

ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
TRAVELERS CASUALTY AND
SURETY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 19038 Employer's ID Number 06-6033504
(Current Period) (Prior Period)

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

INCORPORATED/ORGANIZED, MAY 1, 1883 COMMENCED BUSINESS, MAY 1, 1907

Statutory Home Office: One Tower Square, Hartford, CT, US 06183
Main Administrative Office: One Tower Square, Hartford, CT, US 06183 (860) 277-0111
Mail Address: One Tower Square, Hartford, CT, US 06183
Primary Location of Books and Records: One Tower Square, Hartford, CT, US 06183 (860) 277-0111
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists 10 officers including Brian William MacLean, Jay Steven Benet, William Herbert Heyman, Alan David Schnitzer, Doreen Spadorcia, Andy Francis Besette, Robert Carl Brody, John Patrick Clifford, Jr., William Eugene Cunningham, Jr., and William Patrick Hannon.

DIRECTORS

JAY STEVEN BENET BRIAN WILLIAM MacLEAN KENNETH FRANKLIN SPENCE, III
WILLIAM HERBERT HEYMAN DOREEN SPADORCIA GREGORY CHESHIRE TOCZYDLOWSKI

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss:

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

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

Subscribed and sworn to before me this

21st day of January, 2014
Notary Public
My Commission Expires September 30, 2017



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	9,393,587,928	0	9,393,587,928	8,999,341,215
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	34,209,910	0	34,209,910	35,287,020
2.2 Common stocks.....	3,706,828,158	0	3,706,828,158	3,147,013,200
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	12,579
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 (\$.....11,573, Schedule E-Part 1), cash equivalents (\$.....20,000,000, Schedule E-Part 2) and short-term investments (\$.....629,706,071, Schedule DA).....	649,717,644	0	649,717,644	197,367,645
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	838,785,311	46,818,366	791,966,945	819,971,892
9. Receivables for securities.....	3,881	0	3,881	0
10. Securities lending reinvested collateral assets (Schedule DL).....	29,781,863	0	29,781,863	95,985,179
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	14,652,914,696	46,818,366	14,606,096,329	13,294,978,730
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	107,464,278	0	107,464,278	107,157,536
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	499,183,008	31,666,248	467,516,760	419,688,184
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....19,121,997 earned but unbilled premiums).....	818,246,764	3,942,649	814,304,115	812,004,529
15.3 Accrued retrospective premiums.....	19,951,127	578,048	19,373,079	23,256,082
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	36,744,128	0	36,744,128	27,574,490
16.2 Funds held by or deposited with reinsured companies.....	2,365,030	0	2,365,030	3,161,024
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	337,087,538	69,485,535	267,602,003	295,298,553
19. Guaranty funds receivable or on deposit.....	743,917	0	743,917	828,525
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	59,598,326	0	59,598,326	76,022,656
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	124,662,156	42,068,671	82,593,484	77,147,337
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	16,658,960,967	194,559,517	16,464,401,449	15,137,117,645
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	16,658,960,967	194,559,517	16,464,401,449	15,137,117,645

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Suspense, undistributed payments.....	39,716,722	0	39,716,722	31,379,911
2502. Equities and deposits in pools and associations.....	17,554,791	0	17,554,791	22,674,153
2503. Amounts receivable under high deductible policies.....	17,114,710	1,711,539	15,403,171	13,128,278
2598. Summary of remaining write-ins for Line 25 from overflow page.....	50,275,932	40,357,132	9,918,800	9,964,996
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	124,662,156	42,068,671	82,593,484	77,147,337

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	6,046,635,704	6,094,710,385
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	227,906,838	264,935,547
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,330,905,016	1,324,921,462
4. Commissions payable, contingent commissions and other similar charges.....	123,861,818	115,652,498
5. Other expenses (excluding taxes, licenses and fees).....	128,115,292	113,709,204
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	73,245,066	69,406,098
7.1 Current federal and foreign income taxes (including \$.....(86,477,671) on realized capital gains (losses)).....	31,751,766	31,740,401
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....200,992 and interest thereon \$.....37,815.....	238,807	273,385
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....178,159,848 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	1,815,607,881	1,770,908,557
10. Advance premium.....	1,010	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	9,565,160	10,579,149
12. Ceded reinsurance premiums payable (net of ceding commissions).....	63,012,674	71,712,147
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.....	36,598,504	37,045,792
15. Remittances and items not allocated.....	(8,288,581)	(1,239,153)
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	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. Derivatives.....	0	0
21. Payable for securities.....	16,524,294	9,872,605
22. Payable for securities lending.....	29,781,863	95,985,179
23. Liability for amounts held under uninsured plans.....	0	0
24. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	(19,708,170)	(22,613,143)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	9,905,754,944	9,987,600,111
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	9,905,754,944	9,987,600,111
29. Aggregate write-ins for special surplus funds.....	19,886,294	22,837,291
30. Common capital stock.....	25,000,000	25,000,000
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	2,629,824,585	2,179,824,585
35. Unassigned funds (surplus).....	3,883,935,626	2,921,855,658
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	6,558,646,505	5,149,517,534
38. TOTALS (Page 2, Line 28, Col. 3).....	16,464,401,449	15,137,117,645

DETAILS OF WRITE-INS

2501. Special reserve fund.....	500,000	500,000
2502. Retroactive reinsurance reserve assumed.....	458,058	460,943
2503. Other statutory provisions.....	0	7,277
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(20,666,228)	(23,581,363)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	(19,708,170)	(22,613,143)
2901. Special surplus from retroactive reinsurance.....	19,886,294	22,837,291
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	19,886,294	22,837,291
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

TRAVELERS CASUALTY AND SURETY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	4,049,503,752	3,949,718,402
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,979,283,421	2,257,831,534
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	484,851,774	441,526,153
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,267,192,245	1,274,056,067
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,731,327,440	3,973,413,754
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	318,176,312	(23,695,352)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	953,916,354	720,718,151
10. Net realized capital gains (losses) less capital gains tax of \$.....8,740,528 (Exhibit of Capital Gains (Losses)).....	49,686,780	(37,377,520)
11. Net investment gain (loss) (Lines 9 + 10).....	1,003,603,134	683,340,632
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,120,600 amount charged off \$.....11,742,183).....	(9,621,583)	(9,747,944)
13. Finance and service charges not included in premiums.....	17,097,435	17,934,581
14. Aggregate write-ins for miscellaneous income.....	17,136,322	2,988,081
15. Total other income (Lines 12 through 14).....	24,612,174	11,174,717
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,346,391,619	670,819,997
17. Dividends to policyholders.....	5,924,797	8,193,357
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).....	1,340,466,822	662,626,640
19. Federal and foreign income taxes incurred.....	174,896,472	52,210,868
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,165,570,351	610,415,771
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	5,149,517,534	4,897,219,874
22. Net income (from Line 20).....	1,165,570,351	610,415,771
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,790,843.....	(212,505,539)	265,290,115
25. Change in net unrealized foreign exchange capital gain (loss).....	2,914,997	2,272,358
26. Change in net deferred income tax.....	(47,944,420)	(41,220,783)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	51,718,312	41,077,600
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	(5,537,402)
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.....	450,000,000	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.....	0	(620,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	(624,729)	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,409,128,972	252,297,660
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	6,558,646,505	5,149,517,534
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. Profit and loss, miscellaneous.....	18,381,726	(213,616)
1402. Fines and penalties of regulatory authorities.....	(71,702)	(72,833)
1403. Retroactive reinsurance gain/loss.....	(1,173,702)	3,274,531
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).....	17,136,322	2,988,081
3701. Prior period adjustment.....	(624,729)	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(624,729)	0

TRAVELERS CASUALTY AND SURETY COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,043,015,613	3,927,309,720
2. Net investment income.....	1,002,069,753	762,423,850
3. Miscellaneous income.....	24,612,174	11,174,717
4. Total (Lines 1 through 3).....	5,069,697,539	4,700,908,287
5. Benefit and loss related payments.....	2,072,760,456	2,174,746,444
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,720,345,562	1,733,244,788
8. Dividends paid to policyholders.....	6,938,786	7,028,189
9. Federal and foreign income taxes paid (recovered) net of \$.....10,444,023 tax on capital gains (losses).....	183,625,634	(39,026,077)
10. Total (Lines 5 through 9).....	3,983,670,437	3,875,993,344
11. Net cash from operations (Line 4 minus Line 10).....	1,086,027,102	824,914,943
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,324,731,001	1,456,413,598
12.2 Stocks.....	3,451,809	8,208,518
12.3 Mortgage loans.....	11,374	522,155
12.4 Real estate.....	0	0
12.5 Other invested assets.....	89,689,061	85,953,135
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	9,388	0
12.7 Miscellaneous proceeds.....	122,231,034	25,000,000
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,540,123,667	1,576,097,406
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,757,971,309	1,597,299,645
13.2 Stocks.....	794,874,807	2,114,589
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	38,832,737	57,788,929
13.6 Miscellaneous applications.....	3,881	126,852,366
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,591,682,735	1,784,055,530
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,051,559,067)	(207,958,123)
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.....	450,000,000	0
16.3 Borrowed funds.....	(34,602)	(32,310)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	620,000,000
16.6 Other cash provided (applied).....	(32,083,434)	23,525,042
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	417,881,964	(596,507,269)
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).....	452,349,999	20,449,551
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	197,367,645	176,918,094
19.2 End of year (Line 18 plus Line 19.1).....	649,717,644	197,367,645
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Interest received in securities.....	757,956	87,433
20.0002 Stock distribution from limited partnerships.....	238,257	2,114,589
20.0003 Dissolution of subsidiaries.....	0	3,972,424
20.0004 Exchange of bonds.....	0	1,145,297

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.....	105,168,044	44,423,580	48,751,651	100,839,973
2. Allied lines.....	107,596,971	46,847,352	49,641,868	104,802,454
3. Farmowners multiple peril.....	33,533,147	16,081,996	15,956,897	33,658,247
4. Homeowners multiple peril.....	676,049,058	347,703,163	354,105,686	669,646,535
5. Commercial multiple peril.....	605,501,952	274,745,707	273,211,284	607,036,375
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	51,967,456	22,003,210	21,405,502	52,565,164
9. Inland marine.....	126,416,576	59,325,786	60,991,467	124,750,895
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(30)	(563)	(307)	(285)
11.2 Medical professional liability - claims-made.....	(2,267)	0	5	(2,271)
12. Earthquake.....	23,439,697	9,831,022	10,485,471	22,785,248
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.....	749,798,476	266,500,607	283,350,057	732,949,026
17.1 Other liability - occurrence.....	344,384,217	141,815,673	147,557,701	338,642,189
17.2 Other liability - claims-made.....	119,732,769	64,319,057	69,304,262	114,747,564
17.3 Excess workers' compensation.....	4,506,536	1,118,497	1,469,597	4,155,437
18.1 Products liability - occurrence.....	26,202,836	10,576,491	11,321,975	25,457,353
18.2 Products liability - claims-made.....	4,718,769	2,034,979	1,935,268	4,818,480
19.1, 19.2 Private passenger auto liability.....	419,222,661	142,126,454	147,221,981	414,127,134
19.3, 19.4 Commercial auto liability.....	299,075,230	136,195,755	134,631,813	300,639,173
21. Auto physical damage.....	337,731,111	123,496,123	127,591,065	333,636,169
22. Aircraft (all perils).....	18,532	0	312	18,221
23. Fidelity.....	11,156,613	7,703,151	7,616,497	11,243,267
24. Surety.....	2,072,428	(1,041,444)	312,647	718,337
26. Burglary and theft.....	1,508,349	799,964	737,744	1,570,568
27. Boiler and machinery.....	38,286,533	16,218,178	17,032,968	37,471,742
28. Credit.....	(748)	2,769	1,857	165
29. International.....	629,074	228,152	16,104	841,123
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	8,216,608	3,040,070	3,222,226	8,034,452
32. Reinsurance - nonproportional assumed liability.....	3,208,350	1,938,131	1,782,823	3,363,658
33. Reinsurance - nonproportional assumed financial lines.....	343,457	254,425	227,228	370,654
34. Aggregate write-ins for other lines of business.....	511,408	430,002	324,705	616,706
35. TOTALS.....	4,100,993,814	1,738,718,288	1,790,208,350	4,049,503,752

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	511,408	430,002	324,705	616,706
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).....	511,408	430,002	324,705	616,706

TRAVELERS CASUALTY AND SURETY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	48,071,675	1,060,731	(380,756)	.0	48,751,651
2. Allied lines.....	48,291,049	1,354,220	(3,401)	.0	49,641,868
3. Farmowners multiple peril.....	16,317,249	(360,352)	.0	.0	15,956,897
4. Homeowners multiple peril.....	354,112,738	(7,052)	.0	.0	354,105,686
5. Commercial multiple peril.....	275,984,379	(315,274)	(2,457,821)	.0	273,211,284
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	22,073,898	248,966	(917,363)	.0	21,405,502
9. Inland marine.....	50,161,501	11,356,053	(526,087)	.0	60,991,467
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(307)	.0	.0	.0	(307)
11.2 Medical professional liability - claims-made.....	.5	.0	.0	.0	.5
12. Earthquake.....	10,119,528	366,012	(69)	.0	10,485,471
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.....	303,987,212	105,091	(11,909,106)	(8,833,141)	283,350,057
17.1 Other liability - occurrence.....	147,611,965	135,656	(2,527,778)	2,337,857	147,557,701
17.2 Other liability - claims-made.....	60,386,419	8,846,909	70,934	.0	69,304,262
17.3 Excess workers' compensation.....	1,471,225	.0	(1,629)	.0	1,469,597
18.1 Products liability - occurrence.....	11,464,034	71,982	(499,431)	285,389	11,321,975
18.2 Products liability - claims-made.....	2,093,285	(196,905)	38,888	.0	1,935,268
19.1, 19.2 Private passenger auto liability.....	147,221,981	.0	.0	.0	147,221,981
19.3, 19.4 Commercial auto liability.....	134,155,260	544,192	.0	(67,639)	134,631,813
21. Auto physical damage.....	127,545,331	45,733	(0)	.0	127,591,065
22. Aircraft (all perils).....	312	.0	.0	.0	312
23. Fidelity.....	4,748,825	2,867,751	(79)	.0	7,616,497
24. Surety.....	190,738	130,198	(8,289)	.0	312,647
26. Burglary and theft.....	507,523	230,232	(11)	.0	737,744
27. Boiler and machinery.....	16,082,030	950,939	(0)	.0	17,032,968
28. Credit.....	1,857	.0	.0	.0	1,857
29. International.....	16,104	.0	.0	.0	16,104
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	2,375,519	846,707	.0	.0	3,222,226
32. Reinsurance - nonproportional assumed liability.....	1,656,147	126,676	.0	.0	1,782,823
33. Reinsurance - nonproportional assumed financial lines.....	227,228	.0	.0	.0	227,228
34. Aggregate write-ins for other lines of business.....	324,705	.0	.0	.0	324,705
35. TOTALS.....	1,787,199,414	28,408,467	(19,121,997)	(6,277,533)	1,790,208,350
36. Accrued retrospective premiums based on experience.....					6,277,533
37. Earned but unbilled premiums.....					19,121,997
38. Balance (sum of Lines 35 through 37).....					1,815,607,881

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	324,705	.0	.0	.0	324,705
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).....	324,705	.0	.0	.0	324,705

(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	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	2,843,139	105,168,044	1,680,103	4,523,242	0	105,168,044
2. Allied lines.....	1,736,326	107,596,971	3,634,087	5,370,414	0	107,596,971
3. Farmowners multiple peril.....	0	33,533,147	0	0	0	33,533,147
4. Homeowners multiple peril.....	34,302,400	676,049,058	1,205,014	35,507,414	0	676,049,058
5. Commercial multiple peril.....	48,531	605,501,952	0	48,531	0	605,501,952
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	2,821	51,967,456	0	2,821	0	51,967,456
9. Inland marine.....	269,191	126,416,576	0	269,191	0	126,416,576
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(30)	0	0	0	(30)
11.2 Medical professional liability - claims-made.....	0	(2,267)	0	0	0	(2,267)
12. Earthquake.....	43,530	23,439,697	0	43,530	0	23,439,697
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.....	242,403,330	749,798,476	8,834	242,412,163	0	749,798,476
17.1 Other liability - occurrence.....	1,653,507	344,384,217	(240,776)	1,412,730	0	344,384,217
17.2 Other liability - claims-made.....	1,748,440	119,732,769	0	1,748,440	0	119,732,769
17.3 Excess workers' compensation.....	0	4,506,536	0	0	0	4,506,536
18.1 Products liability - occurrence.....	0	26,202,836	0	0	0	26,202,836
18.2 Products liability - claims-made.....	0	4,718,769	0	0	0	4,718,769
19.1, 19.2 Private passenger auto liability.....	0	419,222,661	0	0	0	419,222,661
19.3, 19.4 Commercial auto liability.....	24,080	299,075,230	0	24,080	0	299,075,230
21. Auto physical damage.....	0	337,731,111	0	0	0	337,731,111
22. Aircraft (all perils).....	0	18,532	0	0	0	18,532
23. Fidelity.....	234,346	11,156,613	0	234,346	0	11,156,613
24. Surety.....	54,233,763	2,072,428	8,069	54,241,832	0	2,072,428
26. Burglary and theft.....	33,472	1,508,349	16,817	50,289	0	1,508,349
27. Boiler and machinery.....	0	38,286,533	0	0	0	38,286,533
28. Credit.....	0	(748)	0	0	0	(748)
29. International.....	0	629,074	0	0	0	629,074
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	8,216,608	0	0	0	8,216,608
32. Reinsurance - nonproportional assumed liability.....	XXX	3,208,350	11,973	11,973	0	3,208,350
33. Reinsurance - nonproportional assumed financial lines.....	XXX	343,457	0	0	0	343,457
34. Aggregate write-ins for other lines of business.....	0	511,408	0	0	0	511,408
35. TOTALS.....	339,576,876	4,100,993,814	6,324,121	345,900,996	0	4,100,993,814

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	511,408	0	0	0	511,408
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	511,408	0	0	0	511,408

(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.....	1,334,173	49,611,882	2,645,779	48,300,275	39,362,188	40,410,552	47,251,911	46.9
2. Allied lines.....	2,229,452	57,411,325	6,394,040	53,246,738	49,052,316	75,455,566	26,843,488	25.6
3. Farmowners multiple peril.....	0	13,831,966	0	13,831,966	11,625,102	10,083,156	15,373,911	45.7
4. Homeowners multiple peril.....	10,711,305	286,853,904	11,079,642	286,485,566	150,917,090	179,935,204	257,467,451	38.4
5. Commercial multiple peril.....	2,148,691	295,998,365	2,275,833	295,871,223	500,549,292	515,271,114	281,149,401	46.3
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	4,160	37,912,708	143,432	37,773,436	40,310,215	54,751,234	23,332,416	44.4
9. Inland marine.....	118,841	62,633,381	118,841	62,633,381	48,732,516	50,409,456	60,956,442	48.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	(5,000)	1,330,616	(5,000)	1,330,616	3,072,607	5,143,137	(739,915)	259,746.8
11.2 Medical professional liability - claims-made.....	0	1,381,146	0	1,381,146	12,963,823	14,016,649	328,321	(14,456.7)
12. Earthquake.....	179	323,812	179	323,812	52,400	7,320,517	(6,944,305)	(30.5)
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.....	165,532,550	362,214,328	165,990,151	361,756,727	2,551,117,019	2,472,034,580	440,839,167	60.1
17.1 Other liability - occurrence.....	55,070,844	123,838,574	55,112,617	123,796,800	920,767,910	947,392,967	97,171,744	28.7
17.2 Other liability - claims-made.....	485,502	70,029,397	485,502	70,029,397	320,776,029	326,976,006	63,829,419	55.6
17.3 Excess workers' compensation.....	6,099,718	2,958,494	6,099,718	2,958,494	102,208,640	103,561,563	1,605,571	38.6
18.1 Products liability - occurrence.....	9,846,722	23,316,229	9,941,766	23,221,185	275,575,992	289,115,376	9,681,801	38.0
18.2 Products liability - claims-made.....	0	744,294	0	744,294	5,229,384	5,069,538	904,141	18.8
19.1, 19.2 Private passenger auto liability.....	9,095,821	236,838,058	9,095,821	236,838,058	341,077,615	319,553,988	258,361,685	62.4
19.3, 19.4 Commercial auto liability.....	720,837	186,760,455	720,837	186,760,455	403,122,774	403,849,826	186,033,403	61.9
21. Auto physical damage.....	(5,515)	190,712,691	(5,515)	190,712,691	19,595,158	18,256,203	192,051,646	57.6
22. Aircraft (all perils).....	9,340	191,930	89,620	111,650	2,752,171	2,651,305	212,516	1,166.3
23. Fidelity.....	(80,926)	7,165,725	(99,007)	7,183,805	26,469,347	24,590,321	9,062,831	80.6
24. Surety.....	311,110	(5,603,272)	239,675	(5,531,837)	31,812,312	32,867,181	(6,586,706)	(916.9)
26. Burglary and theft.....	192	119,908	3,542	116,558	1,715,220	2,687,163	(855,385)	(54.5)
27. Boiler and machinery.....	0	10,023,134	0	10,023,134	8,630,731	7,379,214	11,274,651	30.1
28. Credit.....	0	60,824	0	60,824	1,722,432	1,803,616	(20,360)	(12,345.4)
29. International.....	0	395,161	0	395,161	2,767,570	3,585,174	(422,443)	(50.2)
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	1,885,739	0	1,885,739	10,786,404	10,670,130	2,002,013	24.9
32. Reinsurance - nonproportional assumed liability.....	XXX	19,366,573	5,089,383	14,277,190	159,495,216	165,758,120	8,014,286	238.3
33. Reinsurance - nonproportional assumed financial lines.....	XXX	554,517	0	554,517	3,669,416	3,398,582	825,351	222.7
34. Aggregate write-ins for other lines of business.....	0	285,100	0	285,100	706,813	712,945	278,969	45.2
35. TOTALS.....	263,627,994	2,039,146,964	275,416,855	2,027,358,102	6,046,635,704	6,094,710,385	1,979,283,421	48.9

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	285,100	0	285,100	706,813	712,945	278,969	45.2
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	285,100	0	285,100	706,813	712,945	278,969	45.2

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	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	532,782	26,582,825	763,304	26,352,303	44,584	13,069,558	104,257	39,362,188	2,969,485
2. Allied lines.....	141,425	30,161,664	328,488	29,974,601	168,490	19,257,060	347,834	49,052,316	7,098,679
3. Farmowners multiple peril.....	0	4,768,195	0	4,768,195	0	6,856,907	0	11,625,102	1,528,490
4. Homeowners multiple peril.....	5,099,905	76,943,497	5,244,104	76,799,299	4,044,945	74,156,744	4,083,898	150,917,090	25,474,144
5. Commercial multiple peril.....	5,585,563	265,346,969	7,057,177	263,875,355	6,945,498	236,673,937	6,945,498	500,549,292	183,798,530
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	21,294	18,022,129	21,363	18,022,060	196	22,288,155	196	40,310,215	8,404,188
9. Inland marine.....	3,500	37,206,514	3,500	37,206,514	21,844	11,526,002	21,844	48,732,516	4,165,628
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	1,888,591	0	1,888,591	466,676	1,184,015	466,676	3,072,607	1,076,739
11.2 Medical professional liability - claims-made.....	0	7,898,856	0	7,898,856	0	5,064,967	0	12,963,823	1,864,311
12. Earthquake.....	0	32,945	0	32,945	3	19,455	3	52,400	41,469
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.....	783,621,846	1,335,127,558	787,680,787	1,331,068,617	449,079,181	1,220,048,402	449,079,181	2,551,117,019	353,806,643
17.1 Other liability - occurrence.....	99,887,449	204,247,331	100,171,107	203,963,673	434,486,942	716,822,350	434,505,054	920,767,910	299,858,570
17.2 Other liability - claims-made.....	9,916,067	104,638,912	9,916,067	104,638,912	2,875,545	216,137,117	2,875,545	320,776,029	129,835,457
17.3 Excess workers' compensation.....	75,478,503	42,395,924	75,478,503	42,395,924	53,071,063	59,812,716	53,071,063	102,208,640	5,037,467
18.1 Products liability - occurrence.....	30,110,647	45,152,992	30,812,136	44,451,503	633,889,695	231,124,490	633,889,695	275,575,992	139,550,790
18.2 Products liability - claims-made.....	0	1,159,901	0	1,159,901	0	4,069,484	0	5,229,384	3,637,671
19.1, 19.2 Private passenger auto liability.....	303,194,308	211,760,225	303,194,308	211,760,225	3,452,812	129,317,390	3,452,812	341,077,615	59,447,919
19.3, 19.4 Commercial auto liability.....	15,015,948	212,219,700	15,153,089	212,082,559	1,110,312	191,040,215	1,110,312	403,122,774	62,988,300
21. Auto physical damage.....	28,309	12,376,951	28,309	12,376,951	(2,803)	7,218,207	(2,803)	19,595,158	12,381,596
22. Aircraft (all perils).....	420,722	1,570,536	1,045,254	946,005	1,603	1,806,167	1,603	2,752,171	942,383
23. Fidelity.....	41,427	6,394,622	41,427	6,394,622	21,365	20,074,725	21,365	26,469,347	9,399,241
24. Surety.....	7,341,960	19,555,716	8,035,663	18,862,013	19,573,758	12,950,299	19,573,758	31,812,312	8,646,313
26. Burglary and theft.....	148	6,795	911	6,032	12,157	1,709,411	12,380	1,715,220	676,691
27. Boiler and machinery.....	0	4,338,223	0	4,338,223	0	4,292,508	0	8,630,731	1,116,671
28. Credit.....	0	703,619	0	703,619	0	1,018,813	0	1,722,432	(103,823)
29. International.....	0	1,699,754	0	1,699,754	0	1,067,816	0	2,767,570	80,813
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	8,323,869	314,121	8,009,749	XXX	2,776,655	0	10,786,404	763,913
32. Reinsurance - nonproportional assumed liability.....	XXX	134,572,405	40,733,046	93,839,359	XXX	65,655,857	0	159,495,216	6,061,513
33. Reinsurance - nonproportional assumed financial lines.....	XXX	2,440,452	162,664	2,277,788	XXX	1,391,629	0	3,669,416	110,718
34. Aggregate write-ins for other lines of business.....	0	88,019	0	88,019	0	618,794	0	706,813	244,508
35. TOTALS.....	1,336,441,801	2,817,625,690	1,386,185,325	2,767,882,166	1,609,263,866	3,279,049,843	1,609,560,171	6,046,635,704	1,330,905,016
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	88,019	0	88,019	0	618,794	0	706,813	244,508
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	88,019	0	88,019	0	618,794	0	706,813	244,508

10

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

TRAVELERS CASUALTY AND SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	74,472,760	0	0	74,472,760
1.2 Reinsurance assumed.....	255,539,049	0	0	255,539,049
1.3 Reinsurance ceded.....	75,184,373	0	0	75,184,373
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	254,827,436	0	0	254,827,436
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	37,730,229	0	37,730,229
2.2 Reinsurance assumed, excluding contingent.....	0	553,917,866	0	553,917,866
2.3 Reinsurance ceded, excluding contingent.....	0	39,674,438	0	39,674,438
2.4 Contingent - direct.....	0	2,068,646	0	2,068,646
2.5 Contingent - reinsurance assumed.....	0	34,159,365	0	34,159,365
2.6 Contingent - reinsurance ceded.....	0	2,067,468	0	2,067,468
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	586,134,200	0	586,134,200
3. Allowances to manager and agents.....	-	655,242	-	655,242
4. Advertising.....	3,393	24,045,810	18,464	24,067,667
5. Boards, bureaus and associations.....	1,025,390	16,770,599	2,975	17,798,964
6. Surveys and underwriting reports.....	447	13,005,892	-	13,006,339
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	134,105,322	301,851,723	4,244,102	440,201,147
8.2 Payroll taxes.....	9,996,356	20,177,609	165,106	30,339,071
9. Employee relations and welfare.....	26,901,534	46,583,668	390,731	73,875,933
10. Insurance.....	19,714,069	3,810,607	811	23,525,487
11. Directors' fees.....	-	-	-	0
12. Travel and travel items.....	6,722,518	15,503,122	543,381	22,769,021
13. Rent and rent items.....	7,483,200	18,250,976	58,099	25,792,275
14. Equipment.....	1,744,698	7,095,256	48,716	8,888,670
15. Cost or depreciation of EDP equipment and software.....	4,047,015	62,884,778	19,035	66,950,828
16. Printing and stationery.....	623,741	2,151,265	21,113	2,796,119
17. Postage, telephone and telegraph, exchange and express.....	2,488,097	17,132,858	9,381	19,630,336
18. Legal and auditing.....	8,691,277	5,660,857	4,854,663	19,206,797
19. Totals (Lines 3 to 18).....	223,547,057	555,580,262	10,376,577	789,503,896
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....600,601.....	0	95,993,764	0	95,993,764
20.2 Insurance department licenses and fees.....	0	9,822,959	0	9,822,959
20.3 Gross guaranty association assessments.....	0	(538,362)	0	(538,362)
20.4 All other (excluding federal and foreign income and real estate).....	0	3,306,917	0	3,306,917
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	108,585,278	0	108,585,278
21. Real estate expenses.....	0	0	18,494	18,494
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	6,477,281	16,892,505	683,967	24,053,753
25. Total expenses incurred.....	484,851,774	1,267,192,245	11,079,038	(a) 1,763,123,057
26. Less unpaid expenses - current year.....	1,330,905,016	322,754,824	2,467,353	1,656,127,192
27. Add unpaid expenses - prior year.....	1,324,921,462	297,124,528	1,643,272	1,623,689,261
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).....	478,868,220	1,241,561,949	10,254,957	1,730,685,126

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	10,842,103	58,712,268	760,084	70,314,455
2402. Service reimbursements.....	(1,539,451)	(17,280,359)	0	(18,819,810)
2403. Cost of computer software developed for internal use.....	(2,825,371)	(24,539,404)	(76,117)	(27,440,892)
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).....	6,477,281	16,892,505	683,967	24,053,753

(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).....8,550,941	.....8,258,914
1.1 Bonds exempt from U.S. tax.....	(a).....208,442,218	.....207,054,119
1.2 Other bonds (unaffiliated).....	(a).....137,580,743	.....139,749,878
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....2,507,176	.....2,503,732
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....408,485	.....237,491
2.21 Common stocks of affiliates.....	.....509,400,000	.....509,400,000
3. Mortgage loans.....	(c).....100	.....(53)
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....416,511	.....408,834
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....96,881,631	.....96,881,631
9. Aggregate write-ins for investment income.....	.....1,014,995	.....1,014,995
10. Total gross investment income.....	.....965,202,799	.....965,509,541
11. Investment expenses.....		(g).....11,079,038
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....110,675
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....403,475
16. Total deductions (Lines 11 through 15).....		.....11,593,187
17. Net investment income (Line 10 minus Line 16).....		.....953,916,354

DETAILS OF WRITE-INS

0901. Property and wind plans.....	.....950,162	.....950,162
0902. Securities lending income.....	.....168,004	.....168,004
0903. Miscellaneous income.....	.....(103,171)	.....(103,171)
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).....	.....1,014,995	.....1,014,995
1501. Management fees.....		.....269,060
1502. Miscellaneous expense.....		.....134,415
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).....		.....403,475

(a) Includes \$.....10,351,207 accrual of discount less \$.....57,966,172 amortization of premium and less \$.....6,673,374 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 \$.....11,038 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.....	.....(3,090)	.....0	.....(3,090)	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....(11,679)	.....0	.....(11,679)	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....12,449,110	.....(581,815)	.....11,867,294	.....(3,231,155)	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....1,394,874	.....(14,161)	.....1,380,712	.....(1,200,974)	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....9,709	.....0	.....9,709	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(232,874,599)	.....0
3. Mortgage loans.....	.....(1,204)	.....0	.....(1,204)	.....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.....	.....9,388	.....0	.....9,388	.....0	.....0
7. Derivative instruments.....	.....49,756,299	.....0	.....49,756,299	.....(380,280)	.....0
8. Other invested assets.....	.....(154,824)	.....(4,632,959)	.....(4,787,783)	.....26,972,311	.....3,072,952
9. Aggregate write-ins for capital gains (losses).....	.....0	.....207,661	.....207,661	.....0	.....(157,955)
10. Total capital gains (losses).....	.....63,448,582	.....(5,021,274)	.....58,427,308	.....(210,714,695)	.....2,914,997

DETAILS OF WRITE-INS

0901. Foreign exchange.....	.....0	.....203,626	.....203,626	.....0	.....(157,955)
0902. Real gain LTBD impair recovery.....	.....0	.....4,036	.....4,036	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....207,661	.....207,661	.....0	.....(157,955)

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	46,818,366	44,422,295	(2,396,071)
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	46,818,366	44,422,295	(2,396,071)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	31,666,248	32,058,897	392,649
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	3,942,649	7,528,440	3,585,791
15.3 Accrued retrospective premiums.....	578,048	355,766	(222,282)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	69,485,535	91,524,248	22,038,713
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	42,068,671	70,388,183	28,319,512
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	194,559,517	246,277,829	51,718,312
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	194,559,517	246,277,829	51,718,312

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other assets nonadmitted.....	40,357,132	68,571,163	28,214,031
2502. Amounts receivable under high deductible policies.....	1,711,539	1,817,020	105,481
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	42,068,671	70,388,183	28,319,512

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 Company has not applied for and does not believe that it employs any statutory accounting practices that would be considered a permitted practice in its financial statements.

<u>Net Income</u>	<u>State of Domicile</u>	<u>2013</u>	<u>2012</u>
1. Travelers Casualty and Surety Company state basis	CT	\$ 1,165,570,351	\$ 610,415,771
2. State prescribed practices that increase/(decrease) NAIC SAP		-	-
3. State permitted practices that increase/(decrease) NAIC SAP		-	-
4. NAIC SAP (1-2-3=4)		<u>\$ 1,165,570,351</u>	<u>\$ 610,415,771</u>
 <u>Surplus</u>			
5. Travelers Casualty and Surety Company state basis	CT	\$ 6,558,646,505	\$ 5,149,517,534
6. State prescribed practices that increase/(decrease) NAIC SAP		-	-
7. State permitted practices that increase/(decrease) NAIC SAP		-	-
8. NAIC SAP (5-6-7=8)		<u>\$ 6,558,646,505</u>	<u>\$ 5,149,517,534</u>

- 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 funds, a component of surplus as regards policyholders (policyholders' 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. 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.

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.

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 and consist of investments with remaining maturities of one year or less at the time of acquisition, excluding those investments classified as cash equivalents.

Cash equivalents consist of short term, highly liquid investments with original maturities of three months or less.

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 nationally recognized 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 represent management's estimate of the ultimate cost of all unpaid reported and unreported claims incurred and related expenses. In establishing loss and LAE reserves, the Company also takes into account estimated recoveries, reinsurance, salvage and subrogation. The loss and LAE reserves are reviewed regularly by qualified actuaries employed by the Company. The Company continually refines its loss and LAE reserve estimates in a regular ongoing process as historical loss experience develops and additional claims are reported and settled. Because establishment of loss and LAE reserves is an inherently uncertain process involving estimates, currently established reserves may change. The Company reflects adjustments to loss and LAE reserves in the period in which the estimates are changed. Such changes in estimates could occur in a future period and may be material to the Company's net income in such period. For a discussion of loss and LAE reserves related to asbestos and environmental reserves, see Note 33.

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

NOTES TO FINANCIAL STATEMENTS**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

1. During the first quarter of 2013, an error in the reporting of "Taxes, licenses and fees" (TL&F), "Payable to parent, subsidiaries and affiliates" and "Amounts withheld or retained by company for account of others" was detected. The error resulted in paid TL&F associated with business not covered by an affiliated reinsurance agreement not being allocated to the Company, causing an understatement of the reported amount in the TL&F payable account. In accordance with SSAP No. 3, Accounting Changes and Corrections of Errors, the Company corrected this error on the March 31, 2013 statutory financial statement.

The correction resulted in an additional \$11,325,291 to TL&F, offset by both a reduction of \$1,062,144 in Amounts withheld or retained by company for account of others, and \$10,263,147 to Payable to parent, subsidiaries and affiliates. This error did not impact net income or policyholders' surplus.

2. The Company adopted SSAP No. 101 effective January 1, 2012. SSAP No. 101 revises the guidance for current and deferred federal and foreign income taxes. The new guidance limits the admissibility of deferred tax assets (DTAs) based on an insurer's RBC and the ratio of its adjusted DTAs to adjusted capital and surplus. The guidance also rejects the GAAP guidance from Financial Interpretation No. 48: *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (ASC 740 in codification)* and instead modifies SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*, requiring that a "more likely than not" rather than a "probable" standard to be applied in determining federal and foreign income tax loss contingencies.

At adoption, the Company reported a cumulative effect adjustment that resulted in an increase in its liability for current tax liabilities of \$5,537,402, and a corresponding decrease in unassigned funds in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*.

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 Insurance Company of Canada (Travelers Canada, formerly known as Travelers Guarantee Company of Canada), 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 Canada 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 Canada was the surviving company.

2. The purchase of Travelers Canada was accounted for as a statutory purchase.
3. The cost of Travelers Canada was \$135.0 million resulting in goodwill in the amount of \$41.7 million.
4. Goodwill amortization relating to the purchase of Travelers Canada was \$4.2 million for the year ended December 31, 2013.

B. Statutory Merger:

Not applicable.

C. Impairment Loss:

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

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

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

1. The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities are revalued quarterly using the constant effective yield method which includes an adjustment for estimated principal repayments, if any. The effective yield used to determine amortization for these securities is recalculated and adjusted periodically based upon actual historical and/or projected future cash flows. The Company changes from the retrospective to prospective method for valuing the securities when an other-than-temporary impairment has been recorded.

For collateralized mortgage obligations, asset-backed securities and pass-through certificates prepayment assumptions are adjusted periodically.

When unit prices published by the Securities Valuation Office were not available, the Company uses a nationally recognized pricing service, as well as broker quotes in determining the fair value of its loan-backed securities.

NOTES TO FINANCIAL STATEMENTS

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

	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Other-than temporary impairment recognized in loss</u>	<u>Fair value</u>
(OTTI recognized in the quarter ending March 31, 2013)			
Present value of Cash flows is less than Amortized cost	\$562,428	\$ 3,277	\$593,471
(OTTI recognized in the quarter ending June 30, 2013)			
Present value of Cash flows is less than Amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending September 30, 2013)			
Present value of Cash flows is less than Amortized cost	\$ -	\$ -	\$ -
(OTTI recognized in the quarter ending December 31, 2013)			
Present value of Cash flows is less than Amortized cost	\$335,396	\$1,091	\$347,756

3. Loan-backed and structured securities with other-than-temporary impairments recognized in 2013 are as follows:

<u>Cusip</u>	<u>Amortized cost basis before other-than- temporary impairment</u>	<u>Projected Cash Flow</u>	<u>Other-than- temporary impairment recognized in loss</u>	<u>Amortized cost basis after other- than- temporary impairment</u>	<u>Fair Value</u>	<u>Impairment Quarter</u>
05948XEB3	\$ 387,208	\$ 386,552	\$ 656	\$ 386,552	\$ 402,338	Q1 - 2013
939336PC1	175,220	172,599	2,621	172,599	191,133	Q1 - 2013
05948XEB3	335,396	334,305	1,091	334,305	347,756	Q4 - 2013

4. 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:

- a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ 7,261,280
2. 12 Months or Longer	\$ 699,062

- b. The aggregate related fair values of securities with unrealized losses:

1. Less than 12 Months	\$229,583,360
2. 12 Months or Longer	\$ 16,296,172

5. The Company determines an other-than-temporary impairment by utilizing discounted cash flow modeling to determine the present value of the security and comparing the present value with the amortized cost of the security. If the amortized cost is greater than the present value of the expected cash flows, the difference is considered a credit loss and recognized in net realized investment gains (losses). The Company estimates the present value of the security by projecting future cash flows of the assets underlying the securitization, allocating the flows to the various tranches based on the structure of the securitization, and determining the present value of the cash flows using the effective yield of the security at the date of acquisition (or the most recent implied rate used to accrete the security if the implied rate has changed as a result of a previous impairment or changes in expected cash flows). The Company incorporates levels of delinquencies, defaults and severities as well as credit attributes of the remaining assets in the securitization, along with other economic data, to arrive at its best estimate of the parameters applied to the assets underlying the securitization.

E. Repurchase Agreements and/or Securities Lending Transactions:

The Company requires collateral equal to at least 102% of the market value of the loaned security plus accrued interest. 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 securities and U.S. Treasury repurchase agreements.

Collateral Reinvestment

Aggregate Cash Collateral Reinvested

<u>Securities Lending</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$29,781,863	\$29,781,863

F. Real Estate:

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets:

Restricted Asset Category	Gross Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under securities lending agreement	\$ 29,781,863	\$ -	\$ -	\$ -	\$ 29,781,863	\$ 95,985,179	\$ (66,203,316)	\$ 29,781,863	0.2%	0.2%
c. Subject to repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
d. Subject to reverse repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
e. Subject to dollar repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
f. Subject to dollar reverse repurchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
g. Placed under options contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
h. Letter stock or securities restricted as to sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
i. On deposit with states	\$ 647,597,584	\$ -	\$ -	\$ -	\$ 647,597,584	\$ 630,535,172	\$ 17,062,412	\$ 647,597,584	3.9%	3.9%
j. On deposit with other regulatory bodies	\$ 14,823,605	\$ -	\$ -	\$ -	\$ 14,823,605	\$ 13,399,302	\$ 1,424,303	\$ 14,823,605	0.1%	0.1%
k. Pledged as collateral not captured in other categories	\$ 15,888,183	\$ -	\$ -	\$ -	\$ 15,888,183	\$ 18,248,938	\$ (2,360,755)	\$ 15,888,183	0.1%	0.1%
l. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
m. Total restricted assets	\$ 708,091,235	\$ -	\$ -	\$ -	\$ 708,091,235	\$ 758,168,591	\$ (50,077,356)	\$ 708,091,235	4.3%	4.3%

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures, partnerships, and limited liability companies are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments using financial information that is received from the respective joint venture, partnership, or limited liability company. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had other-than-temporary impairments and recorded a realized loss of \$4,632,959 with an offsetting entry to change in net unrealized capital gains or (losses). There was no impact to policyholders' surplus as the change in net unrealized capital gains or (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

A. Policyholders' surplus excludes due and accrued investment income if amounts are over 90 days past due.

B. At December 31, 2013, the Company had no accrued investment income over 90 days past due.

8. DERIVATIVE INSTRUMENTS

The Company may use U.S. Treasury note futures contracts to modify the effective duration of specific assets within the investment portfolio. These futures contracts require a daily mark-to-market and settlement with the counterparty/broker. The Company utilized Treasury futures contracts during 2013, but had no open positions at December 31, 2013. 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) at December 31 are as follows:

	<u>December 31, 2013</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 371,530,134	\$ 37,311,951	\$ 408,842,085
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>371,530,134</u>	<u>37,311,951</u>	<u>408,842,085</u>
d) Deferred tax assets nonadmitted	<u>45,579,083</u>	<u>23,906,452</u>	<u>69,485,535</u>
e) Subtotal (net deferred tax assets)	325,951,051	13,405,499	339,356,550
f) Deferred tax liabilities	<u>61,343,196</u>	<u>10,411,351</u>	<u>71,754,547</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 264,607,855</u>	<u>\$ 2,994,148</u>	<u>\$ 267,602,003</u>

	<u>December 31, 2012</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 412,313,436	\$ 41,270,476	\$ 453,583,912
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	<u>412,313,436</u>	<u>41,270,476</u>	<u>453,583,912</u>
d) Deferred tax assets nonadmitted	<u>69,561,446</u>	<u>21,962,802</u>	<u>91,524,248</u>
e) Subtotal (net deferred tax assets)	342,751,990	19,307,674	362,059,664
f) Deferred tax liabilities	<u>52,132,253</u>	<u>14,628,858</u>	<u>66,761,111</u>
g) Net admitted deferred tax asset (liability)	<u>\$ 290,619,737</u>	<u>\$ 4,678,816</u>	<u>\$ 295,298,553</u>

NOTES TO FINANCIAL STATEMENTS

	Change		
	Ordinary	Capital	Total
a) Gross deferred tax assets	\$ (40,783,302)	\$ (3,958,525)	\$ (44,741,827)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	(40,783,302)	(3,958,525)	(44,741,827)
d) Deferred tax assets nonadmitted	(23,982,363)	1,943,650	(22,038,713)
e) Subtotal (net deferred tax assets)	(16,800,939)	(5,902,175)	(22,703,114)
f) Deferred tax liabilities	9,210,943	(4,217,507)	4,993,436
g) Net admitted deferred tax asset (liability)	<u>\$ (26,011,882)</u>	<u>\$ (1,684,668)</u>	<u>\$ (27,696,550)</u>

2. Admission Calculation Components SSAP No. 101:

	December 31, 2013		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 135,764,809	\$ 2,994,148	\$ 138,758,957
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below)	128,843,046	-	128,843,046
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	128,843,046	-	128,843,046
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	943,031,133
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	61,343,196	10,411,351	71,754,547
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b) + 2(c))	<u>325,951,051</u>	<u>13,405,499</u>	<u>339,356,550</u>
DTLs netted against deferred tax assets	<u>61,343,196</u>	<u>10,411,351</u>	<u>71,754,547</u>
Total	<u>\$ 264,607,855</u>	<u>\$ 2,994,148</u>	<u>\$ 267,602,003</u>

Admission Calculation Components SSAP No. 101:

	December 31, 2012		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 39,732,886	\$ 4,678,816	\$ 44,411,702
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below)	250,886,851	-	250,886,851
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	250,886,851	-	250,886,851
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	726,881,762
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	52,132,253	14,628,858	66,761,111
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b) + 2(c))	<u>342,751,990</u>	<u>19,307,674</u>	<u>362,059,664</u>
DTLs netted against deferred tax assets	<u>52,132,253</u>	<u>14,628,858</u>	<u>66,761,111</u>
Total	<u>\$ 290,619,737</u>	<u>\$ 4,678,816</u>	<u>\$ 295,298,553</u>

Admission Calculation Components SSAP No. 101:

	Change		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 96,031,923	\$ (1,684,668)	\$ 94,347,255
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 Below)	(122,043,805)	-	(122,043,805)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	(122,043,805)	-	(122,043,805)
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	216,149,371
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	9,210,943	(4,217,507)	4,993,436
d) Deferred tax assets admitted as the result of application of SSAP No. 101			
Total (2(a) + 2(b) + 2(c))	<u>(16,800,939)</u>	<u>(5,902,175)</u>	<u>(22,703,114)</u>
DTLs netted against deferred tax assets	<u>9,210,943</u>	<u>(4,217,507)</u>	<u>4,993,436</u>
Total	<u>\$ (26,011,882)</u>	<u>\$ (1,684,668)</u>	<u>\$ (27,696,550)</u>

NOTES TO FINANCIAL STATEMENTS

	<u>2013</u>	<u>2012</u>
3. a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	584%	473%
b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above.	6,286,874,220	4,845,878,415

	<u>December 31, 2013</u>	
4. Impact of Tax Planning Strategies:	<u>Ordinary</u>	<u>Capital</u>
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	371,530,134	37,311,951
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	325,951,051	13,405,499
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>December 31, 2012</u>	
	<u>Ordinary</u>	<u>Capital</u>
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	412,313,436	41,270,476
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	342,751,990	19,307,674
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

	<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>
a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.		
1. Adjusted gross deferred tax assets amounts from Note 9A1(c)	(40,783,302)	(3,958,525)
2. Percentage of adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%
3. Net admitted adjusted gross deferred tax assets amounts from Note 9A1(e)	(16,800,939)	(5,902,175)
4. Percentage of net admitted adjusted gross deferred tax assets by tax character attributable to the impact of tax planning strategies.	0%	0%

b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ___ No X

B. DTL not recognized for the following amounts:

5% threshold assets	\$18,576,507
5% threshold liabilities	\$ 3,067,160

At December 31, 2013, the Company had undistributed earnings in certain foreign subsidiaries of \$279,941,273. The Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future.

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

	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
1. Federal	\$ 174,864,435	\$ 52,203,287	\$122,661,148
Foreign	32,037	7,581	24,456
Subtotal	174,896,472	52,210,868	122,685,604
Federal income taxes on net capital gains	8,740,528	4,347,328	4,393,200
Federal and foreign income taxes incurred	<u>\$ 183,637,000</u>	<u>\$ 56,558,196</u>	<u>\$127,078,804</u>

2. The tax effects of temporary differences that give rise to significant portions of the DTA and DTL are as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
DTA:			
Ordinary:			
Discounting of unpaid losses	\$ 162,367,595	\$ 179,471,129	\$ (17,103,534)
Unearned premium reserve	127,092,622	123,963,599	3,129,023
Investments	16,461,823	20,794,420	(4,332,597)

NOTES TO FINANCIAL STATEMENTS

Non-admitted assets	51,402,903	63,338,001	(11,935,098)
Other	<u>14,205,191</u>	<u>24,746,287</u>	<u>(10,541,096)</u>
Total DTA - ordinary	371,530,134	412,313,436	(40,783,302)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>45,579,083</u>	<u>69,561,446</u>	<u>(23,982,363)</u>
Admitted ordinary DTA	<u>\$ 325,951,051</u>	<u>\$ 342,751,990</u>	<u>\$ (16,800,939)</u>
Capital:			
Investments	<u>\$ 37,311,951</u>	<u>\$ 41,270,476</u>	<u>\$ (3,958,525)</u>
Total DTA – capital	37,311,951	41,270,476	(3,958,525)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	<u>23,906,452</u>	<u>21,962,802</u>	<u>1,943,650</u>
Admitted capital DTA	<u>13,405,499</u>	<u>19,307,674</u>	<u>(5,902,175)</u>
Total admitted DTA	<u>\$ 339,356,550</u>	<u>\$ 362,059,664</u>	<u>\$ (22,703,114)</u>
DTL:			
Ordinary:			
Investments	\$ 60,972,216	\$ 50,748,647	\$ 10,223,569
Other	<u>370,980</u>	<u>1,383,606</u>	<u>(1,012,626)</u>
Total ordinary DTL	<u>61,343,196</u>	<u>52,132,253</u>	<u>9,210,943</u>
Capital:			
Investments	<u>\$ 10,411,351</u>	<u>\$ 14,628,858</u>	<u>\$ (4,217,507)</u>
Total capital DTL	10,411,351	14,628,858	(4,217,507)
Total DTL	<u>71,754,547</u>	<u>66,761,111</u>	<u>4,993,436</u>
Net admitted DTA/(DTL)	<u>\$ 267,602,003</u>	<u>\$ 295,298,553</u>	<u>\$ (27,696,550)</u>

- Deferred income taxes do not include any benefit from investment tax credits.
- Deferred income taxes do not include a benefit from net operating losses.
- There are no adjustments to a DTA or DTL for enacted changes in tax laws or rates or a change in the tax status of the Company.
- There are no adjustments to gross DTA because of change in circumstances that causes a change in judgment about the realizability of the related DTA.

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

	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
Total DTA	\$ 408,842,085	\$ 453,583,912	\$ (44,741,827)
Total DTL	<u>71,754,547</u>	<u>66,761,111</u>	<u>4,993,436</u>
Net DTA/(DTL)	<u>\$ 337,087,538</u>	<u>\$ 386,822,801</u>	<u>(49,735,263)</u>
Tax effect of unrealized gains (losses)			<u>1,790,843</u>
Change in net deferred income tax			<u>\$ (47,944,420)</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:

Rate Reconciliation:	
	<u>December 31, 2013</u>
Pretax net income (loss)	\$ 1,349,207,351
Taxes at statutory rate	\$ 472,222,573
Increase (decrease) attributable to:	
Nontaxable investment income	(241,803,593)
Other	<u>1,162,440</u>
	<u>\$ 231,581,420</u>
Federal and foreign taxes incurred	\$ 183,637,000
Change in net deferred taxes	<u>47,944,420</u>
Total statutory income tax	<u>\$ 231,581,420</u>
Effective tax rate	17.2%

- E. 1. The Company has no net operating loss carryforward available for tax purposes.
- The Company has \$190,574,509, \$70,082,874 and \$0 of federal income tax from the current and prior tax years respectively, available for recoupment in the event of future losses.
 - The reporting entity 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.
- 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.

NOTES TO FINANCIAL STATEMENTS

- G. The Company believes it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months. However, an estimate of the reasonably possible increase cannot be made at this time.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

- A-C. (1) The Company is party to a Shareholder Declaration dated May 31, 2013, whereby it became the sole shareholder of its newly formed subsidiary 8527512 Canada Inc. (Canada Inc.). From May 31, 2013 through October 31, 2013, the Company became the registered holder of 82,759 common shares representing the majority of the issued and outstanding shares of Canada, Inc. at a cost of \$792.8 million. In addition, on October 31, 2013, Canada Inc. issued 24,000 common shares to the Company's affiliate, St. Paul Fire and Marine Insurance Company Canadian Branch (FM Branch) at a cost of 240.0 million CAD. As a result of the transactions above, the Company owns 77.5% of the outstanding shares of Canada Inc. FM Branch owns the remaining 22.5% ownership interest in the subsidiary.

On November 1, 2013, Canada Inc. acquired The Dominion of Canada General Insurance Company (Dominion) from E-L Financial Corporation Limited. As a result of this transaction, the Company indirectly owns 77.5% of Dominion.

- (2) In September and December, 2013, the Company received capital contributions of \$200 million and \$250 million, respectively, from its parent, Travelers Insurance Group Holdings, Inc. (TIGHI).
- (3) In December, 2013, the Company purchased \$180.6 million of securities from United States Fidelity and Guaranty Company.

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, 2013 and 2012, the TRVMMLP totaled \$3.5 billion and \$3.4 billion, respectively.
- D. (1) At December 31, 2013 and 2012, the Company had \$59,598,326 and \$76,022,656 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 participates in an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Uncollected premiums and agents' balances in course of collection	\$ 241,537,363	\$ 207,649,424
Amounts recoverable from reinsurers	36,744,128	27,574,490
Reinsurance payable on paid losses and loss adjustment expenses	225,474,694	261,416,945

These balances were settled net through the intercompany settlement process during January 2014 and January 2013, respectively.

- 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.
- 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 Travelers Casualty and Surety Company of America (AME), whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in AME at AME's statutory equity. The statement value of AME assets and liabilities as of December 31, 2013 was \$4.1 billion and \$2.3 billion, respectively. AME's net income was \$500.5 million for the year ended December 31, 2013.

J. Not applicable.

K. Not applicable.

L. Not applicable.

11. DEBT

Not applicable.

NOTES TO FINANCIAL STATEMENTS**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS****A-D. Defined Benefit Plans:**

Not applicable.

E. Defined Contribution Plans:

Not applicable.

F. Multiemployer Plans:

Not applicable.

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

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by TRV that provides benefits, primarily under a cash balance formula, for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by TRV which cover 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 \$27,312,420 and \$27,725,733 for 2013 and 2012, respectively.

2. Postretirement Benefit Plan:

The Company participates in a postretirement health 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 \$987,422 and \$1,782,835 for 2013 and 2012, 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 \$18,254,684 and \$16,731,163 for 2013 and 2012, respectively.

H. Postemployment Benefits and Compensated Absences:

Not applicable.

I. 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.

In 2012, the Company paid ordinary dividends of \$320 million and extraordinary dividends of \$300 million for a total \$620 million, to its parent company, TIGHI.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2014 without prior approval is \$1,165,570,000.

There are no restrictions on the use of the Company's unassigned funds and such funds are held for the benefit of the shareholder, except for the dividend restrictions indicated above.

The change in the balance of special surplus from retroactive reinsurance is a result of ongoing activity occurring in 2013. See Note 23F for additional detail.

Unassigned funds have been increased by cumulative net unrealized gains of \$2,032,165,353.

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

At December 31, 2013, the Company had commitments to fund investments of \$174.2 million.

B. Assessments:

1. The Company has accrued liabilities of \$53.2 million for guaranty fund and other insurance-related assessments and related recoverables of \$1.3 million at December 31, 2013. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

NOTES TO FINANCIAL STATEMENTS

2.	a. Assets recognized from paid and accrued premium tax offsets December 31, 2012	\$ 828,525
	b. Decreases current year:	
	Premium tax offset charged off	-
	Premium tax offset applied	146,441
	Premium tax offset refund	35,043
	c. Increases current year:	
	Premium tax offset accrued	96,876
	d. Assets recognized from paid and accrued premium tax offsets December 31, 2013	\$ 743,917

C. Gain Contingencies:

On August 17, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company v. American Re-Insurance Company, et al.*, the trial court granted summary judgment for United States Fidelity and Guaranty Company (USF&G) and denied summary judgment for American Re-Insurance Company (American Re) and three other reinsurers. By order dated October 22, 2010, the trial court corrected certain clerical errors and made certain clarifications to the August 17, 2010 order. On October 25, 2010, judgment was entered against American Re and the other three insurers, awarding USF&G \$420 million, comprising \$251 million ceded under the terms of the disputed reinsurance contract plus interest of 9% amounting to \$169 million as of that date. The judgment, including the award of interest, was appealed by the reinsurers to the New York Supreme Court, Appellate Division, First Department. On January 24, 2012, the Appellate Division affirmed the judgment. On January 30, 2012, the reinsurers filed a motion with the Appellate Division seeking permission to appeal its decision to the New York Court of Appeals, and on March 12, 2012, the Appellate Division granted the reinsurers' motion. On February 7, 2013, the Court of Appeals issued an opinion that largely affirmed the summary judgment in USF&G's favor, while modifying in part the summary judgment with respect to two discrete issues and remanding the case to the trial court for determination of those issues. USF&G believes it has a meritorious position on each of these issues and intends to pursue its claim vigorously. On May 2, 2013, the Court of Appeals denied a motion by reinsurers to reconsider the February 7, 2013 opinion. In November 2013, USF&G entered into a settlement agreement with one of the reinsurers. At December 31, 2013, the claim totaled \$466 million, comprising the \$238 million of reinsurance recoverable plus interest amounting to \$228 million as of that date. Interest will continue to accrue at 9% until the claim is paid.

As USF&G is a participant in the Travelers Reinsurance Pool (TRV Pool), any amounts recoverable from this claim are subject to participation percentages of the TRV Pool (See Note 26). Accordingly, the Company's respective TRV Pool participation share of the \$251 million awarded by the court represents the amounts owed to and reported by the Company under the terms of the disputed reinsurance contract. The Company's respective Pool participation share of the interest that would be received as part of any judgment ultimately entered in favor of USF&G is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*, and accordingly has not been recognized in the Company's statutory financial statements.

In an unrelated action, Indemnity is one of the Settlement Class plaintiffs and a class member in a class action lawsuit captioned *Safeco Insurance Company of America, et al. v. American International Group, Inc. et al.* (U.S. District Court, N.D. Ill.) in which the defendants are alleged to have engaged in the under-reporting of workers' compensation premium in connection with a workers' compensation reinsurance pool in which several members of the TRV Pool participate. On July 26, 2011, the court granted preliminary approval of a class settlement pursuant to which the defendants agreed to pay \$450 million to the class. On December 21, 2011, the court entered an order granting final approval of the settlement, and on February 28, 2012, the district court issued a written opinion approving the settlement. On March 27, 2012, three parties who objected to the settlement appealed the court's orders approving the settlement to the U.S. Court of Appeals for the Seventh Circuit. On January 11, 2013, all parties, including the three parties who had objected to the settlement, filed a Stipulation of Dismissal indicating that there were no longer any objections to the settlement. On March 25, 2013, the Seventh Circuit dismissed the appeals. On April 16, 2013, the Seventh Circuit issued its mandate returning the case to the district court for administration of the settlement. On June 26, 2013, Indemnity received payment of approximately \$91 million, comprising 98% of its allocation from the settlement fund. On November 11, 2013, Indemnity received payment of approximately \$2 million, comprising the remaining 2% to be paid from the settlement fund. The combination of the payments received in June and November 2013 totaling \$93 million, less approximately \$2 million remitted to another insurer, resulted in a net gain of \$91 million.

As Indemnity is a participant in the TRV Pool, its settlement amount is subject to participation percentages of the TRV Pool (See Note 26). Accordingly, the Company's respective TRV Pool participation share of the \$91 million receipt is reported as an aggregate write-in for miscellaneous income in the Company's Statement of Income. Prior to the receipt, the Company accounted for its anticipated allocation from the settlement fund as a gain contingency in accordance with SSAP No. 5R, *Liabilities, Contingencies and Impairment of Assets - Revised*.

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

Not applicable.

E. Product Warranties:

Not applicable.

F. 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 27.

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, 2013, 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 33.

15. LEASES

A. Lessee Leasing Arrangements:

- The Company was a party to lease agreements for office space that expired during the year. Total rental expense under operating leases for the Company for 2013 and 2012 was \$1,497,221 and \$984,850, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement. Total rental income from subleases for 2013 and 2012 was \$1,199,489 and \$1,132,293, respectively.

NOTES TO FINANCIAL STATEMENTS

2. There are no future minimum rental payments for these leases as of December 31, 2013.

3. Sale-Leaseback Transactions:

Not applicable.

B. Lessor's Business Activities:

Not applicable.

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

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were \$174.2 million at December 31, 2013.

In prior 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 36 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. 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 securities and U.S. Treasury repurchase agreements. These securities typically have a duration of 1 day. See Schedule D – Part 1 for identification and description of securities on loan.

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. FAIR VALUE MEASUREMENTS

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Company's significant market assumptions. The level in the fair value hierarchy within which the fair value measurement is reported is based on the lowest level input that is significant to the measurement in its entirety. The three levels of the hierarchy are as follows:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use.

A. (1) Securities measured and reported at fair value as of December 31, 2013:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds				
Industrial and miscellaneous	\$ -	\$ 94,332,413	\$ -	\$ 94,332,413
Preferred stock				
Redeemable preferred stock		30,328,125	-	30,328,125
Non-redeemable preferred stock	1,669,960	1,051,825	-	2,721,785
Total preferred stock	1,669,960	31,379,950	-	33,049,910
Total securities at fair value	\$ 1,669,960	\$ 125,712,363	\$ -	\$ 127,382,323

There were no significant transfers between level 1 and 2.

(2) Not applicable.

(3) Not applicable.

NOTES TO FINANCIAL STATEMENTS

(4) Bonds and preferred stock were carried at fair value in accordance with NAIC guidelines. These securities were generally priced by the SVO or by a third party organization.

(5) Not applicable.

B. Not applicable.

C. The following table provides the aggregate fair value and reported aggregate admitted asset value by type of financial instrument; and the hierarchy level in which the fair values fall.

(At December 31, 2013)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practicable</u>
						<u>(Carrying</u>
						<u>Value)</u>
Short term bonds	\$ 629,706,071	\$ 629,706,071	\$ 275,689,361	\$ 354,016,710	\$ -	\$ -
Cash equivalents	20,000,000	20,000,000	-	20,000,000	-	-
Long term bonds	9,693,454,346	9,393,587,928	416,398,445	9,258,202,722	18,853,179	-
Preferred stock	34,569,910	34,209,910	3,189,960	31,379,950	-	-

(At December 31, 2012)	Aggregate	Admitted				Not
<u>Description</u>	<u>Fair Value</u>	<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practicable</u>
						<u>(Carrying</u>
						<u>Value)</u>
Short term bonds	\$ 198,315,951	\$ 198,316,027	\$ 81,351,691	\$ 116,381,673	\$ 582,587	\$ -
Long term bonds	9,737,570,684	8,999,341,215	360,740,890	9,368,342,990	8,486,804	-
Preferred stock	36,365,395	35,287,020	36,365,395	-	-	-
Common stock	124,474	124,474	124,474	-	-	-
Mortgage loans	-	12,579	-	-	-	12,579

D. Not applicable.

21. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures and Unusual Items:

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

2013 Schedule P:

The 2003 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	<u>Accident Years</u>				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999 & Prior</u>
Part 1A	\$ 103	\$ 70	\$ 83	\$ 241	\$ 813
Part 1B	219	153	77	38	42,118
Part 1C	2,901	2,098	2,931	1,681	9,715
Part 1D	79,357	72,793	82,232	78,740	786,758
Part 1E	9,335	6,567	7,736	4,609	59,093
Part 1F - Section 1	596	1,381	213	802	694
Part 1F - Section 2	344	4,744	797	1,761	6,247
Part 1G	502	(61)	945	1,237	10,189
Part 1H - Section 1	19,846	18,353	25,646	18,915	460,441
Part 1H - Section 2	10,915	6,176	10,860	1,588	22,987
Part 1M	5	-	132	399	118
Part 1N	75	290	3,665	419	2,225
Part 1O	1,666	3,449	17,087	5,198	127,019
Part 1P	158	841	1,294	152	522
Part 1R - Section 1	10,039	9,718	4,692	7,210	279,117
Part 1R - Section 2	118	342	213	15	1,631

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):

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (210)	\$ (324)	\$ (28)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(1,338)	(1,144)	(292)	(9,892)	-	(163)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice - CM	-	-	(1,893)	-	-	-	-	-	-
Special Liability	-	-	-	-	-	-	-	-	-
Other Liability - Occ	(415)	(2)	-	-	-	-	-	-	-
Other Liability - CM	-	(3,691)	-	-	-	-	-	-	-
Special Property	(1)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(128)	-	-	-	-	-	-	-	-
Reinsurance B	(1,012)	-	-	-	-	-	-	-	-

D. Business Interruption Insurance Recoveries:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. State Transferable and Non-transferable Tax Credits:

Not applicable.

F. Subprime Mortgage-Related Risk Exposure:

The Company defines subprime mortgage-backed securities as investments which generally contain a majority of 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.

Direct exposure through other investments:

	<u>Actual Cost</u>	<u>Book/Adjusted Carrying Value (excluding interest)</u>	<u>Fair Value</u>	<u>Other-Than- Temporary Impairment Losses Recognized</u>
Residential mortgage-backed securities:	\$ 58,680,231	\$ 57,347,763	\$ 66,918,834	\$ 16,455,773

G. Offsetting and Netting of Assets and Liabilities:

Not applicable.

H. Joint and Several Liabilities:

Not applicable.

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 17, 2014.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the TRV Pool 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, 2013, 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	\$ 11,483,459,981
Travelers Casualty and Surety Company	06-6033504	9,430,730,663
The Phoenix Insurance Company	06-0303275	2,313,046,143
The Standard Fire Insurance Company	06-6033509	2,251,730,683
United States Fidelity and Guaranty Company	52-0515280	2,051,452,292
Travelers Casualty Insurance Company of America	06-0876835	1,262,956,665
Farmington Casualty Company	06-1067463	684,654,331
The Travelers Indemnity Company of Connecticut	06-0336212	634,282,525
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	633,767,860
The Charter Oak Fire Insurance Company	06-0291290	589,655,042
Northland Insurance Company	41-6009967	564,712,673
St. Paul Surplus Lines Insurance Company	41-1230819	407,091,759
The Travelers Indemnity Company of America	58-6020487	356,670,550
St. Paul Protective Insurance Company	36-2542404	268,394,489
Northfield Insurance Company	41-0983992	240,554,209
Travelers Commercial Casualty Company	95-3634110	217,442,605
Travelers Commercial Insurance Company	06-1286268	217,423,998
Travelers Casualty Company of Connecticut	06-1286266	217,423,998
St. Paul Mercury Insurance Company	41-0881659	189,137,515
Travelers Property Casualty Company of America	36-2719165	175,980,095
Travelers Property Casualty Insurance Company	06-1286274	138,781,266
The Travelers Casualty Company	41-1435765	134,155,225

NOTES TO FINANCIAL STATEMENTS

Travelers Constitution State Insurance Company	41-1435766	134,155,225
Travelers Excess and Surplus Lines Company	06-1203698	124,903,136
Travelers Personal Insurance Company	36-3703200	124,903,136
The Travelers Home and Marine Insurance Company	35-1838079	124,903,136
TravCo Insurance Company	35-1838077	124,903,136
Travelers Personal Security Insurance Company	06-1286264	124,903,136
Discover Property & Casualty Insurance Company	36-2999370	64,797,534
Discover Specialty Insurance Company	52-1925132	64,764,578
Northland Casualty Company	94-6051964	64,764,578
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	46,260,406
St. Paul Guardian Insurance Company	41-0963301	46,260,406
American Equity Specialty Insurance Company	86-0868106	46,260,406
Total		<u>\$ 35,555,283,380</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	\$ 10,536,324,422
St. Paul Fire and Marine Insurance Company	41-0406690	5,063,930,966
Travelers Casualty and Surety Company	06-6033504	3,611,477,520
The Travelers Indemnity Company of America	58-6020487	2,865,093,761
The Charter Oak Fire Insurance Company	06-0291290	2,627,444,686
The Travelers Indemnity Company of Connecticut	06-0336212	2,594,861,672
The Travelers Home and Marine Insurance Company	35-1838079	2,447,076,316
United States Fidelity and Guaranty Company	52-0515280	2,377,327,630
The Phoenix Insurance Company	06-0303275	1,998,200,805
The Standard Fire Insurance Company	06-6033509	1,728,286,459
St. Paul Mercury Insurance Company	41-0881659	1,554,107,782
Travelers Casualty Insurance Company of America	06-0876835	1,540,154,561
Farmington Casualty Company	06-1067463	699,662,192
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	648,127,855
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	634,529,466
Discover Property & Casualty Insurance Company	36-2999370	604,748,966
Northland Insurance Company	41-6009967	513,633,469
Travelers Commercial Insurance Company	06-1286268	418,369,813
St. Paul Surplus Lines Insurance Company	41-1230819	344,071,978
TravCo Insurance Company	35-1838077	292,674,982
Travelers Property Casualty Insurance Company	06-1286274	202,849,718
Northfield Insurance Company	41-0983992	201,704,551
St. Paul Guardian Insurance Company	41-0963301	160,554,964
Travelers Excess and Surplus Lines Company	06-1203698	150,743,737
Travelers Personal Security Insurance Company	06-1286264	147,706,865
St. Paul Protective Insurance Company	36-2542404	134,299,380
Travelers Commercial Casualty Company	95-3634110	102,570,762
Travelers Casualty Company of Connecticut	06-1286266	55,425,528
Travelers Personal Insurance Company	36-3703200	40,943,950
Northland Casualty Company	94-6051964	20,521,899
The Travelers Casualty Company	41-1435765	11,260,524
Discover Specialty Insurance Company	52-1925132	10,982,464
Travelers Constitution State Insurance Company	41-1435766	5,134,266
American Equity Specialty Insurance Company	86-0868106	719,645
Total		<u>\$ 44,345,523,554</u>

2. Unaffiliated Company Recoverables:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

1.	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
Affiliates	\$ 1,815,607,881	\$ 254,511,991	\$ 178,159,848	\$ 24,974,455	\$ 1,637,448,033	\$ 229,537,536
All Other	<u>9,787,511</u>	<u>1,372,014</u>	-	-	<u>9,787,511</u>	<u>1,372,014</u>
Total	<u>\$ 1,825,395,392</u>	<u>\$ 255,884,005</u>	<u>\$ 178,159,848</u>	<u>\$ 24,974,455</u>	<u>\$ 1,647,235,544</u>	<u>\$ 230,909,550</u>

Direct Unearned Premium Reserve \$ 168,372,337

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$36,101,627 at December 31, 2013. This balance represents the Company's 20.36% pro rata share of the net amount of the TRV Pool (see Note 26):

	<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>Net</u>
a. Contingent Commission	\$ 2,181,394	\$ 36,101,627	\$ 2,181,394	\$ 36,101,627
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ 2,181,394</u>	<u>\$ 36,101,627</u>	<u>\$ 2,181,394</u>	<u>\$ 36,101,627</u>

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 1,913,840	\$ 98,813,722
(2) Adjustments - Prior Year(s)	(610,800)	38,655,967
(3) Adjustments - Current Year	-	(745,055)
(4) Current Total	<u>\$ 1,303,040</u>	<u>\$136,724,634</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 2,128,656	\$ 87,560,276
(2) Adjustments - Prior Year(s)	-	7,389,341
(3) Adjustments - Current Year	-	-
(4) Current Total	<u>\$ 2,128,656</u>	<u>\$ 94,949,617</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 842,097	\$113,723,337
(2) Current Year	2,885	2,377,124
(3) Current Total	<u>\$ 844,982</u>	<u>\$116,100,461</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 214,816	\$ 11,253,446
(2) Adjustments - Prior Year(s)	610,800	31,266,626
(3) Adjustments - Current Year	-	(745,055)
(4) Current Year Restricted Surplus	<u>825,616</u>	<u>19,060,678</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 22,714,339</u>

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

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 1,303,040	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	2,606,080
General Reinsurance Corporation (22039)	-	61,080,000
nSpire Re Limited (AA-1784124)	-	16,044,009
Platinum Underwriters Reinsurance Inc. (10357)	-	18,726,300
Various	-	38,268,245
Total	<u>\$ 1,303,040</u>	<u>\$136,724,634</u>

f. Paid Loss/LAE Recoverable:

1. Authorized Reinsurers

<u>Company</u>	Total Paid/Loss/LAE <u>Recoverable</u>	Amount Over 90 Days Past Due
Platinum Underwriters Reinsurance Inc. (10357)	\$ 22,073	\$ -
General Reinsurance Corporation (22039)	34,461	34,461
Various	21,478	3,101
Total	<u>\$ 78,012</u>	<u>\$ 37,562</u>

2. Unauthorized Reinsurers

<u>Company</u>	Total Paid/Loss/LAE <u>Recoverable</u>	Amount Over 90 Days Past Due	Collateral Held
nSpire Re Limited (AA-178412)	\$ -	\$ -	\$ 4,978,695
Various	12,977	10,271	-
Total	<u>\$ 12,977</u>	<u>\$ 10,271</u>	<u>\$ 4,978,695</u>

G. Reinsurance Accounted for as a Deposit:

Not applicable.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements:

Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. Accrued retrospective premiums (Page 2, Line 15.3) 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 E below is the Company's proportionate share of the accrued retrospective premiums of the TRV Pool (see Note 26).

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

C. See Schedule P - Part 7A.

NOTES TO FINANCIAL STATEMENTS

D. Not applicable.

E. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 19,951,126
2. Unsecured amount	2,548,314
3. Less: Nonadmitted amount (10%)	254,831
4. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	<u>323,216</u>
5. Admitted amount (1) - (3) - (4)	<u>\$ 19,373,079</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2013 to December 31, 2013, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$115,016,000, resulting from better than expected loss and defense and cost containment (DCC) development primarily in the other liability – occurrence, homeowners, special property, and workers' compensation lines, and from lower estimates for adjusting and other expenses, partially offset by loss and DCC deterioration primarily in the products liability – occurrence and commercial multi-peril lines.

The improvement in the other liability – occurrence line was concentrated in the excess coverages for accident years 2004 – 2012 and reflected more favorable legal and judicial environments than what the Company previously expected. Also contributing to the improvement was a reallocation of IBNR to products liability – occurrence for recent accident years. This improvement was partially offset by unfavorable development in asbestos and environmental reserves for "Prior" accident years. The improvement in the homeowners line was driven primarily by better than expected development for catastrophe and non-catastrophe claims for accident years 2011 and 2012. The improvement in the special property line was driven primarily by better than expected development for catastrophe and non-catastrophe claims for accident years 2010 – 2012. The improvement in the workers' compensation line was concentrated in accident years 2008 and prior, and reflected lower than expected medical inflation. Lastly, the improvement in adjusting and other expense reserves was driven by improvement in the underlying loss and DCC reserves and by the allocation of adjusting and other expense reserves by year as disclosed in the Schedule P Interrogatories of the Company.

The deterioration in the products liability – occurrence line was primarily caused by unfavorable development in asbestos reserves for "Prior" accident years and by a reallocation of IBNR from the other liability – occurrence line for recent accident years. The deterioration in the commercial multi-peril line was driven primarily by worse than expected development for the liability coverage for accident years 2008 – 2011.

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 which are subject to premium adjustments.

26. INTERCOMPANY POOLING ARRANGEMENTS

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

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

<u>TRV Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation %</u>
St. Paul Fire and Marine Insurance Company	24767	24.79
The Travelers Indemnity Company	25658	23.29
Travelers Casualty and Surety Company	19038	20.36
The Phoenix Insurance Company	25623	5.00
The Standard Fire Insurance Company	19070	4.84
United States Fidelity and Guaranty Company	25887	4.41
Travelers Casualty Insurance Company of America	19046	2.73
Farmington Casualty Company	41483	1.48
The Automobile Insurance Company of Hartford, Connecticut	19062	1.37
The Travelers Indemnity Company of Connecticut	25682	1.37
The Charter Oak Fire Insurance Company	25615	1.27
Northland Insurance Company	24015	1.22
St. Paul Surplus Lines Insurance Company	30481	0.88
The Travelers Indemnity Company of America	25666	0.77
St. Paul Protective Insurance Company	19224	0.58
Northfield Insurance Company	27987	0.52
Travelers Casualty Company of Connecticut	36170	0.47
Travelers Commercial Casualty Company	40282	0.47
Travelers Commercial Insurance Company	36137	0.47
St. Paul Mercury Insurance Company	24791	0.40
Travelers Property Casualty Company of America	25674	0.36
Travelers Property Casualty Insurance Company	36161	0.30
The Travelers Casualty Company	41769	0.29
Travelers Constitution State 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.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 the Company had \$52,806,797 receivable from affiliates as a result of its intercompany reinsurance transactions which settled in January 2014.

27. 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. In the event that the life insurance company fails to make the required annuity payments, the Company would be required to make such payments if and to the extent not paid by state guaranty associations.

The following data represents the Company's proportionate share of structured settlement annuities purchased by members of the TRV Pool (see Note 26):

A. <u>Loss Reserves Eliminated by Annuities</u>		<u>Unrecorded Loss Contingencies</u>
\$633,983,014		\$633,983,014
B. <u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
Fidelity & Guaranty Life Insurance Company, Baltimore, MD	Yes	\$188,823,997
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	74,559,320
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	48,726,648
Symetra Life Insurance Company, Bellevue, WA	Yes	46,650,547
All other companies		275,222,502

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

1. Liability carried for premium deficiency reserves	\$	0
2. Date of the most recent evaluation of this liability	December 31, 2013	
3. Was anticipated investment income utilized in the calculation?		Yes

31. HIGH DEDUCTIBLES

At December 31, 2013, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$1,263,473,777 and the amount billed and outstanding on paid claims was \$10,834,109. These amounts represent the Company's proportionate share of the TRV Pool (see Note 26).

32. 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 2006 – 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 2006 – 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 related to annuity obligations from structured settlements are discounted using a discount rate of 5% and reflect the 1983 Individual Annuity Mortality table adjusted for impairment and future mortality improvement.

The Company 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.

The December 31, 2013 liabilities of the Company included \$378,333,134 and \$23,410,382 of such discounted liabilities related to workers' compensation and other liability-occurrence reserves, respectively. The amount of discount for case and IBNR reserves at December 31, 2013 is as follows:

NOTES TO FINANCIAL STATEMENTS

Tabular Discount

	Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
		Case	IBNR
1.	Workers' Compensation	\$76,581,086	\$86,182,961
2.	Other Liability-Occurrence	<u>2,685,688</u>	<u>34,186,237</u>
3.	Total	<u>\$79,266,774</u>	<u>\$120,369,198</u>

* Excludes medical loss reserves and all loss adjustment expense reserves

B. Non-tabular reserves have not been discounted.

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

33. 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.

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder at least annually. Among the factors which the Company may consider in the course of this review are: 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.

The Company continues to be involved in coverage litigation concerning a number of policyholders, some of whom have filed for bankruptcy, who in some instances have asserted that all or a portion of their asbestos-related claims are not subject to aggregate limits on coverage. In these instances, policyholders also may assert that each individual bodily injury claim should be treated as a separate occurrence under the policy. It is difficult to predict whether these policyholders will be successful on both issues. To the extent both issues are resolved in a policyholder's favor and other Company defenses are not successful, the Company's coverage obligations under the policies at issue would be materially increased and bounded only by the applicable per-occurrence limits and the number of asbestos bodily injury claims against the policyholders. Although the Company has seen a moderation in the overall risk associated with these lawsuits, it remains difficult to predict the ultimate cost of these claims.

The Company's quarterly asbestos reserve review includes an analysis of exposure and claim payment patterns by policyholder category, as well as recent settlements, policyholder bankruptcies, judicial rulings and legislative actions. The Company also analyzes developing payment patterns among various policyholders as well as projected reinsurance billings and recoveries. In addition, the Company 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. 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.

	2009	2010	2011	2012	2013
1. <u>Direct Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 631,713,000	\$ 592,832,000	\$ 557,326,000	\$ 520,277,000	\$ 499,441,000
b. Incurred losses and LAE:	32,576,000	42,145,000	28,504,000	26,122,000	35,406,000
c. Calendar year payments for losses and LAE:	<u>71,457,000</u>	<u>77,651,000</u>	<u>65,553,000</u>	<u>46,958,000</u>	<u>50,169,000</u>
d. Ending reserves:	<u>\$ 592,832,000</u>	<u>\$ 557,326,000</u>	<u>\$ 520,277,000</u>	<u>\$ 499,441,000</u>	<u>\$ 489,678,000</u>
2. <u>Assumed Reinsurance Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 39,556,000	\$ 37,148,000	\$ 41,069,000	\$ 45,390,000	\$ 45,760,000
b. Incurred losses and LAE:	5,090,000	11,197,000	11,198,000	6,658,000	3,279,000
c. Calendar year payments for losses and LAE:	<u>7,498,000</u>	<u>7,276,000</u>	<u>6,877,000</u>	<u>6,288,000</u>	<u>5,162,000</u>
d. Ending reserves:	<u>\$ 37,148,000</u>	<u>\$ 41,069,000</u>	<u>\$ 45,390,000</u>	<u>\$ 45,760,000</u>	<u>\$ 43,877,000</u>
3. <u>Net of Ceded Reinsurance Basis - Asbestos:</u>					
a. Beginning reserves:	\$ 592,825,000	\$ 561,011,000	\$ 518,319,000	\$ 496,205,000	\$ 481,764,000
b. Incurred losses and LAE:	37,665,000	28,505,000	35,630,000	33,594,000	38,684,000
c. Calendar year payments for losses and LAE:	<u>69,479,000</u>	<u>71,197,000</u>	<u>57,744,000</u>	<u>48,035,000</u>	<u>44,099,000</u>
d. Ending reserves:	<u>\$ 561,011,000</u>	<u>\$ 518,319,000</u>	<u>\$ 496,205,000</u>	<u>\$ 481,764,000</u>	<u>\$ 476,349,000</u>

Where appropriate, these agreements also include indemnities and hold harmless provisions to protect the Company.

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

1. Direct Basis:	\$ 404,329,000
2. Assumed Reinsurance Basis:	\$ 18,462,000
3. Net of Ceded Reinsurance Basis:	\$ 386,650,000

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

1. Direct Basis:	\$ 122,314,000
2. Assumed Reinsurance Basis:	\$ 400,000
3. Net of Ceded Reinsurance Basis:	\$ 115,306,000

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 ()

NOTES TO FINANCIAL STATEMENTS

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

The resolution of environmental exposures by the Company generally occurs through settlements with policyholders as opposed to claimants. 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. Where appropriate, these agreements also include indemnities and hold harmless provisions to protect the Company. The Company's general purpose in executing these agreements is to reduce the Company's potential environmental exposure and eliminate the risks presented by coverage litigation with the policyholder and related costs.

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as: the nature of the alleged activities of the policyholder at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of the alleged 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. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. 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 majority of the net environmental reserve is carried in a bulk reserve which includes unresolved environmental claims, incurred but not reported environmental claims and the anticipated cost of coverage litigation disputes relating to these claims. The bulk reserve the Company carries is established and adjusted based upon the aggregate volume of in-process environmental claims and the Company's experience in resolving those claims. The balance of the net environmental reserve consists of case reserves.

1. <u>Direct Basis - Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 68,352,000	\$ 67,754,000	\$ 61,356,000	\$ 58,922,000	\$ 57,735,000
b. Incurred losses and LAE:	17,103,000	8,103,000	13,438,000	16,115,000	14,240,000
c. Calendar year payments for losses and LAE:	<u>17,701,000</u>	<u>14,501,000</u>	<u>15,872,000</u>	<u>17,302,000</u>	<u>16,299,000</u>
d. Ending reserves:	<u>\$ 67,754,000</u>	<u>\$ 61,356,000</u>	<u>\$ 58,922,000</u>	<u>\$ 57,735,000</u>	<u>\$ 55,676,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 12,997,000	\$ 11,473,000	\$ 10,722,000	\$ 11,656,000	\$ 14,032,000
b. Incurred losses and LAE:	203,000	1,059,000	2,850,000	4,041,000	318,000
c. Calendar year payments for losses and LAE:	<u>1,727,000</u>	<u>1,810,000</u>	<u>1,916,000</u>	<u>1,665,000</u>	<u>1,300,000</u>
d. Ending reserves:	<u>\$ 11,473,000</u>	<u>\$ 10,722,000</u>	<u>\$ 11,656,000</u>	<u>\$ 14,032,000</u>	<u>\$ 13,050,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
a. Beginning reserves:	\$ 84,239,000	\$ 80,039,000	\$ 71,366,000	\$ 69,498,000	\$ 70,738,000
b. Incurred losses and LAE:	14,252,000	7,126,000	15,474,000	18,324,000	13,173,000
c. Calendar year payments for losses and LAE:	<u>18,452,000</u>	<u>15,799,000</u>	<u>17,342,000</u>	<u>17,084,000</u>	<u>16,915,000</u>
d. Ending reserves:	<u>\$ 80,039,000</u>	<u>\$ 71,366,000</u>	<u>\$ 69,498,000</u>	<u>\$ 70,738,000</u>	<u>\$ 66,996,000</u>

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

1. Direct Basis:	\$ 55,030,000
2. Assumed Reinsurance Basis:	\$ 8,064,000
3. Net of Ceded Reinsurance Basis	\$ 62,049,000

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

1. Direct Basis:	\$ 10,636,000
2. Assumed Reinsurance Basis:	\$ 13,000
3. Net of Ceded Reinsurance Basis	\$ 10,294,000

As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2013 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 the cost to resolve, and/or the number of, asbestos and environmental claims beyond that which is anticipated, the emergence of a greater number of asbestos claims than anticipated as a result of extended life expectancies resulting from medical advances and lifestyle improvements, 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. 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 environment could be affected by changes in applicable legislation and future court and regulatory decisions and interpretations, including the outcome of legal challenges to legislative and/or judicial reforms establishing medical criteria for the pursuit of asbestos claims. 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

NOTES TO FINANCIAL STATEMENTS

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 Company's current 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.

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

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 \$25.3 million and \$32.5 million at December 31, 2013 and 2012, respectively.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2013 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2013, 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>
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE PHOENIX INSURANCE COMPANY	06-0303275
BMR SPORTS PROPERTIES, INC.	52-1852190	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
CAMPERDOWN CORPORATION	41-1762781	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE TRAVELERS CASUALTY COMPANY	41-1435765
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 SPECIALTY INSURANCE COMPANY	52-1925131	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TINDY FOREIGN, INC.	20-4403403
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 CASUALTY AND SURETY COMPANY	06-6033504
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS CONSTITUTION STATE INSURANCE COMPANY	41-1435766
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS MGA, INC.	75-2676034
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	TRAVELERS TEXAS MGA, INC.	27-4469564
ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
TCI GLOBAL SERVICES, INC.	52-1965525	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755	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 No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 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 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
- 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. 12/31/2009
- 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). 03/14/2011
- 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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
- 4.12 renewals? Yes No
- 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
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 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
- 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
- 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
- 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
- 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 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
FDIC | 6
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
-
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption: _____
-
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption: _____

TRAVELERS CASUALTY AND SURETY COMPANY GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the answer to 10.5 is no or n/a, please explain.
-
11. 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, FCAS & MAAA (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
-
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
-
- 12.12 Number of parcels involved0
- 12.13 Total book/adjusted carrying value \$.....0
- 12.2 If yes, provide explanation.
-
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
-
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 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.
- 14.11 If the response to 14.1 is no, please explain:
-
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
-
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
-
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1
American Bankers Association (ABA) Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger the Letter of Credit | 4
Amount |
|--|--------------------------------------|--|-------------|
| | | | |
-
- ### PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS
16. 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 []
17. 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 []
18. 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 []
-
- ### PART 1 - COMMON INTERROGATORIES - FINANCIAL
19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
- 20.12 To stockholders not officers \$.....0
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....0
- 20.22 To stockholders not officers \$.....0
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 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]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 22.1 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]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 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 24.03)? Yes [X] No []
- 24.02 If no, give full and complete information relating thereto.

24.03 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 17 where this information is also provided).
This company is a party to a security lending agreement. See Note 17.

- 24.04 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 []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....29,781,863
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....29,781,863
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....29,781,863
- 24.103 Total payable for securities lending reported on the liability page. \$.....29,781,863

- 25.1 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 21.1 and 24.03) Yes [X] No []

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....15,888,183
- 25.26 Placed under option agreements \$.....0
- 25.27 Letter stock or securities restricted as to sale \$.....0
- 25.28 On deposit with state or other regulatory body \$.....647,597,584
- 25.29 Other \$.....14,823,605

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

28. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

28.01 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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A		

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

28.05 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		

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999. TOTAL		0

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

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

30. 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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	10,043,293,998	10,343,160,417	299,866,419
30.2 Preferred stocks.....	34,209,910	34,569,910	360,000
30.3 Totals.....	10,077,503,908	10,377,730,327	300,226,419

30.4 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.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is 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 [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....10,434,915

33.2 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	2
Name	Amount Paid
INSURANCE SERVICES OFFICE, INC.	4,510,797

34.1 Amount of payments for legal expenses, if any? \$.....19,947,854

34.2 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	2
Name	Amount Paid
	0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....304,852

35.2 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	2
Name	Amount Paid
	0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned \$.....0
 - 1.62 Total incurred claims \$.....0
 - 1.63 Number of covered lives0
 - All years prior to most current three years:
 - 1.64 Total premium earned \$.....0
 - 1.65 Total incurred claims \$.....0
 - 1.66 Number of covered lives0
- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned \$.....0
 - 1.72 Total incurred claims \$.....0
 - 1.73 Number of covered lives0
 - All years prior to most current three years:
 - 1.74 Total premium earned \$.....0
 - 1.75 Total incurred claims \$.....0
 - 1.76 Number of covered lives0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....4,049,503,752	\$.....3,949,718,402
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....9,421,055,439	\$.....9,455,475,952
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 \$.....62,973,796
 - 3.22 Non-participating policies \$.....4,038,020,018

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:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company's risk management practices include active monitoring of insured employee local-based concentrations. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages periodically 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 various analyses and methods, including proprietary and third party computer modeling processes, to analyze catastrophic events and the associated risks to arrive at loss estimates. The Company uses these analyses and methods to make underwriting and reinsurance decisions designed to manage its exposure to catastrophic events. The Company's hurricane loss estimates reflect U.S. exposures and include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The Company's loss estimates are based on the Company's catastrophe risk model estimates and include loss from the hurricane hazards of wind and storm surge. The Company's loss estimates for earthquakes reflect U.S. and Canadian exposures and include property exposures and workers' compensation exposures. The Company's loss estimates for terrorism reflect U.S. exposures and include property exposures. The Company also develops conventional attack loss estimates for combined property and workers' compensation exposures for comparison and adherence with aggregate enterprise guidelines. To best assess risk, the Company conducts site engineering analyses on buildings with large exposures. Property exposures are analyzed to determine locations of concentration. Spanning the U.S., this includes California, Florida, New Madrid, the Northeast, the Gulf States, and the Mid-Atlantic States.
- 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:

- 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 affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, 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 []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes No N/A
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes No
- 11.2 If yes, give full information:

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....15,375,123
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....2,713,257
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....15,540,066
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes No N/A
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 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 No
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....1,302,771,400
- 12.62 Collateral and other funds \$.....348,498,294
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....7,075,100
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes No
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.3
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes No
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Per the Company's Reinsurance Allocation Agreement 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
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes No
- 14.5 If the answer to 14.4 is no, please explain:

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

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

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

* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes No
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:
- 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
- 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
- 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
- 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
- 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
- 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
- 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
- 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0
- 18.1 Do you act as a custodian for health savings account? Yes No
- 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
- 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 2013	2 2012	3 2011	4 2010	5 2009
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).....	2,213,236,613	2,115,082,683	1,982,938,179	1,950,683,648	1,981,657,306
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	712,117,413	686,830,304	689,948,334	699,415,128	708,047,911
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,440,915,444	1,434,302,675	1,429,697,906	1,378,442,501	1,321,681,110
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	68,844,953	59,688,338	74,349,065	93,174,508	82,050,606
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	11,780,388	10,776,087	9,993,931	4,005,062	4,985,953
6. Total (Line 35).....	4,446,894,811	4,306,680,086	4,186,927,415	4,125,720,846	4,098,422,885
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).....	1,967,639,199	1,892,992,700	1,813,004,334	1,729,760,696	1,713,995,373
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	701,860,747	675,295,092	676,540,557	685,188,536	688,906,075
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,405,356,678	1,387,567,175	1,380,308,941	1,326,071,779	1,263,704,105
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	14,368,775	16,443,386	19,835,911	20,806,309	19,953,549
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	11,768,415	10,761,876	9,991,984	3,966,097	4,982,168
12. Total (Line 35).....	4,100,993,814	3,983,060,229	3,899,681,727	3,765,793,418	3,691,541,269
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	318,176,312	(23,695,352)	(360,385,589)	188,133,455	355,693,265
14. Net investment gain (loss) (Line 11).....	1,003,603,134	683,340,632	947,940,069	1,009,866,123	1,123,576,989
15. Total other income (Line 15).....	24,612,174	11,174,717	4,623,181	6,792,312	2,105,425
16. Dividends to policyholders (Line 17).....	5,924,797	8,193,357	7,095,251	4,882,604	3,559,112
17. Federal and foreign income taxes incurred (Line 19).....	174,896,472	52,210,868	(35,179,283)	111,364,561	142,364,670
18. Net income (Line 20).....	1,165,570,351	610,415,771	620,261,692	1,088,544,725	1,335,451,896
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	16,464,401,449	15,137,117,645	14,784,708,655	15,034,563,922	15,965,444,631
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	467,516,760	419,688,184	389,431,029	404,364,796	370,626,283
20.2 Deferred and not yet due (Line 15.2).....	814,304,115	812,004,529	773,827,233	745,395,668	727,988,108
20.3 Accrued retrospective premiums (Line 15.3).....	19,373,079	23,256,082	37,905,920	39,791,036	98,436,635
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	9,905,754,944	9,987,600,111	9,887,488,781	9,594,801,776	9,767,518,942
22. Losses (Page 3, Line 1).....	6,046,635,704	6,094,710,385	6,058,955,030	5,897,012,477	6,013,644,237
23. Loss adjustment expenses (Page 3, Line 3).....	1,330,905,016	1,324,921,462	1,359,625,794	1,367,018,565	1,411,960,807
24. Unearned premiums (Page 3, Line 9).....	1,815,607,881	1,770,908,557	1,735,663,932	1,683,237,954	1,631,005,232
25. Capital paid up (Page 3, Lines 30 & 31).....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	6,558,646,505	5,149,517,534	4,897,219,874	5,439,762,147	6,197,925,689
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,086,027,102	824,914,943	736,431,467	1,188,610,724	1,241,349,855
Risk-Based Capital Analysis					
28. Total adjusted capital.....	6,558,646,505	5,149,517,534	4,897,219,874	5,439,762,147	6,197,925,689
29. Authorized control level risk-based capital.....	1,077,967,939	1,026,098,949	1,000,372,928	981,229,293	1,003,193,902
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	64.3	67.7	68.8	67.0	68.3
31. Stocks (Lines 2.1 & 2.2).....	25.6	23.9	22.9	23.4	25.3
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	4.4	1.5	1.4	3.0	2.7
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	0.0	XXX
37. Other invested assets (Line 8).....	5.4	6.2	6.5	6.3	3.8
38. Receivable for securities (Line 9).....	0.0	0.0	0.2	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.2	0.7	0.2	0.2	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	3,706,828,158	3,146,888,726	2,930,839,753	3,066,701,560	3,544,148,591
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	16,896,748	18,229,302	17,679,986	18,488,880	21,956,951
48. Total of above lines 42 to 47.....	3,723,724,906	3,165,118,028	2,948,519,739	3,085,190,440	3,566,105,542
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	56.8	61.5	60.2	56.7	57.5

TRAVELERS CASUALTY AND SURETY COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2013	2012	2011	2010	2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(212,505,539)	265,290,115	(120,236,498)	115,166,356	73,235,616
52. Dividends to stockholders (Line 35).....	0	(620,000,000)	(1,088,000,000)	(1,985,000,000)	(759,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	1,409,128,972	252,297,660	(542,542,273)	(758,163,543)	975,137,791
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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).....	1,256,258,585	1,268,474,433	1,259,719,875	1,207,133,197	1,168,648,725
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	364,490,320	405,462,100	435,411,432	364,750,878	392,575,556
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	657,685,502	797,530,933	973,261,218	675,754,650	616,475,290
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,533,721	15,637,505	18,463,726	15,267,947	16,950,957
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	21,806,829	18,591,575	19,730,193	32,210,623	27,892,958
59. Total (Line 35).....	2,302,774,957	2,505,696,545	2,706,586,444	2,295,117,294	2,222,543,487
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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).....	1,008,817,173	1,028,793,209	946,909,065	938,619,837	862,151,864
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	355,333,455	399,067,823	426,548,325	358,437,067	357,475,581
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	644,096,975	773,153,792	945,612,001	651,322,293	589,569,388
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,393,053	13,193,170	13,794,770	12,797,498	15,355,813
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	16,717,446	7,868,185	12,661,215	22,827,459	19,137,704
65. Total (Line 35).....	2,027,358,102	2,222,076,179	2,345,525,377	1,984,004,154	1,843,690,351
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	48.9	57.2	64.9	50.4	46.1
68. Loss expenses incurred (Line 3).....	12.0	11.2	12.0	11.6	12.2
69. Other underwriting expenses incurred (Line 4).....	31.3	32.3	32.5	32.9	32.1
70. Net underwriting gain (loss) (Line 8).....	7.9	(0.6)	(9.3)	5.1	9.6
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.3	31.7	32.0	32.2	32.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	60.9	68.3	76.9	62.0	58.3
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	62.5	77.3	79.6	69.2	59.6
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(99,269)	(118,406)	(64,567)	(190,107)	(218,581)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(1.9)	(2.4)	(1.2)	(3.1)	(4.2)
Two Year Loss Development (000 omitted)					
76. 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).....	(221,129)	(214,211)	(335,724)	(395,120)	(516,249)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(4.5)	(3.9)	(5.4)	(7.6)	(9.5)

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.....	141,307	43,006	57,214	5,559	28,558	475	9,674	178,040	XXX.....	
2. 2004.....	4,340,229	755,932	3,584,297	1,839,780	313,537	184,953	23,802	144,186	13,344	83,082	1,818,234	XXX.....	
3. 2005.....	4,178,996	635,141	3,543,856	2,080,123	546,227	172,656	25,672	148,076	9,683	74,800	1,819,273	XXX.....	
4. 2006.....	4,125,256	543,228	3,582,028	1,584,286	198,000	152,301	15,746	166,299	5,853	79,628	1,683,287	XXX.....	
5. 2007.....	4,200,247	473,682	3,726,565	1,667,248	160,995	157,524	12,397	179,955	5,155	92,645	1,826,181	XXX.....	
6. 2008.....	4,231,003	478,922	3,752,081	2,055,736	209,831	166,508	12,389	209,351	3,845	94,885	2,205,530	XXX.....	
7. 2009.....	4,178,352	401,466	3,776,886	1,802,052	116,074	148,185	8,571	203,986	3,360	85,100	2,026,219	XXX.....	
8. 2010.....	4,159,986	377,737	3,782,249	1,898,775	103,430	145,585	6,748	206,842	2,690	96,251	2,138,334	XXX.....	
9. 2011.....	4,293,975	355,024	3,938,950	2,216,060	146,900	126,244	7,399	211,252	2,225	98,961	2,397,032	XXX.....	
10. 2012.....	4,400,792	377,119	4,023,673	1,901,598	326,403	90,515	13,403	211,762	3,677	92,193	1,860,391	XXX.....	
11. 2013.....	4,448,168	398,665	4,049,504	888,379	40,318	35,491	1,656	163,236	4,116	48,129	1,041,015	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	18,075,343	2,204,721	1,437,175	133,342	1,873,504	54,422	855,349	18,993,536	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.....	1,412,756	440,461	1,179,201	199,996	134,753	26,528	210,844	14,573	141,928	849	4,004	2,397,075	XXX.....
2. 2004.....	72,101	21,640	62,361	17,859	5,840	716	12,423	1,773	3,814	20	2,265	114,532	XXX.....
3. 2005.....	65,025	21,646	81,093	20,869	6,268	2,965	14,514	1,646	3,168	140	1,972	122,801	XXX.....
4. 2006.....	84,162	24,001	114,419	21,632	7,341	915	17,459	1,735	4,793	75	2,097	179,817	XXX.....
5. 2007.....	81,811	15,478	114,859	16,682	8,576	522	23,117	2,075	4,445	11	3,561	198,039	XXX.....
6. 2008.....	112,192	14,525	142,405	15,929	12,768	907	34,356	3,141	8,561	53	7,267	275,728	XXX.....
7. 2009.....	145,734	24,181	173,549	26,197	16,052	1,056	36,601	5,235	8,876	136	11,526	324,007	XXX.....
8. 2010.....	220,310	18,661	217,301	22,653	27,508	1,449	47,893	5,586	14,020	97	20,369	478,586	XXX.....
9. 2011.....	316,439	22,023	332,089	23,793	38,235	1,653	74,444	4,785	22,412	76	33,981	731,289	XXX.....
10. 2012.....	406,188	32,076	510,887	38,792	40,478	1,334	113,058	7,683	34,676	54	44,960	1,025,347	XXX.....
11. 2013.....	533,558	47,703	827,311	72,319	41,182	1,775	171,347	7,928	86,235	(414)	68,797	1,530,321	XXX.....
12. Totals.....	3,450,276	682,394	3,755,475	476,721	339,000	39,821	756,056	56,160	332,927	1,096	200,800	7,377,541	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.....	1,951,500	445,575
2. 2004..	2,325,458	392,692	1,932,766	53.6	51.9	53.9	0	0	20.36	94,963	19,569
3. 2005..	2,570,922	628,848	1,942,074	61.5	99.0	54.8	0	0	20.36	103,602	19,199
4. 2006..	2,131,061	267,957	1,863,103	51.7	49.3	52.0	0	0	20.36	152,949	26,868
5. 2007..	2,237,534	213,314	2,024,220	53.3	45.0	54.3	0	0	20.36	164,510	33,529
6. 2008..	2,741,877	260,619	2,481,258	64.8	54.4	66.1	0	0	20.36	224,144	51,584
7. 2009..	2,535,036	184,809	2,350,226	60.7	46.0	62.2	0	0	20.36	268,905	55,102
8. 2010..	2,778,234	161,314	2,616,920	66.8	42.7	69.2	0	0	20.36	396,298	82,288
9. 2011..	3,337,175	208,854	3,128,320	77.7	58.8	79.4	0	0	20.36	602,712	128,577
10. 2012..	3,309,161	423,423	2,885,738	75.2	112.3	71.7	0	0	20.36	846,207	179,140
11. 2013..	2,746,738	175,402	2,571,337	61.7	44.0	63.5	0	0	20.36	1,240,847	289,474
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	6,046,636	1,330,905

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior.....	5,837,791	6,185,058	6,369,547	6,437,436	6,522,381	6,461,954	6,402,504	6,419,565	6,403,065	6,399,029	(4,036)	(20,536)
2. 2004.....	2,334,563	2,123,462	2,032,571	1,979,178	1,912,816	1,882,370	1,849,045	1,827,997	1,812,188	1,804,417	(7,771)	(23,580)
3. 2005.....	XXX	2,371,233	2,180,063	2,105,840	1,966,199	1,909,880	1,864,980	1,844,775	1,825,203	1,806,399	(18,804)	(38,375)
4. 2006.....	XXX	XXX	1,992,173	1,925,409	1,821,969	1,784,829	1,756,112	1,733,836	1,717,440	1,705,125	(12,314)	(28,710)
5. 2007.....	XXX	XXX	XXX	2,051,783	2,002,234	1,949,520	1,948,097	1,900,397	1,868,191	1,851,804	(16,388)	(48,593)
6. 2008.....	XXX	XXX	XXX	XXX	2,350,465	2,372,856	2,360,250	2,307,943	2,282,438	2,274,606	(7,832)	(33,337)
7. 2009.....	XXX	XXX	XXX	XXX	XXX	2,205,536	2,191,255	2,185,279	2,167,834	2,148,446	(19,389)	(36,834)
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	2,351,803	2,431,308	2,422,120	2,407,089	(15,032)	(24,219)
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,873,377	2,901,317	2,906,431	5,114	33,055
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,656,088	2,653,270	(2,818)	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,336,495	XXX	XXX
12. Totals.....											(99,269)	(221,129)

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior.....	.000	1,116,098	1,892,103	2,466,206	2,981,247	3,258,394	3,507,015	3,702,547	3,873,310	4,023,266	XXX	XXX
2. 2004.....	626,891	1,064,786	1,278,130	1,440,213	1,535,678	1,597,509	1,637,547	1,661,021	1,675,484	1,687,393	XXX	XXX
3. 2005.....	XXX	667,406	1,153,303	1,344,489	1,479,643	1,565,086	1,623,376	1,650,208	1,667,252	1,680,880	XXX	XXX
4. 2006.....	XXX	XXX	640,912	991,713	1,182,131	1,317,926	1,419,976	1,466,824	1,501,161	1,522,840	XXX	XXX
5. 2007.....	XXX	XXX	XXX	699,824	1,091,990	1,309,671	1,461,922	1,562,142	1,617,963	1,651,380	XXX	XXX
6. 2008.....	XXX	XXX	XXX	XXX	907,861	1,383,067	1,639,772	1,810,354	1,928,630	2,000,024	XXX	XXX
7. 2009.....	XXX	XXX	XXX	XXX	XXX	851,385	1,313,723	1,552,899	1,715,735	1,825,593	XXX	XXX
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	958,183	1,476,658	1,745,368	1,934,181	XXX	XXX
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,320,323	1,905,723	2,188,004	XXX	XXX
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,088,918	1,652,306	XXX	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	881,895	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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior.....	2,914,465	2,523,930	2,293,169	2,114,493	1,927,798	1,747,727	1,552,714	1,416,553	1,307,578	1,236,131
2. 2004.....	1,240,405	676,528	437,932	306,890	216,370	162,381	119,973	94,189	72,325	58,152
3. 2005.....	XXX	1,087,787	675,182	506,839	304,662	220,105	152,563	128,422	99,766	76,997
4. 2006.....	XXX	XXX	933,341	612,789	395,521	283,942	210,394	163,810	134,181	113,057
5. 2007.....	XXX	XXX	XXX	898,210	561,242	383,998	295,215	212,312	157,485	124,352
6. 2008.....	XXX	XXX	XXX	XXX	942,287	581,359	413,019	270,605	200,358	162,540
7. 2009.....	XXX	XXX	XXX	XXX	XXX	892,835	518,269	367,865	255,515	184,611
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	865,615	546,000	357,216	243,086
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	949,731	558,713	385,843
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	979,322	586,162
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	928,087

TRAVELERS CASUALTY AND SURETY COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	4,943,475	4,617,942	1,658	3,354,621	267,868	47,962,862	6,216	35,312
2. Alaska.....AK	L	827,070	676,455	0	165,529	242,778	627,629	92	0
3. Arizona.....AZ	L	5,137,386	4,683,043	663	2,522,511	3,821,959	15,204,855	4,599	46,551
4. Arkansas.....AR	L	3,469,743	3,280,616	7,539	1,725,751	3,439,562	14,976,337	3,228	8,692
5. California.....CA	L	5,443,547	7,029,430	0	32,936,039	7,178,885	138,087,611	7,283	276,434
6. Colorado.....CO	L	730,194	1,169,866	328	730,247	(352,319)	8,990,177	994	31,258
7. Connecticut.....CT	L	13,482,499	14,495,332	51,842	12,782,624	19,344,019	260,446,803	25,176	26,490
8. Delaware.....DE	L	114,347	102,821	1,571	452,169	1,313,582	33,437,510	107	4,982
9. District of Columbia.....DC	L	1,830,740	3,877,779	0	1,540,971	(768,679)	18,880,523	1,398	0
10. Florida.....FL	L	14,880,368	16,618,618	201,252	15,100,802	2,060,862	116,519,623	13,295	89,230
11. Georgia.....GA	L	11,571,763	8,068,563	216	3,875,458	2,963,365	40,885,770	30,359	77,615
12. Hawaii.....HI	L	490,227	899,979	0	165,724	161,359	1,688,095	67	0
13. Idaho.....ID	L	790,479	1,123,844	21,178	667,416	137,632	6,121,660	1,408	10,399
14. Illinois.....IL	L	13,394,268	11,492,775	1,742	5,099,358	7,425,893	48,006,414	12,388	57,421
15. Indiana.....IN	L	3,635,384	3,651,508	12,799	4,789,449	4,801,407	16,388,594	2,145	8,776
16. Iowa.....IA	L	3,360,344	4,072,601	19,573	1,984,324	1,990,734	12,995,346	1,753	31,732
17. Kansas.....KS	L	8,585,919	8,454,270	1,091	3,134,288	2,902,872	21,732,856	7,047	22,097
18. Kentucky.....KY	L	1,339,171	1,706,637	0	1,850,663	2,643,121	24,941,782	1,093	21,083
19. Louisiana.....LA	L	11,813,453	9,636,569	851	3,090,686	(351,448)	78,047,821	8,303	6,815
20. Maine.....ME	L	1,030,182	691,602	259	838,346	(1,866,190)	15,719,806	1,480	9,687
21. Maryland.....MD	L	5,783,488	8,607,844	5,407	5,301,445	9,542,021	78,990,682	5,229	18,760
22. Massachusetts.....MA	L	16,496,616	16,875,575	85,799	11,986,885	6,188,033	139,288,968	52,707	73,053
23. Michigan.....MI	L	5,777,210	4,906,161	0	7,225,519	(8,358,648)	259,516,224	5,252	42,496
24. Minnesota.....MN	L	9,067,799	7,312,055	20,091	4,386,871	3,437,668	34,422,513	6,240	29,329
25. Mississippi.....MS	L	4,547,625	4,024,441	1,136	1,321,733	740,766	11,379,996	4,589	123,338
26. Missouri.....MO	L	3,108,076	2,990,927	0	4,461,404	3,205,940	32,270,665	3,717	40,958
27. Montana.....MT	L	444,961	409,771	2,540	261,686	119,114	2,612,627	757	55,668
28. Nebraska.....NE	L	2,449,661	2,219,978	7,230	1,711,735	1,239,793	12,117,198	1,742	17,955
29. Nevada.....NV	L	2,233,602	2,019,923	0	682,039	1,075,380	3,062,809	2,736	3,268
30. New Hampshire.....NH	L	940,963	1,033,756	1,431	2,077,779	1,955,576	16,539,018	1,569	14,668
31. New Jersey.....NJ	L	3,271,498	1,819,322	69,352	7,589,657	8,816,273	200,294,401	4,913	106,000
32. New Mexico.....NM	L	1,548,460	1,739,782	0	459,072	970,780	5,496,395	1,532	5,864
33. New York.....NY	L	24,732,053	26,868,762	61,891	44,806,834	39,664,803	350,173,726	72,721	7,508
34. North Carolina.....NC	L	7,316,505	7,837,297	26,472	3,971,335	1,674,380	37,993,055	16,952	78,168
35. North Dakota.....ND	L	52,233	65,277	306	(5,848)	(3,166)	128,424	15	2,277
36. Ohio.....OH	L	721,687	746,813	1,618	2,837,392	(6,263,415)	211,438,079	508	76,834
37. Oklahoma.....OK	L	941,429	1,159,245	3,039	5,223,850	6,617,389	11,905,170	38	37,903
38. Oregon.....OR	L	3,178,398	2,691,689	6,083	1,112,961	1,310,529	11,807,575	4,731	22,001
39. Pennsylvania.....PA	L	16,723,390	15,594,507	19,176	17,907,787	(752,732)	224,809,831	15,427	80,483
40. Rhode Island.....RI	L	413,958	583,462	1,576	1,553,176	(2,357,003)	31,522,357	874	4,138
41. South Carolina.....SC	L	3,286,044	3,261,620	149	965,237	583,941	15,940,842	4,164	26,759
42. South Dakota.....SD	L	230,433	240,827	2,679	75,651	32,521	1,153,072	213	26,373
43. Tennessee.....TN	L	13,518,559	13,647,058	26,867	7,254,097	3,790,901	56,340,617	12,700	28,516
44. Texas.....TX	L	60,361,287	54,300,371	21,123	10,555,498	20,277,254	145,157,397	65,502	51,839
45. Utah.....UT	L	1,402,522	1,377,967	7,992	2,249,294	2,997,298	6,822,409	2,476	82,937
46. Vermont.....VT	L	616,887	1,137,439	12,920	710,325	907,079	5,886,158	882	1,970
47. Virginia.....VA	L	30,241,858	30,732,882	50,286	10,945,936	7,397,760	50,378,200	232,873	80,873
48. Washington.....WA	L	704,779	877,219	415	2,417,738	2,086,014	10,435,765	1,495	26,735
49. West Virginia.....WV	L	2,261,875	2,222,846	0	1,336,204	447,947	19,771,546	1,037	4,880
50. Wisconsin.....WI	L	4,176,638	4,304,211	139,457	4,766,429	(2,238,178)	35,875,183	1,152	25,201
51. Wyoming.....WY	L	32,299	24,328	138	23,877	952	272,769	28	24,815
52. American Samoa.....AS	N	1,000	47,411	0	0	0	0	0	0
53. Guam.....GU	L	107,088	188,440	0	17,739	17,739	0	12	0
54. Puerto Rico.....PR	L	4,057,364	3,968,346	0	187,287	(375,337)	82,323	29	0
55. US Virgin Islands.....VI	L	614,757	507,952	0	442,398	600,000	157,602	7	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	1,343,317	771,193	0	0	0	0	0	0
59. Totals.....(a) 54		339,576,876	333,466,948	897,735	263,627,994	162,706,637	2,945,705,667	653,249	1,986,141

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	955,198	604,186	0	0	0	0	0	0
58002. ISR Israel.....	XXX	387,505	151,879	0	0	0	0	0	0
58003. CHE Switzerland.....	XXX	960	960	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	(346)	14,168	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	1,343,317	771,193	0	0	0	0	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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, 18 Products 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 - Contract: Location of Project; All Other: Location of Obligee

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

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. Fidelity English Turn Club General Partnership (1%)	Maryland	59-2709441
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. 8527512 Canada Inc. (22.48%)	Canada	
... .. St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... .. The Dominion of Canada General Insurance Company *	Canada	
... .. St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... .. Fog City Fund, LLC (99%)	Minnesota	41-1985480
... .. St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Symmetry Growth Capital II, LLC	Minnesota	76-0753165
... .. St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Upper Lake Growth Capital, LLC (99.1%)	Minnesota	41-1927945
... .. The Travelers Casualty Company (41769) *	Connecticut	41-1435765	... .. Vesbridge Partners, LP (88.4%)	Minnesota	20-1222630
... .. Travelers Constitution State Insurance Company (41750) *	Connecticut	41-1435766	... .. Windamere II, LLC (98.9%)	Minnesota	41-1963936
... .. Northbrook Holdings, Inc.	Delaware	51-0375653	... .. Windamere III, LLC (99%)	Minnesota	41-2007089
... .. Discover Property & Casualty Insurance Company (36463) *	Connecticut	36-2999370	... .. Windamere, LLC (90.2%)	Minnesota	41-1926305
... .. St. Paul Protective Insurance Company (19224) *	Connecticut	36-2542404	... Camperdown Corporation	Delaware	41-1762781
... .. Discover Specialty Insurance Company (10213) *	Connecticut	52-1925132	... SPC Insurance Agency, Inc.	Minnesota	41-1888760
... .. United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... Aprilgrange Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... F&G U.K. Underwriters Limited	United Kingdom	
... .. Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... Travelers Underwriting Agency Limited	United Kingdom	
... .. Laurel Village Fidelity Realty, Inc.	Maryland	52-1551225	... Travelers Syndicate Management Limited	United Kingdom	
... .. Laurel Village Joint Venture Partnership (50%)	Minnesota	41-1616702	... .. Travelers Asia Pte. Ltd.	Singapore	
... .. Laurel Village I Limited Partnership (99%)	Minnesota	41-1542260	... St. Paul Surety Europe Limited	United Kingdom	
... .. Laurel Village II Limited Partnership (99%)	Minnesota	41-1542261	... Travelers Corporate Trustee Ltd.	United Kingdom	
... .. Laurel Village III Limited Partnership (99%)	Minnesota	41-1542263	... Travelers London Limited	United Kingdom	
... .. Laurel Village IV Limited Partnership (99%)	Minnesota	41-1542264	... .. Solicitors Professional Indemnity Limited (49%)	United Kingdom	
... .. Laurel Village Tower A Limited Partnership (99%)	Minnesota	41-1542266	... St. Paul London Properties, Inc.	Minnesota	41-1880024
... .. Laurel Village Tower B Limited Partnership (99%)	Minnesota	41-1593312	... TCI Global Services, Inc.	Delaware	52-1965525
... .. Laurel Village Tower C Limited Partnership (99%)	Minnesota	41-1542267	... Travelers Management Limited	United Kingdom	
... .. Laurel Village Swinford Limited Partnership (99%)	Minnesota	41-1542255	... Travelers Insurance Company Limited *	United Kingdom	AA-1121375
... .. USF&G Retail Associates GP, Inc.	Maryland	52-1704255	... .. Travelers Professional Risks Limited	United Kingdom	
... .. USF&G/Fidelity Retail Associates Limited Partnership (1%)	Maryland	52-1704256	... Travelers Property Casualty Corp.	Connecticut	06-1008174
... .. USF&G/Fidelity Retail Associates Limited Partnership (83.95%)	Maryland	52-1704256	... .. Constitution Plaza, Inc.	Connecticut	06-0566030
... .. BMR Sports Properties, Inc.	Maryland	52-1852190	... .. Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
... .. Black Mountain Ranch Limited Partnership (1%)	Maryland	52-1573778	... .. The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
... .. Black Mountain Ranch Limited Partnership (85%)	Maryland	52-1573778	... .. Standard Fire Properties, LLC	Delaware	06-6033509
... .. MMI Capital Trust I	Delaware	52-2073764	... .. Bayhill Restaurant II Associates (50%)	California	94-3097171
... .. Promenade Partners, LLC	Delaware	41-0406690	... .. Standard Fire UK Investments, LLC	Delaware	06-6033509
... .. USF&G Capital I	Delaware	52-1953822	... .. The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
... .. USF&G Capital III	Delaware	52-2044075	... .. Auto Hartford Investments, LLC	Delaware	06-0848755
... .. 350 Market Street, LLC	Delaware	41-0406690	... .. Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
... .. Travelers Special Services Limited	United Kingdom		... .. Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
... .. Yonkers Financing Corp.	Delaware	20-3033027	... .. Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
... .. Castle Pines Fidelity Realty, Inc.	Maryland	52-1735211	... .. Travelers Texas MGA, Inc.	Texas	27-4469564
... .. Castle Pines Fidelity Associates Limited Partnership (1%)	Maryland	52-1735213	... .. Oregon Evergreen Investor I, LLC	Delaware	06-6033509
... .. Fidelity Castle Pines Limited Partnership (50%)	Maryland	52-1631820	... .. Lone Rock Timber Investments I, LLC (75%)	Delaware	61-1639956
... .. Castle Pines Fidelity Associates Limited Partnership (99%)	Maryland	52-1735213	... .. Travelers (Bermuda) Limited *	Bermuda	98-0190863
... .. English Turn Fidelity Realty, Inc.	Maryland	52-1466734	... .. Travelers Lloyds Management Company	Texas	20-4312440
... .. English Turn Limited Partnership (99%)	Maryland	59-2635727	... .. TPC Investments Inc.	Connecticut	06-1534005
... .. Fidelity English Turn Club General Partnership (99%)	Maryland	59-2709441	... .. Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
... .. English Turn Limited Partnership (1%)	Maryland	59-2635727	... .. Farmington Casualty Company (41483) *	Connecticut	06-1067463
... .. English Turn Realty Management, Inc.	Maryland	52-1715225	... .. 8527512 Canada Inc. (77.52%)	Canada	

Notes:

* Denotes affiliated insurer

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

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

... .. The Dominion of Canada General Insurance Company *	Canada		... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... .. Travelers Insurance Company of Canada *	Canada		... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370	... .. TINDY Foreign, Inc	Delaware	20-4403403
... .. Travelers Brazil Holding, LLC	Delaware	06-0907370	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... .. Travelers Brazil Acquisition LLC	Delaware	06-0907370	... .. Travelers Distribution Alliance, Inc.	Delaware	62-1657094
... .. J. Malucelli Participações em Seguros e Resseguros S.A. ("Holdco") (49.5%)	Brazil		... .. Travelers TLD, LLC	Delaware	06-0566050
... .. J. Malucelli Resseguradora S.A. *	Brazil		... .. Tiercel, LLC	Delaware	06-0566050
... .. J. Malucelli Controle de Riscos Ltda. (0.01%)	Brazil		... .. Redstart, LLC	Delaware	06-0566050
... .. J. Malucelli Seguradora S.A. *	Brazil		... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... .. J. Malucelli Controle de Riscos Ltda. (99.99%)	Brazil		... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... .. J. Malucelli Seguros S.A. *	Brazil		... .. Travelers Marine, LLC	Delaware	06-0566050
... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835			
... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266			
... .. Travelers Casualty UK Investments LLC	Delaware	06-6033504			
... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268			
... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698			
... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040			
... .. Travelers MGA, Inc.	Texas	75-2676034			
... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050			
... .. Arch Street North LLC	Delaware	06-0566050			
... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290			
... .. Travelers Real Estate, LLC	Delaware	06-0566050			
... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141			
... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361			
... .. Select Insurance Company (22233) *	Texas	75-6013697			
... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom				
... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830			
... .. Crystal Brook, LLC	Delaware	06-0566050			
... .. Durham Holding, LLC	Delaware	06-0566050			
... .. Sutton Holdco, LLC	Delaware	06-0566050			
... .. Cadet Limited, LLC	Delaware	06-0566050			
... .. Arrowhead Company, LLC	Delaware	06-0566050			
... .. Eastern Asset, LLC	Delaware	06-0566050			
... .. Jupiter Holdings, Inc.	Minnesota	41-1769846			
... .. American Equity Insurance Company (43117) *	Arizona	86-0703220			
... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106			
... .. Northland Insurance Company (24015) *	Connecticut	41-6009967			
... .. Northfield Insurance Company (27987) *	Iowa	41-0983992			
... .. Northland Casualty Company (24031) *	Connecticut	94-6051964			
... .. Travelers Indemnity U.K. Investments LLC	Connecticut	06-0566050			
... .. TPC U.K. Investments LLC	Delaware	06-0566050			
... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275			
... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487			
... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212			
... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165			
... .. American Marine Management Services, Inc. (47.5%)	New York	13-2743602			
... .. American Marine Claims & Adjusting Services, Inc.	New York	30-0510298			
... .. Constitution State Services, LLC	Delaware	06-1501229			
... .. Phoenix UK Investments LLC	Delaware	06-0303275			

Notes:

* Denotes affiliated insurer

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

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