



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Nationwide Indemnity Company

NAIC Group Code	0140 (Current)	0140 (Prior)	NAIC Company Code	10070	Employer's ID Number	31-1399201
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States of America					
Incorporated/Organized	02/16/1994			Commenced Business		04/15/1994
Statutory Home Office	One West Nationwide Blvd. (Street and Number)			Columbus , OH 43215-2220 (City or Town, State and Zip Code)		
Main Administrative Office	One West Nationwide Blvd. (Street and Number)					
	Columbus , OH 43215-2220 (City or Town, State and Zip Code)			614-249-7111 (Area Code) (Telephone Number)		
Mail Address	One West Nationwide Blvd., 1-04-701 (Street and Number or P.O. Box)			Columbus , OH 43215-2220 (City or Town, State and Zip Code)		
Primary Location of Books and Records	One West Nationwide Blvd., 1-04-701 (Street and Number)					
	Columbus , OH 43215-2220 (City or Town, State and Zip Code)			614-249-1545 (Area Code) (Telephone Number)		
Internet Website Address	www.nationwide.com					
Statutory Statement Contact	Arlene E. Swanson (Name)			614-249-1545 (Area Code) (Telephone Number)		
	FinRpt@nationwide.com (E-mail Address)			866-315-1430 (FAX Number)		

OFFICERS

President & COO	David Alan Bano	VP & Treasurer	Carol Lynn Dove
VP & Secretary	Robert William Horner III		
OTHER			
Pamela Ann Biesecker	Sr VP-Head of Taxation	Harry Hansen Hallowell	Sr VP - CIO
		Mark Raymond Thresher	Exec VP - CFO

DIRECTORS OR TRUSTEES

David Alan Bano	James David Benson	Kevin Thomas Hilyard
Michael Patrick Leach	Duane Lee Meyer	Mark Raymond Thresher

State of Ohio
County of Franklin 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.

David Alan Bano President & COO	Robert William Horner, III VP & Secretary	Carol Lynn Dove VP & Treasurer
Subscribed and sworn to before me this		a. Is this an original filing?
day of January , 2012		b. If no,
		1. State the amendment number.....
		2. Date filed
		3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	3,213,391,193		3,213,391,193	3,183,346,917
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	782,153		782,153	39,962
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	126,213,620		126,213,620	161,388,274
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$1,001,271 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$833,702 , Schedule DA)	1,834,973		1,834,973	111,012,663
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				655,600
8. Other invested assets (Schedule BA)	64,952,410	138,667	64,813,743	48,795,004
9. Receivable for securities				496,736
10. Securities lending reinvested collateral assets (Schedule DL)	16,087,212	8,357,296	7,729,916	41,624,756
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,423,261,561	8,495,963	3,414,765,598	3,547,359,912
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	39,223,355		39,223,355	38,847,832
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,157,458	2,157,458		
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies	8,251,383		8,251,383	8,632,598
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	63,970,648	51,243,742	12,726,906	16,810,630
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates	487,671		487,671	757,625
23. Receivables from parent, subsidiaries and affiliates	379,543	131	379,412	167,419
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	27,618,664	21,141,621	6,477,043	9,519,774
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,565,350,283	83,038,915	3,482,311,368	3,622,095,790
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	3,565,350,283	83,038,915	3,482,311,368	3,622,095,790
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Third party administrative receivables	22,944,642	18,622,857	4,321,785	8,350,680
2502. Deposits and prepaid assets	1,951,865	1,951,865		
2503. Miscellaneous assets	2,713,157	557,899	2,155,258	1,169,094
2598. Summary of remaining write-ins for Line 25 from overflow page	9,000	9,000		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	27,618,664	21,141,621	6,477,043	9,519,774

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	1,481,818,735	1,646,117,415
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,943	
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	753,581,025	786,180,803
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	54,713	54,713
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 3,744,200 on realized capital gains (losses))	45,379,119	8,523,733
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	62,146	150,037
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	3,519,363	3,350,109
15. Remittances and items not allocated		1,158,461
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		336,796
20. Derivatives	(10)	68,410
21. Payable for securities	1,304,549	755,961
22. Payable for securities lending	25,021,328	52,278,009
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	47,982,235	58,660,779
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,358,726,146	2,557,635,226
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	2,358,726,146	2,557,635,226
29. Aggregate write-ins for special surplus funds	9,894,000	10,437,000
30. Common capital stock	3,080,000	3,080,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	1,456,449,000	1,516,449,000
35. Unassigned funds (surplus)	(345,837,778)	(465,505,436)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,123,585,222	1,064,460,564
38. TOTALS (Page 2, Line 28, Col. 3)	3,482,311,368	3,622,095,790
DETAILS OF WRITE-INS		
2501. Assumed reinsurance balances payable	47,977,536	58,634,616
2502. Miscellaneous liabilities	4,699	26,163
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	47,982,235	58,660,779
2901. EU Solvency 1 Directive	9,894,000	10,437,000
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	9,894,000	10,437,000
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	1,116,038	922,963
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	(54,877,676)	15,090,156
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	59,788,913	60,354,621
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,990,732	4,652,575
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	8,901,969	80,097,352
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(7,785,931)	(79,174,389)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	147,520,519	151,742,016
10. Net realized capital gains or (losses) less capital gains tax of \$ 3,744,200 (Exhibit of Capital Gains (Losses))	(431,959)	(5,697,128)
11. Net investment gain (loss) (Lines 9 + 10)	147,088,560	146,044,888
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	(445,828)	250,138
15. Total other income (Lines 12 through 14)	(445,828)	250,138
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	138,856,801	67,120,637
17. Dividends to policyholders		
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)	138,856,801	67,120,637
19. Federal and foreign income taxes incurred	37,830,298	9,503,074
20. Net income (Line 18 minus Line 19)(to Line 22)	101,026,503	57,617,563
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,064,460,567	985,097,326
22. Net income (from Line 20)	101,026,503	57,617,563
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 929,204	25,877,517	15,341,165
25. Change in net unrealized foreign exchange capital gain (loss)	(302,916)	1,021,922
26. Change in net deferred income tax	9,490,196	5,951,290
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(16,378,081)	19,865
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	(60,000,000)	
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	(588,564)	(588,564)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	59,124,655	79,363,241
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,123,585,222	1,064,460,567
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)		
1401. Miscellaneous expenses	(445,828)	250,138
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(445,828)	250,138
3701. Goodwill write off	(588,564)	(588,564)
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	(588,564)	(588,564)

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	800,357	(454,502)
2. Net investment income	149,303,632	157,028,490
3. Miscellaneous income	(64,609)	3,100,009
4. Total (Lines 1 through 3)	150,039,380	159,673,997
5. Benefit and loss related payments	109,418,061	116,097,255
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	96,379,424	90,778,015
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$(828,177) tax on capital gains (losses)	4,719,112	35,131,140
10. Total (Lines 5 through 9)	210,516,597	242,006,410
11. Net cash from operations (Line 4 minus Line 10)	(60,477,217)	(82,332,413)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	311,556,522	380,362,651
12.2 Stocks	26,447	
12.3 Mortgage loans	36,179,875	14,693,217
12.4 Real estate		
12.5 Other invested assets	28,878,696	19,827,577
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	821	(810)
12.7 Miscellaneous proceeds	1,541,033	1,162,368
12.8 Total investment proceeds (Lines 12.1 to 12.7)	378,183,394	416,045,003
13. Cost of investments acquired (long-term only):		
13.1 Bonds	313,683,318	259,500,237
13.2 Stocks	878,590	
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	15,747,028	75,928,075
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	330,308,936	335,428,312
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)	47,874,458	80,616,691
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	(60,000,000)	
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)	(36,574,931)	67,127,989
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(96,574,931)	67,127,989
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)	(109,177,690)	65,412,267
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	111,012,663	45,600,396
19.2 End of period (Line 18 plus Line 19.1)	1,834,973	111,012,663

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

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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	382,336	(5,462)	(5,466)	382,340
2.	Allied lines	100	35		135
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril	2	34		36
6.	Mortgage guaranty				
8.	Ocean marine	207	29	24	212
9.	Inland marine		(4,997)	(4,997)	
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation	(7,339)			(7,339)
17.1	Other liability - occurrence	529,603	265	265	529,603
17.2	Other liability - claims-made				
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	883			883
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	(1,932)	(913)	(913)	(1,932)
19.3, 19.4	Commercial auto liability	(18,113)	6,731	6,731	(18,113)
21.	Auto physical damage				
22.	Aircraft (all perils)	142			142
23.	Fidelity	188	11,421	400	11,209
24.	Surety	47,619	154,611	79,749	122,481
26.	Burglary and theft		(35)		(35)
27.	Boiler and machinery	196	2,395	121	2,470
28.	Credit				
29.	International	89,485	(6,772)	(6,772)	89,485
30.	Warranty				
31.	Reinsurance - nonproportional assumed property	(4,018)	(7,305)	(467)	(10,856)
32.	Reinsurance - nonproportional assumed liability	8,787		(6,528)	15,315
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	1,028,146	150,037	62,147	1,116,036
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire		(5,466)			(5,466)
2.	Allied lines					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril					
6.	Mortgage guaranty					
8.	Ocean marine		24			24
9.	Inland marine		(4,997)			(4,997)
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake					
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation					
17.1	Other liability - occurrence		265			265
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence					
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability		(913)			(913)
19.3, 19.4	Commercial auto liability		6,731			6,731
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity		400			400
24.	Surety		79,749			79,749
26.	Burglary and theft					
27.	Boiler and machinery		121			121
28.	Credit					
29.	International		(6,772)			(6,772)
30.	Warranty					
31.	Reinsurance - nonproportional assumed property		(467)			(467)
32.	Reinsurance - nonproportional assumed liability		(6,528)			(6,528)
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS		62,147			62,147
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					62,147
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case See Notes to Financial Statements 1(C)

UNDERWRITING AND INVESTMENT EXHIBIT

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		382,336				382,336
2.	Allied lines		100				100
3.	Farmowners multiple peril						
4.	Homeowners multiple peril						
5.	Commercial multiple peril		2				2
6.	Mortgage guaranty						
8.	Ocean marine		207				207
9.	Inland marine						
10.	Financial guaranty						
11.1	Medical professional liability - occurrence						
11.2	Medical professional liability - claims-made						
12.	Earthquake						
13.	Group accident and health						
14.	Credit accident and health (group and individual)						
15.	Other accident and health						
16.	Workers' compensation		(7,338)	(1)			(7,339)
17.1	Other liability - occurrence		8,123	521,480			529,603
17.2	Other liability - claims-made						
17.3	Excess workers' compensation						
18.1	Products liability - occurrence		883				883
18.2	Products liability - claims-made						
19.1, 19.2	Private passenger auto liability		(1,932)				(1,932)
19.3, 19.4	Commercial auto liability			(18,113)			(18,113)
21.	Auto physical damage						
22.	Aircraft (all perils)		142				142
23.	Fidelity		188				188
24.	Surety		47,619				47,619
26.	Burglary and theft						
27.	Boiler and machinery		196				196
28.	Credit						
29.	International		89,485				89,485
30.	Warranty						
31.	Reinsurance - nonproportional assumed property	XXX	(4,018)				(4,018)
32.	Reinsurance - nonproportional assumed liability	XXX	5,292	3,495			8,787
33.	Reinsurance - nonproportional assumed financial lines	XXX					
34.	Aggregate write-ins for other lines of business						
35.	TOTALS		521,285	506,861			1,028,146
DETAILS OF WRITE-INS							
3401.						
3402.						
3403.						
3498.	Summary of remaining write-ins for Line 34 from overflow page						
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire		(1,334,902)		(1,334,902)	378,290	1,640,845	(2,597,457)	(679.4)
2.	Allied lines		142,033		142,033	3,708,539	4,301,531	(450,959)	(334,043.7)
3.	Farmowners multiple peril					2,293	2,886	(593)	
4.	Homeowners multiple peril		121,800		121,800	(344)	(10,953)	132,409	
5.	Commercial multiple peril		3,090,302		3,090,302	27,463,423	33,736,154	(3,182,429)	(8,840,080.6)
6.	Mortgage guaranty								
8.	Ocean marine		16,590		16,590	1,154,502	1,553,516	(382,424)	(180,388.7)
9.	Inland marine		(745)		(745)	(1,421)	14,445	(16,611)	
10.	Financial guaranty								
11.1	Medical professional liability - occurrence		21,186		21,186	(20,019)	79,675	(78,508)	
11.2	Medical professional liability - claims-made								
12.	Earthquake		(43,254)		(43,254)	(34,201)	390,937	(468,392)	
13.	Group accident and health		(340)		(340)	2,310	23,163	(21,193)	
14.	Credit accident and health (group and individual)								
15.	Other accident and health		1,690		1,690	17,918	29,630	(10,022)	
16.	Workers' compensation		2,301,787		2,301,787	39,052,570	45,121,514	(3,767,157)	51,330.7
17.1	Other liability - occurrence		36,473,173		36,473,173	268,901,034	833,205,467	(527,831,260)	(99,665.5)
17.2	Other liability - claims-made		9,543		9,543	(9,886)	42,405	(42,748)	
17.3	Excess workers' compensation								
18.1	Products liability - occurrence		41,759,536		41,759,536	656,176,555	369,076,562	328,859,529	37,243,434.8
18.2	Products liability - claims-made		189,373		189,373	53,141	370,553	(128,039)	
19.1, 19.2	Private passenger auto liability		351,711		351,711	5,822,501	39,347,524	(33,173,312)	1,717,045.1
19.3, 19.4	Commercial auto liability		193,898		193,898	1,467,409	5,476,468	(3,815,161)	21,063.1
21.	Auto physical damage		(1,115)		(1,115)	7,927	(8,473)	15,285	
22.	Aircraft (all perils)		108,794		108,794	942,308	897,193	153,909	108,386.6
23.	Fidelity		(2,280)		(2,280)	(61,769)	807	(64,856)	(578.6)
24.	Surety		24,389		24,389	1,881,740	2,243,906	(337,777)	(275.8)
26.	Burglary and theft		(298)		(298)	7,556	29,575	(22,317)	63,762.9
27.	Boiler and machinery		5,054		5,054	25,764	120,415	(89,597)	(3,627.4)
28.	Credit								
29.	International		432,402		432,402	20,830,136	32,938,114	(11,675,576)	(13,047.5)
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX	(123,706)		(123,706)	2,362,609	275,493,556	(273,254,653)	2,517,084.1
32.	Reinsurance - nonproportional assumed liability	XXX	25,684,382		25,684,382	451,658,897		477,343,279	3,116,835.0
33.	Reinsurance - nonproportional assumed financial lines	XXX				28,950		28,950	
34.	Aggregate write-ins for other lines of business								
35.	TOTALS		109,421,003		109,421,003	1,481,818,732	1,646,117,415	(54,877,680)	(4,917.2)
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire		266,859		266,859		111,431		378,290	7,545
2.	Allied lines		438,260		438,260		3,270,279		3,708,539	168,867
3.	Farmowners multiple peril						2,293		2,293	5,597
4.	Homeowners multiple peril		(344)		(344)				(344)	2,807
5.	Commercial multiple peril		6,559,558		6,559,558		20,903,865		27,463,423	41,907,537
6.	Mortgage guaranty									
8.	Ocean marine		183,820		183,820		970,682		1,154,502	2,632
9.	Inland marine		(1,421)		(1,421)				(1,421)	76,106
10.	Financial guaranty									
11.1	Medical professional liability - occurrence		(20,141)		(20,141)		122		(20,019)	(77,528)
11.2	Medical professional liability - claims-made									
12.	Earthquake		(34,201)		(34,201)				(34,201)	225
13.	Group accident and health		18		18		2,292		(a) 2,310	6
14.	Credit accident and health (group and individual)									
15.	Other accident and health		10,997		10,997		6,921		(a) 17,918	13
16.	Workers' compensation		20,729,419		20,729,419		18,323,151		39,052,570	6,619,670
17.1	Other liability - occurrence		59,794,652		59,794,652		209,106,382		268,901,034	355,185,083
17.2	Other liability - claims-made		(13,043)		(13,043)		3,157		(9,886)	5,761
17.3	Excess workers' compensation									
18.1	Products liability - occurrence		165,209,936		165,209,936		490,966,619		656,176,555	315,642,150
18.2	Products liability - claims-made		42,109		42,109		11,032		53,141	23,862
19.1, 19.2	Private passenger auto liability		1,711,813		1,711,813		4,110,688		5,822,501	(289,109)
19.3, 19.4	Commercial auto liability		394,871		394,871		1,072,538		1,467,409	479,462
21.	Auto physical damage		7,927		7,927				7,927	(845)
22.	Aircraft (all perils)		433,513		433,513		508,795		942,308	76,502
23.	Fidelity		(74,274)		(74,274)		12,505		(61,769)	18,689
24.	Surety		1,446,931		1,446,931		434,809		1,881,740	154
26.	Burglary and theft		2,317		2,317		5,239		7,556	63
27.	Boiler and machinery		8,915		8,915		16,849		25,764	(631)
28.	Credit									
29.	International		4,761,994		4,761,994		16,068,142		20,830,136	33
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX	1,477,796		1,477,796	XXX	884,813		2,362,609	271
32.	Reinsurance - nonproportional assumed liability	XXX	131,145,741		131,145,741	XXX	320,513,156		451,658,897	33,726,103
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX	28,950		28,950	
34.	Aggregate write-ins for other lines of business									
35.	TOTALS		394,484,022		394,484,022		1,087,334,710		1,481,818,732	753,581,025
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

(a) Including \$ 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				
1.2 Reinsurance assumed	45,783,222			45,783,222
1.3 Reinsurance ceded				
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	45,783,222			45,783,222
2. Commission and brokerage:				
2.1 Direct excluding contingent				
2.2 Reinsurance assumed, excluding contingent		(41,218)		(41,218)
2.3 Reinsurance ceded, excluding contingent				
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed		2,994		2,994
2.6 Contingent - reinsurance ceded				
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)		(38,224)		(38,224)
3. Allowances to managers and agents				
4. Advertising	583,452	126	539	584,117
5. Boards, bureaus and associations	40,011	2,885	24	42,920
6. Surveys and underwriting reports	941			941
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	9,798,511	465,510	2,836,681	13,100,702
8.2 Payroll taxes	102,550	596,372		698,922
9. Employee relations and welfare	1,892,487	(475,272)	463,322	1,880,537
10. Insurance	55,155			55,155
11. Directors' fees	(5,231)		13,955	8,724
12. Travel and travel items	361,553	77,181	71,693	510,427
13. Rent and rent items	901,268	114,724	159,387	1,175,379
14. Equipment	362,798	180,272	307,239	850,309
15. Cost or depreciation of EDP equipment and software	49,345	397	23,418	73,160
16. Printing and stationery	215,012	3,548	1,625	220,185
17. Postage, telephone and telegraph, exchange and express	82,392	11,915	5,086	99,393
18. Legal and auditing	306,392	602,558	72,072	981,022
19. Totals (Lines 3 to 18)	14,746,636	1,580,216	3,955,041	20,281,893
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		500		500
20.2 Insurance department licenses and fees		9,071		9,071
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		13,444		13,444
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		23,015		23,015
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	(740,949)	2,425,726	42,884	1,727,661
25. Total expenses incurred	59,788,909	3,990,733	3,997,925	(a) 67,777,567
26. Less unpaid expenses - current year	753,581,025			753,581,025
27. Add unpaid expenses - prior year	786,180,803			786,180,803
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	92,388,687	3,990,733	3,997,925	100,377,345
DETAILS OF WRITE-INS				
2401. Other expenses	(2,475,486)	2,401,809	42,884	(30,793)
2402. Outside services and income	1,734,537	23,917		1,758,454
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	(740,949)	2,425,726	42,884	1,727,661

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 22,810,479	23,058,450
1.1	Bonds exempt from U.S. tax	(a) 51,350,178	50,963,791
1.2	Other bonds (unaffiliated)	(a) 66,674,857	67,367,835
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) 9,091,037	8,957,624
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 77,080	77,080
7.	Derivative instruments	(f) 102,775	99,459
8.	Other invested assets	665,924	665,924
9.	Aggregate write-ins for investment income	411,568	411,568
10.	Total gross investment income	151,183,898	151,601,731
11.	Investment expenses	(g) 3,997,925	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g)	
13.	Interest expense	(h) 8,867	
14.	Depreciation on real estate and other invested assets	(i)	
15.	Aggregate write-ins for deductions from investment income	74,417	
16.	Total deductions (Lines 11 through 15)	4,081,209	
17.	Net investment income (Line 10 minus Line 16)	147,520,522	
DETAILS OF WRITE-INS			
0901.	Securities lending	95,024	95,024
0902.	Miscellaneous expense	316,544	316,544
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	411,568	411,568
1501.	Mortgage loan service fees	74,363	
1502.	Home purchase expense .....	.54	
1503.	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	74,417	

- (a) Includes \$ 9,506,167 accrual of discount less \$ 9,931,990 amortization of premium and less \$ 2,464,608 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	28,844,075	.....	.....
1.1	Bonds exempt from U.S. tax	41,598	.....	(2,716,276)	.....	.....
1.2	Other bonds (unaffiliated)	4,199,936	(1,382,414)	(581,093)	655,600	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated)	(11,796)	.....	(98,155)	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans	1,099,677	(582,677)	488,220	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	551,298	.....	.....	.....
8.	Other invested assets .....	.....	.....	3,481,958	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	(603,380)	(2,612,006)	.....	.....
10.	Total capital gains (losses)	5,329,415	(2,017,173)	26,806,723	.....	.....
DETAILS OF WRITE-INS						
0901.	FX Realized on Currency .....	.....	821	.....	.....	.....
0902.	Securities Lending .....	.....	(718,120)	(2,612,006)	.....	.....
0903.	FX Hedged .....	.....	113,919	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	(603,380)	(2,612,006)	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	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			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
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)	138,667		(138,667)
9. Receivables for securities		168,820	168,820
10. Securities lending reinvested collateral assets (Schedule DL)	8,357,296	4,933,003	(3,424,293)
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	8,495,963	5,101,823	(3,394,140)
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	2,157,458	1,929,669	(227,789)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
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			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	51,243,742	38,599,026	(12,644,716)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	131		(131)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	21,141,621	21,030,316	(111,305)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	83,038,915	66,660,834	(16,378,081)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	83,038,915	66,660,834	(16,378,081)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Third party administrative receivables	18,622,857	19,078,451	455,594
2502. Deposit and prepaid assets	1,951,865	1,951,865	
2503. Other assets nonadmitted	9,000		(9,000)
2598. Summary of remaining write-ins for Line 25 from overflow page	557,899		(557,899)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	21,141,621	21,030,316	(111,305)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Nationwide Indemnity Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

The Ohio Insurance Department recognizes only statutory accounting practices (SAP) prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Federal Income Taxes. The Company's parent, Nationwide Mutual Insurance Company (Mutual), files a consolidated federal income tax return, which includes all eligible U.S. affiliates. In this regard, the included subsidiaries pay to Mutual the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. Mutual pays tax due on a consolidated basis.

The Company provides for federal income taxes based on amounts the Company believes it will ultimately owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain expenses and the realization of certain tax credits. In the event the ultimate deductibility of certain expenses or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the financial statements which could be significant. Management has used best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation.

In accordance with guidance specified in the NAIC SAP, the Company utilizes the asset and liability method of accounting for taxes. Under this method, deferred tax assets, net of any non-admitted portion, and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred taxes is charged directly to surplus.

Reinsurance Recoverables. In the normal course of business, the Company reinsures, or cedes, a portion of its insurance risks with other companies in order to reduce net liability on individual risks, to provide protection against the potential impact of large losses, and to obtain greater diversification of risks. The ceding of risk, however, does not discharge the Company from its primary obligation to the policyholder. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on unpaid losses are estimated in a manner consistent with the claim liability associated with the underlying policy and are recorded as reductions in total loss and loss adjustment expense (LAE) reserves. Such reinsurance recoverables and reserve reductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and LAE's in the accompanying statutory statements of admitted assets, liabilities and surplus. The Company regularly evaluates and monitors the financial condition of its reinsurers under voluntary reinsurance arrangements to minimize its exposure to significant losses from reinsurer insolvencies. There are no contracts using deposit accounting as of December 31, 2011 and 2010.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables (100% for unsecured unauthorized reinsurance and up to 20% recoverables from certain reinsurers more than 90 days overdue on their payments). As of December 31, 2011 and 2010, the Company had no provision related to conditional reinsurance recoverables.

In addition, the Company uses the following accounting policies:

1. Short-term investments are carried at amortized cost, which approximates fair value. Short-term investment transactions are recorded on trade date. Interest income is recognized when earned.
2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" or below which are stated at the lower of amortized cost or fair value. Bond transactions are recorded on trade date, with the exception of private placement bonds, which are recorded on settlement date. Amortization of purchase premiums and discounts is calculated using the effective yield method. Realized gains and losses are determined on a specific identification basis. For bonds for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

Management regularly reviews its bond portfolio to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value. Many criteria may be considered in this review process including, but not limited to, the timing and amount of cash flows, the ability of the issuer to meet its obligations, financial prospects of the issuer, quality of any underlying collateral, current relevant economic conditions that may impact issuers, severity of the decline in fair value, the Company's intent to sell or the intent and ability to hold the security until its value recovers. For bonds (excluding loan-backed and structured securities) determined to be other-than-temporarily impaired, the cost basis is written down to fair value and the amount of the write-down is recorded as a realized loss.

3. Common stocks, other than investments in stocks of subsidiaries and affiliates (see Note C. 7 below), are stated at fair value. Common stock transactions are recorded on trade date. Realized gains and losses are determined on a specific identification basis. Dividends are recognized when declared. For marketable stocks for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

NOTES TO FINANCIAL STATEMENTS

4. Preferred stocks redeemable at par and rated investment grade are stated at amortized cost. Perpetual preferred stocks rated investment grade are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value. Preferred stock transactions are recorded on trade date. Realized gains and losses are determined on a specific identification basis. Interest income is recognized when earned while dividends are recognized when declared. Preferred stocks not carried at fair value, which are in an unrealized loss position, are evaluated for impairment based on the timing of any anticipated recovery in value and the length of time in a loss position. For declines in value considered to be other-than-temporary, a realized loss to fair value is recorded. For marketable preferred stocks, for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.
5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts and certain deferred loan origination and commitment fees, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses. Management's periodic evaluation of the adequacy of the valuation allowance for losses is based on past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of the underlying collateral, current economic conditions, composition of the loan portfolio and other relevant factors. The Company maintains a valuation allowance for estimated credit losses on mortgage loans which is comprised of specific and non-specific reserves.

Specific reserves for impaired mortgage loans established based on a review by portfolio managers. Mortgage loans are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. When management determines that a loan is impaired, a provision for loss is established equal to either the difference between the carrying value and the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

The non-specific reserve is established for probable losses inherent in the mortgage loan portfolio as of the balance sheet date but not yet specifically identified. The non-specific reserve is based on past loan loss experience, inherent risks in the portfolio, current economic conditions, composition of the loan portfolio and other relevant factors.

Changes in the non-specific reserve are recorded directly in surplus, while changes in the specific reserves are recorded in realized losses.

6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost except those with an initial NAIC designation of "3" or below which are stated at the lower of amortized cost or fair value. Amortization of purchase premiums and discounts is calculated using the effective yield method. The Company periodically updates its estimates of cash flows, including new prepayment assumptions, for loan-backed securities. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For loan-backed securities where the collection of all contractual cash flows is not probable, the Company, (a) recognizes the accretable yield over the life of the loan backed security as determined at the acquisition or transaction date, (b) continues to estimate cash flows expected to be collected at least quarterly, and (c) recognizes an other-than-temporary impairment loss if the loan-backed security is impaired (i.e., the fair value is less than the amortized cost basis) and there is a decrease in the cash flows expected to be collected. If the Company intends to sell an impaired loan-backed security or does not have the intent and ability to retain the impaired loan-backed security for a period of time sufficient to recover the amortized cost basis, an other-than-temporary impairment has occurred. In these situations, the other-than-temporary impairment loss recognized is the difference between the amortized cost basis and fair value. If the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected, it cannot assert that it has the ability to recover the loan-backed security's amortized cost basis even though it has no intention to sell and has the intent and ability to retain the loan-backed security. Therefore an other-than-temporary impairment has occurred and a realized loss is recognized for the non-interest related decline, which is calculated as the difference between the loan-backed security's amortized cost basis and the present value of cash flows expected to be collected.

For situations where an other-than-temporary impairment is recognized, the previous amortized cost basis less the other-than-temporary impairment recognized as a realized loss becomes the new cost basis.

Loan-backed security transactions are recorded on the trade date. Realized gains and losses are determined on a specific identification basis. For loan-backed securities for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

7. Investments in subsidiary and affiliated companies are stated as follows:

The admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying statutory equity value adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of affiliated companies is amortized over a period of ten years. Unamortized goodwill at December 31, 2011 and 2010 was \$294.3 thousand and \$882.8 thousand, respectively, which was fully admitted based upon adjusted policyholder surplus.

8. Investments in joint ventures and partnerships are accounted for using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received. Management reviews the portfolio for the need to record impairments based on the expected ability to recover unrealized losses and the intent to hold the investment until recovery. The reviews include evaluating the current and expected earnings of the individual investments. Other-than-temporary impairment losses are recorded on other invested assets when indicators of impairment are present and are charged to net realized gains and losses.
9. Accounting for derivatives

The Company uses derivative instruments to manage risks associated with interest rates, equity markets, foreign currency and credit. These derivative instruments primarily include interest rate swaps, futures contracts, credit default swaps, currency contracts and other traditional swap agreements.

NOTES TO FINANCIAL STATEMENTS

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value and the changes in the fair value are recorded in surplus as unrealized gains or unrealized losses. Derivative instrument cash flows and payment accruals are recorded as realized gains and losses or in net investment income.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2011 and 2010, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.
11. The Company establishes losses and loss expense reserves for reported claims and claims incurred but not yet reported. Estimating the liability for losses and loss expense reserves involves significant judgment and multiple assumptions. Management considers the Company's experience with similar claims, historical trends, economic factors and judicial, legislative and regulatory changes in establishing reserves. The Company's losses and loss expense reserves are recorded net of reinsurance and amounts expected to be received from salvage (the amount recovered from property after the Company pays for a total loss) and subrogation (the right to recover payments from third parties).

Assumptions and estimates for losses and loss expense reserves are updated as new information becomes available. Due to the inherent uncertainty in estimating losses and loss expense reserves, the actual cost of settling claims may differ materially from recorded amounts. Changes in losses and loss expense reserve estimates are included in results of operations in the period the estimates are revised.
12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The Company has not modified its capitalization policy from the prior period.
13. The Company does not write major medical insurance with prescription drug coverage.

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes

Adopted Accounting Standards

On December 31, 2011, the Company adopted revisions to SSAP No. 5, *Liabilities, Contingencies and Impairments of Assets* (SSAP No. 5R) which require insurance entities to recognize, at inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The revised guidance does not require liability recognition for guarantees made to or on behalf of direct or indirect wholly-owned insurance and non-insurance subsidiaries or for guarantees considered unlimited. The Company also adopted additional revisions related to disclosure requirements of SSAP No. 25, *Accounting for and Disclosures about Transactions with Affiliated and Other Related Parties* to correspond with SSAP No. 5R. The guidance is effective for all guarantees issued or outstanding as of December 31, 2011, and disclosure of all guarantees must be reported annually. Refer to Note 14 for the required disclosures and financial impact of this guidance.

On January 1, 2011, the Company adopted changes to the definition of loan-backed and structured securities within SSAP No. 43R, *Loan-backed and Structured Securities*. These changes required certain securities to be reclassified into the loan-backed and structured securities classification and resulted in an immaterial impact to the Company upon adoption. Refer to Note 5 for required disclosures and financial impact.

On December 31, 2009, the Company adopted temporary guidance in SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*, that requires additional disclosures related to tax planning strategies and provides an election for a qualifying life insurance company to increase within its deferred tax asset admissibility calculation the reversal period from one to three years and its limitation from 10% of statutory capital and surplus to 15%. This guidance is effective for interim and annual reporting periods through December 31, 2011, and will be replaced with the adoption of SSAP No. 101, *Income Taxes*. Refer to Note 9 for the required disclosures and financial impact.

Pending Accounting Standards

On January 1, 2012, the Company adopted a new standard, SSAP No. 101, *Income Taxes*, which supersedes SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies and establishes a new framework for determining the admissibility of deferred tax assets (DTA). The framework sets a three year limit on loss carryback provisions, introduces guardrails for determining the realization period and percentage of capital and surplus companies may use to determine DTA admissibility, and establishes parameters around offsetting DTAs against deferred tax liabilities (DTL) as it relates to the admissibility of a DTA. The standard also adopts new disclosure requirements related to tax planning strategies, the amounts and components used to determine admissible DTA amounts, and information about reasonably possible increases in the total liability for any federal or foreign income tax loss contingencies within twelve months of the reporting date. The Company is currently in the process of determining the impact of adoption of this standard.

Correction of Error

Not applicable.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

1. In 2002, the Company purchased 5.0% of Nationwide Realty Investors, LLC (Nationwide Realty). Nationwide Realty is an Ohio limited liability company engaged in the business of developing, owning and operating real estate investments.
2. The transaction above was accounted for as a statutory purchase.
3. The cost of the Nationwide Realty acquisition was \$18.0 million, resulting in goodwill of \$5.9 million.
4. Goodwill amortization for the year ended December 31, 2011 related to the purchase of Nationwide Realty was \$0.6 million.

NOTES TO FINANCIAL STATEMENTS

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

- 1. There were no new commercial loans originated during 2011. No residential mortgages were loaned during 2011.
- 2. During 2011 the Company did not reduce interest rates on any outstanding loans.
- 3. At December 31, 2011, the maximum percentage of any one loan to the value of collateral at the time of the loan is 83.5%.
- 4. The Company did not hold mortgages with interest 180 days or more past due.
- 5. There were no taxes, assessments or any amounts advanced and not included in the mortgage loan.
- 6. Investments on loans with impairments totaled \$2,035,943 and \$5,524,977 at December 31, 2011 and 2010, respectively, with related allowance for credit losses of \$582,677 and \$1,099,677, respectively.
- 7. There were no impaired mortgage loans without an allowance for credit losses.
- 8. The average investment in impaired loans was \$2,035,943 and \$5,524,977 during 2011 and 2010, respectively.
- 9. There was \$30,769 and \$278,268 interest income recognized during 2011 and 2010, respectively, during the period the loans were impaired.
- 10. There was \$23,131 and \$277,867 interest income recognized during 2011 and 2010, respectively, on a cash basis during the period the loans are impaired.

11. Allowance for Credit Losses	12/31/2011	12/31/2010
a. Balance at beginning of period	\$ 985,674	\$ 935,804
b. Additions charged to operations	\$ 0	\$ 49,870
c. Direct write-downs charged against the allowances	\$ 0	\$ 0
d. Recoveries of amounts previously charged off	\$ (488,220)	\$ 0
e. Balance at end of period	\$ 497,454	\$ 985,674

- 12. 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 received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.

B. Troubled Debt Restructuring for Creditors

- 1. The total recorded investment in restructured loans was \$3,376,545 and \$4,211,661 as of December 31, 2011 and 2010, respectively.
- 2. The realized capital losses related to these loans was \$582,677 and \$0 as of December 31, 2011 and 2010, respectively.
- 3. There were no contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings as of December 31, 2011 and 2010.
- 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 received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

- 1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

NOTES TO FINANCIAL STATEMENTS

2. The following table summarizes by quarter other-than-temporary impairments for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	(1) Amortized Cost Basis Before Other-than- Temporary Impairment	(2) Other-than- Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to Sell	\$ -	\$ -	\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
c. Total 1st Quarter	\$ -	\$ -	\$ -
OTTI recognized 2nd Quarter			
d. Intent to Sell	\$ -	\$ -	\$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
f. Total 2nd Quarter	\$ -	\$ -	\$ -
OTTI recognized 3rd Quarter			
g. Intent to Sell	\$ -	\$ -	\$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
i. Total 3rd Quarter	\$ -	\$ -	\$ -
OTTI recognized 4th Quarter			
j. Intent to Sell	\$ -	\$ -	\$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
l. Total 4th Quarter	\$ -	\$ -	\$ -
m. Annual Aggregate Total		\$ -	

3. The following table summarizes other-than-temporary impairments for loan-backed securities held at the end of the quarter based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

(1) CUSIP	(2) Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other- Than-Temporary Impairment	(5) Amortized Cost After Other-Than- Temporary Impairment	(6) Fair Value at time of OTTI	(7) Date of Financial Statement Where Reported
43739EAP2	\$ 4,184,040	\$ 4,024,868	\$ 159,172	\$ 4,024,868	\$ 2,425,577	Q4'11
12667GAX1	\$ 10,354,862	\$ 10,162,333	\$ 192,529	\$ 10,162,333	\$ 8,177,926	Q2 '11
761118HD3	\$ 4,358,301	\$ 4,012,299	\$ 346,002	\$ 4,012,299	\$ 3,498,380	Q2 '11
86363GAJ3	\$ 2,709,536	\$ 2,627,788	\$ 81,748	\$ 2,627,788	\$ 2,056,382	Q2 '11
43739EAP2	\$ 4,456,318	\$ 4,380,755	\$ 75,563	\$ 4,380,755	\$ 3,447,084	Q1 '11
12667GAX1	\$ 11,489,006	\$ 11,316,152	\$ 172,854	\$ 11,316,152	\$ 8,799,074	Q4 '10
43739EAP2	\$ 4,625,145	\$ 4,521,617	\$ 103,528	\$ 4,521,617	\$ 3,395,115	Q4 '10
74042TAC5	\$ 8,939,392	\$ 8,864,586	\$ 74,806	\$ 8,864,586	\$ 5,424,057	Q3 '10
785778HD6	\$ 1,660,514	\$ 1,608,726	\$ 51,788	\$ 1,608,726	\$ 758,956	Q3 '10
17307GYH5	\$ 6,485,902	\$ 6,032,699	\$ 453,203	\$ 6,032,699	\$ 5,256,058	Q2 '10
12667GYN8	\$ 14,208,403	\$ 13,806,788	\$ 401,615	\$ 13,806,788	\$ 11,325,389	Q1 '10
761118HD3	\$ 4,669,491	\$ 4,482,782	\$ 186,709	\$ 4,482,782	\$ 3,668,275	Q1 '10
12667GYN8	\$ 14,381,599	\$ 14,208,403	\$ 173,196	\$ 14,208,403	\$ 11,250,613	Q4 '09
86363GAJ3	\$ 3,786,928	\$ 3,525,759	\$ 261,169	\$ 3,525,759	\$ 2,359,016	Q4 '09
12667GAX1	\$ 15,611,598	\$ 15,115,896	\$ 495,703	\$ 15,115,896	\$ 10,804,631	Q3 '09
12668AC8	\$ 1,698,091	\$ 2,268,179	\$ (570,088)	\$ 2,268,179	\$ 2,178,721	Q3 '09
59549RAC8	\$ 5,807,307	\$ 5,169,950	\$ 637,357	\$ 5,169,950	\$ 4,995,475	Q3 '09
74042TAC5	\$ 9,499,020	\$ 8,939,392	\$ 559,629	\$ 8,939,392	\$ 4,201,091	Q3 '09
89234NAB6	\$ 1,216,000	\$ 3,068,465	\$ (1,852,465)	\$ 3,068,465	\$ 1,200,778	Q3 '09
144527AB4	\$ 6,205,000	\$ 9,996,975	\$ (3,791,975)	\$ 9,996,975	\$ 4,763,699	Q3 '09
761118HD3	\$ 2,232,500	\$ 4,669,491	\$ (2,436,991)	\$ 4,669,491	\$ 3,635,050	Q3 '09
Total			\$ (4,224,949)			

NOTES TO FINANCIAL STATEMENTS

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:		
1.	Less than 12 Months	\$ (1,816,380)
2.	12 Months or Longer	\$ (28,499,754)
b. The aggregate related fair value of securities with unrealized losses:		
1.	Less than 12 Months	\$ 32,012,197
2.	12 Months or Longer	\$ 107,336,254

5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Repurchase Agreements and Securities Lending Transactions

1. Repurchase Agreements:

For repurchase agreements, Company policy requires a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in aggregate write-ins for liabilities. There were no open repurchase agreements as of year end.

Securities Lending:

The Company's securities lending agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral.

2. No assets were pledged as collateral as of year-end.
3. The Company has not accepted collateral that is permitted by contract or custom to sell or repledge as of year-end.
- a. The Company's securities lending agreement allows the borrower to terminate a loan upon demand. The Company's obligation for cash collateral received was \$25,021,328 at December 31, 2011 and is carried as a "Payable for securities lending" on the balance sheet. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2011.
- b. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included as assets of the Company (Schedule DL). The fair value of reinvested cash collateral is \$16,087,212 at December 31, 2011.
- c. Cash collateral provided by approved borrowers is reinvested by the Company's agent bank during the term of the loan and returned to the borrower upon a loan's termination.
4. The Company did not have any securities lending activities with an affiliated agent.
- 5 a. The amortized cost and fair value of reinvested cash collateral is \$23,603,181 and \$16,087,212, respectively, as of December 31, 2011.

	Amortized Cost	Fair Value
Under 30 day	\$ 4,079,798	\$ 4,079,798
60-day		
90-day		
120-day		
180-day		
<1Year	16,863,009	10,661,882
1-2 Years		
2-3 Years		
>3 Years	2,660,374	1,345,532
	\$ 23,603,181	\$ 16,087,212

- b. In accordance with the securities lending investment policy, reinvestments of cash collateral cannot exceed 3 years in maturity. Because the borrower or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

F. Real Estate

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

NOTES TO FINANCIAL STATEMENTS

G. Low-Income Housing Tax Credits

1. The number of remaining years of unexpired tax credits and required holding period for the Company's LIHTC investments.

Low-Income Housing Tax Credits	Remaining years	Holding Period
Commons at Grant LLC	2	2018
Nationwide Affordable Housing Fund II	5	2016
Nationwide Affordable Housing Fund III	2	2017
Nationwide Affordable Housing Fund XI - NCD	4	2020
Ohio Equity Fund XI	6	2019
Ohio Equity Fund XII	4	2020
Ohio Equity Fund XIII	6	2021
Texas Housing Fund (FKA Nationwide Affordable Housing Fund I)	1	2015

2. The Company's investments in LIHTC are made up of several property investments which are subject to periodic reviews by HUD (if applicable) and state housing agencies. The Company receives updates from property managers as to the status of any regulatory review and investigates further as needed.
3. LIHTC investments exceeding 10 percent of the total admitted assets
- Not Applicable.
4. Analysis is done for LIHTC investments to determine if an impairment exists by comparing the book value of the investment with the present value of future tax benefits. The investment is written down if the book value is higher than the present value and the write-down is accounted for as a realized loss. For 2011, there were no impairments on a Statutory basis.
5. In 2011, there were no write-downs due to forfeiture or ineligibility.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. Detail for Those Greater than 10% of Admitted Assets
- Not applicable.
- B. Write-downs for Impairments
- Not applicable.

Note 7 - Investment Income

- A. Accrued Investment Income
- The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.
- B. Amounts Nonadmitted
- The total amount of investment income nonadmitted at December 31, 2011 is \$14,410.

Note 8 - Derivative Instruments

The Company is exposed to certain risks relating to its ongoing business operations which are managed using derivative instruments. The primary risk managed by using derivative instruments is foreign currency exchange risk. The Company uses cross currency swaps to hedge this risk. The Company also uses credit default swap contracts to synthetically replicate investment risks and returns.

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. Potential losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, and collateral agreements.

The cash requirements of a derivative will vary by contract. In a cross currency swap, notional amounts are typically exchanged in the respective contracted currencies at both settlement date and at expiration. Interest payments are also exchanged in the contracted currencies, timing and amounts. In a credit default swap, where protection is sold on a single-name entity, periodic payments are received by the Company in exchange for promised credit protection on a referenced security. If there is a credit event declared by the International Swap Dealers Association on the referenced security, settlement of the credit default swap would be triggered and cash would be paid to the counterparty in the amount of the contract notional less a recovery rate.

Foreign currency risk management: As part of its regular investing activities, the Company may purchase foreign currency denominated investments. These investments and the associated income expose the Company to volatility associated with movements in foreign exchange rates. In an effort to mitigate this risk, the Company uses cross-currency swaps. As foreign exchange rates change, the increase or decrease in the cash flows of the derivative instrument generally offset the changes in the functional-currency equivalent cash flows of the hedged item.

Asset replication strategy: The Company enters into credit default swaps to synthetically create investments as a less expensive alternative to the cash markets. The structure includes a highly rated cash instrument together with selling protection on a single-name entity. The strategy gains the Company exposure to a risk-free rate of return plus the credit spread return from the credit protection, synthesizing an otherwise permissible investment in a fixed income corporate bond.

Derivative instruments cash flows and payment accruals are recorded in net investment income.

Fair value of derivative instruments is determined using various valuation techniques relying predominately on observable market inputs. These inputs include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels. In some cases, the Company will utilize non-binding broker quotes to determine fair value.

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with changes in fair value recorded in surplus as unrealized gains or losses.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

NOTES TO FINANCIAL STATEMENTS

No gain or loss recognized in derivative instruments' unrealized gains or losses during the year were excluded from the assessment of hedge effectiveness. There is also no net gain or loss recognized during the year resulting from derivatives that no longer qualify for hedge accounting. In addition, no amounts of gains or losses were classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transaction would occur as anticipated.

The Company is not currently engaged in written covered options used for income generation or derivatives accounted for as cash flow hedges of a forecasted transaction, other than the payment of variable interest on existing financial instruments.

Note 9 - Income Taxes

A. The net deferred tax asset/(liability) at December 31 and the change from the prior year are comprised of the following components:

	12/31/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(1a) Gross deferred tax assets	43,155,581	27,864,051	71,019,632	42,154,249	20,083,190	62,237,439	1,001,332	7,780,861	8,782,193
(1b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(1c) Adjusted gross deferred tax assets	43,155,581	27,864,051	71,019,632	42,154,249	20,083,190	62,237,439	1,001,332	7,780,861	8,782,193
(2) Total deferred tax liabilities	235,955	6,813,029	7,048,984	573,690	6,254,094	6,827,784	(337,735)	558,935	221,200
(3) Net deferred tax asset (liability)	42,919,626	21,051,022	63,970,648	41,580,559	13,829,096	55,409,655	1,339,067	7,221,926	8,560,993
(4) Deferred tax assets nonadmitted	33,840,113	17,403,629	51,243,742	28,968,361	9,630,665	38,599,026	4,871,752	7,772,964	12,644,716
(5) Net admitted deferred tax asset (liability)	\$ 9,079,513	\$ 3,647,393	\$ 12,726,906	\$ 12,612,198	\$ 4,198,431	\$ 16,810,629	\$ (3,532,685)	\$ (551,038)	\$ (4,083,723)

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	12/31/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(6) Net deferred tax asset (liability)	42,919,626	21,051,022	63,970,648	41,580,559	13,829,096	55,409,655	1,339,067	7,221,926	8,560,993
(7) Tax-effect of unrealized gains and losses	(618,090)	(6,941,097)	(7,559,187)	-	(6,629,983)	(6,629,983)	(618,090)	(311,114)	(929,204)
(8) Prior period adjustment	-	-	-	-	-	-	-	-	-
(9) Net tax effect without unrealized gains and losses and prior period adjustment	\$ 43,537,716	\$ 27,992,119	\$ 71,529,835	\$ 41,580,559	\$ 20,459,079	\$ 62,039,638	\$ 1,957,157	\$ 7,533,040	\$ 9,490,197
(10) Change in deferred income tax									\$ 9,490,197

(11) The Company has not elected to admit deferred tax assets pursuant to SSAP No. 10R, paragraph 10e for the reporting period 2011 and 2010.

(12) Admission Calculation Components - SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

	12/31/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, Paragraph 10.a.	-	-	-	7,747,656	-	7,747,656	(7,747,656)	-	(7,747,656)
SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	9,079,513	3,647,393	12,726,906	4,864,542	4,198,431	9,062,973	4,214,971	(551,038)	3,663,933
SSAP No. 10R, Paragraph 10.b.i.	9,079,513	3,647,393	12,726,906	4,864,542	4,198,431	9,062,973	4,214,971	(551,038)	3,663,933
SSAP No. 10R, Paragraph 10.b.ii.	-	-	114,213,018	-	-	101,657,890	-	-	12,555,128
Paragraph 10.c	235,955	6,813,029	7,048,984	573,690	6,254,094	6,827,784	(337,735)	558,935	221,200
Total	\$ 9,315,468	\$ 10,460,422	\$ 19,775,890	\$ 13,185,888	\$ 10,452,525	\$ 23,638,413	\$ (3,870,420)	\$ 7,897	\$ (3,862,523)

Admission Calculation Components - SSAP No. 10R, Paragraph 10.e.:

SSAP No. 10R, Paragraph 10e.i.	-	-	-	-	-	-	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.	-	-	-	-	-	-	-	-	-
(the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	-	-	-	-	-	-	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.b.	-	-	-	-	-	-	-	-	-
Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Used in SSAP No. 10R, Paragraph 10.d.									
Total Adjusted Capital			\$ -			\$ -			\$ -
Authorized Control Level			\$ -			\$ -			\$ -

	12/31/2011			12/31/2010			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Impact of Tax Planning Strategies									
Adjusted Gross DTAs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Admitted Adjusted Gross DTAs	0.00%	28.66%	28.66%	0.00%	24.97%	24.97%	0.00%	3.69%	3.69%
(14) Risk Based Capital Summary									
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted DTAs	-	-	\$ -	-	-	\$ -	-	-	\$ -
Admitted assets	-	-	\$ -	-	-	\$ -	-	-	\$ -
Adjusted Statutory surplus	-	-	\$ -	-	-	\$ -	-	-	\$ -
Total adjusted capital from DTAs	-	-	\$ -	-	-	\$ -	-	-	\$ -
Increases due to SSAP No. 10R, Paragraph 10e.:									
Admitted DTAs	-	-	\$ -	-	-	\$ -	-	-	\$ -
Admitted assets	-	-	\$ -	-	-	\$ -	-	-	\$ -
Statutory surplus	-	-	\$ -	-	-	\$ -	-	-	\$ -

B. Unrecognized deferred tax liabilities

(1) There are no temporary differences for which deferred tax liabilities are not recognized.

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

	12/31/2011	12/31/2010	Change
(1) Federal	37,821,058	9,495,327	28,325,731
(2) Foreign Tax	9,240	7,747	1,493
Subtotal	\$ 37,830,298	\$ 9,503,074	\$ 28,327,224
(3) Federal income tax on net capital gains	3,744,200	618,793	3,125,407
(4) Utilization of capital loss carry-forwards	-	-	-
(5) Other	-	-	-
(6) Federal and foreign income taxes incurred	\$ 41,574,498	\$ 10,121,867	\$ 31,452,631

Deferred income tax assets and liabilities consist of the following major components:

	12/31/2011	12/31/2010	Change
Deferred Tax Assets			
a) Ordinary			
1) Discounting of unpaid losses	24,702,468	28,337,690	(3,635,222)
2) Unearned premium reserve	4,351	10,503	(6,152)
3) Policyholder reserves	-	-	-
4) Investments	3,710,484	1,912,313	1,798,171
5) Deferred acquisition costs	-	-	-
6) Policyholder dividends accrual	-	-	-
7) Fixed assets	-	-	-
8) Compensation and benefits accrual	-	-	-
9) Pension accrual	219,735	38,527	181,208
10) Receivables - nonadmitted	9,641,512	8,463,096	1,178,416
11) Net operating loss carry-forward	-	-	-
12) Tax credit carry-forward	4,121,921	2,716,736	1,405,185
13) Non-admitted miscellaneous	-	-	-
14) Other liabilities	-	-	-
15) Intangibles	-	-	-
16) Non-admitted premiums and agent bal	755,110	675,384	79,726
17) Other	-	-	-
Subtotal	\$ 43,155,581	\$ 42,154,249	\$ 1,001,332

NOTES TO FINANCIAL STATEMENTS

b) Statutory valuation allowance adjustment	\$	-	\$	-	\$	-
c) Nonadmitted	\$	33,840,113	\$	28,968,361	\$	4,871,752
d) Admitted ordinary deferred tax assets	\$	9,315,468	\$	13,185,888	\$	(3,870,420)
e) Capital						
1) Investments		27,724,870		19,855,949		7,868,921
2) Net capital loss carry-forward		139,181		227,241		(88,060)
3) Real estate		-		-		-
4) Other		-		-		-
Subtotal	\$	27,864,051	\$	20,083,190	\$	7,780,861
f) Statutory valuation allowance adjustment	\$	-	\$	-	\$	-
g) Nonadmitted	\$	17,403,629	\$	9,630,665	\$	7,772,964
h) Admitted capital deferred tax assets	\$	10,460,422	\$	10,452,525	\$	7,897
i) Admitted deferred tax assets	\$	19,775,890	\$	23,638,413	\$	(3,862,523)
Deferred Tax Liabilities						
a) Ordinary						
1) Investments		-		231,713		(231,713)
2) Fixed assets		-		-		-
3) Deferred and uncollected premiums		-		-		-
4) Policyholder reserves		-		-		-
5) Pension accrual		-		-		-
6) Guaranty assessments		-		-		-
7) Unearned surcharge income		-		-		-
8) Prepaid expenses		-		-		-
9) Surplus note interest accrual		-		-		-
10) Section 338 gain		-		-		-
11) Unrealized miscellaneous		235,955		341,976		(106,021)
12) Other		-		-		-
Subtotal	\$	235,955	\$	573,690	\$	(337,734)
b) Capital						
1) Investments		6,813,029		6,254,095		558,934
2) Real estate		-		-		-
3) Other		-		-		-
Subtotal	\$	6,813,029	\$	6,254,095	\$	558,934
c) Deferred tax liabilities	\$	7,048,984	\$	6,827,785	\$	221,200
Net deferred tax assets/liabilities	\$	12,726,906	\$	16,810,629	\$	(4,083,723)

The Company's gross deferred tax assets based on the weight of available evidence are more likely than not to be realized (a likelihood of more than 50 percent)

D. The income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before tax as follows:

	12/31/2011	12/31/2010
(1) Current income taxes incurred	41,574,498	10,121,867
(2) Change in deferred income tax (without tax on unrealized gains and losses)	(9,490,197)	(5,951,289)
(3) Total income tax reported	\$ 32,084,301	\$ 4,170,578
(4) Income before taxes	\$ 142,601,006	\$ 67,739,427
(5) Expected income tax expense (benefit) at 35% statutory rate	35%	35%
	\$ 49,910,352	\$ 23,708,799
(6) Increase (decrease) in actual tax reported resulting from:		
a. Dividends received deduction	-	(174,931)
b. Nondeductible expenses for meals, penalties, and lobbying	8,979	10,942
c. Tax-exempt income	(15,364,499)	(16,547,572)
d. Deferred tax benefit on nonadmitted assets	(1,306,677)	(1,167,870)
e. Change in Statutory valuation allowance adjustment	-	-
f. Change in tax reserves	329,935	(46,282)
g. Intangibles	-	-
h. Tax credits	(1,316,758)	(1,407,292)
i. Other	(177,031)	(205,216)
(7) Total income tax reported	\$ 32,084,301	\$ 4,170,578

E. Operating loss carryforward

(1) As of December 31, operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards			
Amount of AMT tax credits			
Business credits	\$ 1,405,914	2009	2029
Business credits	\$ 1,405,219	2010	2030
Business credits	\$ 1,310,788	2011	2031

(2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

2011	\$	-
2010	\$	-

F. Consolidated federal income tax return

- (1) The Company's federal income tax return is consolidated with the following entities:

AGMC Reinsurance, Ltd.

Allied General Agency Company

Allied Group, Inc.

Allied Insurance Company of America

Allied Property and Casualty Insurance Company

Allied Texas Agency, Inc.

AMCO Insurance Company

American Marine Underwriters, Inc.

Crestbrook Insurance Company

Depositors Insurance Company

DVM Insurance Agency, Inc.

Freedom Specialty Insurance Company

Insurance Intermediaries, Inc.

Lone Star General Agency, Inc.

National Casualty Company

Nationwide Advantage Mortgage Company

Nationwide Affinity Insurance Company of America

Nationwide Agribusiness Insurance Company

Nationwide Assurance Company

Nationwide Bank
- Nationwide Retirement Solutions, Inc. of Ohio

Nationwide Retirement Solutions, Inc. of Texas

Nationwide Retirement Solutions Insurance Agency, Inc.

Nationwide SA Capital Trust

Nationwide Sales Solutions, Inc.

NFS Distributors, Inc.

NWD Asset Management Holdings, Inc.

NWD Investment Management, Inc.

NWD Management & Research Trust

Pension Associates, Inc.

Pet Healthcare Services, Inc.

Premier Agency, Inc.

Provfirst America Corporation

Provident Mutual Holding Company

Registered Investment Advisors Services, Inc.

Riverview International Group, Inc.

Scottsdale Indemnity Company

Scottsdale Insurance Company

Scottsdale Surplus Lines Insurance Company

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Nationwide Cash Management Company	THI Holdings (Delaware), Inc.
Nationwide Corporation	Titan Auto Insurance of New Mexico, Inc.
Nationwide Financial General Agency, Inc.	Titan Indemnity Company
Nationwide Financial Institution Distribution Agency, Inc.	Titan Insurance Company
Nationwide Financial Services, Inc.	Titan Insurance Services, Inc.
Nationwide General Insurance Company	V.P.I. Services, Inc.
Nationwide Global Holdings, Inc.	Veterinary Pet Insurance Company
Nationwide Global Ventures, Inc.	Veterinary Pet Insurance Services, Inc.
Nationwide Indemnity Company	Victoria Automobile Insurance Company
Nationwide Insurance Company of America	Victoria Fire & Casualty Company
Nationwide Insurance Company of Florida	Victoria National Insurance Company
Nationwide Lloyds	Victoria Select Insurance Company
Nationwide Mutual Insurance Company	Victoria Specialty Insurance Company
Nationwide Property and Casualty Ins. Company	WI of Florida, Inc.
Nationwide Retirement Solutions, Inc.	Western Heritage Insurance Company
Nationwide Retirement Solutions, Inc. of Arizona	Whitehall Holdings, Inc.

2. The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the company being reimbursed for the actual Federal income tax benefit of its net operating losses which are actually used to reduce the taxable income of other companies in the consolidated return.
3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

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

A. Nature of Relationships

The Company is domiciled in Ohio and is licensed as a reinsurer in Illinois, Iowa and Ohio and qualified in New York and Wisconsin. The Company had provided excess of loss and catastrophe coverages for certain affiliated companies, as well as assuming certain retroceded reinsurance from its parent, Mutual. In addition, on December 31, 1998, the Company assumed loss and loss adjustment expense reserves from both Mutual and Employers Insurance of Wausau (a mutual company) (EIOW), a former affiliate, and certain of EIOW's affiliated property and casualty companies. The Company is principally used to process runoff lines of business and therefore generates little premium. The Company is subject to regulation by the insurance departments of states in which it is licensed and undergoes period examinations by those departments.

All outstanding shares of the Company are owned by Mutual, domiciled in the State of Ohio.

Bonds and stocks, if any, owned, acquired or disposed of in any year by the Company in any subsidiary or affiliate are set forth in Schedule D of either this statement or those of prior years. Intercompany relationships and specific holdings are detailed in the Nationwide Corporate Organizational Chart, which appears as Schedule Y of this statement.

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of the Company, under which NCMC acts as a common agent in handling the purchases and sales of short-term securities for the respective accounts of the participants. Amounts on deposit with NCMC were \$833.7 thousand and \$110.1 million as of December 31, 2011 and 2010, respectively, and are included in short-term investments on the accompanying statutory statements of admitted assets, liabilities, capital and surplus.

B. Detail of Transactions Greater than ½ % of Admitted Assets

On January 21, February 28, May 6, June 17, September 30, and October 28, 2011 the Company made \$250 thousand capital contributions to Nationwide Realty Investors. On September 1 and September 15, 2011 the Company made \$100 thousand and \$500 thousand capital contributions, respectively, to Nationwide Realty Investors.

On March 31, April 30, May 26 and August 31, 2010 the Company made \$250 thousand, \$250 thousand, \$750 thousand, and \$400 thousand capital contributions, respectively to Nationwide Realty Investors, Ltd. (NRI), an affiliated company.

C. Change in Terms of Intercompany Arrangements

There were no changes to the intercompany arrangements in 2011 or 2010.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its parent and affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The Company reported \$371.0 thousand due from parent and \$308.3 thousand due to parent at December 31, 2011 and 2010, respectively. The Company reported gross amounts of \$379.4 thousand and \$167.4 thousand due from parent and affiliates and \$0 and \$336.8 thousand due to parent and affiliates at December 31, 2011 and 2010, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

The Company has no guarantees or contingent commitments to affiliates other than indicated in Note 14 A.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company shares its home office, other facilities, equipment, and common management and administrative services with its subsidiaries and affiliates. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC's statutory accounting practices and procedures. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, the number of full-time employees, and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis.

NOTES TO FINANCIAL STATEMENTS

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

Not applicable.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Not applicable.

Note 11 - Debt

A. All Other Debt

Not applicable.

B. Funding Agreements with Federal Home Loan Bank (FHLB)

Not applicable.

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

A. Defined Benefit Plans

The Company participates in a qualified defined benefit pension plan and a nonqualified defined benefit supplemental executive retirement plan sponsored by the Company. The qualified plan covers all employees of participating companies who have completed at least one year of service. Plan assets are invested in a third party trust and in group annuity contracts issued by NLIC. All participants are eligible for benefits based on an account balance feature. Participants hired prior to 2002 who are least 21 years of age are eligible for benefits based on the highest average annual salary of a specified number of consecutive years of the last ten years of service, if such benefits are of greater value than the account balance feature. The Company funds pension costs accrued for direct employees plus an allocation of pension costs accrued for employees of affiliates whose work benefits the Company. The nonqualified plan covers certain executives with at least one year of service.

On November 10, 2009, the Company announced changes to the NRP. Effective January 1, 2010, the Company-paid early retirement enhancement, which is part of the final average pay formula, will be eliminated. Currently this enhancement provides an additional benefit for associates retiring between ages 55 and 65. In addition, pay credits under the account balance formula will stop. These changes affect associates eligible to receive the benefit based on the greater of the final average pay formula or the account balance formula. Affected associates' benefits cannot be less than the NRP benefit they have already received.

Pension costs charged to operations by the Company were \$226.4 thousand and \$309.3 thousand for the years ended December 31, 2011 and 2010, respectively. The Company recorded a prepaid pension asset of \$2.0 million for the years ended December 31, 2011 and 2010.

The Pension Plan as a whole reported a pension benefit obligation for non-vested employees of \$6.0 million and \$8.9 million for the years ended December 31, 2011 and 2010, respectively.

The Company sponsors life and health care defined benefit plans for qualifying retirees. Postretirement life and health care benefits are contributory and generally available to full time employees, hired prior to June 1, 2000, who have attained age 55 and have accumulated 15 years of service with the Company after reaching age 40. The employee subsidy for the postretirement death benefit was capped beginning in 2007. Postretirement health care benefit contributions are adjusted annually and contain cost-sharing features such as deductibles and coinsurance. In addition, there are caps on the Company's portion of the per-participant cost of the postretirement health care benefits. The Company does not receive a Medicare Part D subsidy from the government. The Company's policy is to fund the cost of health care benefits in amounts determined at the discretion of management. Plan assets are invested in a group annuity contract issued by NLIC and a third party trust.

Effective January 1, 2010, all non-highly compensated employees (NHCE) as defined by IRC 414 will become eligible to receive an annual health care credit up to a maximum of \$1,000 per year, not to exceed a maximum lifetime benefit of \$25,000. The contribution will be a match of 33% of the NHCE's otherwise unmatched savings account or 401(a) contributions. No contributions will be made by the Company if the employee does not make eligible contributions.

The Company's net periodic postretirement benefit costs (NPPBC) were \$(7.4) thousand and \$(2.3) thousand for the years ended December 31, 2011 and 2010, respectively. The Company recorded a prepaid postretirement asset of \$(54.7) thousand asset for the years ended December 31, 2011 and 2010.

The Postretirement Plan's benefit obligation for non-vested employees was \$107.7 million and \$92.5 million for the years ended December 31, 2011 and 2010, respectively.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes benefit obligations, the fair value of plan assets, funded status and net periodic benefit cost of the pension plan and postretirement benefit plans as a whole at December 31, 2011 and 2010:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
1. Change in benefit obligation:				
a. Benefit obligation at beginning of year ¹	\$3,467,531,752	\$3,114,222,167	\$182,423,752	\$203,065,361
b. Service cost	118,815,384	108,489,513	12,149,034	12,815,714
c. Interest cost	183,334,210	180,126,612	8,945,683	9,108,577
d. Contribution by plan participants	0	0	0	0
e. Actuarial (gain) loss	695,679,768	233,348,094	16,971,883	(27,248,328)
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(174,895,709)	(168,654,634)	(16,852,262)	(15,317,572)
h. Plan amendments ¹	0	0	0	0
i. Plan curtailment	0	0	0	0
j. Acquisition	0	0	0	0
k. Benefit obligation at end of year	\$4,290,465,405	\$3,467,531,752	\$203,638,090	\$182,423,752
2. Change in plan assets				
a. Fair value of plan assets at beginning of year	\$3,592,854,590	\$3,440,968,388	\$156,288,728	\$146,224,179
b. Actual return on plan assets	491,181,502	306,681,818	6,196,802	10,064,549
c. Foreign currency exchange rate changes	0	0	0	0
d. Employer contribution	17,671,386	13,859,018	16,852,262	15,317,573
e. Plan participant's contributions	0	0	5,183,175	0
f. Benefits paid	(174,895,709)	(168,654,634)	(22,035,437)	(15,317,572)
g. Plan curtailment	0	0	0	0
h. Fair value of plan assets at end of year	\$3,926,811,769	\$3,592,854,590	\$162,485,530	\$156,288,728
3. Funded status	\$(363,653,636)	\$125,322,838	\$(41,152,560)	\$(26,135,024)
a. Unamortized prior service cost	(142,763,703)	(159,226,852)	(7,591,982)	(9,258,029)
b. Unrecognized net (gain) or loss	574,034,585	151,006,924	59,054,183	39,698,635
c. Remaining net obligation or (net asset) at initial date of application	(27,793,626)	(2,748,415)	0	0
d. Prepaid assets or (accrued liabilities)	\$39,823,620	\$114,354,495	\$10,309,641	\$4,305,582
e. Intangible asset	0	0	N/A	N/A
4. Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	\$3,797,507,482	\$3,093,646,043	N/A	N/A
5. Benefit obligation for non-vested employees				
a. Projected benefit obligation	\$6,004,702	\$8,853,933	\$107,740,462	\$92,474,142
b. Accumulated benefit obligation	3,086,304	16,555,613	N/A	N/A
6. Components of net periodic benefit cost				
a. Service cost	\$118,815,384	\$108,489,513	\$12,149,034	\$12,815,714
b. Interest cost	183,334,210	180,126,612	8,945,683	9,108,577
c. Expected return on plan assets	(218,960,167)	(204,470,254)	(9,766,851)	(9,139,011)
d. Amortization of incremental asset	0	(7,829,496)	0	0
e. Amount of recognized (gains) and losses	430,772	0	1,186,384	907,018
f. Amount of prior service cost recognized	(16,463,149)	(16,463,149)	(1,666,047)	(1,666,047)
g. Amount of recognized (gain) or loss due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost	\$67,157,050	\$59,853,226	\$10,848,203	\$12,026,251

The Prior Service Cost Base established December 31, 2007 and 2006 reflects the enactment of the Pension Protection Act of 2006 on August 17, 2006. The Act provides for EGTRRA Permanence, the permanent increase in the covered pension compensation for qualified pension plans, and the three year cliff vesting for pension plans with hybrid formula features. The Act has no impact on the projected benefit obligation for the years ended December 31, 2011 and 2010.

7. A minimum pension liability is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The Company recorded a minimum pension liability of \$27.8 million and \$2.8 million as of December 31, 2011 and 2010 , respectively.
8. The following table is the basis of measurement for plan liabilities and is relevant for items 1-4 above:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Weighted-average assumptions as of December 31,				
a. Weighted average discount rate	4.35%	5.50%	4.05%	5.15%
b. Rate of increase in future compensation levels	Age Graded	Age Graded	Age Graded	Age Graded
c. Assumed health care cost trend rate:				
Initial rate	-	-	8.25%	8.50%
Ultimate	-	-	5.00%	5.00%
Declining period	-	-	14 Years	15 Years

NOTES TO FINANCIAL STATEMENTS

The following table is the basis of measurement for net periodic pension and post retirement costs and is relevant for item 5 above:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
a. Weighted average discount rate	5.50%	5.95%	5.15%	5.70%
b. Rate of increase in future compensation levels	Age Graded	Age Graded	Age Graded	Age Graded
c. Expected long-term rate of return on plan assets	6.25%	6.25%	6.25%	6.25%

The Aged Graded rate of increase in future compensation levels was developed in 2009 based on actual experience from 2003 through 2008. The rates range from 11% to 4% based on age of the employee.

In determining the discount rate assumptions, the Company matches projected benefit payments to published market yields as of December 31.

The expected long-term rate of return on plan assets assumption is the long-term rate the Company expects to be earned based on the plans' investment strategies. The Company employs a prospective building block approach in determining its assumptions, which may vary by plan and may change when the target investment portfolio changes. In this approach, historical and expected future returns of multiple asset classes were analyzed to develop an expected rate of return, considering expected risk free rates of return and risk premiums. The Company uses the internal Capital Market Expectations (CME) report that is based upon the strategic asset allocation of the plan assets. The long-term rate of return on plan assets that is derived from the CME will be compared to external benchmarks to ensure it is reasonable and then will be rounded to the nearest quarter percent. Given the prospective nature of this calculation, short-term fluctuations in the market do not impact the expected risk premiums and the expected rate of return on plan assets.

9. Nationwide uses December 31 as the measurement date.
10. The following table shows the assumed health care cost trend rates for postretirement benefits other than pension:

	2011	2010
Initial rate	8.50%	8.75%
Ultimate rate	5.00%	5.00%
Declining rate	14 years	15 years

11. As a result of the 2004 postretirement health plan change, the effect of a one percentage point change in the trend assumption on the accumulated postretirement benefit obligation (APBO) as a whole was not material as of December 31, 2011 and 2010 due to the plan caps.
12. The following table shows the asset allocation for the pension plan at the end of 2011 and 2010 by asset category:

13.	Target Allocation Percentage	Percentage of plan assets	
		2011	2010
Asset Category:			
Equity securities	19%	6%	19%
Debt securities	76%	81%	74%
Other	5%	13%	7%
Total	100%	100%	100%

The pension plans employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. Plan language requires investment of a portion of assets in a group annuity contract backed by fixed investments with an interest rate guarantee to match liabilities for specific classes of retirees. On a periodic basis, the portfolio is analyzed to establish the optimal mix of assets given current market conditions and risk tolerance. Derivatives may be utilized for management of market risk exposures when they provide a more efficient alternative to cash market transactions.

The following table shows the asset allocation for the postretirement benefit plan at the end of 2011 and 2010 by asset category:

	Target Allocation Percentage	Percentage of plan assets	
		2011	2010
Asset Category:			
Equity securities	40%	37%	56%
Debt securities	60%	63%	44%
Other	0%	0%	0%
Total	100%	100%	100%

The postretirement benefit plan employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. Plan investments for retiree life insurance benefits include a retiree life insurance contract issued by NLIC. Plan investments for retiree medical liabilities include both a group annuity contract issued by NLIC, backed by fixed investments with an interest rate guarantee, and a third-party trust. The investment mix is measured and monitored on an ongoing basis through regular investment reviews, annual liability measurements, and periodic asset/liability studies.

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NOTES TO FINANCIAL STATEMENTS

13. The following table shows benefits expected to be paid in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter:

	Pension Benefits	Postretirement Benefits
2012	\$ 186,903,871	\$ 17,414,409
2013	189,405,599	17,870,018
2014	193,396,094	18,378,124
2015	196,880,412	18,956,610
2016	202,696,853	19,316,473
2017-2021	1,139,473,687	98,458,718

14. The Company expects to contribute \$14.2 million to the non-qualified pension plan and \$17.4 million to the postretirement benefit plan in 2012. The Company does not have a required minimum funding contribution for the NRP and as of this date, has not determined the amount of any contribution.

15. Plan assets are invested in a trust with The Bank of New York Mellon as the custodian and trustee and a group annuity contract issued by Nationwide Life Insurance Company.

16. Not applicable.

17. Not applicable.

18. Not applicable.

19. Not applicable.

B. Defined Contribution Plans

The Company, together with other affiliated companies, participates in a defined contribution retirement savings plan (401(k) and PPP) covering substantially all employees. Employees make salary deferral contributions of up to 80%. Salary deferrals of up to 6% are subject to a 50% company match. The Company match is funded on a biweekly basis and the expense of such contributions are allocated to the Company based on employee contributions. For the Plan as a whole, the expense was \$57.7 million and \$57.6 million for 2011 and 2010, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) (\$16,500 in 2011 and 2010, respectively). Other limits also apply.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in non-qualified deferred compensation and defined benefit arrangements for certain employees and agents. Expenses are allocated to the Company based on individual participants. Total Plan liabilities for non-qualified deferred compensation plans were \$246.3 million and \$250.1 million on December 31, 2011 and December 31, 2010, respectively. Total Plan liabilities for non-qualified defined benefit plans were \$270.9 million and \$248.8 million on December 31, 2011 and December 31, 2010, respectively. Total expense related to the non-qualified benefit plans was \$17.3 million and \$17.1 million for years ended December 31, 2011 and 2010, respectively.

The ASCP is a non-qualified, unfunded deferred compensation program available to eligible agents. The designated agents covered by the ASCP are not employees of the Company, but they are independent contractors exclusively representing the Company in the sale of insurance and related products. Accordingly, the Company believes it is appropriate to apply the concepts of SSAP No. 89, *Accounting for Pensions, A Replacement of SSAP No. 8*, by analogy to the ASCP.

Total liabilities related to the ASCP were \$1,134.9 million and \$1,316.9 million at December 31, 2011 and 2010, respectively. Total expense recorded for this program was \$109.3 million and \$122.9 million for the years ended December 31, 2011 and 2010, respectively.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

In 2004 the postretirement medical plan was amended to reflect the provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act), which was signed into law on December 8, 2003. The amendment integrates prescription drug benefits with the coverage provisions provided in the Act. The impact of the amendment is reflected in the accumulated postretirement benefit obligations beginning December 31, 2004. The one time expense impact of the Act was a \$2.0 million decrease for 2005.

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

A. Outstanding Shares

The Company has 50,000 shares of \$110 par value stock authorized and 28,000 shares issued and outstanding.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Dividend Restrictions

The maximum amount of dividends which can be paid to shareholders by a State of Ohio domiciled insurance company without prior approval of the Director of Insurance is limited to, together with that of other dividends or distributions made within the preceding 12 months, the greater of either 10% of surplus as regards policyholders as of the preceding December 31, or the net income of the previous calendar year. Additionally, any dividend or distribution paid from other than earned surplus shall require prior approval of the Director of Insurance. Subject to applicable regulatory approval(s), dividends are paid as determined by the insurer's board of directors.

NOTES TO FINANCIAL STATEMENTS

D. Dividends Paid

On December 16, 2011, the Company paid extraordinary dividends of \$60 million to Nationwide Mutual Insurance Company.

E. Profits Available for Ordinary Dividends

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

F. Restrictions on Surplus

There is no restriction on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

G. Advances to Surplus Not Repaid

Not applicable.

H. Stock Held by Company for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

There was a \$0.5 million decrease in special surplus funds from \$10.4 million in 2010 to \$9.9 million in 2011. This special surplus fund was established to comply with the European Union Insurance Directive 1. The Company reinsures business out of the London market that requires compliance with the regulations of the European Union. The decrease is due to the total deficit for the three companies from whom the Company assumed business declining slightly during 2010 and the strengthening of the U.S. dollar against the British pound sterling.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$54,173,432 less applicable deferred taxes of \$7,559,188, for a net unrealized capital gain of \$46,614,244.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

Note 14 – Contingencies

A. Contingent Commitments

At December 31, 2011, the Company has unfunded commitments of \$0.9 million related to its investments in limited partnerships and limited liability companies and \$0 related to commercial mortgage loans.

As indicated in Note 10 E, the Company has made no guarantees on behalf of affiliates.

B. Guaranty Fund and Other Assessments

Not applicable.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligations and bad Faith Losses Stemming From Lawsuits

Not applicable.

E. Product Warranties

Not applicable.

F. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

Note 15 – Leases

A. Lessee Leasing Arrangements

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

A. Financial Instruments with Off-Balance Sheet Risk

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

Description	Assets		Liabilities	
	2011 Notional	2010 Notional	2011 Notional	2010 Notional
a. Swaps	-	7,778,000	-	-
b. Futures	-	-	-	-
c. Options	-	-	-	-
Totals	\$ -	\$ 7,778,000	\$ -	\$ -

B. Financial Instruments with Concentrations of Credit Risk

Notional amounts of derivative financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to the Company, including accrued interest receivable due from counterparties, net of collateral received.

C. Exposure to Credit-Related Losses

Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements and other contract provisions.

D. Collateral Policy

Collateral requirements for over-the-counter derivative instruments are controlled by the International Swap Dealers Association and Credit Support Annex documents that are negotiated with each counterparty. Generally, these documents outline each party's rights and obligations for receiving and posting collateral. The documents address such issues as calculating collateral due/owed, delivery and return of collateral, uses and substitution for collateral, distributions and interest rights and remedies for both parties, credit thresholds and eligible collateral (typically cash, debt obligations issued by the United States Treasury, or obligations issued by government agencies). The Company monitors their collateral position on a daily basis, adjusting positions as necessary, and in accordance with the terms of these agreements. For exchange-traded future and option contracts, the broker for the various types of contracts that the Company may employ establishes margin requirements. The margin account is settled daily for changes in contracts outstanding and movements in market values of open contracts. The Company uses cash to cover the margin account requirements.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

1. There were no assets or liabilities obtained in transfers of financial assets where it was not practicable to estimate their fair value.
2. The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

The fair value of loaned securities was \$24,444,508, at December 31, 2011. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2011.

Reinvested collateral assets reported on Schedule DL are excluded from other statutory schedules and disclosures.

See Note 5 E. for additional information concerning securities lending

3. No servicing assets or liabilities were recognized during the period.
4. There were no assets securitized during the period.
5. There were no retained interests since there were no securitized financial assets.
6. There were no transfers of receivables with recourse.

C. Wash Sales

Not applicable.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

Note 19 - Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

Note 20 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

The Company categorizes its assets and liabilities measured and reported at fair value in the quarterly statement into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The fair value hierarchy levels are as follows:

Level 1. Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date.

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means.

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs.

The Company periodically reviews its fair value hierarchy classifications for financial assets and liabilities. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications into/out of the fair value hierarchy levels are reported as transfers at the beginning of the period in which the change occurs.

For bonds and marketable stocks for which market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value measurement.

The Company's investments in corporate debt securities, mortgage-backed securities and other asset-backed securities are valued with the assistance of independent pricing services and non-binding broker quotes. The Company's policy is to give priority to pricing obtained from our primary independent pricing service. In the event that pricing information is not available from an independent pricing service, non-binding broker quotes are used to assist in the valuation of the investments. In many cases, only one broker quote is available. The Company's policy is generally not to adjust the values obtained from brokers.

Broker quotes are considered unobservable inputs as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased such that generally only one quotation is available. As the brokers often do not provide the necessary transparency into their quotes and methodologies, the Company periodically performs reviews and tests to ensure that quotes are a reasonable estimate of the investments fair value.

For investments valued with the assistance of independent pricing services, the Company obtains the pricing services' methodologies, inputs and assumptions and classifies these investments accordingly in the fair value hierarchy. The Company periodically reviews and tests the pricing and related methodologies obtained from these independent pricing services against secondary sources to ensure that management can validate the investment's fair value and related fair value hierarchy categorization. If large variances are observed between the price obtained from the independent pricing services and secondary sources, the Company analyzes the causes driving the variance.

For certain bonds not priced by independent services (e.g., private placement securities without quoted market prices) a corporate pricing matrix or internally developed pricing model is most often used. The corporate pricing matrix is developed using private spreads for corporate securities with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that security. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

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NOTES TO FINANCIAL STATEMENTS

Assets and liabilities measured and reported at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
U.S. Government bonds	-	-	-	-
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	10,057,761	-	10,057,761
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	56,289,470	900,000	57,189,470
Total Bonds	\$ -	\$ 66,347,231	\$ 900,000	\$ 67,247,231
Sec Lending	-	12,007,414	-	12,007,414
Preferred Stocks	-	-	-	-
Common Stocks	-	-	782,153	782,153
Loans held for sale	-	-	-	-
Separate Account Assets	-	-	-	-
Derivative Assets	-	-	-	-
Total Assets at Fair Value	\$ -	\$ 78,354,645	\$ 1,682,153	\$ 80,036,798
Liabilities at Fair Value				
Derivatives Liabilities	-	-	-	-
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -

Assets and liabilities for which the Company used significant unobservable inputs (Level 3) to determine fair value measurements for the twelve months ended December 31, 2011:

	Net Investment Gain/Loss		Activity During the Period	Transfers Into Level 3	Transfers Out of Level 3	Balance as of 12/31/2011
	Balance as of 12/31/2010	In Earnings	Unrealized in Surplus Purchases, issuances, sales, and settlements			
Assets at Fair Value						
U.S. Government bonds	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-
Industrial and miscellaneous	5,379,694	-	(600,000)	-	(3,879,694)	900,000
Total Bonds	\$ 5,379,694	\$ -	\$ (600,000)	\$ -	\$ (3,879,694)	\$ 900,000
Sec Lending	-	-	-	-	-	-
Preferred Stocks	-	-	-	-	-	-
Common Stocks	11,116	-	(107,552)	878,590	-	782,153
Loans held for sale	-	-	-	-	-	-
Separate Account Assets	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-
Total Assets at Fair Value	\$ 5,390,809	\$ -	\$ (707,552)	\$ 878,590	\$ (3,879,694)	\$ 1,682,153
Liabilities at Fair Value						
Derivatives Liabilities	-	-	-	-	-	-
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Assets and liabilities for which the Company used significant unobservable inputs (Level 3) to determine fair value measurements for the three months ended December 31, 2011:

	Net Investment Gain/Loss		Activity During the Period	Transfers Into Level 3	Transfers Out of Level 3	Balance as of 12/31/2011
	Balance as of 09/30/2011	In Earnings	Unrealized in Surplus Purchases, issuances, sales, and settlements			
Assets at Fair Value						
U.S. Government bonds	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-
Industrial and miscellaneous	5,913,456	-	(500,000)	-	(4,513,456)	900,000
Total Bonds	\$ 5,913,456	\$ -	\$ (500,000)	\$ -	\$ (4,513,456)	\$ 900,000
Sec Lending	-	-	-	-	-	-
Preferred Stocks	-	-	-	-	-	-
Common Stocks	655,924	-	427,126	(300,896)	-	782,153
Loans held for sale	-	-	-	-	-	-
Separate Account Assets	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-
Total Assets at Fair Value	\$ 6,569,380	\$ -	\$ (72,874)	\$ (300,896)	\$ (4,513,456)	\$ 1,682,153
Liabilities at Fair Value						
Derivatives Liabilities	-	-	-	-	-	-
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Transfers: Level 3

Assets and liabilities are included in this roll forward table because their fair value categorizations are deemed to be Level 3 at December 31, 2011, September 30, 2011 and/or December 31, 2010 and (1) they are items consistently reported at fair value (e.g., common stocks, certain derivatives, certain separate account assets), or (2) they are items that are reported at fair value due to the application of “lower of amortized cost or fair value” rules applicable to securities with lower NAIC ratings designations. Transfers out of Level 3 were due to pricing increases on bonds previously carried at fair value now carried at amortized cost under the application of “lower of amortized cost or fair value” rules.

Note 21 - Other Items

A. Extraordinary Items

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Uncollectible Premiums Receivable

Not applicable.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable and Non-Transferable Tax Credits

Not applicable.

G. Subprime Mortgage Related Risk Exposure

In general, recent market activity has negatively impacted the valuation of securities containing sub-prime collateral, which are classifications of investments in which the Company invests. The Company evaluates many characteristics when classifying collateral as sub-prime, including credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.

As of December 31, 2011, all of the Company's exposure to investments containing sub-prime collateral is isolated to the mortgage-backed and asset-backed securities. When making investments in mortgage-backed or asset-backed securities, the Company evaluates the quality of the underlying collateral, the structure of the transaction (which dictates how losses in the underlying collateral will be distributed) and prepayment risks.

The following table identifies the general asset categories exposure to securities containing sub-prime collateral. This table also identifies the end of period unrealized gain/loss or other than temporary impairments.

For the period ended December 31, 2011					
	Actual Cost	Book Adjusted Carry Value	Fair Value	Unrealized Gains/ (Losses)	Impairments
Mortgage loans	-	-	-	-	-
Residential mortgage backed securities	24,036,932	18,840,006	18,244,215	(595,791)	-
Commercial mortgage backed securities	-	-	-	-	-
Collateralized debt obligations	-	-	-	-	-
Structured securities	553,869	553,313	549,760	(3,553)	-
Equity investments	-	-	-	-	-
Other invested assets	-	-	-	-	-
Total subprime exposure	\$ 24,590,801	\$ 19,393,319	\$ 18,793,975	\$ (599,344)	\$ -
Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guarantee	\$ -	\$ -	\$ -	\$ -	\$ -

Note 22 - Events Subsequent

Subsequent events have been considered through February 10, 2012 for these statutory financial statements which are to be issued February 15, 2012. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2011.

(000's)	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	\$62	(\$3)	\$0	\$0	\$62	(\$3)
b. All Others	0	0	0	0	\$0	\$0
c. Totals	\$62	(\$3)	\$0	\$0	\$62	(\$3)
d. Direct Unearned Premium Reserve	\$0					

NOTES TO FINANCIAL STATEMENTS

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2011 are as follows:

(\$000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	\$0	\$0	\$0	\$0
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	\$0	\$0	\$0	\$0

D. Uncollectible Reinsurance

No reinsurance recoverables were written off during 2011.

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation during 2011.

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2011.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2011.

H. There was no transfer of any property and casualty run-off agreements requiring approval of regulators and qualifying under SSAP No. 62R, Property and Casualty Reinsurance, to receive property & casualty run-off accounting treatment.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

(000's) Line of Business	2011 Calendar Year Losses and LAE Incurred			2011 Loss Year	Shortage	Loss & DCC	Impact of AO
	Losses Incurred	LAE Incurred	Totals	Losses and LAE Incurred	(Redundancy)	Shortage (Redundancy)	on Total Shortage (Redundancy)
Homeowners / Farmowners	\$ 132	\$ 21	\$ 153	\$ -	\$ 153	\$ 153	\$ (0)
Commercial Multiple Peril	\$ (3,182)	\$ (24,366)	\$ (27,549)	\$ (0)	\$ (27,549)	\$ (28,164)	\$ 615
Workers' Compensation	\$ (3,767)	\$ 350	\$ (3,417)	\$ -	\$ (3,417)	\$ (3,417)	\$ 0
Other Liability	\$ (527,874)	\$ (210,579)	\$ (738,453)	\$ -	\$ (738,453)	\$ (736,107)	\$ (2,346)
Product Liability	\$ 328,731	\$ 278,479	\$ 607,211	\$ -	\$ 607,211	\$ 608,259	\$ (1,048)
Auto	\$ (36,973)	\$ (47)	\$ (37,020)	\$ -	\$ (37,020)	\$ (37,020)	\$ (0)
All Others	\$ 188,056	\$ 15,930	\$ 203,986	\$ -	\$ 203,986	\$ 203,107	\$ 879
Totals	\$ (54,878)	\$ 59,789	\$ 4,911	\$ (0)	\$ 4,911	\$ 6,811	\$ (1,900)

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$4.9 million during 2011, as shown in the chart above. The shortage is primarily related to continued refinements in management's estimation process as well as emerging claim and loss patterns coupled with legal interpretation developments in jurisdictions in which the Company is exposed. The reserves carried for these claims as of December 31, 2011 are believed to be adequate based on known facts and current law, however, any future changes in these liabilities cannot now be reasonably estimated but could have a material impact on the Company's future operating results. The reserves will continue to be reviewed and updated by the Company as appropriate.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

A. Reserves Released due to Purchases of Annuities

Not applicable.

B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus

Not applicable.

Note 28 - Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable.

B. Risk Sharing Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of December 31, 2011 and determined there was no premium deficiency. This evaluation was completed on January 9, 2012. The Company does anticipate investment income when evaluating the need for premium deficiency reserves.

NOTES TO FINANCIAL STATEMENTS

Note 31 - High Deductibles

Not applicable.

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

A. Tabular Discounts

Not applicable.

B. Non-Tabular Discounts

Not applicable.

C. Changes in Discount Assumptions

Not applicable.

Note 33 - Asbestos/Environmental Reserves

A. The Company has exposure to asbestos and environmental claims through either the direct issuance of general liability policies or through reinsurance assumptions. The Company estimates the full impact of its asbestos and environmental exposure by establishing case reserves when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposures on both known and unasserted claims, primarily utilizing historical information.

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for each of the five most recent calendar years were as follows:

(1) Asbestos Claims - Direct						
(2) Asbestos Claims - Assumed		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Beginning Reserves:	1,470,600,000	1,568,150,062	1,507,204,740	1,432,294,177	1,427,637,883
	Incurred Loss and Loss Adj. Expense:	222,853,977	52,429,953	55,824,498	127,979,235	43,411,957
	Calendar Year Payments:	125,303,915	113,375,275	130,735,061	132,635,529	135,678,447
	Ending Reserve:	1,568,150,062	1,507,204,740	1,432,294,177	1,427,637,883	1,335,371,393
(3) Asbestos Claims - Net		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Beginning Reserves:	1,470,600,000	1,568,150,062	1,507,204,740	1,432,294,177	1,427,637,883
	Incurred Loss and Loss Adj. Expense:	222,853,977	52,429,953	55,824,498	127,979,235	43,411,957
	Calendar Year Payments:	125,303,915	113,375,275	130,735,061	132,635,529	135,678,447
	Ending Reserve:	1,568,150,062	1,507,204,740	1,432,294,177	1,427,637,883	1,335,371,393
B. Bulk and IBNR Losses and LAE						
	(1) Direct					None
	(2) Assumed					861,992,472
	(3) Net of Ceded Reinsurance					861,992,472
C. Case, Bulk and IBNR LAE						
	(1) Direct					None
	(2) Assumed					292,795,801
	(3) Net of Ceded Reinsurance					292,795,801
D. See A above						
(1) Environmental Claims - Direct						
(2) Environmental Claims - Assumed		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Beginning Reserves:	529,100,000	493,222,483	500,335,654	423,878,481	374,362,934
	Incurred Loss & Loss Adj. Expense:	(14,426,814)	38,454,738	(31,996,645)	(22,094,650)	1,357,598
	Calendar Year Payments:	21,450,703	31,341,567	44,460,528	27,420,897	31,353,470
	Ending Reserve:	493,222,483	500,335,654	423,878,481	374,362,934	344,367,062
(3) Environmental Claims - Net		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Beginning Reserves:	529,100,000	493,222,483	500,335,654	423,878,481	374,362,934
	Incurred Loss and Loss Adj. Expense:	(14,426,814)	38,454,738	(31,996,645)	(22,094,650)	1,357,598
	Calendar Year Payments:	21,450,703	31,341,567	44,460,528	27,420,897	31,353,470
	Ending Reserve:	493,222,483	500,335,654	423,878,481	374,362,934	344,367,062
E. Bulk and IBNR Losses and LAE						
	(1) Direct					None
	(2) Assumed					295,317,465
	(3) Net of Ceded Reinsurance					295,317,465
F. Case, Bulk and IBNR LAE						
	(1) Direct					None
	(2) Assumed					121,499,014
	(3) Net of Ceded Reinsurance					121,499,014

Note 34 - Subscriber Savings Accounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. 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 ☐

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?

OH

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.

12/31/2011

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.

12/31/2006

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/29/2008

3.4

By what department or departments?
OH

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business?

Yes ☐ No ☒

4.12 renewals?

Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business?

Yes ☐ No ☒

4.22 renewals?

Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,

7.21 State the percentage of foreign 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 or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

GENERAL INTERROGATORIES

- 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 [X] No []
- 8.4

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Nationwide Bank	Columbus, OH	NO	YES	NO	NO	NO
Nationwide Mutual Insurance Company	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Mutual Fire Insurance Company	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Corporation	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Financial Services, Inc.	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Investment Services Corp.	Columbus, OH	NO	NO	NO	NO	YES
Nationwide Investment Advisors, LLC	Columbus, OH	NO	NO	NO	NO	YES
Nationwide Securities, LLC	Dublin, OH	NO	NO	NO	NO	YES
Nationwide SA Capital Trust	King of Prussia, PA	NO	NO	NO	NO	YES
Nationwide Fund Advisors	King of Prussia, PA	NO	NO	NO	NO	YES
Nationwide Fund Distributors, LLC	King of Prussia, PA	NO	NO	NO	NO	YES
Nationwide Asset Management, LLC	Columbus, OH	NO	NO	NO	NO	YES

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG LLP, 191 W. Nationwide Blvd., Suite 500, Columbus, OH 43215
- 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 the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the 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?

Leslie R. Marlo, FCAS, MAAA< KPMG LLP, 100 Matsonford Road, Radnor, PA 19087, Managing Director
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [X] No []
- 12.11

Name of real estate holding company

Nationwide Realty Investors
- 12.12

Number of parcels involved

548
- 12.13

Total book/adjusted carrying value

\$ 17,954,605
- 12.2

If, yes provide explanation:

Nationwide Indemnity owns 5% of Nationwide Realty Investors, a real estate holding company that invests in individual properties.
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- 14.11

If the response to 14.1 is No, please explain:

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
- 14.2

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).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes ☐ No ☒
- 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	3	4
	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	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 ☒ 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 ☒ 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 with the official duties of such person? Yes ☒ 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 ☒
- 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 ☒
- 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\$
- 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 ☒
- 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 ☒ No ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$370,990

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes ☐ No ☒
- 24.2 If no, give full and complete information relating thereto
Held on Deposit with States.
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Nationwide utilizes a third party to administer it's Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on balance sheet. At December 31, 2011 Nationwide had loaned securities of \$24,444,508 to approved counterparties and received cash collateral of \$25,021,328.
- 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☒ No ☐ N/A ☐
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$16,087,212
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☒ No ☐ N/A ☐
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☒ No ☐ N/A ☐
- 24.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes ☒ No ☐ N/A ☐

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

GENERAL INTERROGATORIES

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 24.3). Yes [X] No []

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 Pledged as collateral \$

25.26 Placed under option agreements \$

25.27 Letter stock or other securities restricted as to sale \$

25.28 On deposit with state or other regulatory body \$726,369

25.29 Other \$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

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

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286

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 [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution.	One Nationwide Blvd., Columbus, OH 43215

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

GENERAL INTERROGATORIES

- 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	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		

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

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	3,213,391,184	3,560,666,257	347,275,073
30.2 Preferred stocks			
30.3 Totals	3,213,391,184	3,560,666,257	347,275,073

- 30.4 Describe the sources or methods utilized in determining the fair values:
For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or "corporate pricing matrix" is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]
- 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:
Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

34.1 Amount of payments for legal expenses, if any?\$

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only.

\$ _____

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

Current Year

2

Prior Year

2.1

Premium Numerator

.....

.....

2.2

Premium Denominator

1, 116, 038

922, 963

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

20, 247

52, 812

2.5

Reserve Denominator

2, 235, 464, 850

2, 432, 448, 255

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

4.3

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

% _____

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 []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

.....

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Not actively writing business

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.
Not actively writing business

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?
Not actively writing business

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.
Not actively writing business

7.1

Has this 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 ratio 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

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 32 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,
(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
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [] No [X]
Yes [] No [X]
Yes [] No [X]

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 [X] No [] N/A []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force?

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses

\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

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

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From

%

12.42 To

%

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 [X]

12.6

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

12.61 Letters of credit

\$

12.62 Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
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	\$

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

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

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 funds administered as of the reporting date. \$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
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)	503,102	980,762	4,102,751	1,222,780	1,629,431
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	382,436	(432,819)	1,015	4,675	(10,128)
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	547	(1,381)	(15,480)	20,032	302,142
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	137,292	112,256	93,363	143,445	332,338
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,769	224,001	284,690	31,938	110,647
6. Total (Line 35)	1,028,146	882,819	4,466,339	1,422,870	2,364,431
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)	503,102	980,762	4,102,751	1,222,780	1,629,431
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	382,436	(432,819)	1,015	4,675	(10,128)
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	547	(1,381)	(15,480)	20,032	302,142
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	137,292	112,256	93,363	143,445	332,338
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,769	224,001	284,690	31,938	110,647
12. Total (Line 35)	1,028,146	882,819	4,466,339	1,422,870	2,364,431
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(7,785,931)	(79,174,389)	(7,724,253)	(76,967,873)	(222,066,100)
14. Net investment gain or (loss) (Line 11)	147,088,560	146,044,888	199,683,878	130,121,331	212,054,995
15. Total other income (Line 15)	(445,828)	250,138	(1,298,674)	(1,744,506)	(3,453,052)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	37,830,298	9,503,074	19,664,170	22,499,796	(26,440,288)
18. Net income (Line 20)	101,026,503	57,617,563	170,996,781	28,909,156	12,976,131
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	3,482,311,368	3,622,095,790	3,624,540,254	3,679,757,113	3,729,636,807
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)					
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,358,726,146	2,557,635,226	2,639,442,928	2,845,661,277	2,949,252,293
22. Losses (Page 3, Line 1)	1,481,818,735	1,646,117,415	1,747,124,513	1,919,122,583	2,039,979,992
23. Loss adjustment expenses (Page 3, Line 3)	753,581,025	786,180,803	811,951,623	856,666,047	863,842,441
24. Unearned premiums (Page 3, Line 9)	62,146	150,037	190,181	145,295	187,657
25. Capital paid up (Page 3, Lines 30 & 31)	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,123,585,222	1,064,460,564	985,097,326	834,095,836	780,384,514
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(60,477,217)	(82,332,413)	(77,659,794)	(25,124,988)	3,552,606
Risk-Based Capital Analysis					
28. Total adjusted capital	1,123,585,222	1,064,460,564	985,097,326	834,095,836	780,384,514
29. Authorized control level risk-based capital	338,420,932	340,911,725	344,279,706	357,117,970	351,470,051
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	94.1	89.7	92.2	89.5	90.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.2	0.5	0.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.7	4.5	5.0	5.5	6.0
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	0.1	3.1	1.3	1.8	2.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)		0.0	XXX	XXX	XXX
37. Other invested assets (Line 8)	1.9	1.4	1.3	2.6	0.7
38. Receivables for securities (Line 9)		0.0	0.0	0.0	0.2
39. Securities lending reinvested collateral assets (Line 10)	0.2	1.2	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)			0.0	0.1	
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 (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	21,153,894	21,427,400	21,961,289	93,276,420	24,517,837
48. Total of above Lines 42 to 47	21,153,894	21,427,400	21,961,289	93,276,420	24,517,837
49. 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)	1.9	2.0	2.2	11.2	3.1

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	25,877,517	15,341,165	(22,110,892)	12,047,629	(16,208,767)
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	59,124,655	79,363,241	151,001,490	53,711,322	(5,053,153)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53. 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)	81,300,207	47,998,536	86,030,145	65,669,855	65,427,869
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	(1,238,281)	4,971,546	(28,463)	418,504	(23,798)
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,342,540	1,329,091	2,080,331	6,439,382	5,471,225
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	455,861	1,581,871	(1,516,778)	407,637	(10,391,561)
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	25,560,676	60,216,209	60,936,550	37,940,624	29,189,778
58. Total (Line 35)	109,421,003	116,097,253	147,501,785	110,876,002	89,673,513
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. 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)	81,300,207	47,998,536	86,030,145	65,669,855	65,427,869
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	(1,238,281)	4,971,546	(28,463)	418,504	(23,798)
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,342,540	1,329,091	2,080,331	6,439,382	5,471,225
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	455,861	1,581,871	(1,516,778)	407,637	(10,391,561)
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	25,560,676	60,216,209	60,936,550	37,940,624	29,189,778
64. Total (Line 35)	109,421,003	116,097,253	147,501,785	110,876,002	89,673,513
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	(4,917.2)	1,635.0	(554.0)	(681.2)	7,034.9
67. Loss expenses incurred (Line 3)	5,357.2	6,539.2	749.3	6,000.0	2,263.1
68. Other underwriting expenses incurred (Line 4)	357.6	504.1	79.4	34.2	5.9
69. Net underwriting gain (loss) (Line 8)	(697.6)	(8,578.3)	(174.7)	(5,252.9)	(9,203.9)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	431.5	498.7	107.7	157.8	152.0
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	440.1	8,174.2	195.3	5,318.7	9,298.0
72. 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)	0.1	0.1	0.5	0.2	0.3
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	6,811	70,238	(4,759)	27,303	168,216
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	0.6	7.1	(0.6)	3.5	21.4
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	77,050	65,480	22,544	195,519	351,856
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	7.8	7.9	2.9	24.9	46.0

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:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

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
	1 Direct and Assumed	2 Ceded	3 Net (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)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	109,421		70,473		21,914		2	201,808	XXX
2. 2002.....	14,100		14,100	3,881		807		2,093		127	6,781	XXX
3. 2003.....	12,959		12,959	15,544				4,228			19,772	XXX
4. 2004.....	5,380		5,380					211			211	XXX
5. 2005.....	5,682		5,682					381			381	XXX
6. 2006.....	(168)		(168)					47			47	XXX
7. 2007.....	2,413		2,413					305			305	XXX
8. 2008.....	1,465		1,465					208			208	XXX
9. 2009.....	4,421		4,421									XXX
10. 2010.....	923		923									XXX
11. 2011.....	1,116		1,116									XXX
12. Totals	XXX	XXX	XXX	128,846		71,280		29,388		129	229,514	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	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.....	394,479		1,087,226		237,549		216,046		300,276			2,235,576	XXX
2. 2002.....	5		108				22		(152)			(16)	XXX
3. 2003.....									(160)			(160)	XXX
4. 2004.....													XXX
5. 2005.....													XXX
6. 2006.....													XXX
7. 2007.....													XXX
8. 2008.....													XXX
9. 2009.....													XXX
10. 2010.....													XXX
11. 2011.....													XXX
12. Totals	394,484		1,087,335		237,549		216,069		299,964			2,235,400	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	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.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,481,705	753,870
2. 2002.....	6,765		6,765	48.0		48.0				113	(129)
3. 2003.....	19,613		19,613	151.3		151.3					(160)
4. 2004.....	211		211	3.9		3.9					
5. 2005.....	381		381	6.7		6.7					
6. 2006.....	47		47	(28.0)		(28.0)					
7. 2007.....	305		305	12.6		12.6					
8. 2008.....	208		208	14.2		14.2					
9. 2009.....											
10. 2010.....											
11. 2011.....											
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,481,819	753,581

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.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior.....	1,801,261	2,161,749	2,723,281	3,319,624	3,502,325	3,670,499	3,697,899	3,693,137	3,763,505	3,770,326	6,821	77,188
2. 2002.....	4,153	6,514	5,969	5,333	5,015	5,057	4,959	4,962	4,834	4,824	(10)	(139)
3. 2003.....	XXX	16,278	16,047	14,287	15,544	15,544	15,545	15,545	15,544	15,544		
4. 2004.....	XXX	XXX										
5. 2005.....	XXX	XXX	XXX									
6. 2006.....	XXX	XXX	XXX	XXX								
7. 2007.....	XXX	XXX	XXX	XXX	XXX							
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											6,811	77,050

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	.000	114,696	382,859	635,233	936,440	1,098,561	1,274,513	1,473,970	1,655,132	1,835,026	XXX	XXX
2. 2002.....	2,270	2,990	3,789	3,962	4,321	4,446	4,521	4,641	4,686	4,688	XXX	XXX
3. 2003.....	XXX	6,963	10,140	13,648	15,544	15,544	15,544	15,544	15,544	15,544	XXX	XXX
4. 2004.....	XXX	XXX									XXX	XXX
5. 2005.....	XXX	XXX	XXX								XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior.....	.926,221	1,141,844	1,452,813	1,889,282	1,796,387	1,885,088	1,762,589	1,596,918	1,473,314	1,303,273
2. 2002.....	.950	2,854	1,662	.997	.542	.369	.269	.236	.117	.130
3. 2003.....	XXX	3,051	2,819	.564						
4. 2004.....	XXX	XXX								
5. 2005.....	XXX	XXX	XXX							
6. 2006.....	XXX	XXX	XXX	XXX						
7. 2007.....	XXX	XXX	XXX	XXX	XXX					
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

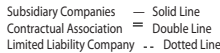
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	L							
15. Indiana	IN	N							
16. Iowa	IA	L							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	Q							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	L							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	Q							
51. Wyoming	WY	N							
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	CN	N							
58. Aggregate other alien ..	OT	XXX							
59. Totals	(a) 3								
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX								

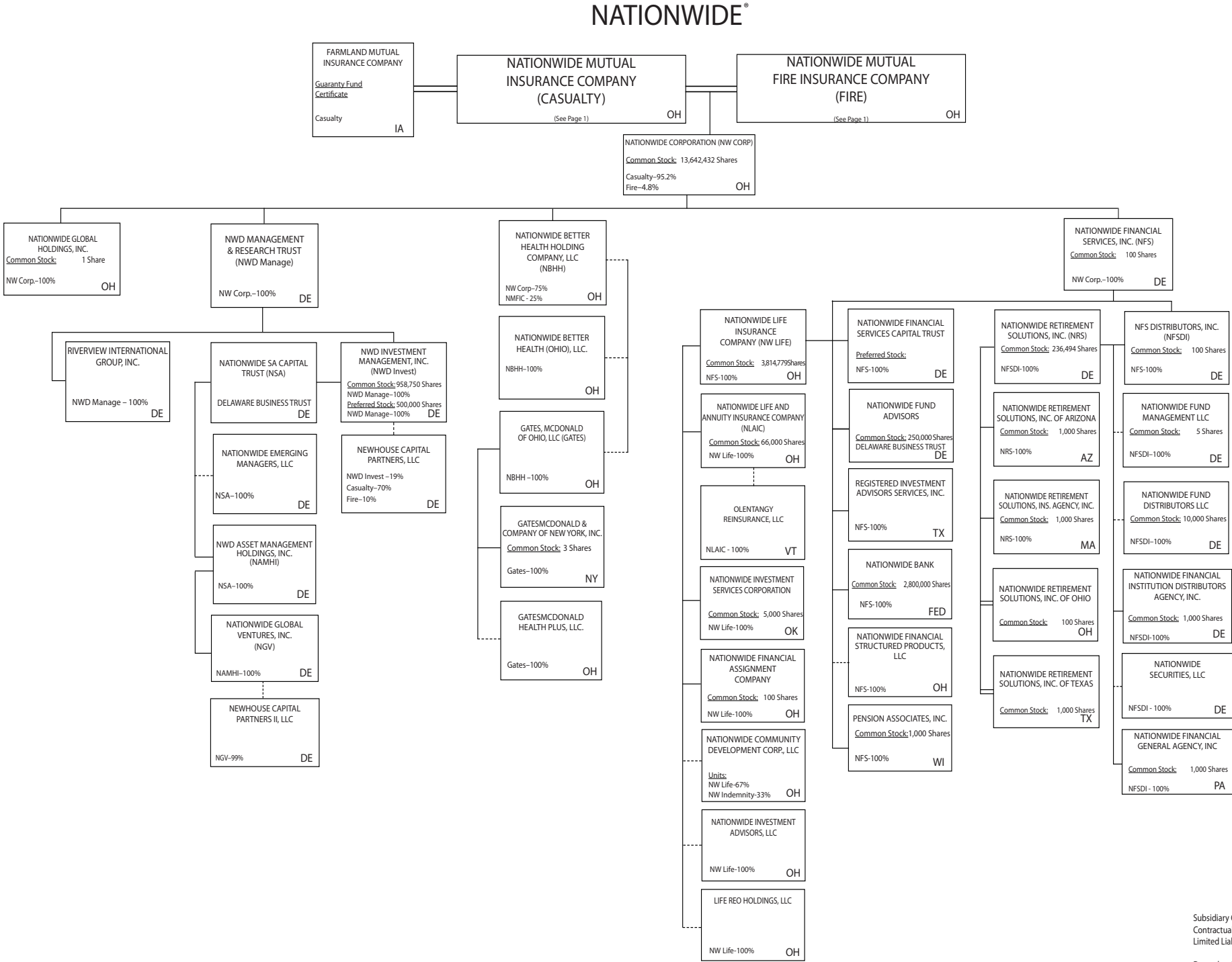
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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



December 31, 2011



NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	13838	IA	42-0618271	Farmland Mutual Insurance Company
0140	Nationwide	11991	WI	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	WI	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	WI	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	13242	TX	74-2286759	Titan Indemnity Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	CA	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	10644	IN	34-1785903	Victoria Automobile Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company
0140	Nationwide	10777	OH	34-1842602	Victoria Specialty Insurance Company
0140	Nationwide	37150	AZ	86-0561941	Western Heritage Insurance Company
0140	Nationwide	13999	VT	27-1712056	Olentangy Reinsurance, LLC
4664	PURE	13204	FL	26-3109178	PURE Insurance Company
4664	PURE	12873	FL	20-8287105	Privilege Underwriters Reciprocal Exchange

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONWIDE INDEMNITY COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Other assets nonadmitted	9,000	9,000		
2597.	Summary of remaining write-ins for Line 25 from overflow page	9,000	9,000		

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504.	Miscellaneous assets	557,899		(557,899)
2597.	Summary of remaining write-ins for Line 25 from overflow page	557,899		(557,899)

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