 2007	4 2006	5 2005
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,981,657,306	2,025,421,879	1,989,784,546	1,819,812,897	1,883,579,128
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	708,047,911	730,641,072	742,184,747	678,324,543	588,888,357
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,321,681,110	1,298,160,648	1,285,601,462	1,318,762,835	1,003,522,692
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	82,050,606	90,292,373	74,924,981	62,050,692	132,847,026
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,985,953	(13,160,277)	12,146,935	7,052,754	13,328,216
6. Total (Line 35).....	4,098,422,885	4,131,355,695	4,104,642,671	3,886,003,722	3,622,165,419
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,713,995,373	1,741,730,636	1,707,386,018	1,577,020,674	1,687,251,621
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	688,906,075	710,931,599	720,673,689	666,763,560	575,944,991
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,263,704,105	1,236,411,018	1,218,228,105	1,257,363,011	945,129,724
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	19,953,549	18,127,271	10,487,489	22,676,546	105,479,857
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,982,168	(13,186,515)	12,137,573	7,015,852	13,276,367
12. Total (Line 35).....	3,691,541,269	3,694,014,008	3,668,912,875	3,530,839,643	3,327,082,559
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	355,693,265	234,458,521	353,906,569	402,776,618	(127,242,276)
14. Net investment gain (loss) (Line 11).....	1,123,576,989	651,580,618	942,744,108	484,109,879	982,608,935
15. Total other income (Line 15).....	2,105,425	10,781,300	(14,857,245)	(24,176,337)	(33,240,761)
16. Dividends to policyholders (Line 17).....	3,559,112	4,468,910	4,736,960	3,214,144	3,245,718
17. Federal and foreign income taxes incurred (Line 19).....	142,364,670	133,232,720	136,414,584	192,392,176	38,686,140
18. Net income (Line 20).....	1,335,451,896	759,118,810	1,140,641,889	667,103,839	780,194,040
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	15,754,090,930	14,960,247,470	15,376,976,596	14,358,336,770	13,886,611,930
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	186,851,853	175,196,944	209,121,762	207,125,818	200,546,493
20.2 Deferred and not yet due (Line 13.2).....	727,988,108	790,900,997	805,722,014	800,844,474	777,767,098
20.3 Accrued retrospective premiums (Line 13.3).....	98,436,635	65,519,535	46,243,774	26,827,363	40,087,247
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	9,556,165,241	9,737,459,572	9,968,392,334	9,900,242,744	10,180,013,982
22. Losses (Page 3, Line 1).....	6,013,644,237	6,153,406,887	6,328,790,254	6,263,010,745	6,477,340,134
23. Loss adjustment expenses (Page 3, Line 3).....	1,411,960,807	1,409,212,116	1,380,789,686	1,392,834,379	1,415,248,260
24. Unearned premiums (Page 3, Line 9).....	1,631,005,232	1,650,650,056	1,638,997,664	1,609,304,822	1,566,386,305
25. Capital paid up (Page 3, Lines 28 & 29).....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	6,197,925,689	5,222,787,898	5,408,584,262	4,458,094,025	3,706,597,948
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,241,349,855	750,534,958	1,288,927,121	724,730,238	1,076,355,285
Risk-Based Capital Analysis					
28. Total adjusted capital.....	6,197,925,689	5,222,787,898	5,408,584,262	4,458,094,025	3,706,597,948
29. Authorized control level risk-based capital.....	1,003,193,902	962,015,058	1,003,561,171	962,410,457	944,429,362
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1).....	68.3	66.8	69.0	70.7	72.4
31. Stocks (Lines 2.1 & 2.2).....	25.3	25.1	21.6	21.8	20.4
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.1	0.1
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.1	0.1
34. Cash, cash equivalents and short-term investments (Line 5).....	2.7	2.4	4.1	3.4	1.9
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7).....	3.8	4.2	5.3	4.0	1.6
37. Receivable for securities (Line 8).....	0.0	1.5	0.0	0.0	3.5
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 12, Col. 1).....	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	3,544,148,591	3,351,934,302	2,876,822,056	2,689,904,865	2,348,191,218
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.....	21,956,951	30,453,815	126,036,329	56,448,177	59,136,577
46. Total of above lines 40 to 45.....	3,566,105,542	3,382,388,117	3,002,858,385	2,746,353,042	2,407,327,795
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).....	57.5	64.8	55.5	61.6	64.9

TRAVELERS CASUALTY AND SURETY COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2009	2008	2007	2006	2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24).....	73,235,616	251,867,999	292,737,658	552,093,542	(142,469,624)
49. Dividends to stockholders (Line 35).....	(759,000,000)	(1,140,000,000)	(597,000,000)	(500,000,000)	(300,000,000)
50. Change in surplus as regards policyholders for the year (Line 38).....	975,137,791	(185,796,364)	950,490,237	751,496,077	363,088,084
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,168,648,725	1,617,918,608	983,549,553	1,205,141,322	1,344,165,110
52. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	392,575,556	359,383,360	308,777,800	313,177,984	264,106,167
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	616,475,290	611,427,840	491,659,617	564,909,146	754,579,427
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	16,950,957	13,856,552	34,842,091	27,449,675	(88,072,942)
55. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	27,892,958	105,232,861	101,045,937	69,461,229	(133,011,962)
56. Total (Line 35).....	2,222,543,487	2,707,819,221	1,919,874,997	2,180,139,356	2,141,765,800
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	862,151,864	908,954,894	743,540,606	874,209,750	964,143,123
58. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	357,475,581	350,916,982	308,126,408	307,279,444	258,106,360
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	589,569,388	579,767,570	467,743,137	536,705,276	717,476,977
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	15,355,813	13,303,420	37,478,475	38,250,936	(102,125,132)
61. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	19,137,704	96,127,263	83,101,018	61,282,567	(143,530,174)
62. Total (Line 35).....	1,843,690,351	1,949,070,130	1,639,989,644	1,817,727,973	1,694,071,154
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2).....	46.1	48.3	46.9	46.1	61.4
65. Loss expenses incurred (Line 3).....	12.2	13.2	12.1	12.2	13.7
66. Other underwriting expenses incurred (Line 4).....	32.1	32.1	31.3	30.1	28.6
67. Net underwriting gain (loss) (Line 8).....	9.6	6.4	9.7	11.6	(3.7)
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).....	32.1	31.7	31.5	30.3	30.7
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	58.3	61.5	58.9	58.4	75.1
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).....	59.6	70.7	67.8	79.2	89.8
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).....	(218,581)	(281,795)	(119,401)	(81,508)	110,977
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100).....	(4.2)	(5.2)	(2.7)	(2.2)	3.3
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).....	(516,249)	(350,600)	(144,266)	227,252	799,355
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).....	(9.5)	(7.9)	(3.9)	6.8	26.2

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	189,122	79,197	58,962	8,652	23,763	577	4,537	183,421	XXX
2. 2000.....	3,383,769	810,312	2,573,457	2,556,163	728,659	288,321	53,983	123,326	10,299	85,735	2,174,869	XXX
3. 2001.....	3,600,698	709,175	2,891,522	2,895,024	919,263	287,918	68,875	150,030	16,098	72,247	2,328,734	XXX
4. 2002.....	3,906,282	789,033	3,117,248	1,982,629	441,034	239,186	37,091	122,987	12,770	70,616	1,853,907	XXX
5. 2003.....	4,238,575	863,874	3,374,701	1,855,220	304,445	203,883	30,134	123,874	12,628	75,846	1,835,769	XXX
6. 2004.....	4,258,631	755,547	3,503,084	1,697,294	293,810	164,187	21,689	136,254	12,968	75,925	1,669,269	XXX
7. 2005.....	4,100,125	634,824	3,465,302	1,921,555	523,651	138,972	21,051	139,605	9,429	63,631	1,646,001	XXX
8. 2006.....	4,044,265	542,579	3,501,686	1,335,362	159,244	106,639	10,842	154,509	5,269	63,064	1,421,155	XXX
9. 2007.....	4,109,006	471,600	3,637,406	1,295,992	117,580	89,880	7,320	165,874	4,732	73,006	1,422,113	XXX
10. 2008.....	4,149,201	477,460	3,671,741	1,417,354	131,761	65,933	5,676	187,149	3,290	66,014	1,529,709	XXX
11. 2009.....	4,096,640	399,757	3,696,883	835,472	35,120	27,182	1,267	153,578	1,818	36,381	978,029	XXX
12. Totals.....	XXX	XXX	XXX	17,981,187	3,733,763	1,671,062	266,580	1,480,948	89,879	687,004	17,042,975	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.....	1,204,628	367,934	1,206,842	211,842	128,562	23,832	223,783	16,146	118,892	975	1,635	2,261,976	XXX
2. 2000.....	133,807	45,505	117,991	40,397	10,880	2,972	19,563	3,713	10,135	199	848	199,590	XXX
3. 2001.....	182,451	53,953	146,912	39,402	16,138	6,826	25,261	5,683	29,185	167	4,624	293,916	XXX
4. 2002.....	128,381	43,782	165,261	48,908	11,576	1,804	32,061	10,687	9,957	23	1,823	242,034	XXX
5. 2003.....	137,789	31,651	149,107	43,340	13,382	1,371	46,678	13,437	31,053	206	8,734	288,005	XXX
6. 2004.....	141,305	36,130	167,022	46,090	14,712	1,410	40,411	7,022	12,361	(16)	6,486	285,174	XXX
7. 2005.....	143,007	36,162	248,464	74,591	16,341	2,047	43,738	7,493	12,560	24	10,532	343,793	XXX
8. 2006.....	195,281	39,529	295,758	62,436	23,646	2,079	48,074	9,606	19,033	70	15,164	468,071	XXX
9. 2007.....	253,585	37,844	388,448	82,451	34,538	2,674	68,941	6,041	26,045	138	23,265	642,410	XXX
10. 2008.....	409,441	49,323	537,363	92,189	39,800	2,460	129,202	13,563	37,728	155	41,673	995,844	XXX
11. 2009.....	474,520	58,445	829,958	101,772	36,259	2,151	145,960	13,764	94,535	308	62,406	1,404,792	XXX
12. Totals.....	3,404,194	800,258	4,253,125	843,418	345,834	49,625	823,673	107,155	401,482	2,248	177,190	7,425,605	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	1,831,693	430,283
2. 2000.	3,260,186	885,727	2,374,459	96.3	109.3	92.3	0	0	20.36	165,894	33,695
3. 2001.	3,732,918	1,110,267	2,622,651	103.7	156.6	90.7	0	0	20.36	236,008	57,909
4. 2002.	2,692,039	596,098	2,095,941	68.9	75.5	67.2	0	0	20.36	200,953	41,081
5. 2003.	2,560,986	437,212	2,123,774	60.4	50.6	62.9	0	0	20.36	211,905	76,100
6. 2004.	2,373,546	419,103	1,954,443	55.7	55.5	55.8	0	0	20.36	226,107	59,067
7. 2005.	2,664,241	674,448	1,989,793	65.0	106.2	57.4	0	0	20.36	280,719	63,074
8. 2006.	2,178,301	289,075	1,889,226	53.9	53.3	54.0	0	0	20.36	389,074	78,997
9. 2007.	2,323,303	258,780	2,064,523	56.5	54.9	56.8	0	0	20.36	521,738	120,672
10. 2008.	2,823,970	298,416	2,525,553	68.1	62.5	68.8	0	0	20.36	805,292	190,552
11. 2009.	2,597,464	214,643	2,382,821	63.4	53.7	64.5	0	0	20.36	1,144,261	260,531
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	6,013,644	1,411,961

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
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	One Year	Two Year
1. Prior.....	4,912,517	4,967,987	5,678,155	5,827,494	6,189,359	6,462,002	6,577,845	6,668,314	6,718,886	6,746,922	28,037	78,609
2. 2000.....	1,849,290	1,921,770	1,986,944	2,107,137	2,214,505	2,244,755	2,274,015	2,266,694	2,286,661	2,257,080	(29,581)	(9,614)
3. 2001.....	XXX	2,316,262	2,330,881	2,429,737	2,475,420	2,447,138	2,478,041	2,462,005	2,476,505	2,466,337	(10,169)	4,331
4. 2002.....	XXX	XXX	2,078,895	1,905,094	1,969,741	1,998,617	2,012,119	1,999,792	1,995,694	1,986,008	(9,686)	(13,784)
5. 2003.....	XXX	XXX	XXX	2,083,059	1,975,600	2,021,711	2,014,861	2,026,451	2,031,443	1,992,577	(38,867)	(33,874)
6. 2004.....	XXX	XXX	XXX	XXX	2,280,567	2,069,479	1,980,610	1,927,216	1,859,890	1,829,979	(29,910)	(97,237)
7. 2005.....	XXX	XXX	XXX	XXX	XXX	2,317,038	2,126,898	2,054,867	1,914,312	1,857,838	(56,474)	(197,030)
8. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	1,937,622	1,874,047	1,771,041	1,732,932	(38,109)	(141,115)
9. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,995,231	1,942,677	1,888,696	(53,981)	(106,535)
10. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,294,355	2,314,515	20,160	XXX
11. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,148,252	XXX	XXX
12. Totals.....											(218,581)	(516,249)

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
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior.....	000	1,125,100	2,047,011	2,805,380	3,196,464	3,554,646	3,853,470	4,089,255	4,361,756	4,521,991	XXX	XXX
2. 2000.....	647,521	1,106,674	1,430,696	1,665,135	1,739,645	1,844,228	1,915,306	1,974,403	2,045,198	2,061,842	XXX	XXX
3. 2001.....	XXX	687,783	1,234,762	1,580,401	1,817,331	1,981,242	2,070,886	2,128,131	2,168,946	2,194,803	XXX	XXX
4. 2002.....	XXX	XXX	586,987	986,996	1,230,383	1,424,703	1,566,439	1,654,647	1,712,020	1,743,690	XXX	XXX
5. 2003.....	XXX	XXX	XXX	604,764	1,037,963	1,318,109	1,483,619	1,611,203	1,682,735	1,724,523	XXX	XXX
6. 2004.....	XXX	XXX	XXX	XXX	604,015	1,030,526	1,237,938	1,393,409	1,484,908	1,545,983	XXX	XXX
7. 2005.....	XXX	XXX	XXX	XXX	XXX	645,834	1,119,782	1,304,038	1,433,155	1,515,825	XXX	XXX
8. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	618,792	958,645	1,140,457	1,271,915	XXX	XXX
9. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	673,335	1,051,128	1,260,972	XXX	XXX
10. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	882,101	1,345,850	XXX	XXX
11. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	826,268	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
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Prior.....	2,431,765	1,799,154	1,804,633	1,535,213	1,563,753	1,585,716	1,502,295	1,453,759	1,300,750	1,227,635
2. 2000.....	698,864	350,673	163,613	201,030	227,576	158,111	162,251	131,858	121,498	96,342
3. 2001.....	XXX	1,050,562	558,619	393,583	252,609	169,866	173,071	144,000	147,110	131,440
4. 2002.....	XXX	XXX	1,024,399	474,450	337,416	252,135	204,926	176,482	161,999	145,248
5. 2003.....	XXX	XXX	XXX	1,039,086	516,218	352,496	247,409	205,838	195,005	146,260
6. 2004.....	XXX	XXX	XXX	XXX	1,222,330	663,940	432,989	305,781	215,409	162,234
7. 2005.....	XXX	XXX	XXX	XXX	XXX	1,066,418	662,986	503,005	303,375	219,257
8. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	909,638	602,607	392,653	281,960
9. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	878,220	552,201	378,875
10. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	922,454	569,262
11. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	871,302

TRAVELERS CASUALTY AND SURETY COMPANY

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	2,753,713	3,378,160	843	2,624,057	4,076,864	62,794,722	3,396	0
2. Alaska.....AK	L	175,287	544,513	0	201,853	79,497	1,005,579	24	0
3. Arizona.....AZ	L	3,680,455	2,859,255	457	1,235,760	(312,310)	14,872,831	3,076	0
4. Arkansas.....AR	L	1,438,038	995,235	0	1,047,303	(739,203)	13,899,816	1,453	0
5. California.....CA	L	108,651,335	98,234,715	(716)	33,908,995	60,964,519	214,357,288	146,838	0
6. Colorado.....CO	L	2,928,180	4,397,013	1,085	75,865	(656,832)	14,879,124	4,693	0
7. Connecticut.....CT	L	9,341,279	10,636,403	64,585	14,493,627	(17,078,400)	386,413,735	24,219	0
8. Delaware.....DE	L	306,709	337,874	0	6,621,061	(2,728,709)	51,399,696	273	0
9. District of Columbia.....DC	L	1,697,263	3,844,963	0	2,522,282	3,075,455	25,730,028	1,319	0
10. Florida.....FL	L	15,895,822	17,963,295	0	12,133,962	10,065,712	204,815,044	1,152	0
11. Georgia.....GA	L	9,650,959	11,087,050	0	7,214,359	5,915,731	61,698,576	49,596	0
12. Hawaii.....HI	L	705,827	640,982	0	382,840	161,057	2,439,500	56	0
13. Idaho.....ID	L	1,156,502	1,088,927	1,252	633,567	(106,760)	4,295,376	2,071	0
14. Illinois.....IL	L	4,844,174	5,600,189	259	6,251,033	3,002,556	57,693,851	4,238	0
15. Indiana.....IN	L	2,490,693	2,385,383	399	5,856,668	4,392,790	18,262,531	1,486	0
16. Iowa.....IA	L	1,863,942	1,639,864	12,988	1,779,330	2,655,109	16,574,450	1,299	0
17. Kansas.....KS	L	6,708,715	4,659,764	0	1,547,777	2,889,174	22,052,436	4,410	0
18. Kentucky.....KY	L	1,884,246	1,725,506	0	1,730,220	(2,488,106)	35,766,033	1,584	0
19. Louisiana.....LA	L	6,895,317	4,982,220	1,872	2,304,786	(1,300,871)	89,313,330	4,818	0
20. Maine.....ME	L	596,113	729,463	0	1,609,210	(716,597)	20,019,448	711	0
21. Maryland.....MD	L	7,177,896	5,271,519	0	3,372,342	590,972	71,978,497	7,285	0
22. Massachusetts.....MA	L	22,346,786	23,415,156	332	27,220,388	8,178,804	148,934,414	53,854	0
23. Michigan.....MI	L	678,177	825,350	0	10,575,536	(22,384,970)	239,709,581	629	0
24. Minnesota.....MN	L	3,488,148	3,942,418	8,843	3,818,736	4,820,645	37,918,279	2,464	0
25. Mississippi.....MS	L	1,826,685	1,730,492	0	879,404	(1,078,081)	13,737,099	1,584	0
26. Missouri.....MO	L	3,677,005	3,802,799	0	3,390,492	661,007	36,515,685	3,752	0
27. Montana.....MT	L	1,054,425	582,380	763	178,646	(320,433)	3,089,520	2,249	0
28. Nebraska.....NE	L	2,014,625	2,098,403	5,984	1,939,340	296,160	10,591,795	1,599	0
29. Nevada.....NV	L	884,315	860,937	0	251,245	587,393	2,621,003	924	0
30. New Hampshire.....NH	L	770,374	870,107	0	800,565	21,330	22,844,272	1,604	0
31. New Jersey.....NJ	L	2,291,790	4,037,593	1,153	8,915,968	14,101,829	137,613,361	3,702	0
32. New Mexico.....NM	L	760,623	725,488	0	533,073	738,280	10,396,503	869	0
33. New York.....NY	L	40,116,591	43,683,475	3,652	35,970,730	30,478,933	497,192,170	99,209	0
34. North Carolina.....NC	L	6,262,529	6,462,624	0	3,972,769	(5,618,303)	47,394,492	25,726	0
35. North Dakota.....ND	L	47,443	60,566	580	(1,221)	(84,568)	283,683	23	0
36. Ohio.....OH	L	1,091,198	3,318,293	77	2,382,596	(23,926,092)	283,732,111	747	0
37. Oklahoma.....OK	L	2,045,738	2,073,913	0	799,377	932,923	16,146,249	158	0
38. Oregon.....OR	L	1,375,446	1,599,090	21	1,451,647	385,463	13,464,790	1,932	0
39. Pennsylvania.....PA	L	8,426,570	5,862,584	2,031	82,161,960	81,882,710	228,562,621	9,065	0
40. Rhode Island.....RI	L	648,615	763,963	0	2,152,381	(3,827,954)	42,768,281	1,701	0
41. South Carolina.....SC	L	1,622,268	1,321,716	0	1,034,652	2,910,833	18,713,653	2,316	0
42. South Dakota.....SD	L	303,800	296,157	2,414	119,308	173,636	1,536,050	230	0
43. Tennessee.....TN	L	13,262,198	13,691,333	13,408	7,386,538	12,168,413	68,648,730	15,312	0
44. Texas.....TX	L	33,227,632	31,424,970	281	4,137,726	(3,358,930)	142,143,943	36,249	0
45. Utah.....UT	L	884,281	782,087	0	192,125	108,221	3,967,957	1,631	0
46. Vermont.....VT	L	889,030	930,853	0	1,122,406	(1,203,259)	13,701,632	1,617	0
47. Virginia.....VA	L	39,131,562	43,565,945	0	15,240,534	14,131,376	76,393,784	449,244	0
48. Washington.....WA	L	1,716,951	1,565,402	66	1,736,992	(2,223,452)	17,303,384	3,468	0
49. West Virginia.....WV	L	2,024,229	373,328	2	1,202,721	1,992,646	22,007,569	946	0
50. Wisconsin.....WI	L	5,026,978	5,134,035	26,988	6,989,220	8,739,863	48,659,407	1,947	0
51. Wyoming.....WY	L	43,160	61,360	0	21,752	(124,164)	409,536	39	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	L	60,966	17,895	0	0	0	0	0	0
54. Puerto Rico.....PR	L	3,778,816	5,598,116	0	484,572	4,898,666	4,495,371	26	0
55. US Virgin Islands.....VI	L	323,085	198,645	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	57,358	172,204	0	(238,389)	15,948	258,765	0	0
59. Totals.....	(a).....54	393,001,860	394,851,972	149,621	334,370,686	195,816,516	3,602,017,579	988,811	0

DETAILS OF WRITE-INS

5801. Other Alien Combined.....	XXX	57,358	172,204	0	(238,389)	15,948	258,765	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	57,358	172,204	0	(238,389)	15,948	258,765	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	... AE Development	Connecticut	06-0952727
... St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690	... Ponderosa Homes (23%)	Connecticut	06-0961413
... St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659	... Farmington Casualty Company (41483) *	Connecticut	06-1067463
... St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301	... Travelers Guarantee Company of Canada*	Canada	
... St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... Coronation Insurance Company, Ltd. *	Canada	
... St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... Athena Assurance Company (41769) *	Minnesota	41-1435765	... Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766	... Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... Northbrook Holdings, Inc.	Delaware	51-0375653	... Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
... Captiva, Ltd. (81.1%) *	Bermuda	98-0170615	... The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
... Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... First Trenton Indemnity Company (29930) *	Connecticut	22-3129711
... MMI Capital Trust I	Delaware	52-2073764	... Travelers Auto Insurance Co. of New Jersey (10785) *	Connecticut	22-3499393
... USF&G Capital I	Delaware	52-1953822	... Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... USF&G Capital III	Delaware	52-2044075	... Select Insurance Company (22233) *	Texas	75-6013697
... 350 Market Street	Minnesota	41-1618103	... Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
... UA Combined Investment Company, Ltd	United Kingdom		... Gulf Underwriting Holdings Limited	United Kingdom	
... Jago Dedicated, Ltd	United Kingdom		... Gulf Underwriting Limited *	United Kingdom	
... Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776	... Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264	... Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036	... Jupiter Holdings, Inc.	Minnesota	41-1769846
... St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704	... American Equity Insurance Company (43117) *	Arizona	86-0703220
... Travelers Insurance Company Limited *	United Kingdom	AA-1121375	... American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106
... F&G U.K. Underwriters Limited	United Kingdom		... Northland Insurance Company (24015) *	Minnesota	41-6009967
... Lloyds Syndicate 5000 (40%) *	United Kingdom		... Northfield Insurance Company (27987) *	Iowa	41-0983992
... Aprilgrange Limited	United Kingdom		... Northland Casualty Company (24031) *	Minnesota	94-6051964
... Lloyds Syndicate 5000 (60%) *	United Kingdom		... Travelers Indemnity UK Investments, LLC	Connecticut	06-1591454
... Travelers Property Casualty Corp.	Connecticut	06-1008174	... The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
... Travelers Insurance Group Holdings Inc.	Delaware	06-1445591	... The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
... TPC Investments Inc.	Connecticut	06-1534005	... The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
... The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509	... Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
... AE Properties, Inc.	California	95-2798160	... Constitution State Services, LLC	Delaware	06-1501229
... Standard Fire UK Investments, LLC	Delaware	06-6033509	... The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755	... TravCo Insurance Company (28188) *	Connecticut	35-1838077
... Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264	... TINDY Foreign, Inc	Delaware	20-4403403
... Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274	... Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200	... The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... Travelers (Bermuda) Limited *	Bermuda	98-0190863	... The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504	... The Travelers Marine Corporation	California	94-0338230
... Ponderosa Homes (77%)	Connecticut	06-0961413			

Notes:

* Denotes affiliated insurer

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

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