

ANNUAL STATEMENT

OF THE

PEERLESS INSURANCE COMPANY

of **KEENE**
STATE OF **NEW HAMPSHIRE**

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2018

PROPERTY AND CASUALTY

2018



24198201820100100

ANNUAL STATEMENT

For the Year Ended December 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Peerless Insurance Company

NAIC Group Code 0111 0111 NAIC Company Code 24198 Employer's ID Number 02-0177030
Organized under the Laws of New Hampshire, State of Domicile or Port of Entry NH
Country of Domicile United States of America
Incorporated/Organized March 7, 1901 Commenced Business November 23, 1903
Statutory Home Office 62 Maple Avenue, Keene, NH, US 03431
Main Administrative Office 175 Berkeley Street, Boston, MA, US 02116
Mail Address 175 Berkeley Street, Boston, MA, US 02116
Primary Location of Books and Records 175 Berkeley Street, Boston, MA, US 02116
Internet Web Site Address www.LibertyMutualGroup.com
Statutory Statement Contact Lindsey Pendergast, Statutory.Compliance@LibertyMutual.com

OFFICERS

Chairman of the Board

David Henry Long

Table with 2 columns: Name, Title. Rows include David Henry Long # (President and Chief Executive Officer), Mark Charles Touhey # (Senior Vice President and Secretary), and Laurance Henry Soyer Yahia # (Senior Vice President and Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists various vice-presidents such as Alison Brooke Erbig, Neeti Bhalla Johnson, James Francis Kelleher #, James Martin McGlennon #, Timothy Michael Sweeney #, Melanie Marie Foley #, Kevin Hugh Kelley #, Dennis James Langwell #, and Christopher Locke Peirce #.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists directors or trustees including Melanie Marie Foley #, Neeti Bhalla Johnson #, James Francis Kelleher #, Kevin Hugh Kelley #, Dennis James Langwell #, David Henry Long #, James Martin McGlennon #, and Christopher Locke Peirce #.

State of Massachusetts
County of Suffolk 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.

(Signature) David Henry Long# (Printed Name) 1. President and Chief Executive Officer (Title)
(Signature) Mark Charles Touhey# (Printed Name) 2. Senior Vice President and Secretary (Title)
(Signature) Laurance Henry Soyer Yahia (Printed Name) 3. Senior Vice President and Treasurer (Title)

Subscribed and sworn to (or affirmed) before me this on this 15th day of January, 2019, by

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	9,815,462,276		9,815,462,276	9,125,001,957
2. Stocks (Schedule D):				
2.1 Preferred stocks	14,935,500		14,935,500	13,069,515
2.2 Common stocks	1,236,759,144	756,063	1,236,003,081	1,036,027,671
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	464,100,562		464,100,562	425,374,205
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	2,714,150		2,714,150	3,198,080
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (222,229,517), Schedule E - Part 1), cash equivalents (\$ 207,883,954, Schedule E - Part 2), and short-term investments (\$ 16,083,907, Schedule DA)	1,738,344		1,738,344	248,077,230
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	992,647,350		992,647,350	999,021,883
9. Receivables for securities	25,439,814		25,439,814	10,729,702
10. Securities lending reinvested collateral assets (Schedule DL)	415,245,581		415,245,581	280,131,191
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	12,969,042,721	756,063	12,968,286,658	12,140,631,434
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	76,678,337		76,678,337	70,357,060
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	369,552,044	30,798,039	338,754,005	325,704,914
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 12,516,574 earned but unbilled premiums)	1,435,183,658	1,251,659	1,433,931,999	1,390,216,204
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	77,013,406	7,700,996	69,312,410	77,890,669
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	9,425	1,225	8,200	8,925
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	213,594,000		213,594,000	215,139,000
19. Guaranty funds receivable or on deposit	7,812,881		7,812,881	4,436,942
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)	2,084	2,084		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	104,829,535		104,829,535	107,336,639
24. Health care (\$ 0) and other amounts receivable	(1)	3	(4)	
25. Aggregate write-ins for other-than-invested assets	297,457,759	19,568,260	277,889,499	268,230,984
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	15,551,175,849	60,078,329	15,491,097,520	14,599,952,771
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	15,551,175,849	60,078,329	15,491,097,520	14,599,952,771

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	196,268,378		196,268,378	191,392,222
2502. Equities and deposits in pools and associations	42,939,001		42,939,001	39,370,248
2503. Amounts receivable under high deductible policies	34,914,100	187,961	34,726,139	33,655,875
2598. Summary of remaining write-ins for Line 25 from overflow page	23,336,280	19,380,299	3,955,981	3,812,639
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	297,457,759	19,568,260	277,889,499	268,230,984

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	6,692,963,649	6,556,638,192
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	17,744,477	13,840,732
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,373,120,082	1,306,854,399
4. Commissions payable, contingent commissions and other similar charges	129,307,324	108,354,519
5. Other expenses (excluding taxes, licenses and fees)	188,741,410	167,514,686
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	54,504,904	57,258,001
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	23,606,162	27,646,095
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 51,380,580 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)	3,140,571,781	3,001,261,836
10. Advance premium	19,886,393	16,671,783
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	444,611	387,008
12. Ceded reinsurance premiums payable (net of ceding commissions)	1	
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others	14,137,938	10,887,029
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	4	
19. Payable to parent, subsidiaries and affiliates	6,891,790	6,824,008
20. Derivatives	38,014	
21. Payable for securities	119,566,494	88,040,423
22. Payable for securities lending	415,245,581	280,131,191
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(421,623,351)	(490,809,723)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	11,775,147,264	11,151,500,179
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	11,775,147,264	11,151,500,179
29. Aggregate write-ins for special surplus funds	17,243,433	70,492,329
30. Common capital stock	8,848,635	8,848,635
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	2,066,113,364	2,066,113,364
35. Unassigned funds (surplus)	1,623,744,824	1,302,998,261
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)		
36.2 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	3,715,950,256	3,448,452,589
38. Totals (Page 2, Line 28, Col. 3)	15,491,097,520	14,599,952,768

DETAILS OF WRITE-IN LINES		
2501. Amounts held under uninsured plans	108,760,855	109,383,000
2502. Other liabilities	104,951,210	116,050,566
2503. Retroactive reinsurance reserves	(635,335,416)	(716,243,289)
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(421,623,351)	(490,809,723)
2901. Special surplus from retroactive reinsurance	17,243,433	70,492,329
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	17,243,433	70,492,329
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	6,215,353,892	5,501,992,184
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	3,590,124,586	3,629,871,742
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	760,523,283	745,258,227
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,840,536,548	1,692,262,905
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	6,191,184,417	6,067,392,874
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	24,169,475	(565,400,690)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	508,443,067	326,380,062
10. Net realized capital gains (losses) less capital gains tax of \$ (7,305,774) (Exhibit of Capital Gains (Losses))	(28,847,079)	118,459,417
11. Net investment gain (loss) (Lines 9 + 10)	479,595,988	444,839,479
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 724,253 amount charged off \$ 21,242,479)	(20,518,226)	(21,355,467)
13. Finance and service charges not included in premiums	40,356,619	40,615,176
14. Aggregate write-ins for miscellaneous income	(88,455,620)	16,437,119
15. Total other income (Lines 12 through 14)	(68,617,227)	35,696,828
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	435,148,236	(84,864,383)
17. Dividends to policyholders	3,288,233	2,718,709
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)	431,860,003	(87,583,092)
19. Federal and foreign income taxes incurred	27,294,774	(32,825,742)
20. Net income (Line 18 minus Line 19) (to Line 22)	404,565,229	(54,757,350)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	3,448,452,589	3,538,885,730
22. Net income (from Line 20)	404,565,229	(54,757,350)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (26,656,624)	(93,156,196)	3,941,355
25. Change in net unrealized foreign exchange capital gain (loss)	(11,171,882)	31,526,313
26. Change in net deferred income tax	(28,201,623)	(67,096,149)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(4,537,862)	(4,047,310)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	267,497,666	(90,433,141)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	3,715,950,255	3,448,452,589

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Other income/(expense)	92,956	(23,084,456)
1402. Retroactive reinsurance gain/(loss)	(88,548,576)	39,521,575
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(88,455,620)	16,437,119
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	6,311,301,421	5,525,221,789
2. Net investment income	536,350,926	371,651,978
3. Miscellaneous income	(72,236,422)	50,263,611
4. Total (Lines 1 through 3)	6,775,415,925	5,947,137,378
5. Benefit and loss related payments	3,437,479,535	3,181,666,090
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,496,734,114	2,345,065,829
8. Dividends paid to policyholders	3,230,629	2,709,665
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	24,028,934	8,423,041
10. Total (Lines 5 through 9)	5,961,473,212	5,537,864,625
11. Net cash from operations (Line 4 minus Line 10)	813,942,713	409,272,753
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	7,692,879,885	4,400,602,978
12.2 Stocks	60,831,381	968,652,298
12.3 Mortgage loans	37,274,693	32,907,682
12.4 Real estate		
12.5 Other invested assets	1,547,741,960	640,781,950
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(1,087,836)	(1,037)
12.7 Miscellaneous proceeds	(14,710,112)	(8,996,995)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	9,322,929,971	6,033,946,876
13. Cost of investments acquired (long-term only):		
13.1 Bonds	8,394,237,679	4,690,493,863
13.2 Stocks	315,809,693	669,994,204
13.3 Mortgage loans	75,998,820	123,159,650
13.4 Real estate		4,198
13.5 Other invested assets	1,699,351,097	898,086,487
13.6 Miscellaneous applications	(31,526,071)	(60,899,530)
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,453,871,218	6,320,838,872
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,130,941,247)	(286,891,996)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	70,655,648	56,709,192
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	70,655,648	56,709,192
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(246,342,886)	179,089,949
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	248,077,230	68,987,281
19.2 End of year (Line 18 plus Line 19.1)	1,734,344	248,077,230

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001	1 - Premiums collected net of reinsurance		(59,937,936)
20.0002	2 - Net investment income	806,443	372,649
20.0003	5 - Benefits and loss related payments		327,289,645
20.0004	7 - Commissions, expenses paid and aggregate write-ins for deductions		
20.0005	12.1 - Proceeds from investments sold, matured or repaid - Bonds	55,355,965	93,969,259
20.0006	12.2 - Proceeds from investments sold, matured or repaid - Stocks		21,686,465
20.0007	12.3 - Proceeds from investments sold, matured or repaid - Mortgage loans		
20.0008	13.1 - Cost of Investment Acquired - Bonds	165,605,841	493,092,629
20.0009	13.2 - Cost of Investment Acquired - Stocks		16,633,504
20.0010	13.5 - Cost of Investment Acquired - Other invested assets		
20.0011	16.6 - Other cash provided (applied)	109,443,433	394,070,408

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	138,373,777	56,096,849	63,273,948	131,196,678
2. Allied lines	104,787,121	44,738,170	52,751,949	96,773,342
3. Farmowners multiple peril	21,134,247	10,265,267	10,459,407	20,940,107
4. Homeowners multiple peril	1,243,038,616	649,914,698	668,483,561	1,224,469,753
5. Commercial multiple peril	433,531,708	222,824,997	212,087,670	444,269,035
6. Mortgage guaranty				
8. Ocean marine	23,100,816	10,986,753	14,203,199	19,884,370
9. Inland marine	184,702,220	38,901,373	45,013,052	178,590,541
10. Financial guaranty				
11.1 Medical professional liability—occurrence	19,623,922	9,973,436	9,722,537	19,874,821
11.2 Medical professional liability—claims-made	22,283,494	9,713,224	11,429,063	20,567,655
12. Earthquake	15,536,950	6,554,735	7,670,066	14,421,619
13. Group accident and health	37,739,517	1,756,627	7,378,311	32,117,833
14. Credit accident and health (group and individual)				
15. Other accident and health	996,628	3,410,360	852,505	3,554,483
16. Workers' compensation	406,506,389	23,062,066	45,189,908	384,378,547
17.1 Other liability—occurrence	488,802,358	225,810,601	252,905,836	461,707,123
17.2 Other liability—claims-made	170,747,148	119,335,542	117,708,006	172,374,684
17.3 Excess workers' compensation	9,822,825	4,031,332	4,703,242	9,150,915
18.1 Products liability—occurrence	33,995,647	19,650,316	16,732,938	36,913,025
18.2 Products liability—claims-made	5,582,598	2,072,493	2,639,738	5,015,353
19.1,19.2 Private passenger auto liability	1,362,596,056	662,415,661	674,724,762	1,350,286,955
19.3,19.4 Commercial auto liability	281,530,564	130,833,381	132,262,692	280,101,253
21. Auto physical damage	1,038,864,467	504,098,621	509,566,567	1,033,396,521
22. Aircraft (all perils)	16,293,712	4,575,334	4,859,587	16,009,459
23. Fidelity	8,679,281	1,934,471	1,583,656	9,030,096
24. Surety	177,337,271	109,750,284	125,969,035	161,118,520
26. Burglary and theft	531,438	661,532	417,153	775,817
27. Boiler and machinery	8,450,652	3,292,560	3,735,412	8,007,800
28. Credit	6,188,489	4,136,939	8,378,922	1,946,506
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property	67,348,406	7,213,840	20,510,498	54,051,748
32. Reinsurance-nonproportional assumed liability	25,790,079	8,237,412	8,088,145	25,939,346
33. Reinsurance-nonproportional assumed financial lines	12,277,447	8,517,247	17,826,563	2,968,131
34. Aggregate write-ins for other lines of business				
35. TOTALS	6,366,193,843	2,904,766,121	3,051,127,928	6,219,832,036

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	60,118,338	3,155,610			63,273,948
2. Allied lines	53,080,659	(328,710)			52,751,949
3. Farmowners multiple peril	10,452,050	7,357			10,459,407
4. Homeowners multiple peril	667,724,242	759,319			668,483,561
5. Commercial multiple peril	215,657,381	1,764,114	(5,333,825)		212,087,670
6. Mortgage guaranty					
8. Ocean marine	8,884,949	5,318,250			14,203,199
9. Inland marine	34,807,109	10,205,944			45,013,053
10. Financial guaranty					
11.1 Medical professional liability—occurrence	9,241,133	481,403			9,722,536
11.2 Medical professional liability—claims-made	7,498,043	3,931,019			11,429,062
12. Earthquake	7,526,175	143,891			7,670,066
13. Group accident and health	7,378,311				7,378,311
14. Credit accident and health (group and individual)					
15. Other accident and health	858,704	(6,199)			852,505
16. Workers' compensation	117,670,489	6,840,672	(6,319,226)	(73,002,026)	45,189,909
17.1 Other liability—occurrence	200,841,751	54,979,975	(644,244)	(2,271,646)	252,905,836
17.2 Other liability—claims-made	70,194,733	47,518,416	(5,142)		117,708,007
17.3 Excess workers' compensation	3,960,644	742,598			4,703,242
18.1 Products liability—occurrence	13,089,908	5,467,556	(214,109)	(1,610,417)	16,732,938
18.2 Products liability—claims-made	2,308,864	330,902	(28)		2,639,738
19.1,19.2 Private passenger auto liability	664,432,943	10,291,819			674,724,762
19.3,19.4 Commercial auto liability	130,199,750	2,106,121	86,139	(129,317)	132,262,693
21. Auto physical damage	509,340,368	226,199			509,566,567
22. Aircraft (all perils)	3,610,505	1,249,083			4,859,588
23. Fidelity	2,858,016	(1,274,360)			1,583,656
24. Surety	35,449,025	90,520,010			125,969,035
26. Burglary and theft	368,793	48,360			417,153
27. Boiler and machinery	3,620,810	114,601			3,735,411
28. Credit	1,667,717	6,711,205			8,378,922
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property	17,469,123	3,041,375			20,510,498
32. Reinsurance-nonproportional assumed liability	6,931,109	1,157,036			8,088,145
33. Reinsurance-nonproportional assumed financial lines	11,767,924	6,058,640			17,826,564
34. Aggregate write-ins for other lines of business					
35. TOTALS	2,879,009,566	261,562,206	(12,430,435)	(77,013,406)	3,051,127,931
36. Accrued retrospective premiums based on experience					77,013,406
37. Earned but unbilled premiums					12,430,435
38. Balance (Sum of Lines 35 through 37)					3,140,571,772

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	5,326,220	138,373,777		5,326,220		138,373,777
2. Allied lines	1,234,554	104,787,121		1,234,554		104,787,121
3. Farmowners multiple peril	10,910,329	21,134,247		10,910,329		21,134,247
4. Homeowners multiple peril	17,156,996	1,243,038,616		17,156,996		1,243,038,616
5. Commercial multiple peril	20,278,900	433,531,708		20,278,900		433,531,708
6. Mortgage guaranty						
8. Ocean marine		23,100,816				23,100,816
9. Inland marine	10,547,898	184,702,220		10,547,898		184,702,220
10. Financial guaranty						
11.1 Medical professional liability--occurrence		19,623,922				19,623,922
11.2 Medical professional liability--claims-made		22,283,494				22,283,494
12. Earthquake	186,786	15,536,950		186,786		15,536,950
13. Group accident and health		37,739,517				37,739,517
14. Credit accident and health (group and individual)						
15. Other accident and health		996,628				996,628
16. Workers' compensation	6,714,725	406,506,389		6,714,725		406,506,389
17.1 Other liability—occurrence	9,165,970	488,802,358		9,165,970		488,802,358
17.2 Other liability—claims-made	72,291	170,747,148		72,291		170,747,148
17.3 Excess workers' compensation		9,822,825				9,822,825
18.1 Products liability—occurrence	27,829	33,995,647		27,829		33,995,647
18.2 Products liability—claims-made		5,582,598				5,582,598
19.1,19.2 Private passenger auto liability	10,092,297	1,362,596,056		10,092,297		1,362,596,056
19.3,19.4 Commercial auto liability	11,041,993	281,530,564		11,041,993		281,530,564
21. Auto physical damage	11,963,023	1,038,864,467		11,963,023		1,038,864,467
22. Aircraft (all perils)		16,293,712				16,293,712
23. Fidelity	22,143	8,679,281		22,143		8,679,281
24. Surety	261,146	177,337,271		261,146		177,337,271
26. Burglary and theft	4,819	531,438		4,819		531,438
27. Boiler and machinery	22,879	8,450,652		22,879		8,450,652
28. Credit		6,188,489				6,188,489
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X	67,348,406				67,348,406
32. Reinsurance-nonproportional assumed liability	X X X	25,790,079				25,790,079
33. Reinsurance-nonproportional assumed financial lines	X X X	12,277,447				12,277,447
34. Aggregate write-ins for other lines of business						
35. TOTALS	115,030,798	6,366,193,843		115,030,798		6,366,193,843

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

NONE

(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	2,293,029	63,164,379	2,293,029	63,164,379	88,783,933	117,355,067	34,593,245	26.367
2. Allied lines	409,794	77,775,824	409,794	77,775,824	77,817,908	91,236,816	64,356,916	66.503
3. Farmowners multiple peril	17,241,678	13,467,756	17,241,678	13,467,756	5,948,002	6,838,606	12,577,152	60.063
4. Homeowners multiple peril	6,750,702	639,772,440	6,750,702	639,772,440	325,335,539	317,041,885	648,066,094	52.926
5. Commercial multiple peril	41,751,720	282,301,685	41,751,720	282,301,685	487,895,755	484,720,760	285,476,680	64.258
6. Mortgage guaranty								
8. Ocean marine		7,899,773		7,899,773	18,230,272	19,293,576	6,836,469	34.381
9. Inland marine	8,627,864	110,220,189	8,627,864	110,220,189	29,185,103	23,334,197	116,071,095	64.993
10. Financial guaranty								
11.1 Medical professional liability—occurrence		3,818,368		3,818,368	34,248,880	29,617,711	8,449,537	42.514
11.2 Medical professional liability—claims-made		13,313,122		13,313,122	46,253,130	46,262,231	13,304,021	64.684
12. Earthquake		213,974		213,974	606,725	312,004	508,695	3.527
13. Group accident and health		5,055,102		5,055,102	19,025,629	1,338,611	22,742,120	70.808
14. Credit accident and health (group and individual)								
15. Other accident and health		10,015,723		10,015,723	5,513,598	10,247,105	5,282,216	148.607
16. Workers' compensation	19,181,606	213,633,534	19,181,606	213,633,534	2,225,571,964	2,385,243,681	53,961,817	14.039
17.1 Other liability—occurrence	20,983,829	253,958,755	20,983,829	253,958,755	996,464,388	921,757,481	328,665,662	71.185
17.2 Other liability—claims-made	58,734	56,331,664	58,734	56,331,664	375,146,866	349,634,611	81,843,919	47.480
17.3 Excess workers' compensation		6,118,586		6,118,586	118,408,679	114,991,260	9,536,005	104.208
18.1 Products liability—occurrence	16,600	22,779,952	16,600	22,779,952	76,629,776	73,459,109	25,950,619	70.302
18.2 Products liability—claims-made		266,197		266,197	11,093,088	7,769,706	3,589,579	71.572
19.1,19.2 Private passenger auto liability	14,101,121	808,724,603	14,101,121	808,724,603	1,186,288,928	1,097,270,473	897,743,058	66.485
19.3,19.4 Commercial auto liability	26,814,103	212,219,515	26,814,103	212,219,515	413,951,234	382,909,798	243,260,951	86.848
21. Auto physical damage	6,606,019	565,724,557	6,606,019	565,724,557	24,997,928	24,693,296	566,029,189	54.774
22. Aircraft (all perils)		9,722,545		9,722,545	12,034,302	10,670,735	11,086,112	69.247
23. Fidelity	(1,218)	933,529	(1,218)	933,529	15,981,896	17,071,149	(155,724)	(1.724)
24. Surety	61,384	20,995,642	61,384	20,995,642	46,448,286	44,304,807	23,139,121	14.362
26. Burglary and theft		147,918		147,918	1,355,438	464,509	1,038,847	133.904
27. Boiler and machinery		5,282,638		5,282,638	2,131,778	3,752,193	3,662,223	45.733
28. Credit		(259,016)		(259,016)	2,084,374	1,962,856	(137,498)	(7.064)
29. International								
30. Warranty					327,895	244,123	83,772	
31. Reinsurance-nonproportional assumed property	X X X	32,665,260		32,665,260	(16,244,248)	(73,217,243)	89,638,255	165.838
32. Reinsurance-nonproportional assumed liability	X X X	4,982,325		4,982,325	57,969,610	43,793,755	19,158,180	73.858
33. Reinsurance-nonproportional assumed financial lines	X X X	136,741		136,741	3,476,957	2,263,329	1,350,369	45.496
34. Aggregate write-ins for other lines of business								
35. TOTALS	164,896,965	3,441,383,280	164,896,965	3,441,383,280	6,692,963,613	6,556,638,197	3,577,708,696	57.521

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	3,830,136	41,148,860	3,830,136	41,148,860	(371,306)	47,635,074	(371,306)	88,783,934	5,338,876
2. Allied lines	17,031	47,792,189	17,031	47,792,189	379,989	30,025,719	379,989	77,817,908	4,693,894
3. Farmowners multiple peril	9,259,343	5,380,654	9,259,343	5,380,654	138,793	567,348	138,793	5,948,002	325,608
4. Homeowners multiple peril	3,821,454	189,764,960	3,821,454	189,764,960	801,093	135,570,579	801,093	325,335,539	49,238,152
5. Commercial multiple peril	55,143,151	283,949,345	55,143,148	283,949,348	70,598,843	203,946,406	70,598,841	487,895,756	128,036,159
6. Mortgage guaranty									
8. Ocean marine		9,089,759		9,089,759		9,140,512		18,230,271	1,802,057
9. Inland marine	1,109,881	20,756,405	1,109,881	20,756,405	1,069,943	8,428,698	1,069,943	29,185,103	2,620,445
10. Financial guaranty									
11.1 Medical professional liability—occurrence		6,498,119		6,498,119		27,750,760		34,248,879	2,996,687
11.2 Medical professional liability—claims-made		23,468,758		23,468,758		22,784,372		46,253,130	7,462,976
12. Earthquake		211,467		211,467	(1)	395,258	(1)	606,725	141,444
13. Group accident and health		207,465		207,465		18,818,165		(a) 19,025,630	901,382
14. Credit accident and health (group and individual)									
15. Other accident and health		1,479,299		1,479,299		4,034,299		(a) 5,513,598	587,257
16. Workers' compensation	57,985,577	1,010,610,945	57,985,577	1,010,610,945	88,911,656	1,214,961,020	88,911,656	2,225,571,965	406,898,495
17.1 Other liability—occurrence	27,859,429	373,120,751	27,859,429	373,120,751	44,664,429	623,343,637	44,664,429	996,464,388	267,527,125
17.2 Other liability—claims-made	93,746	115,195,525	93,746	115,195,525	26,287	259,951,341	26,287	375,146,866	83,178,158
17.3 Excess workers' compensation		51,826,926	(1)	51,826,927		66,581,754		118,408,681	16,849,708
18.1 Products liability—occurrence	61,501	19,703,716	61,501	19,703,716	299,720	56,926,060	299,720	76,629,776	53,357,589
18.2 Products liability—claims-made		587,421		587,421		10,505,667		11,093,088	2,490,501
19.1,19.2 Private passenger auto liability	13,519,211	695,533,735	13,519,211	695,533,735	(4,247,901)	490,755,193	(4,247,901)	1,186,288,928	247,410,386
19.3,19.4 Commercial auto liability	21,762,851	208,940,348	21,762,851	208,940,348	14,468,410	205,010,885	14,468,410	413,951,233	47,775,100
21. Auto physical damage	590,019	3,209,271	590,019	3,209,271	1,188,158	21,788,657	1,188,158	24,997,928	22,199,251
22. Aircraft (all perils)		10,028,380		10,028,380		2,005,922		12,034,302	2,930,430
23. Fidelity		2,606,059		2,606,059	310,581	13,375,837	310,581	15,981,896	2,213,969
24. Surety		(3,590,545)		(3,590,545)	(22,975)	50,038,831	(22,975)	46,448,286	10,416,408
26. Burglary and theft		349,993		349,993		1,005,445		1,355,438	222,145
27. Boiler and machinery		3,142,912		3,142,912	489	(1,011,134)	489	2,131,778	566,554
28. Credit		150,361		150,361		1,934,013		2,084,374	292,767
29. International									
30. Warranty						327,895		327,895	95,045
31. Reinsurance-nonproportional assumed property	X X X	32,614,213		32,614,213	X X X	(48,858,461)		(16,244,248)	1,280,655
32. Reinsurance-nonproportional assumed liability	X X X	20,591,821		20,591,821	X X X	37,377,790		57,969,611	3,215,201
33. Reinsurance-nonproportional assumed financial lines	X X X	1,905,254		1,905,254	X X X	1,571,703		3,476,957	55,659
34. Aggregate write-ins for other lines of business									
35. TOTALS	195,053,330	3,176,274,366	195,053,326	3,176,274,370	218,216,208	3,516,689,245	218,216,206	6,692,963,617	1,373,120,083

10

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	(11,197,029)			(11,197,029)
1.2 Reinsurance assumed	378,025,482			378,025,482
1.3 Reinsurance ceded	(11,197,029)			(11,197,029)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	378,025,482			378,025,482
2. Commission and brokerage:				
2.1 Direct, excluding contingent		18,411,305		18,411,305
2.2 Reinsurance assumed, excluding contingent		507,505,925		507,505,925
2.3 Reinsurance ceded, excluding contingent		18,411,305		18,411,305
2.4 Contingent—direct		(40,078)		(40,078)
2.5 Contingent—reinsurance assumed		92,615,392		92,615,392
2.6 Contingent—reinsurance ceded		(40,078)		(40,078)
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		600,121,317		600,121,317
3. Allowances to manager and agents		58,072,462		58,072,462
4. Advertising	502,440	106,567,226	17,969	107,087,635
5. Boards, bureaus and associations	1,240,875	9,318,572	9,870	10,569,317
6. Surveys and underwriting reports	164,073	25,800,849	10,329	25,975,251
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	240,755,999	504,551,358	15,578,976	760,886,333
8.2 Payroll taxes	10,464,333	38,631,344	642,588	49,738,265
9. Employee relations and welfare	25,153,358	91,839,623	1,757,463	118,750,444
10. Insurance	27,287,539	850,673	995,648	29,133,860
11. Directors' fees	(7,226)	(20,659)	(451)	(28,336)
12. Travel and travel items	10,002,822	25,600,071	447,803	36,050,696
13. Rent and rent items	14,116,817	52,147,317	908,482	67,172,616
14. Equipment	9,942,656	31,737,672	2,871,316	44,551,644
15. Cost or depreciation of EDP equipment and software	9,753,756	25,360,309	863,670	35,977,735
16. Printing and stationery	1,021,526	4,994,433	39,822	6,055,781
17. Postage, telephone and telegraph, exchange and express	6,364,689	34,231,256	310,302	40,906,247
18. Legal and auditing	3,122,686	6,711,921	796,950	10,631,557
19. Totals (Lines 3 to 18)	359,886,343	1,016,394,427	25,250,737	1,401,531,507
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 637,709		123,375,942		123,375,942
20.2 Insurance department licenses and fees		13,079,074		13,079,074
20.3 Gross guaranty association assessments		(115,648)		(115,648)
20.4 All other (excluding federal and foreign income and real estate)		21,768,077		21,768,077
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		158,107,445		158,107,445
21. Real estate expenses			7,079	7,079
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	22,611,458	65,912,668	3,021,302	91,545,428
25. Total expenses incurred	760,523,283	1,840,535,857	28,279,118	(a) 2,629,338,258
26. Less unpaid expenses—current year	1,373,120,082	372,553,638		1,745,673,720
27. Add unpaid expenses—prior year	1,306,854,399	333,127,207		1,639,981,606
28. Amounts receivable relating to uninsured plans, prior year		8,925		8,925
29. Amounts receivable relating to uninsured plans, current year		8,200		8,200
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	694,257,600	1,801,108,701	28,279,118	2,523,645,419

DETAILS OF WRITE-IN LINES				
2401. Other Expenses	22,611,458	65,912,668	3,021,302	91,545,428
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	22,611,458	65,912,668	3,021,302	91,545,428

(a) Includes management fees of \$ 844,765,155 to affiliates and \$ 58,071,518 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 29,244,839	30,006,446
1.1 Bonds exempt from U.S. tax	(a) 46,983,502	47,351,353
1.2 Other bonds (unaffiliated)	(a) 239,773,031	244,723,372
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 65,515	56,726
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	11,989,166	12,984,887
2.21 Common stocks of affiliates	17,892,822	17,892,822
3. Mortgage loans	(c) 19,849,550	19,956,066
4. Real estate	(d) 622,792	622,792
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 8,793,995	8,177,718
7. Derivative instruments	(f)	
8. Other invested assets	153,588,939	153,588,939
9. Aggregate write-ins for investment income	1,844,993	1,844,993
10. Total gross investment income	530,649,144	537,206,114
11. Investment expenses		(g) 28,279,117
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 483,930
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		28,763,047
17. Net investment income (Line 10 minus Line 16)		508,443,067

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	1,844,993	1,844,993
0902.		
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	1,844,993	1,844,993
1501.	NONE	
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$ 9,136,715 accrual of discount less \$ 31,601,411 amortization of premium and less \$ 0 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 \$ 443,273 accrual of discount less \$ 0 amortization of premium and less \$ 1,671 paid for accrued interest on purchases.
- (d) Includes \$ 622,792 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 958,587 accrual of discount less \$ 215,485 amortization of premium and less \$ 466,705 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 28,272,038 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 \$ 483,930 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	(14,510,667)		(14,510,667)		
1.1 Bonds exempt from U.S. tax	1,628,306		1,628,306	(138,060)	
1.2 Other bonds (unaffiliated)	(21,553,815)	(14,360,618)	(35,914,433)	(43,061,174)	(10,147,649)
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	2,677,718		2,677,718	(86,387)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	2,115,686	(28,658)	2,087,028	(74,935,045)	(6,224)
2.21 Common stocks of affiliates				17,882,058	
3. Mortgage loans	(28,343)		(28,343)	30,573	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(1,057,288)		(1,057,288)	(689)	1,038
7. Derivative instruments	5,329,872		5,329,872	(4,670,295)	
8. Other invested assets	3,934,635	(2,695)	3,931,940	(14,867,995)	(11,182)
9. Aggregate write-ins for capital gains (losses)	(296,987)		(296,987)	34,194	
10. Total capital gains (losses)	(21,760,883)	(14,391,971)	(36,152,854)	(119,812,820)	(10,164,017)

DETAILS OF WRITE-IN LINES					
0901. DEFERRED G/L-TRFSR OF ASSETS-INTERCO NON-CASH				34,194	
0902. Miscellaneous gains (losses)	(296,987)		(296,987)		
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	(296,987)		(296,987)	34,194	

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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	756,063		(756,063)
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	756,063		(756,063)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	30,798,039	24,315,245	(6,482,794)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,251,659	1,072,463	(179,196)
15.3 Accrued retrospective premiums and contracts subject to redetermination	7,700,996	8,662,435	961,439
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans	1,225	152	(1,073)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	2,084	2,627	543
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	3		(3)
25. Aggregate write-ins for other-than-invested assets	19,568,260	21,469,105	1,900,845
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	60,078,329	55,522,027	(4,556,302)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	60,078,329	55,522,027	(4,556,302)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other assets	19,380,299	21,466,195	2,085,896
2502. Amounts receivable under high deductible policies	187,961	2,910	(185,051)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	19,568,260	21,469,105	1,900,845

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the State of New Hampshire, the accompanying financial statements of Peerless Insurance Company (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("APP Manual").

The Company does not have any prescribed or permitted accounting practices.

NET INCOME

	SSAP #	F/S Page	F/S Line #	2018	2017
1. Peerless Insurance Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 404,565,229	\$ (54,757,350)
2. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	\$ -	\$ -
3. State Permitted Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 404,565,229</u>	<u>\$ (54,757,350)</u>
SURPLUS					
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 3,715,950,256	\$ 3,448,452,589
6. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
7. State Permitted Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 3,715,950,256</u>	<u>\$ 3,448,452,589</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company applies the following accounting policies, where applicable:

- Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (SVO Manual).
- Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
- Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).
- Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).
- Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.
- Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are based on market expectations. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
- Investments in SCA companies are carried in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*, and the SVO Manual.
- Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*, and the SVO Manual.
- Derivative Securities, refer to Note 8.
- Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property Casualty Contracts - Premiums*. Refer to Note 30.
- Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods, for making such estimates and for establishing the resulting liability, are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
- The Company did not change its capitalization policy in 2018.
- The Company has no pharmaceutical rebate receivables.

D. Going Concern

The Company is not aware of any conditions that would impact its ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

- There were no material changes in accounting principles and/or correction of errors.

NOTES TO FINANCIAL STATEMENTS

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

On August 24, 2007, the Company and three affiliates (Liberty Mutual Fire Insurance Company ("LMFIC"), a Wisconsin insurance company; Employers Insurance Company of Wausau ("EICOW"), a Wisconsin insurance company; and Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company) acquired all of the issued and outstanding voting shares of Ohio Casualty Corporation, a non-insurance holding company, which is the upstream parent of four property casualty insurance companies. The Company directly acquired an 8% ownership interest in Ohio Casualty Corporation, while the affiliates account for the remaining 92% (LMFIC 6%, PIC 8%, and LMIC 78%). The transaction was accounted for as a statutory purchase and the cost was \$222,400,560, resulting in goodwill in the amount of \$117,712,240. Goodwill was fully amortized as of December 31, 2017.

B. Statutory Mergers

The Company did not enter into any statutory mergers during the year.

C. Impairment Loss

The Company did not recognize an impairment loss during the period.

Note 4 - Discontinued Operations

The Company has no discontinued operations.

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

1. The maximum and minimum lending rates for mortgage loans during 2018 were:

Farm mortgages	N/A
Residential mortgages	N/A
Commercial mortgages	3.620% and 5.500%
Mezzanine	N/A

2. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 75%

3. Taxes, assessments and any amounts advanced and not included in the mortgage loan total:

2018	2017
\$26,955	\$22,861

4. Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investments (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 464,095,766	\$ -	\$ 464,095,766
(b) 30-59 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) 60-89 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d) 90-179 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) 180+ Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ 65,710	\$ -	\$ 65,710
2. Acquiring Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Interest Reduced							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 13,865,112	\$ -	\$ 13,865,112
(b) Number of Loans	\$ -	\$ -	\$ -	\$ -	\$ 191	\$ -	\$ 191
(c) Percent Reduced	0%	0%	0%	0%	1.417%	0%	1.417%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 464,161,476	\$ -	\$ 464,161,476
b. Prior Year							
1. Recorded Investments (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 425,437,047	\$ -	\$ 425,437,047
(b) 30-59 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ 28,645	\$ -	\$ 28,645
(c) 60-89 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d) 90-179 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) 180+ Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Acquiring Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Interest Reduced							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 2,991,724	\$ -	\$ 2,991,724
(b) Number of Loans	\$ -	\$ -	\$ -	\$ -	\$ 158	\$ -	\$ 158
(c) Percent Reduced	0%	0%	0%	0%	1.174%	0%	1.174%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 425,465,692	\$ -	\$ 425,465,692

5. Investment in Impaired Loans With or Without Allowance for Credit Losses:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ 527,501	\$ -	\$ 527,501
2. No Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ 798,762	\$ -	\$ 798,762
3. Total (1+2)	\$ -	\$ -	\$ -	\$ -	\$ 1,326,263	\$ -	\$ 1,326,263
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$ -	\$ -	\$ -	\$ -	\$ 1,326,263	\$ -	\$ 1,326,263

NOTES TO FINANCIAL STATEMENTS

b. Prior Year

1. With Allowance for Credit Losses	\$	-	\$	-	\$	-	\$	681,737	\$	-	\$	681,737
2. No Allowance for Credit Losses	\$	-	\$	-	\$	-	\$	908,396	\$	-	\$	908,396
3. Total (1+2)	\$	-	\$	-	\$	-	\$	1,590,133	\$	-	\$	1,590,133
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$	-	\$	-	\$	-	\$	1,590,133	\$	-	\$	1,590,133

6. Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

	Farm	Residential		Commercial		Mezzanine	Total			
		Insured	All Other	Insured	All Other					
a. Current Year										
1. Average Recorded Investment	\$	-	\$	-	\$	1,458,198	\$	-	\$	1,458,198
2. Interest Income Recognized	\$	-	\$	-	\$	67,473	\$	-	\$	67,473
3. Recorded Investments on Nonaccrual Status	\$	-	\$	-	\$	65,710	\$	-	\$	65,710
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	-	\$	-	\$	68,773	\$	-	\$	68,773

b. Prior Year

1. Average Recorded Investment	\$	-	\$	-	\$	-	\$	1,532,056	\$	-	\$	1,532,056
2. Interest Income Recognized	\$	-	\$	-	\$	-	\$	94,790	\$	-	\$	94,790
3. Recorded Investments on Nonaccrual Status	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	-	\$	-	\$	-	\$	84,411	\$	-	\$	84,411

7. Allowance for Credit Losses:

	2018	2017
a. Balance at beginning of period	\$ 91,487	\$ 366,727
b. Additions charged to operations	\$ (4,451)	\$ (91,672)
c. Direct write-downs charged against the allowances	\$ (26,122)	\$ (183,568)
d. Recoveries of amounts previously charged off	\$ -	\$ -
e. Balance at end of period	\$ 60,914	\$ 91,487

8. Mortgage Loans Derecognized as a Result of Foreclosure:

	2018	2017
a. Aggregate amount of mortgage loans derecognized	\$ -	\$ -
b. Real estate collateral recognized	\$ -	\$ -
c. Other collateral recognized	\$ -	\$ -
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	\$ -	\$ -

9. Interest income on impaired commercial mortgage loans is recognized until the loans are more than 90 days delinquent. Interest income and accrued interest receivable are reversed when a loan is put on non-accrual status. Interest income on loans more than 90 days delinquent is recognized in the period the cash is collected. Interest income recognition is continued when the loan becomes less than 90 days delinquent and management determines it is probably that the loan will continue to perform.

B. Debt Restructuring

	2018	2017
1. The total recorded investment in restructured loans, as of year end	\$ 1,321,270	\$ 1,618,971
2. The realized capital losses related to these loans	\$ -	\$ -
3. Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	\$ -	\$ -
4. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.		

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loaned Backed Securities

- Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.
- All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate as of December 31, 2018: None
- Each Loaned Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2018:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
524685AA2	\$ 6,687,037	\$ 5,208,158	\$ 1,478,879	\$ 5,208,158	\$ 5,271,208	3/31/2018
Total			\$ 1,478,879			

4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2018:

a. The aggregate amount of unrealized losses:		
1. Less than 12 Months		\$ (8,688,072)
2. 12 Months or Longer		\$ (32,297,615)
b. The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 Months		\$ 438,623,405
2. 12 Months or Longer		\$ 1,398,226,618

5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- The Company has not entered into any repurchase agreements during the year. Refer to Note 17B for the policy on requiring collateral to security lending.

NOTES TO FINANCIAL STATEMENTS

2. The Company has not pledged any of its assets as collateral as of December 31, 2018.
3. Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
(a) Open	\$ 415,245,582
(b) 30 Days or Less	_____
(c) 31 to 60 Days	_____
(d) 61 to 90 Days	_____
(e) Greater Than 90 Days	_____
(f) Sub-Total	\$ 415,245,582
(g) Securities Received	\$ 43,803,189
(h) Total Collateral Received	\$ 459,048,770
2. Dollar Repurchase Agreement	\$ -
(a) Open	\$ -
(b) 30 Days or Less	\$ -
(c) 31 to 60 Days	\$ -
(d) 61 to 90 Days	\$ -
(e) Greater Than 90 Days	\$ -
(f) Sub-Total	\$ -
(g) Securities Received	\$ -
(h) Total Collateral Received	\$ -

b. The fair value of that collateral and of the portion of that collateral that it has sold or re-pledged

	\$ 459,048,770
--	----------------

c. All collateral is received in the form of cash and/or securities equal to or in excess of 102% of the loaned value and are maintained in a separate custody account. Cash collateral is reinvested into short-term investments as outlined in the terms of the investment agreement. Per the terms of the investment agreement the Company has the right and ability to redeem any eligible securities on short notice.

4. Securities Lending Transactions Administered by an Affiliated Agent

The Company's security lending transactions are not administered by an affiliate agent.

5. Collateral Reinvestment

a. Aggregate Amount Collateral Received

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	\$ 244,562,705	\$ 244,562,705
(c) 31 to 60 Days	\$ 119,749,602	\$ 119,749,602
(d) 61 to 90 Days	\$ 50,933,274	\$ 50,933,274
(e) 91 to 120 Days	_____	_____
(f) 121 to 180 Days	_____	_____
(g) 181 to 365 Days	_____	_____
(h) 1 to 2 Years	_____	_____
(i) 2 to 3 Years	_____	_____
(j) Greater Than 3 Years	_____	_____
(k) Sub-Total	\$ 415,245,581	\$ 415,245,581
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	\$ 415,245,581	\$ 415,245,581
2. Dollar Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	\$ -	\$ -
(c) 31 to 60 Days	\$ -	\$ -
(d) 61 to 90 Days	\$ -	\$ -
(e) 91 to 120 Days	\$ -	\$ -
(f) 121 to 180 Days	\$ -	\$ -
(g) 181 to 365 Days	\$ -	\$ -
(h) 1 to 2 Years	\$ -	\$ -
(i) 2 to 3 Years	\$ -	\$ -
(j) Greater Than 3 Years	\$ -	\$ -
(k) Sub-Total	\$ -	\$ -
(l) Securities Received	\$ -	\$ -
(m) Total Collateral Reinvested	\$ -	\$ -

b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent on the liquidity of the current market conditions. Under current conditions, the reporting entity could liquidate all or a portion of its cash collateral reinvestment securities in order to meet the collateral calls that could come due under a worst-case scenario.

6. The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.
7. The Company has not accepted collateral that extends beyond one year from the reporting date for securities lending transactions.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sales

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

J. Real Estate

1. The Company did not recognize any impairments on real estate during the year.
2. The Company has not sold or classified real estate investments as held for sale.
3. The Company has not experienced any changes to a plan of sale for investment in real estate.

NOTES TO FINANCIAL STATEMENTS

4. The Company does not engage in retail land sale operations.
5. The Company does not hold real estate investments with participating mortgage loan features.
- K. Investments in Low-Income Housing Tax Credits ("LIHTC")
1. There are fourteen years remaining of unexpired tax credits. The required holding period for the LIHTC investment is fifteen years.
 2. There were \$26,893,834 of LIHTC and other tax benefits recognized during the year.
 3. The balance of the investment recognized in the statement of financial position for the current year is \$116,636,889.
 4. The Company's LIHTC property is required to meet regulatory benchmarks to comply with the LIHTC program which include the review of tenant files. Oversight of the projects is administered by the State Housing agencies.
 5. The carrying value of the Company's investment in LIHTC did not exceed 10% of its admitted assets.
 6. The Company did not recognize any impairment loss on its LIHTC investment during the year.
 7. The Company did not write-down its LIHTC investment or reclassify the LIHTC during the year due to the forfeiture or ineligibility of tax credits.
- L. Restricted Assets

1. Restricted Assets (Included Pledge)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year						
	1	2	3	4	5	6	7
	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 Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	415,245,582	-	-	-	415,245,582	280,131,191	135,114,391
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	6,200,400	-	-	-	6,200,400	-	6,200,400
j. On deposit with states	551,247,256	-	-	-	551,247,256	549,317,750	1,929,506
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	23,288,821	-	-	-	23,288,821	-	23,288,821
o. Total Restricted Assets	\$ 995,982,059	\$ -	\$ -	\$ -	\$ 995,982,059	\$ 829,448,941	\$166,533,118

(a) Subset of column 1

(b) Subset of column 3

Restricted Asset Category	8	9	Percentage	
			10	11
			Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements	-	415,245,582	2.67%	2.68%
c. Subject to repurchase agreements	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	0%	0%
e. Subjects to dollar repurchase agreements	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	0%	0%
g. Placed under option contracts	-	-	0%	0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	0%	0%
i. FHLB capital stock	-	6,200,400	0.04%	0.04%
j. On deposit with states	-	551,247,256	3.54%	3.56%
k. On deposit with other regulatory bodies	-	-	0%	0%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	0%	0%
n. Other restricted assets	-	23,288,821	0.15%	0.15%
o. Total Restricted Assets	\$ -	\$ 995,982,059	6.40%	6.43%

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are reported in the Aggregate)

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are reported in the Aggregate)

Description of Asset	Gross Restricted							8	Percentage	
	Current Year								9	10
	1	2	3	4	5	6	7			
	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 Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
US Bank Reinsurance	\$ 23,288,821	\$ -	\$ -	\$ -	\$ 23,288,821	\$ -	\$ 23,288,821	\$ -	0.15%	0.15%
Total	\$ 23,288,821	\$ -	\$ -	\$ -	\$ 23,288,821	\$ -	\$ 23,288,821	\$ -	0.15%	0.15%

4. Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements

Collateral Assets	1	2	3	4
	Book/ Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets**
a. Cash	\$ -	\$ -	0%	0%
b. Schedule D, Part 1	-	-	0%	0%
c. Schedule D, Part 2, Section 1	-	-	0%	0%
d. Schedule D, Part 2, Section 2	-	-	0%	0%
e. Schedule B	-	-	0%	0%
f. Schedule A	-	-	0%	0%
g. Schedule BA, Part 1	-	-	0%	0%
h. Schedule DL, Part 1	415,245,581	415,245,581	2.67%	2.68%
i. Other	-	-	0%	0%
j. Total Collateral Assets	\$ 415,245,581	\$ 415,245,581	2.67%	2.68%

* Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided Asset Page, Line 26 (Column 3)

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation Return Collateral Asset	\$ 415,245,581	3.53%

* Column 1 divided by Liability Page, Line 26

M. Working Capital Finance Investments

The Company does not invest in working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. Structured Notes

Not applicable.

P. 5* Securities

Investment	AC - Amortized Cost		FV - Fair Value		Aggregate BACV		Aggregate Fair Value	
	Number of 5* Securities		Aggregate BACV		Aggregate Fair Value			
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
1. Bonds - AC	1	-	1,881,842	-	1,885,167	-	-	-
2. LB&SS - AC	-	-	-	-	-	-	-	-
3. Preferred Stock - AC	-	-	-	-	-	-	-	-
4. Preferred Stock - FV	-	-	-	-	-	-	-	-
5. Total (1+2+3+4)	1	-	1,881,842	-	1,885,167	-	-	-

Q. Short Sales

Not applicable.

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
Number of CUSIPs	81	-
Aggregate Amount of Investment Income	3,461,021	-

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets

B. Impairments on joint ventures, partnerships or limited liability companies

The Company invests in limited partnerships that are reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. Management may also engage to sell limited partnership interests which may also lead to impairment losses being recognized. The Company did not recognize any impairment losses during the year.

Note 7 - Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

Note 8 - Derivative Instruments

A, B, C. Derivative financial instruments utilized by the Company during 2018 and 2017 included interest rate futures contracts and foreign currency forward contracts.

Market risk is defined as the risk of adverse financial impact due to fluctuations in market rates or prices. To mitigate this risk, the Company's senior management has established risk control limits for derivative transactions. Credit/counterparty risk is defined as the risk of financial loss if a counterparty is either unable or unwilling to repay borrowings or settle a transaction in accordance with the underlying contractual terms. The Company manages credit and counterparty risk by using highly rated counterparties and obtaining collateral, where appropriate. Collateral requirements are determined after a comprehensive review of the credit quality of each counterparty and the collateral requirements are monitored and adjusted as needed.

The Company uses derivatives for risk management and to increase investment portfolio returns through asset replication. The Company does not use derivatives for speculative purposes. The Company may also acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and immaterial to the underlying investment portfolio.

The following summarizes the objectives and accounting policies for each type of derivative used:

The Company uses interest rate futures contracts to manage interest rate risk associated with holding certain fixed income investments. Daily cash settlements of variation margins are required for futures contracts and is based on the changes in daily prices. The daily cash settlements of margin gains or losses for futures contracts that received non-hedged accounting treatment and have terminated are reported in net realized capital gains or losses. The daily cash settlements of margin gain or losses for open futures contracts that receive non-hedge accounting treatment are reported as net unrealized capital gains or losses within unassigned surplus.

The Company uses foreign currency forward contracts to manage foreign currency risk associated with holding foreign currency denominated investments. Foreign currency forward contracts receive non-hedge accounting treatment and the change in fair value of open contracts is reported as net unrealized gains or losses in unassigned surplus. Cash settlement is required when the contract matures. Gains or losses at maturity are recorded as net realized capital gains or losses.

- D. The Company entered into futures contracts in 2018 which required the payment/receipt of premiums at either the inception of the contracts or throughout the life of the contracts, depending on the agreement with counterparties and brokers.
- E. The Company did not have gains or losses in net unrealized gains or losses that resulted from derivatives that no longer qualify for hedge accounting treatment in 2018 and 2017.
- F. The Company did not have gains or losses in net unrealized gains or losses that resulted from derivatives that no longer qualify for hedge accounting treatment in 2018 and 2017.
- G. The company did not have derivatives accounted for as cash flow hedges of a forecasted transaction

Note 9 - Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 328,493,000	\$ 26,407,000	\$ 354,900,000
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 328,493,000	\$ 26,407,000	\$ 354,900,000
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 328,493,000	\$ 26,407,000	\$ 354,900,000
(f) Deferred Tax Liabilities	\$ 99,168,000	\$ 42,138,000	\$ 141,306,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 229,325,000	\$ (15,731,000)	\$ 213,594,000

	12/31/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 353,876,000	\$ 1,484,000	\$ 355,360,000
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 353,876,000	\$ 1,484,000	\$ 355,360,000
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 353,876,000	\$ 1,484,000	\$ 355,360,000
(f) Deferred Tax Liabilities	\$ 107,404,000	\$ 32,817,000	\$ 140,221,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 246,472,000	\$ (31,333,000)	\$ 215,139,000

	Change		
	(7)	(8)	(9)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ (25,383,000)	\$ 24,923,000	\$ (460,000)
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ (25,383,000)	\$ 24,923,000	\$ (460,000)
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (25,383,000)	\$ 24,923,000	\$ (460,000)
(f) Deferred Tax Liabilities	\$ (8,236,000)	\$ 9,321,000	\$ 1,085,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (17,147,000)	\$ 15,602,000	\$ (1,545,000)

NOTES TO FINANCIAL STATEMENTS

2.

	12/31/2018		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 58,700,124	\$ 2,287	\$ 58,702,411
(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)	\$ 190,307,652	\$ -	\$ 190,307,652
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 190,307,652	\$ -	\$ 190,307,652
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			\$ 529,319,115
(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.	\$ 79,485,224	\$ 26,404,713	\$ 105,889,937
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 328,493,000	\$ 26,407,000	\$ 354,900,000

	12/31/2017		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 64,248,185	\$ 68,426	\$ 64,316,611
(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)	\$ 206,424,864	\$ -	\$ 206,424,864
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 206,424,864	\$ -	\$ 206,424,864
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			\$ 490,761,682
(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.	\$ 83,202,951	\$ 1,415,574	\$ 84,618,525
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 353,876,000	\$ 1,484,000	\$ 355,360,000

	Change		
	(7) Ordinary	(8) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (5,548,061)	\$ (66,139)	\$ (5,614,200)
(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)	\$ (16,117,212)	\$ -	\$ (16,117,212)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ (16,117,212)	\$ -	\$ (16,117,212)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ -	\$ -	\$ 38,557,433
(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.	\$ (3,717,727)	\$ 24,989,139	\$ 21,271,412
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ (25,383,000)	\$ 24,923,000	\$ (460,000)

3.

	2018	2017
(a) Ratio Percentage Used to Determine Recovery Period And Threshold Limitation Amount	419.1%	412.3%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 3,502,356,256	\$ 3,233,313,589

NOTES TO FINANCIAL STATEMENTS

4.

	12/31/2018		12/31/2017		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) Ordinary	(6) Capital
Impact of Tax-Planning Strategies						
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 328,493,000	\$ 26,407,000	\$ 353,876,000	\$ 1,484,000	\$ (25,383,000)	\$ 24,923,000
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ 328,493,000	\$ 26,407,000	\$ 353,876,000	\$ 1,484,000	\$ (25,383,000)	\$ 24,923,000
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of Reinsurance: Yes ___ No ___ X ___

B. The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2018	12/31/2017	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 26,967,400	\$ (33,103,361)	\$ 60,070,761
(b) Foreign	\$ 327,374	\$ 277,619	\$ 49,755
(c) Subtotal	\$ 27,294,774	\$ (32,825,742)	\$ 60,120,516
(d) Federal income tax on net capital gains	\$ (7,305,774)	\$ 65,123,742	\$ (72,429,516)
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ -	\$ -	\$ -
(g) Federal and foreign income tax incurred	\$ 19,989,000	\$ 32,298,000	\$ (12,309,000)
2. Deferred Tax Assets:	\$ -	\$ -	\$ -
(a) Ordinary	\$ -	\$ -	\$ -
(1) Discounting of unpaid losses	\$ 123,256,000	\$ 127,488,000	\$ (4,232,000)
(2) Unearned premium reserve	\$ 136,252,000	\$ 130,266,000	\$ 5,986,000
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ 8,038,000	\$ 8,229,000	\$ (191,000)
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed Assets	\$ 36,000	\$ 40,000	\$ (4,000)
(8) Compensation and benefits accrual	\$ 7,142,000	\$ 9,689,000	\$ (2,547,000)
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables – nonadmitted	\$ 12,458,000	\$ 11,660,000	\$ 798,000
(11) Net operating loss carry-forward	\$ -	\$ -	\$ -
(12) Tax credit carry-forward	\$ 30,414,000	\$ 50,221,000	\$ (19,807,000)
(13) Other (including items <5% of total ordinary tax assets)	\$ 10,897,000	\$ 16,283,000	\$ (5,386,000)
(99) Subtotal	\$ 328,493,000	\$ 353,876,000	\$ (25,383,000)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 328,493,000	\$ 353,876,000	\$ (25,383,000)
(e) Capital			\$ -
(1) Investments	\$ 26,407,000	\$ 1,484,000	\$ 24,923,000
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other (including items <5% of total capital tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 26,407,000	\$ 1,484,000	\$ 24,923,000
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 26,407,000	\$ 1,484,000	\$ 24,923,000
(i) Admitted deferred tax assets (2d + 2h)	\$ 354,900,000	\$ 355,360,000	\$ (460,000)
3. Deferred Tax Liabilities:	\$ -	\$ -	\$ -
(a) Ordinary	\$ -	\$ -	\$ -
(1) Investments	\$ 3,825,000	\$ 2,623,000	\$ 1,202,000
(2) Fixed assets	\$ 44,134,000	\$ 41,366,000	\$ 2,768,000
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ 42,867,000	\$ 55,914,000	\$ (13,047,000)
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 8,342,000	\$ 7,501,000	\$ 841,000
(99) Subtotal	\$ 99,168,000	\$ 107,404,000	\$ (8,236,000)
(b) Capital:	\$ -	\$ -	\$ -
(1) Investments	\$ 42,138,000	\$ 32,817,000	\$ 9,321,000
(2) Real estate	\$ -	\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 42,138,000	\$ 32,817,000	\$ 9,321,000

NOTES TO FINANCIAL STATEMENTS

(c) Deferred tax liabilities (3a99 + 3b99)	\$ 141,306,000	\$ 140,221,000	\$ 1,085,000
4. Net deferred tax assets/liabilities (2i – 3c)	\$ 213,594,000	\$ 215,139,000	\$ (1,545,000)

D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of tax exempt income, intercompany dividends, LP & LLC income, limits on unearned premium reserve deductions, loss reserve transitional adjustment, utilization of general business credits and revisions to prior year estimates.

E. The Company has no net operating loss carry-forwards available to offset future net income subject to Federal income tax.

The Company has general business credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2017	\$ 9,198,000	2037
2018	\$ 21,216,000	2038

The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$40,531,000 from the current year and \$23,842,000 from the preceding year.

The Company does not have deposits admitted under Section 6603 of the Internal Revenue Code.

F. The Company's Federal income tax return is consolidated with the following entities:

All Set Works, Inc.	Liberty Mutual Group Inc.
AMBCO Capital Corporation	Liberty Mutual Holding Company Inc.
America First Insurance Company	Liberty Mutual Insurance Company
America First Lloyd's Insurance Company	Liberty Mutual Personal Insurance Company
American Economy Insurance Company	Liberty Mutual Technology Group, Inc.
American Fire and Casualty Company	Liberty Northwest Insurance Corporation
American States Insurance Company	Liberty Personal Insurance Company
American States Insurance Company of Texas	Liberty RE (Bermuda) Limited
American States Lloyds Insurance Company	Liberty Sponsored Insurance (Vermont), Inc.
American States Preferred Insurance Company	Liberty Surplus Insurance Corporation
Barrier Ridge LLC	LIH-RE of America Corporation
Berkeley Holding Company Associates, Inc.	LIU Specialty Insurance Agency Inc.
Berkeley Management Corporation	LM General Insurance Company
Capitol Court Corporation	LM Insurance Corporation
Colorado Casualty Insurance Company	LM Property and Casualty Insurance Company
Consolidated Insurance Company	LMHC Massachusetts Holdings Inc.
Diversified Settlements, Inc.	Managed Care Associates Inc.
Emerald City Insurance Agency, Inc.	Mid-American Fire & Casualty Company
Employers Insurance Company of Wausau	North Pacific Insurance Company
Excelsior Insurance Company	Ocasco Budget, Inc.
Excess Risk Reinsurance, Inc.	OCI Printing, Inc.
F.B. Beattie & Co., Inc.	Ohio Casualty Corporation
First National Insurance Company of America	Ohio Security Insurance Company
First State Agency Inc.	Open Seas Solutions, Inc.
General America Corporation	Oregon Automobile Insurance Company
General America Corporation of Texas	Peerless Indemnity Insurance Company
General Insurance Company of America	Peerless Insurance Company
Golden Eagle Insurance Corporation	Pilot Insurance Services, Inc.
Gulf States AIF, Inc.	Rianoc Research Corporation
Hawkeye-Security Insurance Company	S.C. Bellevue, Inc.
Indiana Insurance Company	SAFECARE Company, Inc.
Insurance Company of Illinois	Safeco Corporation
Ironshore Holdings (US) Inc.	Safeco General Agency, Inc.
Ironshore Indemnity Inc.	Safeco Insurance Company of America
Liberty Specialty Markets Bermuda Limited	Safeco Insurance Company of Illinois
Ironshore Management Inc.	Safeco Insurance Company of Indiana
Ironshore Services Inc.	Safeco Insurance Company of Oregon
Ironshore Specialty Insurance Company	Safeco Lloyds Insurance Company
Ironshore Surety Holdings Inc.	Safeco National Insurance Company
LEXCO Limited	Safeco Properties, Inc.
Liberty-USA Corporation	Safeco Surplus Lines Insurance Company
Liberty Assignment Corporation	San Diego Insurance Company
Liberty Energy Canada, Inc.	SCIT, Inc.
Liberty Financial Services, Inc.	St. James Insurance Company Ltd.
Liberty Hospitality Group, Inc.	The First Liberty Insurance Corporation
Liberty Insurance Corporation	The Midwestern Indemnity Company
Liberty Insurance Holdings, Inc.	The National Corporation
Liberty Insurance Underwriters Inc.	The Netherlands Insurance Company
Liberty International Europe Inc.	The Ohio Casualty Insurance Company
Liberty International Holdings Inc.	Wausau Business Insurance Company
Liberty Life Assurance Company of Boston	Wausau General Insurance Company
Liberty Life Holdings Inc.	Wausau Underwriters Insurance Company
Liberty Lloyds of Texas Insurance Company	West American Insurance Company
Liberty Management Services, Inc.	Winmar Company, Inc.
Liberty Mexico Holdings Inc.	Winmar of the Desert, Inc.
Liberty Mutual Agency Corporation	Winmar Oregon, Inc.
Liberty Mutual Fire Insurance Company	Winmar-Metro, Inc.
Liberty Mutual Group Asset Management Inc.	

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

G. The Company does not expect the Federal and Foreign income tax loss contingencies, as determined in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets, with the modifications provided in SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10, to significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual Agency Corporation, an insurance holding company incorporated in Delaware. Liberty Mutual Agency Corporation is wholly owned by Liberty Insurance Holdings, Inc., an insurance holding company incorporated in Delaware. Liberty Insurance Holdings, Inc. is wholly owned by Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc., a Massachusetts company.

B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.

C. As of December 31, 2018, the Company had the following capital transactions with its parent and subsidiaries:

1. Received capital contributions of	\$ -
2. Received return of capital distributions of	\$ 1,487,178
3. Contributed capital in the amount of	\$ 19,122,026
4. Received dividends in the amount of	\$ 171,307,600

NOTES TO FINANCIAL STATEMENTS

- D. At December 31, 2018, the Company reported a net \$97,937,745 due from affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

The Company is a party to a management services agreement (the "Agreement") with Liberty Mutual Insurance Company ("LMIC"). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. LMIC is reimbursed for the cost of all services which it provides under the Agreement.

The Company is a party to a cash management agreement with Liberty Mutual Insurance Company ("LMIC") whereby LMIC provides services to the Company.

The Company is a party to an investment management agreement with Liberty Mutual Group Asset Management Inc. ("LMGAM"), and an investment management agreement with Liberty Mutual Investment Advisors LLC ("LMIA"). Under these agreements, LMGAM and LMIA provide services to the Company.

The Company is party to a Federal Tax Sharing Agreement between LMHC and affiliates (Refer to Note 9F).

The Company is party to revolving credit agreements under which the Company may lend funds to the following affiliated companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Indiana Insurance Company	\$ 50,000,000
Liberty Mutual Insurance Company	\$ 650,000,000
The Ohio Casualty Insurance Company	\$ 100,000,000
Peerless Indemnity Insurance Company	\$ 50,000,000
Safeco Insurance Company of America	\$ 100,000,000
The Netherlands Insurance Company	\$ 50,000,000

There were no outstanding loans as of December 31, 2018.

The Company is party to revolving credit agreements under which the Company may borrow funds from the following affiliated companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Indiana Insurance Company	\$ 50,000,000
Liberty Mutual Insurance Company	\$ 650,000,000
The Ohio Casualty Insurance Company	\$ 100,000,000
Peerless Indemnity Insurance Company	\$ 50,000,000
Safeco Insurance Company of America	\$ 100,000,000
The Netherlands Insurance Company	\$ 50,000,000

There were no outstanding borrowings as of December 31, 2018.

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1.
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not own investments in subsidiary, controlled or affiliated companies that exceed 10% of its admitted assets.
- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.
- L. The Company utilizes the look-through approach for the valuation of the following downstream non-insurance holding company:

	Carrying Value
Ohio Casualty Corporation	\$ 147,114,704

The Company has limited the value of its investment in this company to the value contained in the audited financial statements. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the company's determination of the carrying value of the investment in the downstream non-insurance holding company.

- M. All SCA investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
N/A				
Total SSAP No. 97 8a Entities				
b. SSAP No. 97 8b(ii) Entities				
Liberty USA Corporation	100%	\$ 199,537,064	\$ 199,537,064	\$ -
Ohio Casualty Corporation	8%	\$ 147,114,704	\$ 147,114,704	\$ 567,047
Total SSAP No. 97 8b(ii) Entities				
c. SSAP No. 97 8b(iii) Entities				
Liberty Mutual Investment Holdings LLC	22%	\$ 616,769,498	\$ 616,769,498	\$ -
LMAT Holdings LLC	30%	\$ 53,952,288	\$ 53,952,288	\$ -
Total SSAP No. 97 8b(iii) Entities				
d. SSAP No. 97 8b(iv) Entities				
N/A				
Total SSAP No. 97 8b(iv) Entities				
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)				
		\$ 1,017,373,554	\$ 1,016,806,507	\$ 567,047
f. Aggregate Total (a+e)				
		\$ 1,017,373,554	\$ 1,016,806,507	\$ 567,047

NOTES TO FINANCIAL STATEMENTS

2. NAIC Filing Response Information

SCA Entity	Type of NAIC Filing*	Date of Filing to NAIC	2017 NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
N/A						
Total SSAP No. 97 8a Entities						
b. SSAP No. 97 8b(ii) Entities						
Ohio Casualty Corporation	S2	12/17/2018	\$ 136,221,494	Yes	No	
Liberty USA Corporation	S2	12/17/2018	\$ 195,199,679	Yes	No	
Total SSAP No. 97 8b(ii) Entities			\$ 331,421,173			
c. SSAP No. 97 8b(iii) Entities						
Liberty Mutual Investment Holdings LLC	N/A	N/A	N/A	N/A	N/A	N/A
LMAT Holdings LLC	N/A	N/A	N/A	N/A	N/A	N/A
Total SSAP No. 97 8b(iii) Entities						
d. SSAP No. 97 8b(iv) Entities						
N/A						
Total SSAP No. 97 8b(iv) Entities						
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b+c+d)			\$ 331,421,173			
f. Aggregate Total (a+e)			\$ 331,421,173			

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Investment in Insurance SCAs

The Company does not hold investments in Insurance SCAs for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures.

O. SCA Loss Tracking

The Company does not hold any investments in SCAs which are in a deficit position.

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. There were no outstanding borrowings as of December 31, 2018. The Company has determined the actual maximum borrowing capacity as \$1,200,000,000 per Board of Directors consent.

2. FHLB Capital Stock

	(1)	(2)	(3)
	Total	General Account	Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	\$ 6,200,400	\$ 6,200,400	\$ -
Activity Stock	\$ -	\$ -	\$ -
Excess Stock	\$ -	\$ -	\$ -
Aggregate Total	\$ 6,200,400	\$ 6,200,400	\$ -
Actual Borrowing Capacity as Determined by the Insurer	\$ 1,200,000,000	XXX	XXX

2. Prior Year-end

	(1)	(2)	(3)
	Total	General Account	Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	\$ 5,780,700	\$ 5,780,700	\$ -
Activity Stock	\$ -	\$ -	\$ -
Excess Stock	\$ -	\$ -	\$ -
Aggregate Total	\$ 5,780,700	\$ 5,780,700	\$ -
Actual Borrowing Capacity as Determined by the Insurer	\$ 1,200,000,000	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1 Current Year Total (2+3+4+5+6)	Eligible for Redemption				
		2 Not Eligible for Redemption	3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 1 Year	6 3 to 5 Years
Membership Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class B	\$ -	\$ 6,200,400	\$ -	\$ -	\$ -	\$ -

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

b. Maximum Amount Pledged During Reporting Period

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. 3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ 241,146,625	\$ 242,427,499	\$ 210,000,000

Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts	(4) Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts	(4) Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Debt	\$ -	\$ -	\$ -
Funding Agreements	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Aggregate Total	\$ -	\$ -	\$ -

c. FHLB - Prepayment Obligations

	Does the Company have prepayment
Debt	NO
Funding Agreements	N/A
Other	N/A

C. There were no outstanding borrowings as of December 31, 2018.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other postretirement benefit plans. Services for the operation of the Company are provided under provisions of the management services agreements, as described in Note 10F.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. The Company has 5,000,000 common shares authorized, and 3,524,456 shares issued and outstanding as of December 31, 2018. All shares have a stated par value of \$2.50.

The Company has 113,043 preferred shares authorized and no shares are issued and outstanding as of December 31, 2018. All shares have a stated par value of \$2.50.

2. Preferred Stock

Not applicable.

3. There are no dividend restrictions.

4. The Company did not pay any dividends to its parent during 2018.

5. The maximum amount of dividends that can be paid by New Hampshire-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is the lesser of 10% of surplus or net income excluding realized capital gains. The maximum dividend payout that may be made without prior approval in 2019 is \$371,595,026.

6. As of December 31, 2018, the Company has pre-tax restricted surplus of \$17,243,433 resulting from retroactive reinsurance contracts.

NOTES TO FINANCIAL STATEMENTS

7. The Company had no advances to surplus.
8. The Company does not hold stock for special purposes.
9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2018.
10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is (\$415,980,665) after applicable deferred taxes of \$25,449,385.

11. Surplus Notes

Not applicable.

12. Quasi-reorganization (dollar impact)

Not applicable.

13. Quasi-reorganization (effective date)

Not applicable.

Note 14 - Contingencies

A. Contingent Commitments

Refer to Note 10E.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments and premium-based assessments are presumed probable when the premium on which the assessments are expected to be based are written. In the case of loss-based assessments, the event that obligates the entity is an entity incurring the losses on which the assessments are expected to be based.

The Company has accrued a liability for guaranty funds and other assessments of \$21,903,803 that is offset by future premium tax credits of \$637,709. Current guaranty fund assessments and assessments based on losses paid are expected to be paid out in the next two years, while premium tax offsets are expected to be realized over the period determined by each individual state once the guaranty fund assessment has been paid. The Company continues to remit payments relating to prior year insolvencies.

Reconciliation of paid and accrued premium tax offsets and policy surcharges at prior year-end to current year-end:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	810,669
b. Decreases current year:		
Premium tax offset applied	\$	684,241
c. Increases current year:		
Premium tax offset applied	\$	511,280
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$	637,709

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related to ECO and bad faith losses paid during the reporting period	\$ 531,646

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant

(f) Per Claim [X] (g) Per Claimant []

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

The Company is not a participant in any joint and several liabilities.

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes Liberty Mutual Group Inc. ("LMGI"). LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe the amounts in excess of non-admitted amounts are material.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

A. Lessee Leasing Arrangements

- The Company leases office space, plant and equipment under various non-cancelable operating lease arrangements. The Company's minimum lease obligations, including sales-leaseback transactions, under these agreements are as follows:

Year Ending December 31	Operating Leases
2019	\$ 26,032,312
2020	\$ 24,040,361
2021	\$ 18,088,894
2022	\$ 14,566,050
2023	\$ 11,938,694
2024 & thereafter	\$ 76,574,721
Total	\$ 171,241,032

The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is \$6,622,549.

- The Company's sales-leaseback transactions are included in the operating lease obligations.

B. Leasing as a Significant Part of Lessor's Business Activities

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

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

- The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk.

	Assets		Liabilities	
	2018	2017	2018	2017
a. Swaps	\$ -	\$ -	\$ -	\$ -
b. Futures	\$ 1,580,000	\$ -	\$ 1,273,000	\$ -
c. Options	\$ -	\$ -	\$ -	\$ -
d. Total	\$ 1,580,000	\$ -	\$ 1,273,000	\$ -

See Schedule DB of the Company's annual statement for additional detail.

The notional amounts specified in the agreements are used to calculate the exchange of contractual payments under the agreements and are generally not representative of the potential for gain

- The credit risk, market risk, cash requirements, and accounting policies of the Company's derivative instruments utilized during 2018 and 2017 are discussed in Note 8.
- The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. The credit exposure is represented by the fair value of contracts with a positive statement value at the reporting date. Because exchange-traded futures are affected through a regulated exchange and positions are marked to market on a daily basis, the Company has little exposure to credit-related losses in the event of nonperformance by counterparties to such financial instruments. The Company has not incurred any losses on derivative financial instruments due to counterparty non-performance.
- The Company is required to put up collateral for any futures contracts that are entered. The Company pledges or obtains collateral when certain predetermined exposure limits are exceeded. The amount of collateral that is required is determined by the exchange on which it is traded and is typically in the form of cash. The Company currently puts up cash and U.S. Treasury Bonds to satisfy this collateral requirement.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales.

B. Transfers and Servicing of Financial Assets

The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The Company does not participate in term loans; therefore, the Company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities, such as Treasuries and Agency Bonds. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the collateral is unrestricted and the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2018 the total fair value of securities on loan was \$445,379,817 with corresponding collateral value of \$459,048,770 of which \$415,245,581 represents cash collateral that was reinvested.

C. Wash Sales

- The Company did not have any wash sale
- Not applicable.

Note 18 – Gain or (Loss) to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Fair Value Measurements by Levels 1, 2 and 3

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company has no direct premiums written or produced through managing general agents or third party administrators.

Note 20 - Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

- Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

NOTES TO FINANCIAL STATEMENTS

Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock, when carried at the lower of cost or market.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve measurement judgment. The unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2018:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds					
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	41,562,862	16,127,850	-	57,690,712
U.S. State and Municipal	-	10,481,202	1,909,946	-	12,391,148
Corporate and Other	371,304,147	365,240,053	-	-	736,544,200
Foreign Government Securities	-	16,704,621	-	-	16,704,621
Total Bonds	\$ 371,304,147	\$ 433,988,738	\$ 18,037,796	\$ -	\$ 823,330,681
Preferred Stocks					
Industrial and Miscellaneous (Unaffiliated)	-	-	14,935,500	-	14,935,500
Total Preferred Stocks	\$ -	\$ -	\$ 14,935,500	\$ -	\$ 14,935,500
Common Stocks					
Industrial and Miscellaneous	545,880,221	17,991,521	6,200,400	-	570,072,142
Total Common Stocks	\$ 545,880,221	\$ 17,991,521	\$ 6,200,400	\$ -	\$ 570,072,142
Derivative Assets	-	-	-	-	-
Total assets at fair value	\$ 917,184,368	\$ 451,980,259	\$ 39,173,696	\$ -	\$ 1,408,338,323
b. Liabilities at fair value					
Derivative Liabilities	\$ 38,014	\$ -	\$ -	\$ -	\$ 38,014
Total liabilities at fair value	\$ 38,014	\$ -	\$ -	\$ -	\$ 38,014

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2018.

2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

	Balance as of 12/31/2017	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance as of 12/31/2018
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	5,930,889	3,773,910	(10,464,069)	510,946	(258,272)	18,403,865	-	(2,058,382)	288,963	16,127,850
U.S. State and Municipal	-	1,895,498	-	-	(4,486)	-	-	-	18,934	1,909,946
Corporate and Other	-	-	-	-	-	-	-	-	-	-
Foreign Government Securities	-	-	-	-	-	-	-	-	-	-
Total Bonds	5,930,889	5,669,408	(10,464,069)	510,946	(262,758)	18,403,865	-	(2,058,382)	307,897	18,037,796
Preferred Stock	12,320,000	-	(3,570,000)	2,241,892	-	57,327,500	-	(53,383,892)	-	14,935,500
Common Stock	5,797,571	7,811,170	(9,616,095)	(1,283)	443,071	1,868,519	-	(14,814)	(87,738)	6,200,400
Total	\$ 24,048,460	\$ 13,480,578	\$ (23,650,164)	\$ 2,751,555	\$ 180,313	\$ 77,599,884	\$ -	\$ (55,457,088)	\$ 220,159	\$ 39,173,696

3. Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 6 fixed maturity securities at the lower of amortized cost or fair value defined by SSAP No. 26, Bonds and NAIC designated 4-6 preferred stocks at the lower of cost or fair value as defined by SSAP No. 32, Investments in Preferred Stock. Market fluctuations cause securities to change from being held at cost or amortized cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities into or out of level 3 as a result of re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

U.S. Government and Agency Securities

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on active markets and unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

NOTES TO FINANCIAL STATEMENTS

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipal Securities

The Company's municipal portfolio is comprised of bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities include bonds issued or guaranteed by foreign governments. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Common and Preferred Stocks

Common stocks are recorded at fair value and preferred stocks are reported at cost or fair value, depending on their NAIC designation. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Invested Assets

Other invested assets include limited partnership investments, other equity method investments and other alternative investments, which are not subject to these disclosures and therefore are excluded from the table in this note.

Derivatives

Derivatives can be exchange-traded or traded over-the-counter ("OTC"). OTC derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgement. The fair value of derivatives using models with observable inputs are classified as Level 2 within the fair value hierarchy and the fair value of derivatives using models with unobservable inputs are classified as Level 3 within the fair value hierarchy.

B. Other Fair Value Disclosures

Not applicable.

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Cash Equivalents and Short Term	\$ 1,665,778	\$ 1,738,344	\$ (222,229,517)	\$ 16,011,342	\$ -	\$ 207,883,954	\$ -
Bonds	9,765,717,984	9,815,462,275	1,302,537,855	8,376,559,284	86,620,845	-	-
Preferred Stock	14,935,500	14,935,500	-	-	14,935,500	-	-
Common Stock	570,062,994	570,062,995	545,880,221	17,982,373	6,200,400	-	-
Securities Lending	415,453,638	415,245,581	-	415,453,638	-	-	-
Mortgage Loans	472,009,263	464,100,562	-	-	472,009,263	-	-
Surplus Notes	2,373	370	-	2,373	-	-	-
Derivative Assets	-	-	-	-	-	-	-
Total Assets	\$ 11,239,847,531	\$ 11,281,545,627	\$ 1,626,188,559	\$ 8,826,009,010	\$ 579,766,008	\$ 207,883,954	-
Derivative Liabilities	38,014	38,014	-	-	-	-	-
Total Liabilities	\$ 38,014	\$ 38,014	\$ -	\$ -	\$ -	\$ -	-

D. Reasons Not Practical to Estimate Fair Value

Not applicable.

E. Instruments Measured at Net Asset Value (NAV)

The Company elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

Note 21 - Other Items

A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1. Florida Special Disability Trust Fund

Not applicable.

NOTES TO FINANCIAL STATEMENTS

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credit

The Company does not hold state transferable and/or non-transferable tax credits.

F. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through past acquisitions of insurance companies.
2. The Company does not have any direct exposure through investments in subprime mortgage loans.
3. The Company has direct exposure through their investment in residential mortgage-backed securities.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 555,607	\$ 477,407	\$ 477,372	\$ 30,657

4. The Company does not have any underwriting exposure to sub-prime mortgage risk.

G. Insurance Linked Securities (ILS) Contracts

The Company did not receive proceeds as the issuer, ceding insurer or counterparty of insurance linked securities

Note 22 - Events Subsequent

The Company evaluated subsequent events through February 21, 2019, the date the financial statements were available to be issued.

There were no events subsequent to December 31, 2018 that would require disclosure.

The Company did not receive any assessments under the Affordable Care Act.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Liberty Mutual Amended and Restated Intercompany Reinsurance Agreement, there are no unsecured reinsurance recoverable or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

B. Reinsurance Recoverable in Dispute

There are no reinsurance recoverable in dispute from an individual reinsurer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverable in dispute do not exceed 10% of the Company's surplus.

C. Reinsurance Assumed & Ceded

The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2018.

- 1.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 3,140,571,781	\$ -	\$ 51,380,580	\$ -	\$ 3,089,191,201	\$ -
All Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,140,571,781	\$ -	\$ 51,380,580	\$ -	\$ 3,089,191,201	\$ -
Directed Unearned Premium Reserve:	\$ 51,380,581					

2. Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2018 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 79,782,526	\$ 107,107,883	\$ 79,782,526	\$ 107,107,884
b. Sliding Scale Adjustments	\$ -	\$ 253,398	\$ -	\$ 253,398
c. Other Profit Commission Arrangements	\$ -	\$ (315,004)	\$ -	\$ (315,004)
d. TOTAL	\$ 79,782,526	\$ 107,046,277	\$ 79,782,526	\$ 107,046,277

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

The Company did not write off any uncollectible balances in the current year.

E. Commutation of Ceded Reinsurance

The Company did not commute any reinsurance treaties in the current year.

F. Retroactive Reinsurance

a. Reserves Transferred:

	Assumed	Ceded
(1) Initial Reserves	\$ (534,010,125)	\$ -
(2) Adjustments - Prior Year(s)	\$ (171,962,619)	\$ -
(3) Adjustments - Current Year	\$ 70,637,328	\$ -
(4) Current Total	<u>\$ (635,335,416)</u>	<u>\$ -</u>

b. Consideration Paid or Received:

(1) Initial Consideration	\$ (535,618,065)	\$ -
(2) Adjustments - Prior Year(s)	\$ (11,174,345)	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Total	<u>\$ (546,792,410)</u>	<u>\$ -</u>

c. Paid Losses Reimbursed or Recovered:

(1) Prior Year(s)	\$ 75,157,895	\$ -
(2) Current Year	\$ 1,380,354	\$ -
(3) Current Total	<u>\$ 76,538,249</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

d. Discount Unwind on Reserves:

(1) Prior Year(s)	\$ (8,320,657)	\$ -
(2) Current Year	\$ (17,294,116)	\$ -
(3) Current Total	<u>\$ (25,614,773)</u>	<u>\$ -</u>

e. Special Surplus from Retroactive Reinsurance

(1) Initial Surplus Gain or Loss	\$ 5,498,692	\$ -
(2) Adjustments - Prior Year(s)	\$ 70,203,089	\$ -
(3) Adjustments - Current Year	\$ (89,311,797)	\$ -
(4) Current Year Restricted Surplus	<u>\$ 17,243,524</u>	<u>\$ -</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ (30,853,539)</u>	<u>\$ -</u>

f. All cedents and reinsurers involved in all transactions included in summary totals above:

Company	Assumed Amount	Ceded Amount
Liberty Mutual Insurance Company, 23043	\$ (635,335,416)	\$ -
Total	<u>\$ (635,335,416)</u>	<u>\$ -</u>

g. There are no Paid Loss/ Loss Adjustment Expense amounts recoverable or amounts recoverable from unauthorized reinsurers.

There are no reinsurance contracts covering losses that have occurred prior to the inception of the contract that have not been accounted for in conformity with the NAIC Accounting Practices and Procedures Manual.

In conjunction with the Ironshore acquisition and effective May 1, 2017, Ironshore entered into a reinsurance transaction with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc., on a combined aggregate excess of loss agreement providing coverage for substantially all of Ironshore's reserves related to losses occurring prior to January 1, 2017. This agreement is being accounted for as retroactive reinsurance.

On July 17, 2014, Liberty Mutual Insurance reached a definitive agreement with NICO, on a combined aggregate adverse development cover for substantially all of Liberty Mutual Insurance's U.S. workers compensation, asbestos and environmental liabilities. The agreement, accounted for as retroactive reinsurance, is effective January 1, 2014.

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2018.

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

The Company has not entered into any agreements which have been approved by their domiciliary regulator and have qualified pursuant to SSAP No. 62R, *Property and Casualty Reinsurance* to receive P&C Run-off Accounting Treatment.

I. Certified Reinsurers Downgraded or Status Subject to Revocation.

1. Reporting Entity Ceding to Certified

The Company does not transact business with Certified Reinsurers.

2. Reporting Entity's Certified Reinsurer Rating Downgrade or Status Subject to Revocation.

The Company is not a Certified Reinsurer.

J. Asbestos and Pollution Counterparty Reporting Exception

The Counterparty reporting party does not apply to the Company.

Note 24 - Retrospectively rated Contracts and Contracts Subject to Redetermination

A. Accrued retrospective premiums reported in Line 15.3 of the asset page have been determined based upon loss experience on business subject to such experience rating adjustment.

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

C. For detail of net premium written subject to retrospective rating features refer to Schedule P, Part 7A.

D. The Company does not recognize a liability for medical loss ratio rebates pursuant to the Public Health Service Act, as the Company does not write direct comprehensive major medical health business.

E. Ten Percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserves), or collateral as permitted by SSAP No. 66, Retrospectively Rated Contracts, has been nonadmitted.

a. Total accrued retro premium	\$ 77,013,406
b. Unsecured amount	\$ -
c. Less: Nonadmitted amount (10%)	\$ 7,700,996
d. Less: Nonadmitted for any person whom agents' balances or uncollected premiums are nonadmitted	<u>\$ -</u>
e. Admitted amount (a) - (c) - (d)	<u>\$ 69,312,410</u>

F. Risk Sharing Provisions of the Affordable Care Act

The Company did not receive any assessments under the Affordable Care Act.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributable to insured events on prior years decreased through the fourth quarter of 2018. The decrease was the result of updated reserve analysis in a number of lines, with the largest decreases in reserve estimates in Workers' Compensation, Special Property, and Homeowners/Farmowners lines. Partially offsetting these decreases were increases in reserve estimates for Reinsurance – Nonproportional Assumed Property, Other Liability and Commercial Auto Liability/Medical lines. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

The Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the following affiliated companies:

	NAIC Company Number	Pooling Companies	Line of Business
Lead: Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool: Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
America First Insurance Company ("AFIC")	12696	0.00%	All Lines
America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
American States Insurance Company ("ASIC")	19704	0.00%	All Lines
American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
General Insurance Company of America ("GICA")	24732	0.00%	All Lines
Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
Ironshore Indemnity Inc. ("IIP")	23647	0.00%	All Lines
Ironshore Specialty Insurance Company ("ISIC")	25445	0.00%	All Lines
Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
Liberty Mutual Mid-Atlantic Insurance Company ("LMMMAIC")	14486	0.00%	All Lines
Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
National Insurance Association ("NIA")	27944	0.00%	All Lines
The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
West American Insurance Company ("WAIC")	44393	0.00%	All Lines
100%			
Quota			
Share	LM Property and Casualty Insurance		
Affiliated Company ("LMPAC")	32352	0.00%	All Lines

Under the terms of the Reinsurance Agreements, the sequence of transactions is as follows:

- a. Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- b. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- c. The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- d. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- e. There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- f. The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.
- g. Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2018:

<u>Affiliate</u>	<u>Amount</u>
Liberty Mutual Insurance Company	\$ 1,466,982

Effective July 1, 2017 ISII and ISIC became participants of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement. All ISII and ISIC underwriting assets and liabilities were ceded to the Lead Company and subsequently retroceded to the pool members in accordance with each company's pool participation percentage, as noted above. Operational underwriting results prior to the effective date of ISII and ISIC becoming pool participants remained as results of operations on each company's respective income statements for the year ended December 31, 2017.

Note 27 - Structured Settlements

- A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of \$206,971,015 after applying Intercompany Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was \$206,971,015 as of December 31, 2018.
- B. A summary of purchased structured settlement annuities exceeding 1% of policyholders' surplus and whereby the Company has not obtained a release of

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile Yes/No</u>	<u>Statement Value (i.e., Present Value) of Annuities</u>
Liberty Life Assurance Company of Boston Massachusetts	Yes	\$ 101,881,172
Prudential Insurance Company New Jersey	Yes	\$ 52,634,176

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$ -
2. Date of the most recent evaluation of this liability 12/31/2018
3. Was anticipated investment income utilized in the calculation? No

Note 31 - High Dollar Deductible Policies

As of December 31, 2018, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$1,084,309,600 and the amount billed and recoverable on paid claims was \$34,930,400. There are no unsecured high dollar deductible recoverables from professional employer organizations included in these amounts.

Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

For Workers' Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2018 liabilities include \$2,632,470,034 of such discounted reserves. The Company recognized \$9,426,479 of interest accretion in the Statement of Income for the current year related to tabular discount on Workers' Compensation. The December 31, 2018 liabilities subject to discount were carried at a value representing a discount of \$86,579,861 net of all reinsurance.

NOTES TO FINANCIAL STATEMENTS

A. Tabular Discount

Schedule P Lines of Business	Tabular discount Included in Schedule P, Part 1 *	
	1 Case	2 IBNR
1. Homeowners/Farmowners	\$ -	\$ -
2. Private Passenger Auto Liability/Medical	\$ -	\$ -
3. Commercial Auto/Truck Liability/Medical	\$ -	\$ -
4. Workers' Compensation	\$ 84,640,413	\$ 71,803,530
5. Commercial Multiple Peril	\$ -	\$ -
6. Medical Professional Liability - occurrence	\$ -	\$ -
7. Medical Professional Liability - claims-made	\$ -	\$ -
8. Special Liability	\$ -	\$ -
9. Other Liability - occurrence	\$ -	\$ -
10. Other Liability - claims-made	\$ -	\$ -
11. Special Property	\$ -	\$ -
12. Auto Physical Damage	\$ -	\$ -
13. Fidelity, Surety	\$ -	\$ -
14. Other (including Credit, Accident & Health)	\$ -	\$ -
15. International	\$ -	\$ -
Reinsurance Nonproportional Assumed		
16. Property	\$ -	\$ -
Reinsurance Nonproportional Assumed		
17. Liability	\$ -	\$ -
Reinsurance Nonproportional Assumed		
18. Financial Lines	\$ -	\$ -
19. Products Liability - occurrence	\$ -	\$ -
20. Products Liability - claims-made	\$ -	\$ -
21. Financial Guaranty/Mortgage Guaranty	\$ -	\$ -
22. Warranty	\$ -	\$ -
23. Total	\$ 84,640,413	\$ 71,803,530

B. Non-tabular Discount

Not applicable

Note 33 - Asbestos/Environmental Reserves

Factors Contributing to Uncertainty in Establishing Adequate Reserves

The process of establishing reserves for asbestos and environmental claims is subject to greater uncertainty than the establishment of reserves for liabilities relating to other types of insurance claims. A number of factors contribute to this greater uncertainty surrounding the establishment of asbestos and environmental reserves, including, without limitation: (i) the lack of available and reliable historical claims data as an indicator of future loss development, (ii) the long waiting periods between exposure and manifestation of any bodily injury or property damage, (iii) the difficulty in identifying the source of asbestos or environmental contamination, (iv) the difficulty in properly allocating liability for asbestos or environmental damage, (v) the uncertainty as to the number and identity of insureds with potential exposure, (vi) the cost to resolve claims, and (vii) the collectability of reinsurance.

The uncertainties associated with establishing reserves for asbestos and environmental claims and claim adjustment expenses are compounded by the differing, and at times inconsistent, court rulings on environmental and asbestos coverage issues involving: (i) the differing interpretations of various insurance policy provisions and whether asbestos and environmental losses are or were ever intended to be covered, (ii) when the loss occurred and what policies provide coverage, (iii) whether there is an insured obligation to defend, (iv) whether a compensable loss or injury has occurred, (v) how policy limits are determined, (vi) how policy exclusions are applied and interpreted, (vii) the impact of entities seeking bankruptcy protection as a result of asbestos-related liabilities, (viii) whether clean-up costs are covered as insured property damage, and (ix) 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 uncertainties cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

In 2018, the Company and its affiliated pool members completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company's direct, assumed, and ceded A&E unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company's reinsurance and actuarial personnel. A&E unpaid claim liabilities for all other policyholders were evaluated using aggregate methods that utilized information and experience specific to these policyholders. The studies resulted in an increase to reserves of \$250 million including: \$200 million of asbestos reserves, and \$50 million of pollution reserves.

Uncertainty Regarding Reserving Methodologies

As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities and establishing related reserves, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based on historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in a liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

Effect of Uncertainty in Reserving For Asbestos and Environmental Claims on Company's Financial Condition

The methods of determining estimates for reported and unreported losses and establishing resulting reserves and related reinsurance recoverables are periodically reviewed and updated, and adjustments resulting from this review are reflected in income currently.

The following tables summarize the activity for the Company's asbestos and environmental claims and claim adjustment expenses, a component of the Company's unpaid claims and claim adjustment expenses, for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 before consideration of the NICO Reinsurance Transaction. Refer to Note 23F.

Asbestos

1. Direct -

	2014	2015	2016	2017	2018
a. Beginning reserves:	\$ 349,852,494	\$ 351,771,702	\$ 296,075,585	\$ 309,775,676	\$ 293,794,225
b. Incurred losses and LAE	\$ 57,018,172	\$ 16,568,687	\$ 65,562,378	\$ 35,468,335	\$ 61,827,999
c. Calendar year payments	\$ 55,098,964	\$ 72,264,803	\$ 51,862,287	\$ 51,449,787	\$ 50,521,305
d. Ending reserves	\$ 351,771,702	\$ 296,075,586	\$ 309,775,676	\$ 293,794,224	\$ 305,100,919

2. Assumed Reinsurance -

	2014	2015	2016	2017	2018
a. Beginning reserves*:	\$ 123,953,071	\$ 114,650,433	\$ 110,629,195	\$ 102,379,798	\$ 106,123,072
b. Incurred losses and LAE	\$ 301,762	\$ 2,347,282	\$ (990,769)	\$ 10,133,332	\$ (928,837)
c. Calendar year payments	\$ 9,604,400	\$ 6,368,520	\$ 7,497,952	\$ 6,390,058	\$ 5,943,296
d. Ending reserves	\$ 114,650,433	\$ 110,629,195	\$ 102,140,474	\$ 106,123,072	\$ 99,250,938

*Includes Ironshore acquisition in 2017

NOTES TO FINANCIAL STATEMENTS

3. Net of Ceded Reinsurance -										
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
a. Beginning reserves:	\$	199,444,721	\$	183,609,562	\$	136,319,699	\$	134,401,350	\$	135,018,211
b. Incurred losses and LAE	\$	17,781,682	\$	1,226,385	\$	12,457,723	\$	17,174,416	\$	40,154,814
c. Calendar year payments	\$	33,616,840	\$	48,516,249	\$	14,376,071	\$	16,557,555	\$	19,272,983
d. Ending reserves	\$	<u>183,609,563</u>	\$	<u>136,319,698</u>	\$	<u>134,401,351</u>	\$	<u>135,018,211</u>	\$	<u>155,900,042</u>
4. Ending Reserves for Bulk + IBNR included above (Loss & LAE)										
a. Direct Basis									\$	213,762,508
b. Assumed Reinsurance Basis									\$	72,293,196
c. Net of Ceded Reinsurance Basis									\$	108,245,310
5. Ending Reserves for LAE included above (Case, Bulk & IBNR)										
a. Direct Basis									\$	178,657,464
b. Assumed Reinsurance Basis									\$	2,918,709
c. Net of Ceded Reinsurance Basis									\$	70,305,859

Environmental

1. Direct -										
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
a. Beginning reserves:	\$	89,694,109	\$	84,120,655	\$	72,473,475	\$	74,540,119	\$	77,278,927
b. Incurred losses and LAE	\$	11,590,891	\$	5,896,123	\$	16,049,777	\$	12,864,268	\$	21,840,598
c. Calendar year payments	\$	17,164,345	\$	17,543,303	\$	13,983,133	\$	10,125,460	\$	16,234,606
d. Ending reserves	\$	<u>84,120,655</u>	\$	<u>72,473,475</u>	\$	<u>74,540,119</u>	\$	<u>77,278,927</u>	\$	<u>82,884,918</u>
2. Assumed Reinsurance -										
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
a. Beginning reserves*:	\$	12,832,557	\$	12,086,120	\$	8,758,274	\$	8,342,342	\$	10,172,370
b. Incurred losses and LAE	\$	229,785	\$	(1,961,600)	\$	(32,950)	\$	2,427,043	\$	(164,236)
c. Calendar year payments	\$	976,222	\$	1,366,246	\$	814,304	\$	597,016	\$	1,011,305
d. Ending reserves	\$	<u>12,086,120</u>	\$	<u>8,758,274</u>	\$	<u>7,911,020</u>	\$	<u>10,172,369</u>	\$	<u>8,996,828</u>
										*Includes Ironshore acquisition in 2017
3. Net of Ceded Reinsurance -										
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
a. Beginning reserves:	\$	64,596,706	\$	59,774,827	\$	52,422,999	\$	51,207,253	\$	55,030,502
b. Incurred losses and LAE	\$	5,625,477	\$	63,620	\$	9,821,199	\$	10,195,302	\$	9,993,610
c. Calendar year payments	\$	10,447,355	\$	7,415,448	\$	11,036,945	\$	6,372,052	\$	8,524,429
d. Ending reserves	\$	<u>59,774,828</u>	\$	<u>52,422,999</u>	\$	<u>51,207,253</u>	\$	<u>55,030,503</u>	\$	<u>56,499,683</u>
4. Ending Reserves for Bulk + IBNR included above (Loss & LAE)										
a. Direct Basis									\$	48,915,545
b. Assumed Reinsurance Basis									\$	4,326,521
c. Net of Ceded Reinsurance Basis									\$	31,433,982
5. Ending Reserves for LAE included above (Case, Bulk & IBNR)										
a. Direct Basis									\$	32,294,828
b. Assumed Reinsurance Basis									\$	862,329
c. Net of Ceded Reinsurance Basis									\$	19,252,959

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 - Financial Guaranty Insurance Contracts

Not applicable.

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? New Hampshire
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 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. 12/31/2013
- 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. 12/31/2013
- 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). 05/20/2015
- 3.4 By what department or departments?
 State of New Hampshire Insurance Department

- 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
- If yes, complete and file the merger history data file with the NAIC.

GENERAL INTERROGATORIES

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 Company Code	3 State of Domicile
.....
.....

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information:

.....

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

7.2 If yes,

7.21 State the percentage of foreign control. _____ %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

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

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?

Ernst & Young, LLP
 200 Clarendon Street
 Boston, MA 02116

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 [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

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 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

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 response 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?
 Stephanie Neyenhouse FCAS, MAAA
 175 Berkeley Street, Boston, MA 02116
 Vice President and Chief Actuary, Liberty Mutual Group Inc.

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 involved	
12.13 Total book/adjusted carrying value	\$

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 [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

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?
 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. Yes [X] No []

14.11 If the response to 14.1 is no, please explain:

GENERAL INTERROGATORIES

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
.....
.....

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 []

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	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

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	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

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	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

GENERAL INTERROGATORIES

- 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 | | \$ _____ |
| 22.22 Amount paid as expenses | | \$ _____ |
| 22.23 Other amounts paid | | \$ _____ |
- 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: \$ _____

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)
 Please reference Note 17B

- 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. \$ 459,048,770
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____
- 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 | | \$ <u>415,245,581</u> |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ <u>415,245,581</u> |
| 24.103 Total payable for securities lending reported on the liability page | | \$ <u>415,245,581</u> |
- 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 []

GENERAL INTERROGATORIES

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$ _____
25.22	Subject to reverse repurchase agreements	\$ _____
25.23	Subject to dollar repurchase agreements	\$ _____
25.24	Subject to reverse dollar repurchase agreements	\$ _____
25.25	Placed under option agreements	\$ _____
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
25.27	FHLB Capital Stock	\$ <u>6,200,400</u>
25.28	On deposit with states	\$ <u>551,247,256</u>
25.29	On deposit with other regulatory bodies	\$ _____
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
25.32	Other	\$ <u>23,288,821</u>

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
FHLB CAPITAL STOCK	FEDERAL HOME LOAN BANK BOSTON	6,200,400

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes No N/A

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

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 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
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005

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)

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

GENERAL INTERROGATORIES

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 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["... that have access to the investment accounts"; "...handle securities"]

1 Name Firm or Individual	2 Affiliation
Liberty Mutual Group Asset Management Inc.	A
Liberty Mutual Investment Advisors, LLC	A
StanCorp	U
Prudential Mortgage Capital Company	U
Matthews International Capital Management, LLC.	U
Goldman Sachs Asset Management, L.P.	U

28.059 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]

28.059 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

28.06 For those firms or individuals listed in the table 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
Liberty Mutual Group Asset Management Inc.	N/A	N/A	No	DS
Liberty Mutual Investment Advisors, LLC	N/A	N/A	No	DS
StanCorp	N/A	N/A	No	DS
Prudential Mortgage Capital Company	N/A	N/A	No	DS
Matthews International Capital Management,	N/A	N/A	SEC	DS
Goldman Sachs Asset Management, L.P.	N/A	N/A	SEC	DS

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]

29.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	9,831,546,155	9,765,779,440	(65,766,715)
30.2 Preferred stocks	14,935,500	14,935,500	
30.3 Totals	9,846,481,655	9,780,714,940	(65,766,715)

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

The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

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 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 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 Investment Analysis Office been followed? Yes No

32.2 If no, list exceptions:

.....

33 By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes No

34 By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes No

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 11,155,517

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC.	\$ 3,507,131
	\$
	\$

GENERAL INTERROGATORIES

36.1 Amount of payments for legal expenses, if any? \$ 6,846,734

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 709,673

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & 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. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____

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. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 25,334		\$ 10,507,381	
2.2 Premium Denominator	\$ 6,219,832,036		\$ 5,501,992,184	
2.3 Premium Ratio (2.1 / 2.2)	0.00		0.00	
2.4 Reserve Numerator	\$ 34,258,683		\$ 17,910,239	
2.5 Reserve Denominator	\$ 11,224,399,980		\$ 10,878,595,160	
2.6 Reserve Ratio (2.4 / 2.5)	0.00		0.00	

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 \$ 226,332

3.22 Non-participating policies \$ 114,804,467

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? _____ %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

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 [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
 The Company purchases a combination of per risk excess of loss reinsurance and excess of loss per event catastrophe reinsurance.

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 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 employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we utilize RMS's RiskLink v17.0 and AIR's Touchstone v5.1 software. For workers' compensation, Liberty Mutual utilizes RiskLink v17.0 from RMS.
- 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 a combination of quota share reinsurance, per risk excess of loss reinsurance, excess of loss per event catastrophe reinsurance and aggregate programs.
- 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 [] No [X]
- 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 unreinsured catastrophic loss
The Company purchases aggregate coverage to substantially replace nonreinstated catastrophe layers.
- 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 [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____
- 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 [] 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
N/A
- 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 common 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 & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances 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 the reporting entity guaranteed policies issued by any other 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 asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | | |
|---|--|----|------------|
| 12.11 Unpaid losses | | \$ | 49,167,740 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | | \$ | 4,004,664 |
- 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? \$ 3,838,511
- 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 From | | | 0.05 % |
| 12.42 To | | | 0.08 % |
- 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 | | \$ | 803,733,335 |
| 12.62 Collateral and other funds | | \$ | 242,717,612 |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 220,000,000
- 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. 1
- 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:
 Premiums and recoverables were allocated pursuant to the intercompany 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:
 N/A

- 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 | 2 | 3 | 4 | 5 |
|------------------|----|---------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
| | | Direct Losses
Incurred | Direct Losses
Unpaid | Direct Written
Premium | Direct Premium
Unearned | Direct Premium
Earned |
| 16.11 Home | \$ | | \$ | | \$ | |
| 16.12 Products | \$ | | \$ | | \$ | |
| 16.13 Automobile | \$ | | \$ | | \$ | |
| 16.14 Other* | \$ | | \$ | | \$ | |

* Disclose type of coverage: 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ _____
17.12 Unfunded portion of Interrogatory 17.11	\$ _____
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ _____
17.14 Case reserves portion of Interrogatory 17.11	\$ _____
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ _____
17.16 Unearned premium portion of Interrogatory 17.11	\$ _____
17.17 Contingent commission portion of Interrogatory 17.11	\$ _____

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2018	2017	2016	2015	2014
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)	2,838,606,106	2,794,974,938	2,550,961,307	2,468,723,946	2,537,339,145
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,512,059,273	1,093,569,069	1,069,846,479	1,023,190,817	1,091,493,932
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,793,918,855	1,795,393,818	1,781,517,889	1,762,534,662	1,773,857,465
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	231,224,475	186,321,381	160,546,601	171,189,711	161,271,555
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	105,415,932	70,903,896	59,215,368	75,807,155	58,244,487
6. Total (Line 35)	6,481,224,641	5,941,163,102	5,622,087,644	5,501,446,291	5,622,206,584
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)	2,801,491,001	2,708,785,716	2,424,096,345	2,317,395,447	2,327,698,830
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,482,795,973	1,038,170,752	995,774,202	942,160,710	976,202,271
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,745,549,751	1,706,157,469	1,660,528,609	1,620,264,228	1,552,352,417
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	230,941,186	186,024,484	160,158,540	170,807,596	160,866,875
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	105,415,932	70,903,896	59,215,368	75,807,155	58,244,487
12. Total (Line 35)	6,366,193,843	5,710,042,317	5,299,773,064	5,126,435,136	5,075,364,880
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	24,169,475	(565,400,690)	(154,101,506)	22,670,301	(95,111,731)
14. Net investment gain (loss) (Line 11)	479,595,988	444,839,479	294,951,291	362,009,012	371,701,298
15. Total other income (Line 15)	(68,617,227)	35,696,828	16,547,703	5,190,303	(1,701,428)
16. Dividends to policyholders (Line 17)	3,288,233	2,718,709	3,553,953	3,871,075	4,713,460
17. Federal and foreign income taxes incurred (Line 19)	27,294,774	(32,825,742)	(444,275)	81,373,822	22,995,837
18. Net income (Line 20)	404,565,229	(54,757,350)	154,287,810	304,624,719	247,178,842
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	15,491,097,520	14,599,952,771	13,330,782,532	13,172,391,683	12,800,884,898
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	338,754,005	325,704,914	272,454,681	274,945,325	276,159,867
20.2 Deferred and not yet due (Line 15.2)	1,433,931,999	1,390,216,204	1,318,063,208	1,238,871,856	1,172,868,764
20.3 Accrued retrospective premiums (Line 15.3)	69,312,410	77,890,669	79,865,831	78,798,556	89,634,524
21. Total liabilities excluding protected cell business (Page 3, Line 26)	11,775,147,264	11,151,500,179	9,791,896,798	9,855,641,908	9,741,967,989
22. Losses (Page 3, Line 1)	6,692,963,649	6,556,638,192	5,713,187,726	5,595,335,919	5,548,539,375
23. Loss adjustment expenses (Page 3, Line 3)	1,373,120,082	1,306,854,399	1,180,363,203	1,171,519,559	1,203,190,482
24. Unearned premiums (Page 3, Line 9)	3,140,571,781	3,001,261,836	2,771,889,321	2,632,208,126	2,515,271,520
25. Capital paid up (Page 3, Lines 30 & 31)	8,848,635	8,848,635	8,848,635	8,848,635	8,848,635
26. Surplus as regards policyholders (Page 3, Line 37)	3,715,950,256	3,448,452,589	3,538,885,731	3,316,749,774	3,058,916,909
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	813,942,713	409,272,753	346,190,330	400,708,494	297,773,334
Risk-Based Capital Analysis					
28. Total adjusted capital	3,715,950,256	3,448,452,589	3,538,885,731	3,316,749,774	3,058,916,909
29. Authorized control level risk-based capital	835,703,539	784,233,431	669,897,856	620,712,211	621,450,026
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)	75.7	75.2	76.2	73.5	73.6
31. Stocks (Lines 2.1 & 2.2)	9.6	8.6	11.4	13.0	13.8
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.6	3.5	3.0	2.9	2.5
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)	0.0	2.0	0.6	2.0	0.9
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			0.0		
37. Other invested assets (Line 8)	7.7	8.2	7.6	6.9	6.8
38. Receivables for securities (Line 9)	0.2	0.1	0.0	0.0	0.5
39. Securities lending reinvested collateral assets (Line 10)	3.2	2.3	1.1	1.6	1.8
40. Aggregate write-ins for invested assets (Line 11)					
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)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	666,696,152	650,301,272	657,041,737	652,526,640	655,134,197
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)		329,486,669			30,320,506
46. Affiliated mortgage loans on real estate					
47. All other affiliated	670,721,786	670,706,129	560,127,029	520,132,436	503,266,546
48. Total of above Lines 42 to 47	1,337,417,938	1,650,494,070	1,217,168,766	1,172,659,076	1,188,721,249
49. Total investment in parent included in Lines 42 to 47 above					
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)	36.0	47.9	34.4	35.4	38.9

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(93,156,196)	3,941,355	73,870,444	(14,033,120)	55,603,161
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	267,497,666	(90,433,141)	222,135,955	257,832,866	272,474,022
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)	1,672,320,289	1,389,930,959	1,513,187,926	1,477,764,977	1,748,147,384
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	835,183,547	630,499,078	608,458,912	543,732,520	571,662,942
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,024,190,937	988,471,761	874,492,556	897,134,583	876,575,793
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	36,801,146	24,342,621	3,732,913	48,002,004	61,219,155
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	37,784,326	22,870,923	15,796,325	22,933,980	25,735,214
59. Total (Line 35)	3,606,280,245	3,056,115,342	3,015,668,632	2,989,568,064	3,283,340,488
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)	1,591,164,296	1,288,950,448	1,401,028,500	1,345,043,988	1,563,159,670
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	817,246,841	602,088,428	575,740,853	503,264,692	515,198,507
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	958,446,837	924,577,917	807,636,049	800,078,156	754,222,207
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	36,740,980	24,198,953	3,657,904	47,770,900	58,853,846
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	37,784,326	22,870,923	15,796,325	22,933,980	25,735,214
65. Total (Line 35)	3,441,383,280	2,862,686,669	2,803,859,631	2,719,091,716	2,917,169,444
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)	57.8	66.0	56.6	55.6	56.3
68. Loss expenses incurred (Line 3)	12.2	13.5	13.2	12.7	13.7
69. Other underwriting expenses incurred (Line 4)	29.6	30.8	33.1	31.2	31.9
70. Net underwriting gain (loss) (Line 8)	0.4	(10.3)	(3.0)	0.5	(1.9)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 12 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	30.0	29.0	32.0	30.3	31.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.0	79.5	69.8	68.4	70.0
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)	171.3	165.6	149.8	154.6	165.9
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)	(143,135)	176,052	42,035	(33,651)	(2,991)
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 100.0)	(4.2)	5.0	1.3	(1.1)	(0.1)
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)	78,339	189,244	(17,386)	(38,849)	137,885
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)	2.2	5.7	(0.6)	(1.4)	7.3

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

Yes [] No []

If no, please explain:

.....
.....
.....

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P – PART 1 – SUMMARY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	X X X	X X X	X X X	138,705	57,457	55,140	29,396	8,771	461	3,842	115,302	X X X
2. 2009	5,054,788	1,059,146	3,995,642	2,717,339	498,639	207,575	26,940	378,964	4,444	148,342	2,773,855	X X X
3. 2010	5,130,223	997,191	4,133,032	2,912,948	531,765	225,745	29,658	402,069	2,462	168,587	2,976,877	X X X
4. 2011	5,423,160	1,194,787	4,228,373	3,259,677	666,068	241,645	41,866	406,240	2,881	210,181	3,196,747	X X X
5. 2012	5,857,599	1,294,077	4,563,522	3,311,256	705,367	244,509	44,827	419,596	2,578	240,398	3,222,589	X X X
6. 2013	6,184,390	1,393,147	4,791,243	3,113,834	720,751	220,300	37,304	416,238	3,631	191,804	2,988,686	X X X
7. 2014	6,342,503	1,403,690	4,938,813	3,102,561	680,297	204,463	28,546	406,330	4,631	156,620	2,999,880	X X X
8. 2015	6,550,773	1,520,761	5,030,012	3,148,682	728,590	179,045	24,021	402,389	4,840	205,882	2,972,665	X X X
9. 2016	6,720,103	1,525,047	5,195,056	3,059,207	714,392	124,539	18,719	407,136	8,575	119,844	2,849,196	X X X
10. 2017	7,042,768	1,525,375	5,517,393	3,102,709	721,344	77,366	11,599	385,990	2,660	114,049	2,830,462	X X X
11. 2018	7,359,238	1,143,878	6,215,360	2,094,368	413,587	26,968	2,414	297,900	145	69,334	2,003,090	X X X
12. Totals	X X X	X X X	X X X	29,961,286	6,438,257	1,807,295	295,290	3,931,623	37,308	1,628,883	28,929,349	X X X

	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		Other Unpaid				
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	1,142,628	433,917	767,260	332,116	70,278	45,652	274,191	112,221	27,051	1	6,216	1,357,501	X X X
2. 2009	67,161	10,512	121,154	9,086	3,386	630	8,472	2,249	5,942		1,031	183,638	X X X
3. 2010	79,826	16,054	115,245	9,538	3,532	923	15,560	3,161	6,133		1,654	190,620	X X X
4. 2011	88,496	13,558	128,132	7,643	3,998	952	26,138	1,941	5,850		2,267	228,520	X X X
5. 2012	128,570	28,315	198,327	18,979	6,632	1,581	40,955	3,261	7,474		4,872	329,822	X X X
6. 2013	134,427	29,346	219,893	23,777	9,445	2,374	42,622	4,238	19,066		7,170	365,718	X X X
7. 2014	205,786	50,324	186,774	39,339	10,461	2,771	49,997	5,769	19,244		9,278	374,059	X X X
8. 2015	275,903	43,462	213,139	43,056	14,372	1,669	75,108	5,240	25,886	1	22,397	510,980	X X X
9. 2016	401,836	52,539	307,362	59,695	19,080	1,281	110,598	9,884	47,833	9	18,742	763,301	X X X
10. 2017	687,333	98,597	719,555	210,774	19,276	3,181	175,959	15,973	76,037	9	44,958	1,349,626	X X X
11. 2018	816,085	75,156	1,473,871	180,015	10,896	1,210	224,654	14,069	157,290	48	125,444	2,412,298	X X X
12. Totals	4,028,051	851,780	4,450,712	934,018	171,356	62,224	1,044,254	178,006	397,806	68	244,029	8,066,083	X X X

	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,143,855	213,646
2. 2009	3,509,993	552,500	2,957,493	69.439	52.165	74.018			20.000	168,717	14,921
3. 2010	3,761,058	593,561	3,167,497	73.312	59.523	76.639			20.000	169,479	21,141
4. 2011	4,160,176	734,909	3,425,267	76.711	61.510	81.007			20.000	195,427	33,093
5. 2012	4,357,319	804,908	3,552,411	74.387	62.199	77.844			20.000	279,603	50,219
6. 2013	4,175,825	821,421	3,354,404	67.522	58.962	70.011			20.000	301,197	64,521
7. 2014	4,185,616	811,677	3,373,939	65.993	57.825	68.315			20.000	302,897	71,162
8. 2015	4,334,524	850,879	3,483,645	66.168	55.951	69.257			20.000	402,524	108,456
9. 2016	4,477,591	865,094	3,612,497	66.630	56.726	69.537			20.000	596,964	166,337
10. 2017	5,244,225	1,064,137	4,180,088	74.463	69.762	75.762			20.000	1,097,517	252,109
11. 2018	5,102,032	686,644	4,415,388	69.328	60.028	71.040			20.000	2,034,785	377,513
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	6,692,965	1,373,118

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	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year	
1. Prior	4,569,878	4,529,703	4,607,567	4,652,322	4,737,474	4,782,223	4,795,103	4,805,162	4,833,019	4,741,178	(91,841)	(63,984)	
2. 2009	2,634,561	2,627,811	2,603,028	2,579,039	2,597,289	2,577,241	2,578,952	2,579,964	2,582,072	2,582,362	290	2,398	
3. 2010	X X X	2,747,295	2,746,512	2,758,414	2,789,236	2,762,040	2,763,557	2,762,190	2,767,093	2,768,821	1,728	6,631	
4. 2011	X X X	X X X	2,998,130	2,996,963	3,009,785	3,009,927	3,007,995	3,012,351	3,019,990	3,021,799	1,809	9,448	
5. 2012	X X X	X X X	X X X	3,121,313	3,144,849	3,115,550	3,097,331	3,109,584	3,120,498	3,133,145	12,647	23,561	
6. 2013	X X X	X X X	X X X	X X X	2,909,843	2,941,107	2,920,406	2,919,802	2,949,229	2,954,614	5,385	34,812	
7. 2014	X X X	X X X	X X X	X X X	X X X	2,943,847	2,935,469	2,926,561	2,958,752	2,957,104	(1,648)	30,543	
8. 2015	X X X	X X X	X X X	X X X	X X X	X X X	3,027,241	3,052,865	3,084,644	3,063,958	(20,686)	11,093	
9. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,145,528	3,174,760	3,169,365	(5,395)	23,837	
10. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,770,459	3,725,035	(45,424)	X X X	
11. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,962,537	X X X	X X X	
											12. Totals	(143,135)	78,339

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
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior	000	971,341	1,657,539	2,132,790	2,461,210	2,727,956	2,947,166	3,093,613	3,220,095	3,327,087	X X X	X X X
2. 2009	1,049,658	1,588,961	1,873,876	2,079,427	2,217,901	2,297,045	2,340,175	2,367,059	2,384,560	2,399,335	X X X	X X X
3. 2010	X X X	1,155,268	1,748,776	2,050,303	2,271,394	2,408,489	2,483,720	2,529,825	2,555,894	2,577,270	X X X	X X X
4. 2011	X X X	X X X	1,364,654	1,928,754	2,252,773	2,479,843	2,625,203	2,713,654	2,755,682	2,793,388	X X X	X X X
5. 2012	X X X	X X X	X X X	1,340,948	2,013,913	2,321,624	2,534,305	2,674,978	2,749,880	2,805,571	X X X	X X X
6. 2013	X X X	X X X	X X X	X X X	1,263,854	1,867,534	2,161,482	2,379,402	2,499,668	2,576,079	X X X	X X X
7. 2014	X X X	X X X	X X X	X X X	X X X	1,343,278	1,933,214	2,233,266	2,419,723	2,598,181	X X X	X X X
8. 2015	X X X	X X X	X X X	X X X	X X X	X X X	1,391,561	2,011,898	2,298,092	2,575,116	X X X	X X X
9. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,477,285	2,076,956	2,450,635	X X X	X X X
10. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,600,629	2,447,132	X X X	X X X
11. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,705,335	X X X	X X X

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
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior	2,177,764	1,563,417	1,291,415	1,041,677	992,308	908,270	813,582	770,572	749,976	615,338
2. 2009	999,324	601,816	397,408	266,532	223,771	160,054	146,322	134,099	125,655	120,263
3. 2010	X X X	987,044	552,409	374,900	284,122	194,603	159,094	139,268	131,491	120,846
4. 2011	X X X	X X X	985,669	605,899	418,574	282,977	219,106	182,604	169,568	147,741
5. 2012	X X X	X X X	X X X	1,141,900	657,320	452,281	334,412	269,701	245,834	219,946
6. 2013	X X X	X X X	X X X	X X X	1,078,589	630,153	450,538	325,948	293,228	264,234
7. 2014	X X X	X X X	X X X	X X X	X X X	1,024,788	599,206	403,729	294,631	195,098
8. 2015	X X X	X X X	X X X	X X X	X X X	X X X	1,047,740	615,335	435,363	242,349
9. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,085,962	616,243	350,948
10. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,437,497	671,868
11. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,506,115

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2							3
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L				96,782	96,782		
2. Alaska	AK	L				317,048	317,048		
3. Arizona	AZ	L	84,017	108,399		54,920	66,843	6,630	
4. Arkansas	AR	L	111,774	195,130		63,667	425,660	38,962	
5. California	CA	L	28,226,569	27,860,466	(398)	59,295,764	22,885,542	64,462,727	5,050,902
6. Colorado	CO	L	98	118		260	31,993	44,010	7
7. Connecticut	CT	L	968,374	2,729,502	28,771	3,895,762	1,322,977	23,359,634	211,910
8. Delaware	DE	L	2,017,433	2,567,465		603,832	1,443,161	4,379,209	560,396
9. District of Columbia	DC	L	82,551	221,705		67,513	(77,351)	348,121	17,705
10. Florida	FL	L	9,783	10,115			(2,522,020)	609,843	
11. Georgia	GA	L	2,091,349	2,790,828		952,520	473,448	2,335,042	557,123
12. Hawaii	HI	N							
13. Idaho	ID	L							
14. Illinois	IL	L	2,792,297	2,491,047		1,333,670	(945,431)	5,379,800	846,574
15. Indiana	IN	L	8,826,613	8,686,145		5,199,676	3,080,580	14,591,561	2,745,594
16. Iowa	IA	L	11,488	15,673	807	33,148	823,975	1,632,117	1,211
17. Kansas	KS	L	151,861	238,157		34,440	(766,382)	719,159	20,292
18. Kentucky	KY	L	3,144,185	3,886,523		1,427,782	332,000	5,119,825	705,402
19. Louisiana	LA	L	88,055	153,666		2,124,574	(2,484,968)	2,632,027	27,742
20. Maine	ME	L	24,022,520	28,969,539		12,827,428	8,241,622	22,103,775	862,853
21. Maryland	MD	L	1,316,214	2,903,373		3,465,233	2,382,650	10,023,907	296,282
22. Massachusetts	MA	L	1,942,269	4,789,111		6,964,633	761,256	35,370,030	456,947
23. Michigan	MI	L	63,372	166,580		324,052	2,213,325	2,665,125	14,527
24. Minnesota	MN	L	271,876	254,529		652,038	(242,726)	3,841,972	76,905
25. Mississippi	MS	L					67,649	67,649	
26. Missouri	MO	L	328,068	437,666		202,643	(2,189,582)	1,986,647	60,322
27. Montana	MT	L					1,203,826	1,203,826	
28. Nebraska	NE	L	(6,011)	22,518			(59,427)	441,683	2,743
29. Nevada	NV	L		500			(272)		
30. New Hampshire	NH	L	2,516,268	8,114,506	74,920	4,810,332	(955,916)	33,028,829	686,201
31. New Jersey	NJ	Q	(3,421)	(3,421)		2,618	(5,659,885)	14,142	(1,741)
32. New Mexico	NM	L	420	420			836,997	837,854	
33. New York	NY	L	3,783,836	15,783,231	223,975	24,312,921	7,163,569	71,900,861	1,264,659
34. North Carolina	NC	L	2,951,823	3,464,832		3,025,055	1,666,845	5,061,345	395,967
35. North Dakota	ND	L					424,514	424,514	
36. Ohio	OH	L	1,521,073	2,800,665		1,029,162	258,366	1,278,400	202,306
37. Oklahoma	OK	L	92,090	90,168		1,474,387	(2,590,245)	7,310,537	31,782
38. Oregon	OR	L					15,937	17,773	
39. Pennsylvania	PA	L	5,409,608	8,303,067		8,249,661	4,717,557	31,443,760	958,390
40. Rhode Island	RI	L	15,169,606	17,019,422	7,788	11,118,043	9,674,646	11,286,886	316,826
41. South Carolina	SC	L	860,502	1,094,289		1,429,312	3,032,348	12,222,095	155,783
42. South Dakota	SD	L					(10,412)	(10,412)	
43. Tennessee	TN	L	1,972,310	2,416,282	(1,455)	848,325	617,918	3,256,425	302,421
44. Texas	TX	L	617,960	1,082,673		1,785,745	(844,262)	2,541,701	149,279
45. Utah	UT	L					2,422,984	2,423,492	
46. Vermont	VT	L	2,083,812	4,834,036	22,121	3,576,147	360,075	17,601,202	610,698
47. Virginia	VA	L	1,376,371	2,307,672		3,035,314	(81,289)	6,276,219	245,672
48. Washington	WA	L		13			270,260	301,394	
49. West Virginia	WV	L					15,874	15,879	
50. Wisconsin	WI	L	133,786	203,205		729,502	130,923	1,804,356	46,586
51. Wyoming	WY	L					3,080	3,080	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X				2,089		5,189	
59. Totals	(a) 49		115,030,799	157,009,815	356,529	164,896,973	57,621,353	413,269,543	17,925,858

DETAILS OF WRITE-INS									
58001.	ZZZ Other Alien	X X X					2,089	5,189	
58002.		X X X							
58003.		X X X							
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X							
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					2,089	5,189	

Explanation of basis of allocation of premiums by states, etc.

(a) Active Status Counts

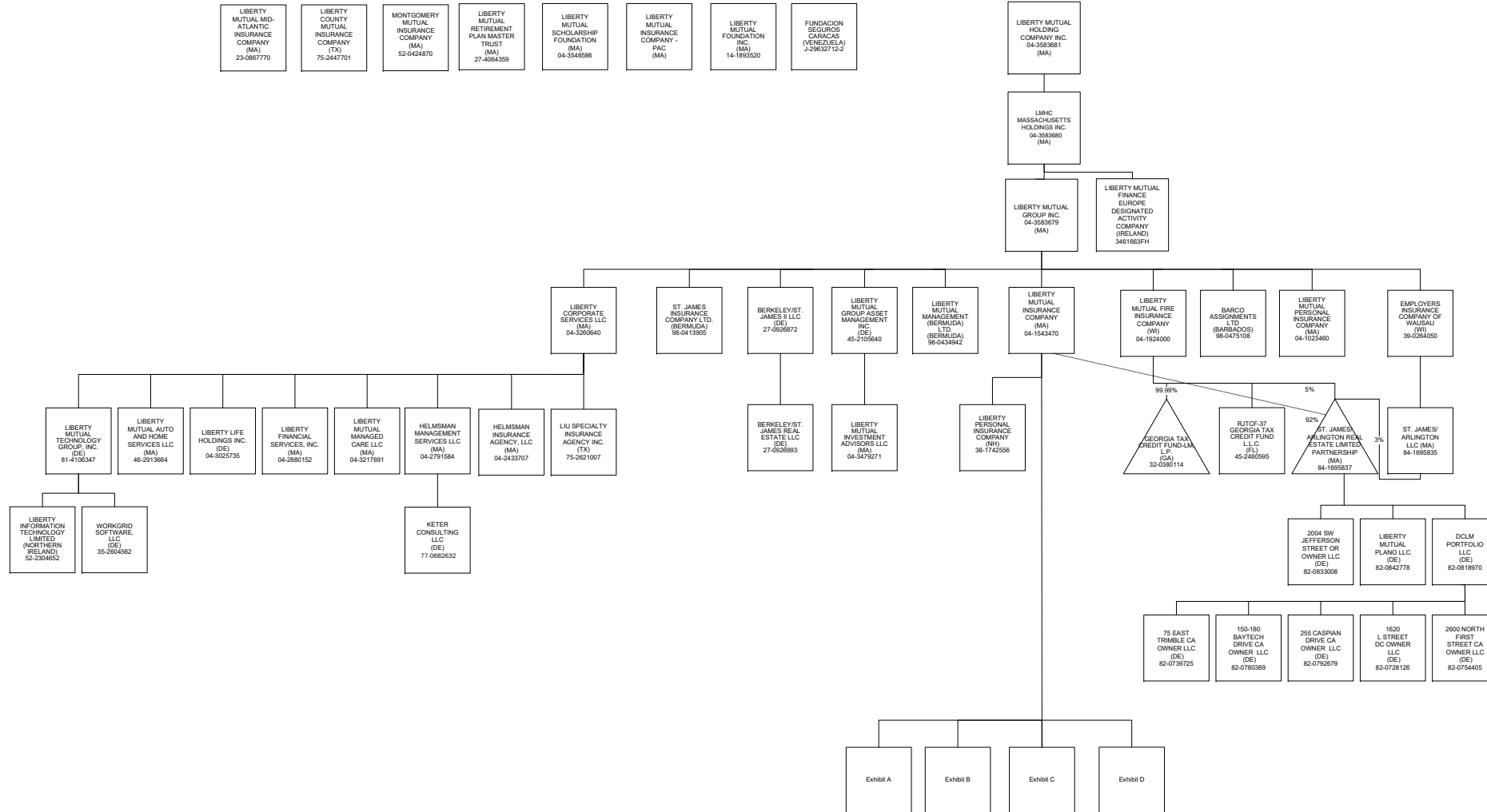
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	49
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	1
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	7

Explanation of basis of allocation of premiums by states, etc.

*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery	*Location of Court or Obligor - Surety
*States employee's main work place - Worker's Compensation	*Address of Assured - Other Accident and Health
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Location of Properties covered - Burglary and Theft
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty	*Principal Location of Assured - Ocean Marine, Credit
*Point of origin of shipment or principal location of assured - Inland Marine	*Primary residence of Assured - Aircraft (all perils)
*State in which employees regularly work - Group Accident and Health	

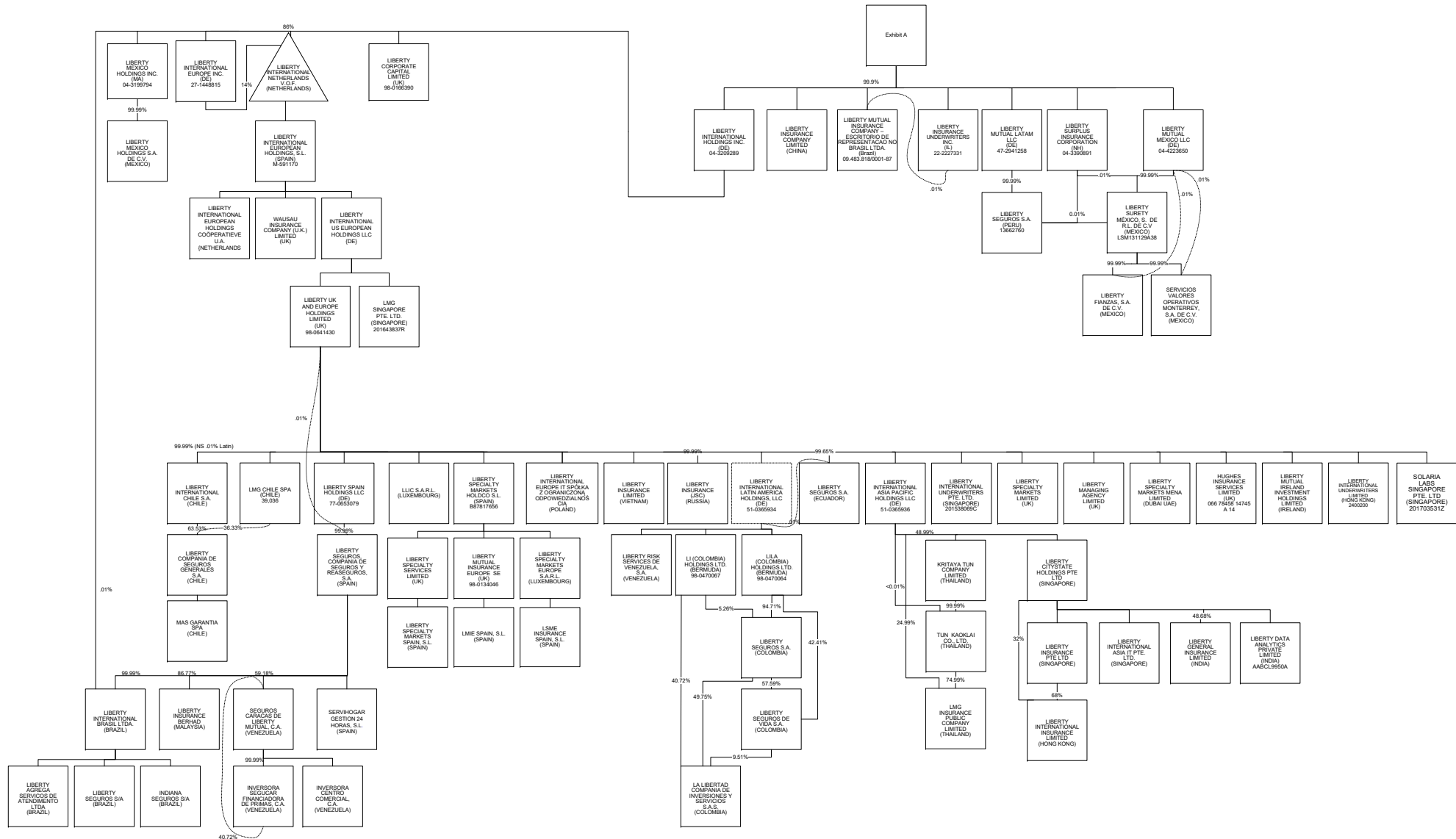
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



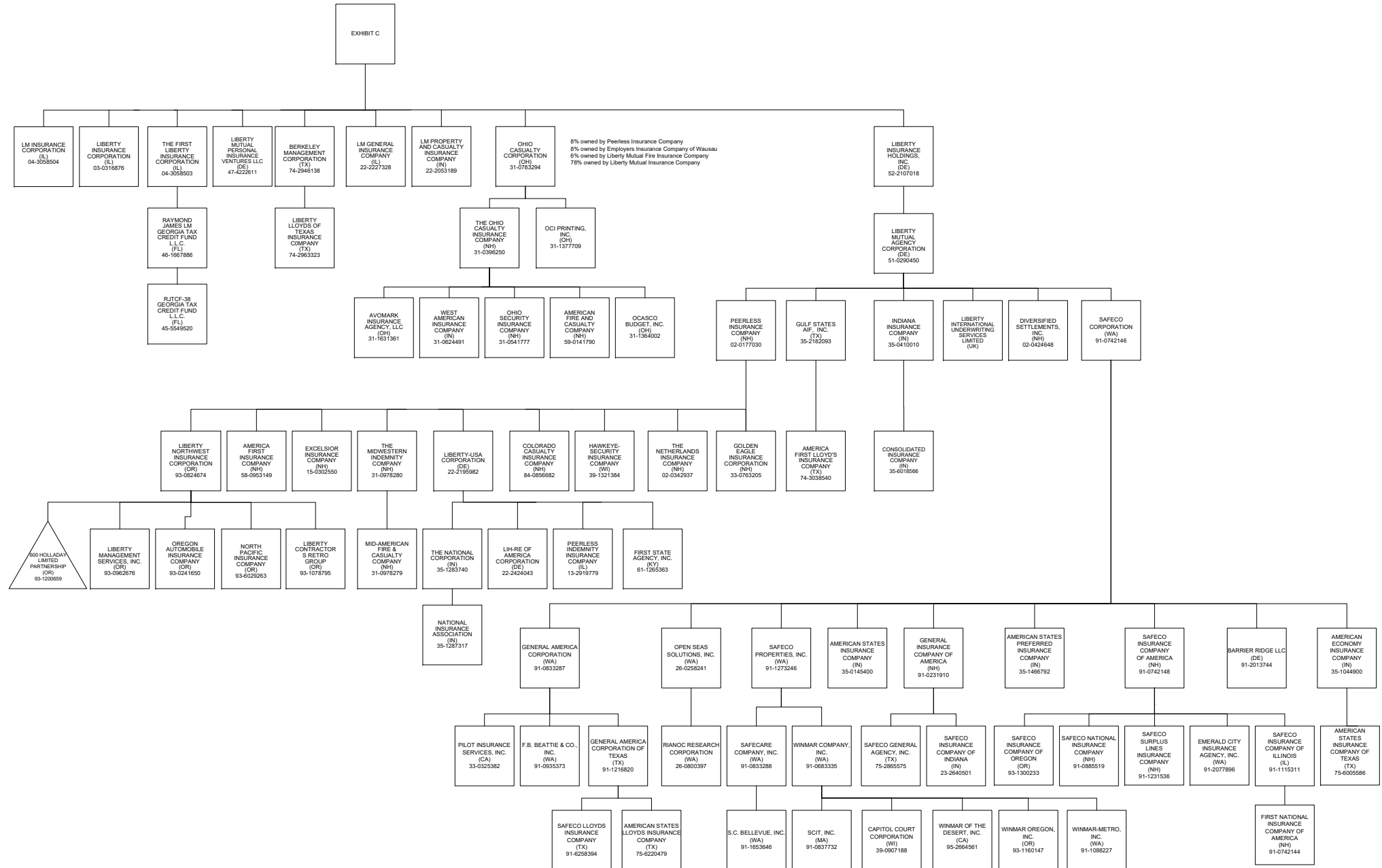
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



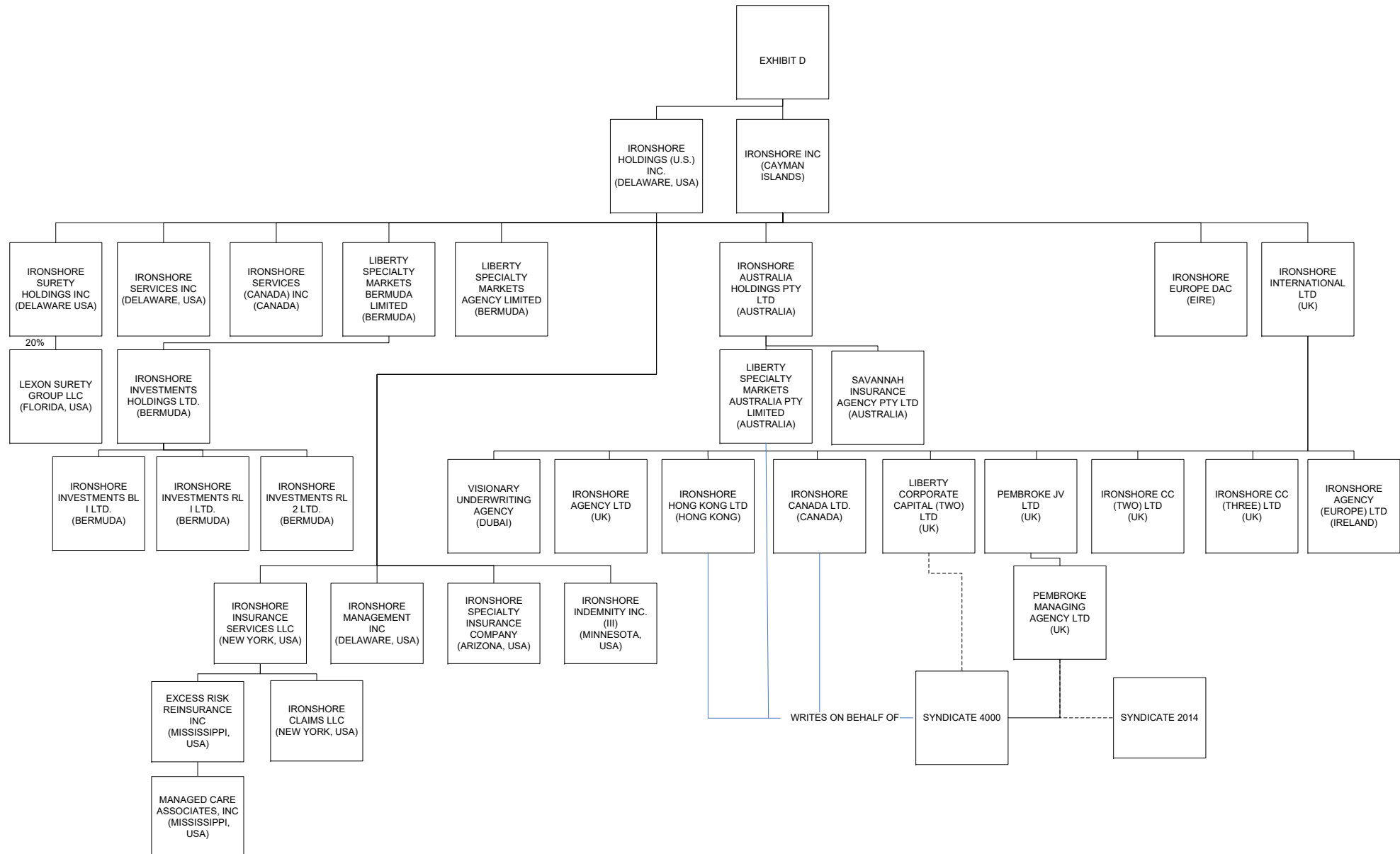
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Other assets	23,336,280	19,380,299	3,955,981	3,812,639
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	23,336,280	19,380,299	3,955,981	3,812,639

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Part 3 – Special Deposits	E28
Cash Flow	5	Schedule F – Part 1	20
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 2	21
Exhibit of Net Investment Income	12	Schedule F – Part 3	22
Exhibit of Nonadmitted Assets	13	Schedule F – Part 4	27
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 5	28
Five-Year Historical Data	17	Schedule F – Part 6	29
General Interrogatories	15	Schedule H – Accident and Health Exhibit – Part 1	30
Jurat Page	1	Schedule H – Part 2, Part 3 and Part 4	31
Liabilities, Surplus and Other Funds	3	Schedule H – Part 5 – Health Claims	32
Notes To Financial Statements	14	Schedule P – Part 1 – Summary	33
Overflow Page For Write-ins	100	Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule A – Part 1	E01	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule A – Part 2	E02	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule A – Part 3	E03	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	38
Schedule A – Verification Between Years	SI02	Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule B – Part 1	E04	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule B – Part 2	E05	– Occurrence	40
Schedule B – Part 3	E06	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule B – Verification Between Years	SI02	– Claims-Made	41
Schedule BA – Part 1	E07	Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All	
Schedule BA – Part 2	E08	Perils), Boiler and Machinery)	42
Schedule BA – Part 3	E09	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	43
Schedule BA – Verification Between Years	SI03	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule D – Part 1	E10	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 1A – Section 1	SI05	Earthquake, Burglary & Theft)	45
Schedule D – Part 1A – Section 2	SI08	Schedule P – Part 1J – Auto Physical Damage	46
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1K – Fidelity/Surety	47
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule D – Part 3	E13	Schedule P – Part 1M – International	49
Schedule D – Part 4	E14	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	50
Schedule D – Part 5	E15	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	51
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule D – Summary By Country	SI04	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule D – Verification Between Years	SI03	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule DA – Part 1	E17	Schedule P – Part 1T – Warranty	56
Schedule DA – Verification Between Years	SI10	Schedule P – Part 2, Part 3 and Part 4 - Summary	34
Schedule DB – Part A – Section 1	E18	Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule DB – Part A – Section 2	E19	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule DB – Part B – Section 1	E20	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	57
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DB – Part C – Section 1	SI12	– Occurrence	58
Schedule DB – Part C – Section 2	SI13	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	58
Schedule DB - Part D - Section 1	E22	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule DB - Part D - Section 2	E23	Boiler and Machinery)	58
Schedule DB - Verification	SI14	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule DL - Part 1	E24	Earthquake, Burglary and Theft)	69
Schedule DL - Part 2	E25	Schedule P – Part 4J – Auto Physical Damage	69
Schedule E – Part 1 – Cash	E26	Schedule P – Part 4K – Fidelity/Surety	69
Schedule E – Part 2 – Cash Equivalents	E27	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule E – Part 2 – Verification Between Years	SI15	Schedule P – Part 4M – International	69

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	70
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P – Part 2J – Auto Physical Damage	59	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 2K – Fidelity, Surety	59	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 2M – International	59	Schedule P – Part 4T – Warranty	71
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	60	Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	60	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	60	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	75
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61	Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 2T – Warranty	61	Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 3A – Homeowners/Farmowners	62	Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62	Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62	Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	62	Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 3E – Commercial Multiple Peril	62	Schedule P – Part 5T – Warranty	83
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	84
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63	Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63	Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63	Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64	Schedule P – Part 6M – International	86
Schedule P – Part 3J – Auto Physical Damage	64	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	87
Schedule P – Part 3K – Fidelity/Surety	64	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	87
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	64	Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 3M – International	64	Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	65	Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	65	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	65	Schedule P Interrogatories	93
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	66	Schedule T – Exhibit of Premiums Written	94
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	66	Schedule T – Part 2 – Interstate Compact	95
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	66	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P – Part 3T – Warranty	66	Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule P – Part 4A – Homeowners/Farmowners	67	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	98
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	67	Statement of Income	4
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	67	Summary Investment Schedule	SI01
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	67	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P – Part 4E – Commercial Multiple Peril	67	Underwriting and Investment Exhibit Part 1	6
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	68	Underwriting and Investment Exhibit Part 1A	7
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 1B	8
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68	Underwriting and Investment Exhibit Part 2	9
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	68	Underwriting and Investment Exhibit Part 2A	10
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 3	11