

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).....	211,968,336	0	211,968,336	215,244,742
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....(15,708,931), Sch. E-Part 1), cash equivalents (\$....14,994,223, Sch. E-Part 2) and short-term investments (\$....15,666,813, Sch. DA).....	14,952,105	0	14,952,105	29,784,432
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	32,492	0	32,492	45,527
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	22,001,094	0	22,001,094	32,616,098
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	248,954,027	0	248,954,027	277,690,799
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	2,202,001	0	2,202,001	2,207,226
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	5,722,158	0	5,722,158	6,679,951
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,321,171	0	10,321,171	9,698,331
16.2 Funds held by or deposited with reinsured companies.....	20,415	0	20,415	20,459
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	7,324,642	2,264,648	5,059,994	6,117,166
19. Guaranty funds receivable or on deposit.....	6,471	0	6,471	6,527
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	473,685	0	473,685	396,096
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	3,015,251	0	3,015,251	2,419,962
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	278,039,821	2,264,648	275,775,173	305,236,517
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	278,039,821	2,264,648	275,775,173	305,236,517

DETAILS OF WRITE-INS

1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Accounts receivable.....	2,303,526	0	2,303,526	1,726,256
2502. State transferrable tax credits.....	376,225	0	376,225	434,539
2503. Prepaid reinsurance premium.....	335,500	0	335,500	259,167
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,015,251	0	3,015,251	2,419,962

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	53,684,656	56,942,409
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	64,190	357,601
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	3,531,459	3,848,166
4. Commissions payable, contingent commissions and other similar charges.....	7,065,320	5,122,172
5. Other expenses (excluding taxes, licenses and fees).....	789,168	1,124,434
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,413,687	3,198,507
7.1 Current federal and foreign income taxes (including \$....130,330 on realized capital gains (losses)).....	316,672	1,200,764
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....94,860,298 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	27,168,556	27,332,424
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,109,078	2,848,698
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	41,404,991	44,033,069
14. Amounts withheld or retained by company for account of others.....	0	0
15. Remittances and items not allocated.....	205,475	668,499
16. Provision for reinsurance (Schedule F, Part 7).....	8,149,786	9,275,640
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	13,817,748	2,628,697
20. Derivatives.....	0	0
21. Payable for securities.....	0	0
22. Payable for securities lending.....	22,001,094	32,616,098
23. Liability for amounts held under uninsured plans.....	0	0
24. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	3,241,587	5,187,266
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	185,963,467	196,384,444
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	185,963,467	196,384,444
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	8,724,386	8,724,386
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	1,969,200	2,407,152
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	67,217,108	81,217,108
35. Unassigned funds (surplus).....	11,901,012	16,503,427
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	89,811,706	108,852,073
38. TOTALS (Page 2, Line 28, Col. 3).....	275,775,173	305,236,517

DETAILS OF WRITE-INS

2501. Accident & sickness active life reserves.....	2,251,913	2,059,095
2502. Contingency reserves.....	989,674	963,171
2503. Provision for doubtful reinsurance balances.....	0	2,165,000
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,241,587	5,187,266
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. Increase in admitted deferred tax assets pursuant to SSAP No. 10R.....	1,969,200	2,407,152
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	1,969,200	2,407,152

STONEBRIDGE CASUALTY INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	123,138,976	135,964,939
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	70,980,941	81,761,451
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	2,535,205	1,566,735
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	46,315,330	51,091,981
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	119,831,476	134,420,167
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	3,307,500	1,544,772
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	10,172,971	10,449,479
10. Net realized capital gains (losses) less capital gains tax of \$....130,330 (Exhibit of Capital Gains (Losses)).....	140,946	590,688
11. Net investment gain (loss) (Lines 9 + 10).....	10,313,917	11,040,167
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0
13. Finance and service charges not included in premiums.....	0	0
14. Aggregate write-ins for miscellaneous income.....	543,861	(93,181)
15. Total other income (Lines 12 through 14).....	543,861	(93,181)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	14,165,278	12,491,758
17. Dividends to policyholders.....	0	0
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).....	14,165,278	12,491,758
19. Federal and foreign income taxes incurred.....	3,926,966	4,128,145
20. Net income (Line 18 minus Line 19) (to Line 22).....	10,238,312	8,363,613
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	108,852,073	101,554,627
22. Net income (from Line 20).....	10,238,312	8,363,613
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....237,700.....	441,443	466,876
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(1,191,250)	366,373
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	809,729	184,742
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	1,125,854	236,603
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	(14,000,000)	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(16,000,000)	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	(464,455)	(2,320,761)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(19,040,367)	7,297,446
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	89,811,706	108,852,073

DETAILS OF WRITE-INS

0501.....	0	0
0502.....	0	0
0503.....	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income.....	1,254,950	1,392,165
1402. Funds withheld ceded investment income.....	(518,121)	(1,003,421)
1403. Accident and sickness active life reserve.....	(192,818)	(1,052,460)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(150)	570,535
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	543,861	(93,181)
3701. Change in admitted deferred tax assets pursuant to SSAP No. 10R.....	(437,952)	(783,943)
3702. Change in contingency reserve.....	(26,503)	(963,171)
3703. Recognition of special surplus from retroactive reinsurance.....	0	(573,647)
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(464,455)	(2,320,761)

Annual Statement for the year 2011 of the **STONEBRIDGE CASUALTY INSURANCE COMPANY**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	124,193,281	134,832,991
2. Net investment income.....	10,324,089	10,505,096
3. Miscellaneous income.....	543,861	1,498,172
4. Total (Lines 1 through 3).....	135,061,231	146,836,259
5. Benefit and loss related payments.....	75,154,901	74,534,240
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	49,344,124	49,967,530
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$....130,330 tax on capital gains (losses).....	4,941,388	5,955,986
10. Total (Lines 5 through 9).....	129,440,413	130,457,756
11. Net cash from operations (Line 4 minus Line 10).....	5,620,818	16,378,503
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	22,483,340	78,742,923
12.2 Stocks.....	0	1
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	49	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	1,041	166
12.7 Miscellaneous proceeds.....	10,615,004	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	33,099,434	78,743,090
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	18,279,630	95,858,748
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	110,835	32,635,027
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	18,390,465	128,493,775
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	14,708,969	(49,750,685)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(14,000,000)	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	16,000,000	0
16.6 Other cash provided (applied).....	(5,162,114)	26,303,377
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(35,162,114)	26,303,377
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(14,832,327)	(7,068,805)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	29,784,432	36,853,237
19.2 End of year (Line 18 plus Line 19.1).....	14,952,104	29,784,432

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

20.0001	0	0
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STONEBRIDGE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	0	0	0	0
2. Allied lines.....	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0
5. Commercial multiple peril.....	99,994	0	0	99,994
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	1,491	0	0	1,491
9. Inland marine.....	97,439,308	8,575,229	6,927,220	99,087,317
10. Financial guaranty.....	3,000,000	0	0	3,000,000
11.1 Medical professional liability - occurrence.....	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0
12. Earthquake.....	0	0	0	0
13. Group accident and health.....	837,548	2,342	1,992	837,899
14. Credit accident and health (group and individual).....	562,194	0	0	562,194
15. Other accident and health.....	260,562	1,683	1,416	260,829
16. Workers' compensation.....	0	0	0	0
17.1 Other liability - occurrence.....	79,408	0	0	79,408
17.2 Other liability - claims-made.....	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0
21. Auto physical damage.....	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	0	0	0	0
24. Surety.....	0	0	0	0
26. Burglary and theft.....	0	0	0	0
27. Boiler and machinery.....	0	0	0	0
28. Credit.....	9,431,751	13,126,079	16,581,396	5,976,434
29. International.....	0	0	0	0
30. Warranty.....	(0)	0	0	(0)
31. Reinsurance - nonproportional assumed property.....	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	11,262,852	5,627,090	3,656,532	13,233,410
35. TOTALS.....	122,975,108	27,332,424	27,168,556	123,138,976

DETAILS OF WRITE-INS

3401. Credit Unemployment.....	6,011,743	0	0	6,011,743
3402. Contract Liability.....	5,249,961	5,627,090	3,656,532	7,220,519
3403. Tuition Reimbursement.....	1,149	0	0	1,149
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	11,262,852	5,627,090	3,656,532	13,233,410

STONEBRIDGE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0
5. Commercial multiple peril.....	0	0	0	0	0
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0
9. Inland marine.....	6,927,220	0	0	0	6,927,220
10. Financial guaranty.....	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0
13. Group accident and health.....	1,992	0	0	0	1,992
14. Credit accident and health (group and individual).....	0	0	0	0	0
15. Other accident and health.....	1,416	0	0	0	1,416
16. Workers' compensation.....	0	0	0	0	0
17.1 Other liability - occurrence.....	0	0	0	0	0
17.2 Other liability - claims-made.....	0	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	0	0	0	0	0
24. Surety.....	0	0	0	0	0
26. Burglary and theft.....	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0
28. Credit.....	0	16,581,396	0	0	16,581,396
29. International.....	0	0	0	0	0
30. Warranty.....	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	3,656,532	0	0	3,656,532
35. TOTALS.....	6,930,628	20,237,928	0	0	27,168,556
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					27,168,556

DETAILS OF WRITE-INS

3401. Contract Liability.....	0	3,656,532	0	0	3,656,532
3402.	0	0	0	0	0
3403.	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page....	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	3,656,532	0	0	3,656,532

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

STONEBRIDGE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0
5. Commercial multiple peril.....	0	0	4,134	0	(95,860)	99,994
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	(1,491)	1,491
9. Inland marine.....	194,501,972	0	0	0	97,062,665	97,439,308
10. Financial guaranty.....	3,000,000	0	0	0	0	3,000,000
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0
13. Group accident and health.....	837,856	0	0	0	308	837,548
14. Credit accident and health (group and individual).....	562,194	0	0	0	0	562,194
15. Other accident and health.....	260,672	0	0	0	110	260,562
16. Workers' compensation.....	0	0	0	0	0	0
17.1 Other liability - occurrence.....	0	0	0	0	(79,408)	79,408
17.2 Other liability - claims-made.....	0	0	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	0	0	0	0	0	0
24. Surety.....	0	0	0	0	0	0
26. Burglary and theft.....	0	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0	0
28. Credit.....	8,002,497	0	(4,166)	0	(1,433,420)	9,431,751
29. International.....	0	0	0	0	0	0
30. Warranty.....	692,827	0	(139,898)	0	552,929	(0)
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	15,931,728	0	(156,220)	0	4,512,655	11,262,852
35. TOTALS.....	223,789,746	0	(296,150)	0	100,518,488	122,975,108

DETAILS OF WRITE-INS

3401. Credit Unemployment.....	10,231,731	0	1,225	0	4,221,213	6,011,743
3402. Contract Liability.....	5,707,056	0	(69,228)	0	387,867	5,249,961
3403. Vehicle Service Contract.....	(8,208)	0	(88,217)	0	(96,425)	(0)
3498. Summary of remaining write-ins for Line 34 from overflow page..	1,149	0	0	0	0	1,149
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	15,931,728	0	(156,220)	0	4,512,655	11,262,852

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	.0	3,513	.34	3,479	193,430	405,984	(209,075)	.00
2. Allied lines.....	.0	.0	.0	.0	.0	.0	.0	.00
3. Farmowners multiple peril.....	.0	.0	.0	.0	.0	.0	.0	.00
4. Homeowners multiple peril.....	.0	.0	.0	.0	.0	.0	.0	.00
5. Commercial multiple peril.....	.0	.843,708	(388,111)	1,231,819	11,892,556	.7,428,451	.5,695,924	5,696.3
6. Mortgage guaranty.....	.0	.0	.0	.0	.0	.0	.0	.00
8. Ocean marine.....	.0	2,516	(7,153)	9,669	.396,160	.482,766	(76,937)	(5,160.1)
9. Inland marine.....	109,449,522	.0	44,662,830	64,786,693	16,457,936	20,509,857	.60,734,772	.61.3
10. Financial guaranty.....	.0	.0	.0	.0	.0	.0	.0	.00
11.1 Medical professional liability - occurrence.....	.0	.0	.0	.0	6,245	.12,899	(6,654)	.00
11.2 Medical professional liability - claims-made.....	.0	.0	.0	.0	.0	.0	.0	.00
12. Earthquake.....	.0	.0	.0	.0	.0	.0	.0	.00
13. Group accident and health.....	.86,298	.0	.0	.86,298	.36,772	.78,143	.44,928	.5.4
14. Credit accident and health (group and individual).....	165,199	.0	.0	165,199	.161,516	.182,650	.144,065	.25.6
15. Other accident and health.....	.12,500	.0	.0	.12,500	.15,659	.31,536	(3,377)	(1.3)
16. Workers' compensation.....	1,865,842	.23,408	1,865,842	.23,408	.321,548	.554,555	(209,599)	.00
17.1 Other liability - occurrence.....	.0	1,322,437	(299,333)	1,621,770	19,989,261	23,076,179	(1,465,148)	(1,845.1)
17.2 Other liability - claims-made.....	.0	.0	.0	.0	.0	.0	.0	.00
17.3 Excess workers' compensation.....	.0	.0	.0	.0	.0	.0	.0	.00
18.1 Products liability - occurrence.....	.0	.0	.0	.0	.0	.0	.0	.00
18.2 Products liability - claims-made.....	.0	.0	.0	.0	.0	.0	.0	.00
19.1, 19.2 Private passenger auto liability.....	.0	2,668	.245,206	(242,538)	.125,773	.128,768	(245,533)	.00
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0	.0	.0	.0	.00
21. Auto physical damage.....	.0	.0	.0	.0	.0	.0	.0	.00
22. Aircraft (all perils).....	.0	169	.29	140	3,994	.6,176	(2,042)	.00
23. Fidelity.....	.0	.0	.0	.0	.0	.0	.0	.00
24. Surety.....	.0	.0	.0	.0	.30,152	.18,138	.12,014	.00
26. Burglary and theft.....	.0	.0	.0	.0	.0	.0	.0	.00
27. Boiler and machinery.....	.0	.0	.0	.0	.0	.0	.0	.00
28. Credit.....	7,491,807	(2,915)	4,739,097	.2,749,795	1,059,194	.915,002	.2,893,987	.48.4
29. International.....	.0	.0	.0	.0	.0	.0	.0	.00
30. Warranty.....	.586,506	.837,025	1,423,532	.0	.0	.0	.0	.00
31. Reinsurance - nonproportional assumed property.....	XXX.	.0	.0	.0	.0	.0	.0	.00
32. Reinsurance - nonproportional assumed liability.....	XXX.	.0	.0	.0	.0	.0	.0	.00
33. Reinsurance - nonproportional assumed financial lines.....	XXX.	.0	.0	.0	.0	.0	.0	.00
34. Aggregate write-ins for other lines of business.....	4,981,037	1,513,410	.2,703,985	.3,790,463	.2,994,460	.3,111,307	.3,673,615	.27.8
35. TOTALS.....	124,638,712	4,545,940	.54,945,957	.74,238,694	.53,684,656	.56,942,411	.70,980,940	.57.6

DETAILS OF WRITE-INS

3401. Contract Liability.....	.3,942,813	.486,592	.1,512,177	.2,917,227	.2,192,339	.1,031,514	.4,078,052	.44.7
3402. Credit Unemployment.....	.27,456	1,026,581	.1,054,037	.0	.802,121	.2,079,793	(1,277,672)	.1.6
3403. Vehicle Service Contract.....	1,010,768	.238	.137,771	.873,235	.0	.0	.873,235	.76,024.1
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	XXX.
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	4,981,037	1,513,410	.2,703,985	.3,790,463	.2,994,460	.3,111,307	.3,673,615	.27.8

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	0	66,550	476	66,074	0	129,260	1,904	193,430	13,110
2. Allied lines.....	0	0	0	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril.....	0	2,202,870	307,175	1,895,695	0	11,437,369	1,440,508	11,892,556	1,073,261
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	119,724	11,263	108,461	0	315,095	.27,396	396,160	20,666
9. Inland marine.....	100,000	0	0	100,000	35,616,028	0	19,258,092	16,457,936	1,415
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	2,500	0	2,500	0	3,745	0	6,245	318
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0	0	0	0
13. Group accident and health.....	0	0	0	0	36,772	0	0	(a) 36,772	846
14. Credit accident and health (group and individual).....	102,559	0	0	102,559	58,957	0	0	161,516	0
15. Other accident and health.....	0	0	0	0	15,659	0	0	(a) 15,659	360
16. Workers' compensation.....	48,677,750	129,119	48,677,751	129,118	8,818,999	193,431	8,820,000	321,548	17,568
17.1 Other liability - occurrence.....	0	5,216,677	473,292	4,743,385	0	17,327,715	2,081,839	19,989,261	2,370,792
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	54,433	0	54,433	0	71,340	0	125,773	6,541
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0	0	0	0	0
22. Aircraft (all perils).....	0	1,978	947	1,031	0	2,963	0	3,994	211
23. Fidelity.....	0	0	0	0	0	0	0	0	0
24. Surety.....	0	12,070	0	12,070	0	18,082	0	30,152	1,535
26. Burglary and theft.....	0	0	0	0	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0	0	0	0	0
28. Credit.....	231,121	0	180,263	50,858	4,317,038	29,701	3,338,403	1,059,194	23,028
29. International.....	0	0	0	0	0	0	0	0	0
30. Warranty.....	21,299	23,397	44,696	0	23,782	36,478	.60,260	0	0
31. Reinsurance - nonproportional assumed property.....	XXX.	0	0	0	XXX.	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX.	0	0	0	XXX.	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX.	0	0	0	XXX.	0	0	0	0
34. Aggregate write-ins for other lines of business.....	1,258,428	176,535	68,371	1,366,592	2,098,879	184,182	.655,193	2,994,460	1,808
35. TOTALS.....	50,391,157	8,005,853	49,764,235	8,632,775	50,986,114	29,749,362	35,683,595	.53,684,656	3,531,459

DETAILS OF WRITE-INS

3401. Contract Liability.....	811,754	108,501	0	920,255	1,203,123	150,712	.81,751	2,192,339	0
3402. Credit Unemployment.....	446,337	0	0	446,337	.893,332	0	.537,549	.802,121	1,808
3403. Vehicle Service Contract.....	337	68,035	68,371	0	2,424	33,470	.35,894	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	1,258,428	176,535	68,371	1,366,592	2,098,879	184,182	.655,193	2,994,460	1,808

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

STONEBRIDGE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	(55,782)	0	0	(55,782)
1.2 Reinsurance assumed.....	(246,000)	0	0	(246,000)
1.3 Reinsurance ceded.....	13,069	0	0	13,069
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	(314,851)	0	0	(314,851)
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	64,713,774	0	64,713,774
2.2 Reinsurance assumed, excluding contingent.....	0	(5,814)	0	(5,814)
2.3 Reinsurance ceded, excluding contingent.....	0	35,051,827	0	35,051,827
2.4 Contingent - direct.....	0	5,471,084	0	5,471,084
2.5 Contingent - reinsurance assumed.....	0	0	0	0
2.6 Contingent - reinsurance ceded.....	0	0	0	0
2.7 Policy and membership fees.....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	35,127,217	0	35,127,217
3. Allowances to manager and agents.....	0	0	0	0
4. Advertising.....	0	91,285	0	91,285
5. Boards, bureaus and associations.....	3,541	32,168	434	36,143
6. Surveys and underwriting reports.....	0	0	0	0
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	709,156	4,018,550	147,144	4,874,850
8.2 Payroll taxes.....	67,182	380,695	7,285	455,162
9. Employee relations and welfare.....	131,927	747,587	27,040	906,554
10. Insurance.....	140	794	1,321	2,255
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	0	161,466	3,865	165,331
13. Rent and rent items.....	0	447,373	7,796	455,169
14. Equipment.....	0	17,160	9,896	27,056
15. Cost or depreciation of EDP equipment and software.....	0	1,725,243	0	1,725,243
16. Printing and stationery.....	12,277	72,081	1,297	85,655
17. Postage, telephone and telegraph, exchange and express.....	35,273	199,878	712	235,863
18. Legal and auditing.....	1,322,656	240,913	6,277	1,569,846
19. Totals (Lines 3 to 18).....	2,282,152	8,135,193	213,067	10,630,412
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	0	2,218,219	0	2,218,219
20.2 Insurance department licenses and fees.....	0	76	13,737	13,813
20.3 Gross guaranty association assessments.....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate).....	0	154,458	14	154,472
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	2,372,753	13,751	2,386,504
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	567,904	680,166	37,573	1,285,643
25. Total expenses incurred.....	2,535,205	46,315,330	264,391	(a) 49,114,925
26. Less unpaid expenses - current year.....	3,531,459	9,268,175	0	12,799,634
27. Add unpaid expenses - prior year.....	3,848,166	9,445,113	0	13,293,279
28. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	2,851,912	46,492,267	264,391	49,608,570

DETAILS OF WRITE-INS

2401. Administrative service fee.....	500,387	0	0	500,387
2402. Other service fees.....	0	301,732	0	301,732
2403. Sundry general expense.....	39,576	224,262	1,013	264,851
2498. Summary of remaining write-ins for Line 24 from overflow page.....	27,941	154,172	36,560	218,673
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	567,904	680,166	37,573	1,285,643

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....1,718,671	.....1,650,813
1.1 Bonds exempt from U.S. tax.....	(a).....0	.....0
1.2 Other bonds (unaffiliated).....	(a).....8,624,661	.....8,689,999
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....78,379	.....78,365
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....(40,256)	.....(40,256)
9. Aggregate write-ins for investment income.....	.....68,700	.....65,085
10. Total gross investment income.....	.....10,450,155	.....10,444,006
11. Investment expenses.....	(g).....250,640	
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....13,751	
13. Interest expense.....	(h).....6,644	
14. Depreciation on real estate and other invested assets.....	(i).....0	
15. Aggregate write-ins for deductions from investment income.....	.....0	
16. Total deductions (Lines 11 through 15).....	.....271,035	
17. Net investment income (Line 10 minus Line 16).....	.....10,172,971	

DETAILS OF WRITE-INS

0901. Security Lending Fee.....	.....67,441	.....63,826
0902. Miscellaneous Investment Income.....	.....1,259	.....1,259
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....68,700	.....65,085
1501. ....	.....0	
1502. ....	.....0	
1503. ....	.....0	
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	

(a) Includes \$....338,905 accrual of discount less \$....444,657 amortization of premium and less \$....10,300 paid for accrued interest on purchases.

(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.

(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.

(e) Includes \$....42,020 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.

(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.

(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.

(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....38,432	.....0	.....38,432	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....0	.....0	.....0	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....326,306	.....(94,503)	.....231,803	.....762,773	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....1,041	.....0	.....1,041	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....(83,630)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....365,779	.....(94,503)	.....271,276	.....679,143	.....0

DETAILS OF WRITE-INS

0901. ....	.....0	.....0	.....0	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

STONEBRIDGE CASUALTY INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	2,264,648	2,636,426	371,778
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,264,648	2,636,426	371,778
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	2,264,648	2,636,426	371,778

DETAILS OF WRITE-INS

1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Investment receivables.....	0	0	0
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed by the Insurance Department of the State of Ohio. The Insurance Department of the State of Ohio recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operation of an insurance company for determining its solvency under 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. While the Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices, none are included within this financial statement.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed by the State of Ohio is shown below:

	<u>2011</u>	<u>2010</u>
Net Income, State of Ohio Basis	\$ 10,238,312	\$ 8,363,613
State Prescribed Practices	0	0
State Permitted Practices	0	0
Net Income, NAIC SAP	<u>\$ 10,238,312</u>	<u>\$ 8,363,613</u>
Statutory Surplus, State of Ohio Basis	\$ 89,811,706	\$ 108,852,073
State Prescribed Practices	0	0
State Permitted Practices	0	0
Statutory Surplus, NAIC SAP	<u>\$ 89,811,706</u>	<u>\$ 108,852,073</u>

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 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 Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for the group and other accident and health business. For the GAP product, direct unearned premiums are computed by pro rata methods for the debt waiver states and either pro rata or Rule of 78 for insurance states depending on the refund methodology used by that state. Travel unearned premiums are computed based on historical premium patterns or pro rata where detail is provided. Assumed unearned premiums are based upon reports from ceding companies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are accounted for in the same manner as similar long-term investments. Investments in money market funds are reported in accordance with the guidance as outlined in the NAIC Purposes and Procedures Manual of the SVO.
- (2) Investments in bonds not backed by other loans are stated at amortized cost using the scientific interest method, except those with NAIC designations of 3 - 6, which are stated at the lower of amortized cost or fair value.
- (3) Investments in common stocks are stated at fair value, except those investments in stocks of uncombined subsidiaries and affiliates, which are valued using applicable methods outlined in Part Eight of the SVO Purposes and Procedures Manual.
- (4) The Company had no investments in preferred stock during 2011 or 2010.
- (5) The Company had no investments in mortgage loans during 2011 or 2010.
- (6) Investments in loan-backed securities are stated at amortized cost, except those with initial NAIC designations of 3 - 6, which are stated at the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities unless the security has been impaired.
- (7) The Company had no investments in subsidiaries, controlled or affiliated companies during 2011 or 2010.
- (8) The accounting policies of the insurer with respect to investments in joint ventures, partnerships and limited liability companies follow the guidance as outlined in SSAP No. 48 and 97 of the NAIC Accounting Practices and Procedures Manual.
- (9) The Company has not invested in derivatives.
- (10) The Company holds premium deficiency reserves as reported in Note 30.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Method used to estimate pharmaceutical rebate receivables - Not Applicable

2. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles and/or Correction of Errors

Effective December 31, 2011, the Company adopted SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*. The revisions require the Company to recognize a liability equal to the fair value of the guarantee at its inception, even if the likelihood of payment under the guarantee is remote. Additional disclosures are also required for guarantees. Guarantees made to/or on behalf of a wholly-owned subsidiary and related party guarantees that are considered "unlimited" (for example, in response to a rating agency's requirement to provide a commitment to support) are exempt from the initial liability recognition, but are subject to the new disclosure requirements. The adoption of this new accounting principle had no material impact to the Company's results of operations or financial position and did not require additional disclosures regarding these guarantees.

Effective December 31, 2011, the Company adopted non-substantive revisions to SSAP No. 100, *Fair Value Measurements*, to incorporate the provisions of ASU 2010-06, *Improving Disclosures about Fair Value Measurements*. This revision requires, for annual statutory financial statements only, a new disclosure for assets and liabilities for which fair value is not measured and reported in the statement of financial position but is otherwise disclosed.

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2012, the Company will adopt revisions to SSAP No. 100, *Fair Value Measurements*. These revisions require new disclosures of fair value hierarchy and the method used to obtain the fair value measurement, a new footnote that summarizes hierarchy levels by type of financial instrument, and gross presentation of purchases, sales, issues and settlements within the reconciliation for fair value measurements categorized within Level 3 of the hierarchy.

Effective December 31, 2011, the Company adopted non-substantive changes to SSAP No. 32, *Investments in Preferred Stock (including investments in preferred stock of subsidiary, controlled, or affiliated entities)*. Under the revised SSAP No. 32, a preferred stock is defined as any class or series of shares the holders of which have any preference, either as to the payment of dividends or distribution of assets on liquidation, over the holder of common stock [as defined in SSAP No. 30, *Investments in Common Stock (excluding investments in common stock of subsidiary, controlled, or affiliated entities)*] issued by an entity.

Effective January 1, 2011, the Company adopted SSAP No. 35R, *Guaranty Fund and Other Assessments – Revised*. This statement modified the conditions required for recognizing a liability for insurance-related assessments and required additional disclosures to be made in the Notes to the Financial Statements. The adoption of this accounting principle had no financial impact to the Company upon adoption.

Effective January 1, 2011, the Company adopted revisions to SSAP No. 43R – *Loan-backed and Structured Securities* to clarify the definitions of loan-backed and structured securities. The clarified guidance was applied prospectively and had no financial impact to the Company on adoption.

For interim and annual periods of 2011 and 2010, the Company adopted SSAP No. 10R – *Income Taxes – Revised, A Temporary Replacement of SSAP No. 10 (SSAP 10R)*. This statement establishes statutory accounting principles for current and deferred federal and foreign income taxes and current state income taxes. The SSAP temporarily supersedes SSAP No. 10 – *Income Taxes*. SSAP No. 10R allows an entity to elect to admit additional deferred tax assets (DTAs) utilizing a three year loss carryback provision, plus the lesser of a look-forward of three years on gross DTA's expected to be realized or 15% of statutory capital and surplus if the entity's risk-based capital is above the 250% risk-based capital level where an action level could occur as a result of a trend test utilizing the old SSAP No. 10 provisions to calculate the DTA. Prior to the adoption of SSAP 10R, the admitted DTA was calculated by taking into consideration a one year loss carryback and look-forward on gross DTA's that can be expected to be realized and a 10% capital and surplus limit on the admitted amount of the DTA. The Company elected to admit additional deferred tax assets pursuant to SSAP 10R and as a result, the cumulative effect of the adoption of this standard is the difference between the calculation of the admitted DTA per SSAP 10R and the old SSAP No. 10 methodology at December 31, 2011 and 2010. This change in accounting principle increased surplus by a net amount of \$1,969,200 and \$2,407,152 at December 31, 2011 and 2010, respectively, which has been recorded in the capital section of the balance sheet as an aggregate write-in for other than special surplus funds.

Effective January 1, 2012, the Company will begin computing current and deferred income taxes in accordance with SSAP No. 101 – *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10*. This statement establishes statutory accounting principles for current and deferred federal and foreign income taxes and current state income taxes. The effect of this statement is not expected to be material to the financial statements.

Effective December 31, 2010, the Company adopted modifications made to SSAP No. 91R – *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*. As a result of these modifications, for securities lending programs, collateral received by the Company's agent that can be sold or re-pledged is reported on the balance sheet. Collateral received and reinvestment of that collateral by the Company are reflected as a one-line entry on the balance sheet (Securities lending reinvested collateral assets) and a separate schedule (DL) is provided at each quarter- and year-end to provide detail of the reinvested collateral. A separate liability is also established to record the obligation to return the cash collateral (Payable for securities lending). This change in accounting principle increased assets and liabilities by \$32,616,098 with no impact to surplus. See Note 5E for further details.

Effective December 31, 2010, the Company adopted SSAP No. 100 – *Fair Value Measurements*, including modifications and clarifications made to the standard. This statement defines fair value, establishes a framework for measuring fair value and establishes disclosure requirements about fair value, and it applies under other statutory accounting pronouncements that require or permit fair value measurements. The adoption of this new accounting principle had no impact to surplus. See Note 20 for further details.

3. Business Combinations and Goodwill
 - A. Statutory Purchase Method - Not Applicable
 - B. Statutory Merger - Not Applicable
 - C. Impairment Loss - Not Applicable
4. Discontinued Operations
 - A. The Company entered into an agreement to sell its auto liability policies to MetLife Property and Casualty Insurance Company effective June 27, 1989. MetLife assumed responsibility for all claim payments, including claims incurred to the sale date. The Company has continued to maintain inforce an excess of loss reinsurance agreement with General Re Life Corporation. The excess of loss reinsurance agreement is expected to stay inforce until all claims incurred to the sale date are settled.
 - B. The Company's auto operations have been classified as Discontinued Operations and have been reported consistently with the Company's reporting of continuing operations.
 - C. The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Statement of Income are as follows:

Balance Sheet December 31, 2011		
Assets		
a. Line 26 Totals	\$	0
Liabilities, Surplus and Other Funds		
b. Line 36 Totals	\$	245,206
Statement of Income December 31, 2011		
c. Line 2 Losses incurred	\$	(245,206)
d. Line 6 Total underwriting deductions	\$	(245,206)
e. Line 8 Net underwriting gain (loss)	\$	245,206
f. Line 16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$	245,206
g. Line 18 Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$	245,206

5. Investments
 - A. Mortgage Loans - None
 - B. Debt Restructuring - The Company had no investments in restructured loans during 2011 or 2010.
 - C. Reverse Mortgages - None

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

(1) Prepayment assumptions were obtained from BlackRock or Bloomberg prepayment models. If assumptions were not available from these sources, internal estimates were used.

(2) Aggregate totals for loan-backed securities with a recognized other-than-temporary impairment during the current reporting period are shown below classified on the basis of the other-than-temporary impairment:

	1 Book/Adj Carrying Value Amortized Cost Before Current Period OTTI	2 Recognized Other-Than- Temporary Impairment	3 Amortized Cost After Other-Than- Temporary Impairment	4 Fair Value
1st Qtr Present Value of Cash Flows Expected to be Less than the Amortized Cost Basis	\$ -	\$ -	\$ -	\$ -
2nd Qtr Present Value of Cash Flows Expected to be Less than the Amortized Cost Basis	367,936	35,876	332,060	265,712
3rd Qtr Present Value of Cash Flows Expected to be Less than the Amortized Cost Basis	58,247	1,517	56,731	27,816
4th Qtr Present Value of Cash Flows Expected to be Less than the Amortized Cost Basis	1,193,852	57,111	1,136,741	982,953
Aggregate Total	\$ 1,620,035	\$ 94,503	\$ 1,525,533	\$ 1,276,481

(3) Detail for each security with a recognized other-than-temporary impairment, currently held by the reporting entity, where the present value of cash flows expected to be collected is less than the amortized cost basis of the securities, is shown below:

1 CUSIP	2 Book/Adj Carrying Value 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
22942KCA6	\$ 491,068	\$ 453,135	\$ 37,933	\$ 453,135	\$ 253,559	3Q 2009
22942KCA6	453,135	442,465	10,670	442,465	262,698	3Q 2009
43718MAD6	5,620,894	5,307,233	313,661	5,307,233	2,898,766	4Q 2009
22942KCA6	406,690	402,099	4,592	402,099	298,213	1Q 2010
43718MAD6	5,226,795	5,002,824	223,971	5,002,824	2,919,386	1Q 2010
74925FAA1	917,213	876,094	41,119	876,094	812,403	1Q 2010
22942KCA6	383,425	380,456	2,969	380,456	273,804	2Q 2010
52522QAM4	662,553	633,842	28,711	633,842	451,831	2Q 2010
65536PAA8	157,996	148,508	9,488	148,508	135,313	2Q 2010
22942KCA6	365,655	364,641	1,014	364,641	284,816	3Q 2010
65536PAA8	87,271	80,446	6,825	80,446	75,595	3Q 2010
22942KCA6	350,148	326,654	23,494	326,654	266,028	4Q 2010
52522QAM4	579,986	574,453	5,534	574,453	442,345	4Q 2010
74925FAA1	766,041	733,740	32,301	733,740	720,926	4Q 2010
22942KCA6	306,869	272,405	34,464	272,405	232,293	2Q 2011
65536PAA8	61,066	59,655	1,411	59,655	33,419	2Q 2011
65536PAA8	58,247	56,731	1,516	56,731	27,816	3Q 2011
52522QAM4	502,892	470,482	32,410	470,482	373,392	4Q 2011
65536PAA8	55,670	55,076	594	55,076	22,761	4Q 2011
74925FAA1	635,290	611,184	24,107	611,184	586,800	4Q 2011
Total	xxx	xxx	\$ 836,782	\$ 17,252,123	xxx	

(4) The unrealized losses of loan-backed securities where fair value is less than cost or amortized cost for which an other-than-temporary impairment has not been recognized in earnings at December 31, 2011 are as follows:

a. Aggregate amount of unrealized losses:
1. Less than 12 Months \$ 13,122
2. 12 Months or Longer \$ 4,521,395
b. Aggregate related fair value of securities with unrealized losses:
1. Less than 12 Months \$ 2,208,923
2. 12 Months or Longer \$ 17,073,130

E. Repurchase Agreements

(1) The Company did not participate in repurchase agreements during 2011.

The Company participates in an agent-managed securities lending program. The Company receives collateral equal to 102% of the fair value of the loaned domestic securities. If the fair value of the collateral is at any time less than 102% of the fair value of the loaned securities, the counterparty is mandated to deliver additional collateral, the fair value of which, together with the collateral already held in connection with the lending transaction, is at least equal to 102% of the fair value of the loaned securities. In the event the Company loans a foreign security and the denomination of the currency of the collateral is other than the denomination of the currency of the loaned foreign security, the Company receives and maintains collateral equal to 105% of the fair value of the loaned security. Cash received as collateral is reinvested and is not available for general corporate purposes.

At December 31, 2011 and December 31, 2010, respectively, securities with a fair value of \$21,439,595 and \$31,689,641 were on loan under security lending agreements.

For dollar repurchase agreements, the Company receives cash collateral in an amount at least equal to the fair value of the securities transferred by the Company as of the transaction date. Cash received as collateral will be invested as needed or used for general corporate purposes of the Company. The Company did not participate in dollar repurchase agreements at December 31, 2011 or 2010.

NOTES TO FINANCIAL STATEMENTS

(2) Not Applicable.

(3) Collateral Received

a. Aggregate Amount Cash Collateral Received

	(1) Fair Value
1. Repurchase Agreement	
(a) Open	\$ -
(b) 30 Days or Less	- -
(c) 31 to 60 Days	- -
(d) 61 to 90 Days	- -
(e) Greater Than 90 Days	- -
(f) Sub-Total	\$ - -
(g) Securities Received	- -
(h) Total Collateral Received	<u><u>\$ - -</u></u>
2. Securities Lending	
(a) Open	\$ 22,085,172
(b) 30 Days or Less	- -
(c) 31 to 60 Days	- -
(d) 61 to 90 Days	- -
(e) Greater Than 90 Days	- -
(f) Sub-Total	\$ 22,085,172
(g) Securities Received	- -
(h) Total Collateral Received	<u><u>\$ 22,085,172</u></u>
3. Dollar Repurchase Agreement	
(a) Open	\$ -
(b) 30 Days or Less	- -
(c) 31 to 60 Days	- -
(d) 61 to 90 Days	- -
(e) Greater Than 90 Days	- -
(f) Sub-Total	\$ - -
(g) Securities Received	- -
(h) Total Collateral Received	<u><u>\$ - -</u></u>
b. Aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral)	\$ 21,935,001
c. The Company receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral into higher yielding securities than the securities which the Company has lent to other entities under the arrangement.	

(4) All of the reinvested collateral has been "one-line" reported on the Company's balance sheet.

NOTES TO FINANCIAL STATEMENTS**(5) Collateral Reinvestment****a. Aggregate Amount Cash Collateral Reinvested**

	(1) <u>Amortized Cost</u>	(2) <u>Fair Value</u>
1. Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	- -	- -
(c) 31 to 60 Days	- -	- -
(d) 61 to 90 Days	- -	- -
(e) 91 to 120 Days	- -	- -
(f) 121 to 180 Days	- -	- -
(g) 181 to 365 Days	- -	- -
(h) 1 to 2 Years	- -	- -
(i) 2-3 Years	- -	- -
(j) Greater Than 3 Years	- -	- -
(k) Sub-Total	\$ -	\$ -
(l) Securities Received	- -	- -
(m) Total Collateral Reinvested	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
2. Securities Lending		
(a) Open	\$ 5,246,893	\$ 5,246,893
(b) 30 Days or Less	10,749,054	10,749,054
(c) 31 to 60 Days	2,905,140	2,905,190
(d) 61 to 90 Days	1,680,837	1,647,693
(e) 91 to 120 Days	- -	- -
(f) 121 to 180 Days	- -	- -
(g) 181 to 365 Days	1,244,491	1,211,491
(h) 1 to 2 Years	174,679	174,679
(i) 2-3 Years	- -	- -
(j) Greater Than 3 Years	- -	- -
(k) Sub-Total	\$ 22,001,094	\$ 21,935,001
(l) Securities Received	- -	- -
(m) Total Collateral Reinvested	<u><u>\$ 22,001,094</u></u>	<u><u>\$ 21,935,001</u></u>
3. Dollar Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	- -	- -
(c) 31 to 60 Days	- -	- -
(d) 61 to 90 Days	- -	- -
(e) 91 to 120 Days	- -	- -
(f) 121 to 180 Days	- -	- -
(g) 181 to 365 Days	- -	- -
(h) 1 to 2 Years	- -	- -
(i) 2-3 Years	- -	- -
(j) Greater Than 3 Years	- -	- -
(k) Sub-Total	\$ -	\$ -
(l) Securities Received	- -	- -
(m) Total Collateral Reinvested	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

b. The Company's sources of cash that it uses to return the cash collateral is dependent upon the liquidity of the current market conditions. Under current conditions, the Company has securities with par value of \$22,035,612 (fair value of \$21,935,001) that are currently tradable securities that could be sold and used to pay for the \$22,085,172 in collateral calls that could come due under a worst-case scenario.

F. Real Estate - None.**G. Investments in Low-Income Housing Tax Credits**

For the year ending December 31, 2011, the Company had one Low Income Housing Tax Credit Investment. The remaining years of unexpired tax credits were nine, and the property was not subject to regulatory review. The length of time remaining for the holding period was thirteen years. There are no contingent equity commitments expected to be paid in the future. There were no impairment losses, write-downs, or reclassifications during the year related to any of these credits.

6. Joint Ventures, Partnerships, and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement period.

C. The Company had contingent commitments of \$4,617 and \$66,103 as of December 31, 2011 and 2010, respectively, for Joint Ventures, Partnerships and Limited Liability Companies, which includes LIHTC commitments disclosed in Note 5G.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

Due and accrued interest income was excluded when collection seemed uncertain or payment exceeded 90 days past due.

B. The total amount excluded from bonds was \$0 and \$0 as of December 31, 2011 and December 31, 2010, respectively.

8. Derivative Instruments - The Company did not hold or issue derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

1.

	12/31/2011		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,519,711	\$ 1,021,964	\$ 7,541,675
(b) Statutory Valuation Allowance Adjustment	-	(185,899)	(185,899)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	6,519,711	836,065	7,355,776
(d) Deferred Tax Liabilities	-	217,033	217,033
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	6,519,711	619,032	7,138,743
(f) Deferred Tax Assets Nonadmitted	2,078,749	-	2,078,749
(g) Net Admitted Deferred Tax Assets (1e-1f)	\$ 4,440,962	\$ 619,032	\$ 5,059,994
	12/31/2010		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 7,594,945	\$ 1,725,981	\$ 9,320,926
(b) Statutory Valuation Allowance Adjustment	-	(169,482)	(169,482)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	7,594,945	1,556,499	9,151,444
(d) Deferred Tax Liabilities	-	567,333	567,333
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	7,594,945	989,166	8,584,111
(f) Deferred Tax Assets Nonadmitted	2,466,944	-	2,466,944
(g) Net Admitted Deferred Tax Assets (1e-1f)	\$ 5,128,001	\$ 989,166	\$ 6,117,167
	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (1,075,234)	\$ (704,017)	\$ (1,779,251)
(b) Statutory Valuation Allowance Adjustment	-	(16,417)	(16,417)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	(1,075,234)	(720,434)	(1,795,668)
(d) Deferred Tax Liabilities	-	(350,300)	(350,300)
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	(1,075,234)	(370,134)	(1,445,368)
(f) Deferred Tax Assets Nonadmitted	(388,195)	-	(388,195)
(g) Net Admitted Deferred Tax Assets (1e-1f)	\$ (687,039)	\$ (370,134)	\$ (1,057,173)

2. The Company elected to admit deferred tax assets pursuant to SSAP No. 10R, paragraph 10.e. for the reporting periods 2011 and 2010.

3. Total increased admitted adjusted gross DTAs as the result of the application of paragraph 10.e. SSAP No. 10R, Income Taxes - A Temporary Replacement of SSAP No. 10:

	12/31/2011		
	(1)	(2)	(3) (Col 1+2) Total
Total increased admitted deferred tax asset	\$ 1,596,684	\$ 372,516	\$ 1,969,200
	12/31/2010		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Total increased admitted deferred tax asset	\$ 1,986,918	\$ 420,234	\$ 2,407,152
	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Total increased admitted deferred tax asset	\$ (390,234)	\$ (47,718)	\$ (437,952)

NOTES TO FINANCIAL STATEMENTS

4.

12/31/2011		
(1)	(2)	(3) (Col 1+2) Total
Ordinary	Capital	

Admission Calculation Components

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) SSAP No. 10R, Paragraph 10.a.	\$ 2,844,277	\$ 246,516	\$ 3,090,793
(b) SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	1	-	1
(c) SSAP No. 10R, Paragraph 10.b.i.	1	-	1
(d) SSAP No. 10R, Paragraph 10.b.ii.	8,144,567	-	8,144,567
(e) SSAP No. 10R, Paragraph 10.c.	-	217,033	217,033
(f) Total (4a + 4b + 4e)	\$ 2,844,278	\$ 463,549	\$ 3,307,827

Admission Calculation Components

SSAP No. 10R, Paragraph 10.e.:

(g) SSAP No. 10R, Paragraph 10.e.i.	\$ 3,642,619	\$ 619,032	\$ 4,261,651
(h) SSAP No. 10R, Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	798,343	-	798,343
(i) SSAP No. 10R, Paragraph 10.e.ii.a.	798,343	-	798,343
(j) SSAP No. 10R, Paragraph 10.e.ii.b.	12,216,850	-	12,216,850
(k) SSAP No. 10R, Paragraph 10.e.iii.	-	217,033	217,033
(l) Total (4g + 4h + 4k)	\$ 4,440,962	\$ 836,065	\$ 5,277,027

12/31/2010		
(4)	(5)	(6) (Col 4+5) Total
Ordinary	Capital	

Admission Calculation Components

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) SSAP No. 10R, Paragraph 10.a.	\$ 3,141,083	\$ 568,932	\$ 3,710,015
(b) SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	(0)	-	(0)
(c) SSAP No. 10R, Paragraph 10.b.i.	(0)	-	(0)
(d) SSAP No. 10R, Paragraph 10.b.ii.	10,132,024	-	10,132,024
(e) SSAP No. 10R, Paragraph 10.c.	-	567,333	567,333
(f) Total (4a + 4b + 4e)	\$ 3,141,083	\$ 1,136,265	\$ 4,277,348

Admission Calculation Components

SSAP No. 10R, Paragraph 10.e.:

(g) SSAP No. 10R, Paragraph 10.e.i.	\$ 4,134,542	\$ 989,166	\$ 5,123,708
(h) SSAP No. 10R, Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	993,459	-	993,459
(i) SSAP No. 10R, Paragraph 10.e.ii.a.	993,459	-	993,459
(j) SSAP No. 10R, Paragraph 10.e.ii.b.	15,198,036	-	15,198,036
(k) SSAP No. 10R, Paragraph 10.e.iii.	-	567,333	567,333
(l) Total (4g + 4h + 4k)	\$ 5,128,001	\$ 1,556,499	\$ 6,684,500

Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

Admission Calculation Components

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) SSAP No. 10R, Paragraph 10.a.	\$ (296,806)	\$ (322,416)	\$ (619,222)
(b) SSAP No. 10R, Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	1	-	1
(c) SSAP No. 10R, Paragraph 10.b.i.	1	-	1
(d) SSAP No. 10R, Paragraph 10.b.ii.	(1,987,458)	-	(1,987,458)
(e) SSAP No. 10R, Paragraph 10.c.	-	(350,300)	(350,300)
(f) Total (4a + 4b + 4e)	\$ (296,805)	\$ (672,716)	\$ (969,521)

Admission Calculation Components

SSAP No. 10R, Paragraph 10.e.:

(g) SSAP No. 10R, Paragraph 10.e.i.	\$ (491,923)	\$ (370,134)	\$ (862,057)
(h) SSAP No. 10R, Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	(195,116)	-	(195,116)
(i) SSAP No. 10R, Paragraph 10.e.ii.a.	(195,116)	-	(195,116)
(j) SSAP No. 10R, Paragraph 10.e.ii.b.	(2,981,187)	-	(2,981,187)
(k) SSAP No. 10R, Paragraph 10.e.iii.	-	(350,300)	(350,300)
(l) Total (4g + 4h + 4k)	\$ (687,039)	\$ (720,434)	\$ (1,407,473)

NOTES TO FINANCIAL STATEMENTS

Used in SSAP No. 10R, Paragraph 10.d.

(m) Total Adjusted Capital
 (n) Authorized Control Level

12/31/2011		
Ordinary	Capital	Total
XXX	XXX	87,842,506
XXX	XXX	20,755,851

(m) Total Adjusted Capital
 (n) Authorized Control Level

12/31/2010		
Ordinary	Capital	Total
XXX	XXX	106,444,921
XXX	XXX	24,007,975

(m) Total Adjusted Capital
 (n) Authorized Control Level

Change		
Ordinary	Capital	Total
XXX	XXX	(18,602,415)
XXX	XXX	(3,252,124)

5.

12/31/2011		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs
 (% of Total Adjusted Gross DTAs)

(b) Net Admitted Adjusted Gross DTAs
 (% of Total Net Admitted Adjusted Gross DTAs)

12/31/2010		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs
 (% of Total Adjusted Gross DTAs)

(b) Net Admitted Adjusted Gross DTAs
 (% of Total Net Admitted Adjusted Gross DTAs)

Change		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs
 (% of Total Adjusted Gross DTAs)

(b) Net Admitted Adjusted Gross DTAs
 (% of Total Net Admitted Adjusted Gross DTAs)

NOTES TO FINANCIAL STATEMENTS

6.

12/31/2011		
(1)	(2)	(3) (Col 1+2) Total
Ordinary	Capital	

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) Admitted Deferred Tax Assets	\$ 2,844,278	\$ 463,549	\$ 3,307,827
(b) Admitted Assets	XXX	XXX	273,805,973
(c) Adjusted Statutory Surplus*	XXX	XXX	87,842,506
(d) Total Adjusted Capital from DTAs	XXX	XXX	87,842,506

Increases due to SSAP No. 10R, Paragraph 10.e.:

(e) Admitted Deferred Tax Assets	\$ 1,596,684	\$ 372,516	\$ 1,969,200
(f) Admitted Assets	\$ 1,596,684	\$ 372,516	\$ 1,969,200
(g) Statutory Surplus	\$ 1,596,684	\$ 372,516	\$ 1,969,200

12/31/2010		
(4)	(5)	(6) (Col 4+5) Total
Ordinary	Capital	

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) Admitted Deferred Tax Assets	\$ 3,141,083	\$ 1,136,265	\$ 4,277,348
(b) Admitted Assets	XXX	XXX	302,829,365
(c) Adjusted Statutory Surplus*	XXX	XXX	106,444,921
(d) Total Adjusted Capital from DTAs	XXX	XXX	106,444,921

Increases due to SSAP No. 10R, Paragraph 10.e.:

(e) Admitted Deferred Tax Assets	\$ 1,986,918	\$ 420,234	\$ 2,407,152
(f) Admitted Assets	\$ 1,986,918	\$ 420,234	\$ 2,407,152
(g) Statutory Surplus	\$ 1,986,918	\$ 420,234	\$ 2,407,152

Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

(a) Admitted Deferred Tax Assets	\$ (296,805)	\$ (672,716)	\$ (969,521)
(b) Admitted Assets	XXX	XXX	(29,023,392)
(c) Adjusted Statutory Surplus*	XXX	XXX	(18,602,415)
(d) Total Adjusted Capital from DTAs	XXX	XXX	(18,602,415)

Increases due to SSAP No. 10R, Paragraph 10.e.:

(e) Admitted Deferred Tax Assets	\$ (390,234)	\$ (47,718)	\$ (437,952)
(f) Admitted Assets	\$ (390,234)	\$ (47,718)	\$ (437,952)
(g) Statutory Surplus	\$ (390,234)	\$ (47,718)	\$ (437,952)

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10.b.ii

B. There are no temporary differences for which deferred tax liabilities are not recognized.

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

(1)	(2)	(3) (Col 1-2) Change
12/31/2011	12/31/2010	

1. Current Income Tax

(a) Federal	\$ 3,926,966	\$ 4,128,145	\$ (201,179)
(b) Foreign	-	-	-
(c) Subtotal	3,926,966	4,128,145	(201,179)
(d) Federal income tax on net capital gains	130,329	476,674	(346,345)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 4,057,295	\$ 4,604,819	\$ (547,524)

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets:

(a) Ordinary

(1) Discounting of unpaid losses	\$ 1,467,699	\$ 2,284,688	\$ (816,989)
(2) Unearned premium reserve	2,045,936	2,002,590	43,346
(3) Policyholder reserves	9,277	-	9,277
(4) Corporate provision	35,000	-	35,000
(5) Reinsurance in unauthorized companies	2,852,425	3,122,383	(269,958)
(6) Other (including items <5% of total ordinary tax assets)	109,374	185,284	(75,910)
(99) Subtotal	\$ 6,519,711	\$ 7,594,945	\$ (1,075,234)

(b) Statutory valuation allowance adjustment

(c) Nonadmitted	\$ 2,078,749	\$ 2,466,944	\$ (388,195)
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(d) Admitted ordinary deferred tax assets (2a99-2b-2c)

(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 4,440,962	\$ 5,128,001	\$ (687,039)
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(e) Capital:

(1) Investments	\$ 1,021,964	\$ 1,725,981	\$ (704,017)
(2) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	\$ 1,021,964	\$ 1,725,981	\$ (704,017)
(f) Statutory valuation allowance adjustment	\$ 185,899	\$ 169,482	\$ 16,417
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 836,065	\$ 1,556,499	\$ (720,434)
(i) Admitted deferred tax assets (2d + 2h)	\$ 5,277,027	\$ 6,684,500	\$ (1,407,473)

3. Deferred Tax Liabilities

(a) Ordinary

(1) Other (including items <5% of total ordinary tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ -	\$ -	\$ -

(b) Capital

(1) Investments	\$ 217,033	\$ 567,333	\$ (350,300)
(2) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 217,033	\$ 567,333	\$ (350,300)

(c) Deferred tax liabilities (3a99 + 3b99)

(c) Deferred tax liabilities (3a99 + 3b99)	\$ 217,033	\$ 567,333	\$ (350,300)
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4. Net deferred tax assets/liabilities (2i - 3c)

4. Net deferred tax assets/liabilities (2i - 3c)	\$ 5,059,994	\$ 6,117,167	\$ (1,057,173)
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D. The Company's current 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
Current income taxes incurred	\$ 4,057,295	\$ 4,604,819
Change in deferred income taxes (without tax on unrealized gains and losses)	1,207,668	(196,892)
Total income tax reported	<u>\$ 5,264,963</u>	<u>\$ 4,407,927</u>
Income before taxes	14,295,610	12,968,433
35.00%	35.00%	35.00%
Expected income tax expense (benefit) at 35% statutory rate	<u>\$ 5,003,464</u>	<u>\$ 4,538,952</u>
Increase (decrease) in actual tax reported resulting from:		
a. Tax credits	\$ (10,166)	\$ (4,841)
b. Tax-exempt Income	-	(4,710)
c. Surplus adjustment for in-force ceded	-	(200,776)
d. Nondeductible expenses	53	1,089
e. Deferred tax benefit on other items in surplus	384,773	(129,965)
f. Provision to return	(2,662)	38,698
g. Statutory valuation allowance	16,417	169,482
h. Other	(126,915)	(2)
Total income tax reported	<u>\$ 5,264,963</u>	<u>\$ 4,407,927</u>

NOTES TO FINANCIAL STATEMENTS**E. Loss and credit carryforwards**

(1) As of December 31, 2011, the Company has no operating loss, capital loss, or tax credit carryforwards available for tax purposes.

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

2011	\$	3,337,889
2010	\$	1,309,270
2009	\$	2,244,834

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

F. Consolidated federal income tax return

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

(2) The method of allocation between the companies is subject to a written tax allocation agreement. Under the terms of the tax allocation agreement, allocations are based on separate income tax return calculations. The Company is entitled to recoup federal income taxes paid in the event the losses and credits reduce the greater of the Company's separately computed income tax liability or the consolidated group's income tax liability in the year generated. The Company is also entitled to recoup federal income taxes paid in the event the losses and credits reduce the greater of the Company's separately computed income tax liability or the consolidated group's income tax liability in any carryback or carryforward year when so applied. Intercompany income tax balances are settled within thirty days of payment to or filing with the Internal Revenue Service.

10. Information Concerning Parent, Subsidiaries, and Affiliates

A-C. On May 16, 2011, the Company paid \$30,000,000 in dividends to its parent company, AEGON USA, LLC. The payment consisted of an ordinary cash dividend of \$10,800,000, an extraordinary dividend of \$5,200,000 and a return of capital of \$14,000,000. The Company did not pay common stock dividends to its parent company during 2010.

D. At December 31, 2011 and 2010, the Company reported a net amount of \$13,344,063 and \$2,232,601 payable to Parent, Subsidiary, and Affiliated Companies, respectively. Terms of settlement require that these amounts are settled within 90 days.

E. The Company has made no guarantees or commitments with regard to affiliated or related parties.

F. The Company does not have employees. The Company is party to a common cost allocation service arrangement between AEGON companies, in which various affiliated companies may perform specified administrative functions in connection with the operation of the Company, in consideration of reimbursement of actual costs of services rendered. AEGON USA Investment Management, LLC acts as a discretionary investment manager under an Investment Management Agreement with the Company.

G. All outstanding shares of the Company are owned by AEGON USA, LLC, a holding company domiciled in the state of Iowa.

H. The Company does not own any shares of stock of its Parent Company.

I. The Company has no investments in Subsidiary, Controlled or Affiliated Companies.

J. The Company has no investments in Subsidiary, Controlled or Affiliated Companies.

K. The Company has no investments in foreign insurance subsidiaries.

L. The Company does not hold any investments in a downstream noninsurance holding company.

11. Debt

A. The Company had no outstanding liability due to participation in dollar repurchase agreements at December 31, 2011. The Company enters dollar repurchase agreements in which securities are delivered to the counterparty once adequate collateral has been received as stated in Note 5E.

B. FHLB (Federal Home Loan Bank) Agreements - None

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensation Absences, and other Post-Retirement Benefit Plans

The Company has no employees. Services are provided by employees of affiliated companies as part of a Cost Sharing Agreement. This Agreement has been approved by the domiciliary regulators of each of the insurance companies.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 500,645 common shares authorized, 396,563 shares issued and outstanding. Par value is \$22.

(2) The Company has no preferred stock authorized.

(3) The Company is subject to limitations, imposed by the State of Ohio, on the payment of dividends to its parent company. Generally, dividends during any twelve month period may not be paid, without prior regulatory approval, in excess of the greater of (a) 10 percent of statutory surplus as of the preceding December 31, or (b) statutory net income. Subject to availability of unassigned surplus at the time of such dividend, the maximum payment which may be made in 2012 without the prior approval of insurance regulatory authorities is \$10,238,212.

(4) On May 16, 2011, the Company paid \$30,000,000 in dividends to its parent company, AEGON USA, LLC. The payment consisted of an ordinary cash dividend of \$10,800,000 and an extraordinary dividend of \$5,200,000 and a return of capital of \$14,000,000. The Company did not pay any dividends during 2010.

(5) Within the limitation of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) The total amount of advances to surplus not repaid is \$0.

(8) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:

(a) For conversion of preferred stock	0 Shares
(b) For employee stock options	0 Shares
(c) For stock purchase warrants	0 Shares

NOTES TO FINANCIAL STATEMENTS

(9) Changes in balances of special surplus funds from the prior year are due to: Not Applicable

(10) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

(a) Unrealized gains and losses	\$0
(b) Nonadmitted asset values	(\$2,264,648)
(c) Reinsurance in unauthorized companies	(\$5,264,593)

(11) The Company issued the following surplus debentures or similar obligations: Not Applicable

(12) The impact of any restatement due to prior quasi-reorganization is as follows: Not Applicable

(13) The effective date(s) of all quasi-reorganization in the prior 10 years is/are: Not Applicable

14. Contingencies**A. Contingent Commitments**

The Company has purchased annuities from life insurers under which the claimants are payees to fund future payments that are fixed to specific claim settlement provisions. The Company is continually liable for the outstanding balances under these annuities amounting to \$41,625.

B. Assessments

- (1) The Company is assessed amounts by state guaranty funds to cover losses to policyholders of insolvent or rehabilitated insurance companies. Those mandatory assessments may be partially recovered through a reduction in future premium taxes in certain states. Amounts assessed during 2011 and 2010 were not material.
- (2) Reconciliation of Assets Recognized from Paid and Accrued Premium Tax Offsets Related to Guaranty Fund Assessments

As of Year End 2011:	<u>Dollar Amount</u>
a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end:	\$ 6,527
b. Decreases current year: Premium tax offset applied:	\$ (2,087)
c. Increases current year: Premium tax asset from new assessments:	\$ 2,031
d. Assets recognized from paid and accrued premium tax offsets and policy	\$ 6,471

C. Gain Contingencies - None**D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits - None****E. All Other Contingencies**

The Company is a party to legal proceedings involving a variety of issues incidental to its business. Lawsuits may be brought in nearly any federal or state court in the United States or in an arbitral forum. In addition, there continues to be significant federal and state regulatory activity relating to financial services companies. The Company's legal proceedings are subject to many variables, and given its complexity and scope, outcomes cannot be predicted with certainty. Although legal proceedings sometimes include substantial demands for compensatory and punitive damages, and injunctive relief, it is management's opinion that damages arising from such demands will not be material to the Company's financial position.

15. Leases - The Company does not have any material lease obligations.**16. Information About Financial Instruments with Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company had no financial instruments with off-balance sheet risk during either of the years presented in this annual statement.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales - None****B. Transfer and Servicing of Financial Assets – Not Applicable except for item (2).**

(2) See Note 5E.

C. Wash Sales - None**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None**

NOTES TO FINANCIAL STATEMENTS

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

Name and Address of MGA/TPA	FEIN #	Exclusive Contract	Type of Business Written	Type of Authority Granted	Total Direct Premiums
Customized Services Administrators 5454 Ruffin Road San Diego, CA 92123	33-0463446	No	Travel Insurance	C, CA, P, U	\$69,411,884
The Berkeley Group 300 Jericho Quadrangle PO Box 9022 Jericho, NY 11753	36-3642411	No	Travel Insurance	C, CA, P, U	\$89,466,188
RBC U.S. Insurance Services, Inc. 2000 Wade Hampton Blvd. Greenville, SC 29615	57-0714532	No	Travel Insurance	C, CA, P, U	\$20,645,372
Total MGA/TPA premiums					\$179,523,444

20. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Bonds				
Industrial and Misc	\$ -	\$ 5,108,758	\$ 4,051,151	\$ 9,159,909
Total Bonds	\$ -	\$ 5,108,758	\$ 4,051,151	\$ 9,159,909
Short Term				
Industrial and Misc	\$ -	\$ 14,994,048	\$ -	\$ 14,994,048
Mutual Funds	\$ -	\$ 15,666,813	\$ -	\$ 15,666,813
Total Short Term	\$ -	\$ 30,660,861	\$ -	\$ 30,660,861
Total assets at fair value	\$ -	\$ 35,769,619	\$ 4,051,151	\$ 39,820,770
b. Liabilities at fair value	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Balance at 01/01/2011	Transfers in (Level 3)	Transfers out (Level 3)	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases, Issuances, Sales and Settlements Cost	Balance at 12/31/2011
Bonds	\$	\$	\$	\$	\$	\$
RMBS	\$ 6,641,884	\$ 1,492,298	\$ 2,413,379	\$ 44,982	\$ 541,335	\$ (2,255,969)
Total	\$ 6,641,884	\$ 1,492,298	\$ 2,413,379	\$ 44,982	\$ 541,335	\$ (2,255,969)
						\$ 4,051,151

Transfers in for bonds were attributable to securities being valued using third party vendor inputs at December 31, 2010, and subsequently changing to being valued using non-corroborated broker quotes, thus causing the transfer into Level 3 during 2011.

Transfers out for bonds were attributable to securities being valued using non-corroborated broker quotes at December 31, 2010 and subsequently changing to being valued using third party vendor inputs during 2011.

(3) The Company's policy is to recognize transfers in and out of Level 3 as of the beginning of the reporting period.

(4) Bonds classified in Level 2 are valued using inputs from third party pricing services or corroborated broker quotes. Level 3 measurements for bonds are primarily those valued using non-corroborated broker quotes or internal modeling.

Short-term investments are classified as Level 2 as they are carried at amortized cost, which approximates fair value.

21. Other Items

A. Extraordinary Items - None

B. Troubled Debt Restructuring - None

C. Other Disclosures

Assets in the amount of \$4,607,947 and \$4,965,467 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law.

The Company has established a liability for disputed reinsurance recoverables.

D. Uncollectible Assets - None

E. Business Interruption Insurance Recoveries - None

NOTES TO FINANCIAL STATEMENTS**F. State Transferable Tax Credits**

(1) The following table provides the carrying value of transferable state tax credits gross of any related tax liabilities and total unused transferable state tax credits by state and in total as of December 31, 2011:

(1) Description of State Transferable Tax Credits	(2) State	(3) Admitted Carrying Value	(4) Unused Amount*
Low-Income Housing Tax Credits	MA	\$ 376,225	\$ 566,594
Total		\$ 376,225	\$ 566,594

*The unused amount reflects credits that we deem will be realizable in the period 2012-2015.

(2) The Company estimated the utilization of the remaining State Transferable Tax credits by projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining State Transferable Tax Credits.

(3) The Company had no impairment losses related to State Transferable Tax Credits.

(4) The Company did not carry State Non-Transferable Tax Credits.

G. Subprime Mortgage Related Risk Exposure

Subprime mortgages are loans to homebuyers who have weak or impaired credit histories, are loans that are non-conforming or are loans that are second in priority. The Company's businesses in the United States do not sell or buy subprime mortgages directly. The Company's position is related to so-called "asset-backed securities" (ABS). These securities are pools of mortgages that have been securitized and offered to investors as asset-backed securities, where the mortgages are collateral. Most of the underlying mortgages within the pool have credit scores below 660 at origination. Therefore, the ABS has been classified by the Company as a subprime mortgage position. Also included in the Company's total subprime mortgage position are ABS with second lien mortgages as collateral. The second lien mortgages may not necessarily have subprime credit scores; however, the Company has included these ABS in its subprime position as it's the second priority in terms of repayment. The Company does not have any "direct" residential mortgages to subprime borrowers outside of the ABS structures.

For asset backed securities in an unrealized loss position, the Company would consider them for impairment when there has been an adverse change in estimated cash flows from the cash flows previously projected at purchase, which is in accordance with SSAP 43R. The Company has recorded impairments of \$0 in 2011 and \$223,971 in 2010.

The following table provides the actual cost, carrying value and fair value by asset class of the Company's subprime mortgage direct exposure through other investments at December 31, 2011:

	1 Actual Cost	2 Book/Adjusted Carrying Value (excluding interest)	3 Fair Value	4 Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 6,358,414	\$ 4,157,724	\$ 4,157,724	\$ -
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 6,358,414	\$ 4,157,724	\$ 4,157,724	\$ -

H. Retained Assets – None.**22. Events Subsequent**

As of February 15, 2012, the Company is not aware of any Type I Recognized or Type II Non-recognized events subsequent to December 31, 2011, which would have a material adverse effect upon the financial condition of the Company.

23. Reinsurance**A. Unsecured Reinsurance Recoverables**

The Company's unsecured reinsurance balances (including ceded case IBNR reserves) in excess of 3% of policyholders' surplus with any one reinsurer are displayed below:

NAIC Company Code	Federal Id # (FEIN)	Name of Reinsurer	Amount
20443	36-2114545	Continental Cas Co	\$ 34,684,038
11231	13-5617450	Generali US Branch	\$ 18,202,665
86258	13-2572994	General Re Life Corp	\$ 4,326,289
62235	01-0278678	UNUM Life Ins Co of Amer	\$ 3,976,376
65676	35-0472300	Lincoln National Life Ins Co	\$ 2,809,844

B. Reinsurance Recoverable in Dispute

The amount in dispute from any one reinsurer does not exceed 5% of the Company's policyholder surplus. The aggregate amount of all disputed items does not exceed 10% of the Company's policyholder surplus.

C. Reinsurance Assumed and Ceded - None**D. Uncollectible Reinsurance - None****E. Commutation of Ceded Reinsurance - None****F. Retroactive Reinsurance - None****G. Reinsurance Accounted for as a Deposit – None****H. Disclosure for the Transfer of Property and Casualty Run-off Agreements - None****24. Retrospectively Rated Contracts & Contracts Subject to Redetermination - None**

NOTES TO FINANCIAL STATEMENTS**25. Change in Incurred Losses and Loss Adjustment Expenses**

A. The Company has two primary operating divisions that impact this note. For the direct marketing division, after benefit and expense payments of \$15,621,000, reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased by \$8,353,000 from \$25,143,000 in 2010 to \$1,169,000 in 2011. The decrease was primarily a result of re-estimation of unpaid losses and loss adjustment expenses, primarily on the travel block of business. This change is the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

For the Corpa Re division, after benefit and expense payments of \$2,892,982, reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$3,710,676 from \$35,645,429 in 2010 to \$36,463,123 in 2011 as a result of re-estimation of unpaid losses and loss adjustment expenses, principally on general liability and commercial multi-peril lines of business. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements - None**27. Structured Settlements****A. Reserves Released Due to Purchase of Annuities**

The Company has purchased annuities from life insurers under which the claimants are payees. The aggregate value of annuities due from all life insurers as of December 31, 2011 was \$41,625. No one life insurer equals or exceeds 1% of the Company's policyholder surplus.

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

The Company has not purchased annuities from life insurers under which the Company is payee and, therefore, no balances are due from such annuity insurers.

28. Health Care Receivables - None**29. Participating Policies – None****30. Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves	\$	215,439
2. Date of the most recent evaluation of this liability		March 2011
3. Was anticipated investment income utilized in the calculation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

31. High Deductibles - None**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses - None****33. Asbestos/Environment Reserves**

A. The Company has exposure to asbestos and environmental claims through its merger with CORPA Reinsurance Company. The Company's exposure arises from the sale of property, general liability and multi-peril reinsurance. The Company tries to estimate the full impact of the asbestos/environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses on previous experience

The Company's asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows

(2) Assumed Reinsurance (in dollars)

	(1) 2011	(2) 2010	(3) 2009	(4) 2008	(5) 2007
a. Beginning reserves:	\$ 30,082,682	\$ 28,822,732	\$ 29,372,296	\$ 26,388,232	\$ 27,452,000
b. Incurred losses and loss adjustment expense:	(223,878)	2,918,613	555,531	4,404,599	392,575
c. Calendar year payments for losses and loss adjustment expenses:	1,154,026	1,658,663	1,105,095	1,420,535	1,456,343
d. Ending reserves:	\$ 28,704,778	\$ 30,082,682	\$ 28,822,732	\$ 29,372,296	\$ 26,388,232

(3) Net of Ceded Reinsurance (in dollars)

	(1) 2011	(2) 2010	(3) 2009	(4) 2008	(5) 2007
a. Beginning reserves:	\$ 22,907,166	\$ 21,647,151	\$ 20,921,799	\$ 18,280,354	\$ 19,249,000
b. Incurred losses and loss adjustment expense:	3,484,952	2,480,251	1,262,840	3,603,148	102,287
c. Calendar year payments for losses and loss adjustment expenses:	1,858,331	1,220,236	537,488	961,703	1,070,933
d. Ending reserves:	\$ 24,533,787	\$ 22,907,166	\$ 21,647,151	\$ 20,921,799	\$ 18,280,354

B. The Company holds IBNR and/or bulk reserves. It held such reserves in the amount of \$24,336,000 on a gross basis and \$20,883,353 on a net basis at December 31, 2011.

C. The Company held \$0 on a net basis for future allocated losses adjustment expenses (including coverage dispute costs) at December 31, 2011.

NOTES TO FINANCIAL STATEMENTS

D. The Company's environmental related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:

(2) Assumed Reinsurance (in dollars)

	(1) <u>2011</u>	(2) <u>2010</u>	(3) <u>2009</u>	(4) <u>2008</u>	(5) <u>2007</u>
a. Beginning reserves:	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000	\$ 3,463,000
b. Incurred losses and loss adjustment expense:	533,962	111,117	909,459	(702,385)	(566,105)
c. Calendar year payments for losses and loss adjustment expenses:	535,781	101,856	488,315	40,615	59,895
d. Ending reserves:	\$ 2,522,586	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000

(3) Net of Ceded Reinsurance (in dollars)

	(1) <u>2011</u>	(2) <u>2010</u>	(3) <u>2009</u>	(4) <u>2008</u>	(5) <u>2007</u>
a. Beginning reserves:	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000	\$ 3,463,000
b. Incurred losses and loss adjustment expense:	533,962	111,117	909,459	(702,385)	(566,105)
c. Calendar year payments for losses and loss adjustment expenses:	535,781	101,856	488,315	40,615	59,895
d. Ending reserves:	\$ 2,522,586	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000

E. The Company holds IBNR and/or bulk reserves. It held such reserves in the amount of \$2,130,000 on a gross basis and \$2,130,000 on a net basis at December 31, 2011.

F. The Company held \$0 on a gross and net basis for future allocated loss adjustment expenses (including coverage dispute costs) at December 31, 2011.

34. Subscriber Savings Accounts - None.

35. Multiple Peril Crop Insurance - None.

36. Financial Guaranty Insurance

A. In 2009, the Company issued a catastrophic asset loss contract to Monumental Life Insurance Company, an affiliated life insurer. The policy covers realized losses in excess of defined limits on a portfolio of investment securities matched to reserve levels of a closed inforce block of business. The portfolio WARF (Weighted Average Rating Factor) must be managed at or below 360 at all times. The policy covers realized losses in excess of 1.5% of aggregate book value over a one year period or 2% of the aggregate book value over a two year period. The policy ends when no assets remain in the reference portfolio.

(1) Financial guarantee insurance contracts where premiums are received as installment payments over the period of the contract, rather than at inception:

The premiums on this policy are paid annually at the beginning of each calendar year. Premiums are recorded when received with an offsetting unearned premium liability. The unearned premium liability is reduced pro rata throughout the year. The anticipated premiums to be received under this policy are as follows:

1.	1st Qtr 2012	\$ 3,000,000
	2nd Qtr 2012	\$ 0
	3rd Qtr 2012	\$ 0
	4th Qtr 2012	\$ 0
	Year 2013	\$ 3,000,000
	Year 2014	\$ 3,000,000
	Year 2015	\$ 3,000,000
	Year 2016	\$ 3,000,000
2.	2017 through 2021	\$ 6,000,000

Expected future premiums are as follows:

Expected future premiums - Beginning of Year	\$ 24,000,000
Less - Premium payments received for existing installment contracts	3,000,000
Add - Expected premium payments for new installment contracts	0
Adjustments to the expected future premium payments	0
Expected future premiums - End of Year	\$ 21,000,000

(2) Non-installment contracts for which premium revenue recognition has been accelerated – Not Applicable.

(3) Claim Liability

The Company calculated no current claim liability on the contract. Therefore, the Company's reserve on this contract at year end 2011 was equal to the unearned premium of \$0.

B. Not Applicable

STONEBRIDGE CASUALTY INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

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

1.3 State regulating? Ohio

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

2.2 If yes, date of change: 12/31/2009

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/28/2011

3.4 By what department or departments? Ohio, Iowa, New York, Arkansas and Vermont

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

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 [X] No []

4.12 renewals? Yes [X] 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 [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control0.000 %

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

1 Nationality	2 Type of Entity
Dutch	Corporation

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
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9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Ernst & Young LLP, 801 Grand Avenue, Des Moines, IA 50309

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 answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Ann Conway at Towers Watson 800 Boylston Street Suite 600, Boston, MA 02199-7612

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved0

12.13 Total book/adjusted carrying value\$0

12.2 If yes, provide explanation.

Annual Statement for the year 2011 of the **STONEBRIDGE CASUALTY INSURANCE COMPANY**
GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

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

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

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$.....0
20.12 To stockholders not officers	\$.....0
20.13 Trustees, supreme or grand (Fraternal only)	\$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$.....0
20.22 To stockholders not officers	\$.....0
20.23 Trustees, supreme or grand (Fraternal only)	\$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others	\$.....0
21.22 Borrowed from others	\$.....0
21.23 Leased from others	\$.....0
21.24 Other	\$.....0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$.....0
22.22 Amount paid as expenses	\$.....0
22.23 Other amounts paid	\$.....0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 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 [X] No []

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

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). See Note 5E for programs details

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 [X] No [] N/A []

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....22,085,172

24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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 [X] No [] N/A []

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] 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 [X] No [] N/A []

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	\$.....0
25.22 Subject to reverse repurchase agreements	\$.....0
25.23 Subject to dollar repurchase agreements	\$.....0
25.24 Subject to reverse dollar repurchase agreements	\$.....0
25.25 Pledged as collateral	\$.....0
25.26 Placed under option agreements	\$.....0
25.27 Letter stock or securities restricted as to sale	\$.....0
25.28 On deposit with state or other regulatory body	\$.....4,607,947
25.29 Other	\$.....0

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 [] No [X]

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

If no, attach a description with this statement.

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

27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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

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

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	New York, NY

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
114537	AEGON USA INVESTMENT MANAGEMENT, LLC		Cedar Rapids, IA

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	242,629,371	256,567,644	13,938,273
30.2 Preferred stocks.....			0
30.3 Totals.....	242,629,371	256,567,644	13,938,273

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

In calculating the fair value, the following pricing sources are used: Barclays Index, JP Morgan Index, JACI Index, Merrill Lynch Index, Bloomberg, Reuters, FT Interactive, JP Morgan Pricing Direct, external money managers, brokers, and internally modeled.

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

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

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....0

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

34.1 Amount of payments for legal expenses, if any? \$.....1,282,476

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
Budd, Larner PC	1,031,695

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

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

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....123,138,976	\$.....135,964,939
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....57,045	\$.....116,555
2.5 Reserve Denominator.....	\$.....84,448,861	\$.....88,480,600
2.6 Reserve Ratio (2.4/2.5).....	.....0.1	.....0.1

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 \$.....0
 3.22 Non-participating policies \$.....0

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1 Does the reporting entity issue assessable policies? Yes [] No []
 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0

5. FOR RECIPROCAL EXCHANGES ONLY:

5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 5.22 As a direct expense of the exchange Yes [] No [] N/A []
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
 5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company has 100% reinsurance coverage, with an upper limit of statutory obligations.

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:
On its travel business, the Company has catastrophic exposure for accidental death and dismemberment sustained by insureds traveling worldwide.
The Company purchased catastrophic excess of loss protection for an amount above the estimated benefits related to the probable maximum number of insureds.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company does not have catastrophic exposure to property losses.
On its travel business, the Company has modest exposure to property losses for baggage and documents-limited to \$500 per insured traveler.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []
 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.1
 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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?

8.2 If yes, give full information:

Yes [] No [X]

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 noncancelable 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 [X] No []

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [X] No []

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:

Yes [] No [X]

- (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 reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [X]

No [] N/A []

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

Yes [] No [X]

11.2 If yes, give full information:

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

\$.....0

12.11 Unpaid losses

\$.....0

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

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

\$.....0

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

Yes []

No [] N/A [X]

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

.....0.0 %

12.41 From

.....0.0 %

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 current year:

\$.....0

12.61 Letters of credit

\$.....0

12.62 Collateral and other funds

\$.....1,000,000

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

\$.....1,000,000

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

Yes [] No [X]

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

.....1

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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 [X] No []

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....					
16.12 Products.....					
16.13 Automobile.....	285,794	45,081	692,827	3,205,932	1,334,963
16.14 Other*.....					

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?

Yes [] No [X]

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

Provide the following information for this exemption:

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

\$.....0

17.12 Unfunded portion of Interrogatory 17.11

\$.....0

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$.....0

17.14 Case reserves portion of Interrogatory 17.11

\$.....0

17.15 Incurred but not reported portion of Interrogatory 17.11

\$.....0

17.16 Unearned premium portion of Interrogatory 17.11

\$.....0

17.17 Contingent commission portion of Interrogatory 17.11

\$.....0

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

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

\$.....0

17.19 Unfunded portion of Interrogatory 17.18

\$.....0

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

\$.....0

17.21 Case reserves portion of Interrogatory 17.18

\$.....0

17.22 Incurred but not reported portion of Interrogatory 17.18

\$.....0

17.23 Unearned premium portion of Interrogatory 17.18

\$.....0

17.24 Contingent commission portion of Interrogatory 17.18

\$.....0

18.1 Do you act as a custodian for health savings account?

Yes [] No [X]

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

\$.....0

18.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 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)	0	0	0	(30,044)	2,765,148
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	194,501,972	157,312,517	77,397,411	93,703,318	112,419,913
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,134	(8)	3,733	15,795	(1,313)
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	28,987,489	34,674,544	47,476,502	92,508,768	109,438,612
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	(39)	0
6. Total (Line 35)	223,493,596	191,987,053	124,877,646	186,197,798	224,622,360
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)	79,408	(77,266)	(14,148)	(1,111,577)	2,711,318
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	97,439,308	112,965,895	67,424,197	93,042,374	111,223,180
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	101,485	(15,245)	17,905	(11,886)	(26,517)
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,354,907	26,250,565	15,140,894	15,941,613	18,246,425
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	(39)	0
12. Total (Line 35)	122,975,108	139,123,949	82,568,848	107,860,485	132,154,405
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	3,307,500	1,544,772	(2,163,125)	7,990,791	5,373,985
14. Net investment gain (loss) (Line 11)	10,313,917	11,040,167	12,092,455	13,352,097	15,190,533
15. Total other income (Line 15)	543,861	(93,181)	(1,803,820)	(1,252,989)	(2,996,487)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	3,926,966	4,128,145	2,966,691	5,798,877	4,680,073
18. Net income (Line 20)	10,238,312	8,363,613	5,158,819	14,291,022	12,887,958
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	275,775,173	305,236,517	257,562,956	298,465,716	289,832,880
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	5,722,158	6,679,951	4,133,176	6,870,936	9,073,449
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	185,963,467	196,384,444	156,008,329	170,547,027	169,688,046
22. Losses (Page 3, Line 1)	53,684,656	56,942,409	48,389,468	48,760,159	51,630,521
23. Loss adjustment expenses (Page 3, Line 3)	3,531,459	3,848,166	3,954,719	4,425,890	4,166,737
24. Unearned premiums (Page 3, Line 9)	27,168,556	27,332,424	24,442,789	33,976,648	49,899,922
25. Capital paid up (Page 3, Lines 30 & 31)	8,724,386	8,724,386	8,724,386	8,724,386	8,724,386
26. Surplus as regards policyholders (Page 3, Line 37)	89,811,706	108,852,073	101,554,627	127,918,689	120,144,834
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	5,620,818	16,378,503	(1,057,496)	809,317	8,577,817
Risk-Based Capital Analysis					
28. Total adjusted capital	89,811,706	108,852,073	101,554,627	127,918,689	120,144,834
29. Authorized control level risk-based capital	20,755,851	24,007,975	21,941,583	24,697,899	25,556,580
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	85.1	77.5	84.1	80.3	85.1
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	2.8	2.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	6.0	10.7	15.8	16.9	12.0
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.1	0.0	0.0
38. Receivable for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	8.8	11.7	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10)	0	0	4,400,000	2,800,000	2,800,000
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above lines 42 to 47	0	0	4,400,000	2,800,000	2,800,000
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)	0.0	0.0	4.3	2.2	2.3

STONEBRIDGE CASUALTY INSURANCE 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).....	441,443	466,876	2,099,888	(4,850,600)	(33,590)
51. Dividends to stockholders (Line 35).....	(16,000,000)	0	(17,400,000)	0	0
52. Change in surplus as regards policyholders for the year (Line 38).....	(19,040,367)	7,297,446	(26,364,062)	7,773,855	16,830,593
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).....	3,214,355	4,023,978	2,424,261	3,519,084	3,659,700
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	109,453,035	74,928,484	45,180,328	61,752,936	77,208,473
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	846,393	441,482	914,850	887,028	1,382,859
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	15,670,868	24,889,784	43,693,567	35,853,561	33,245,918
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	11,662
58. Total (Line 35).....	129,184,651	104,283,728	92,213,006	102,012,609	115,508,612
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).....	1,402,640	1,894,987	723,321	935,759	1,865,709
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	64,790,172	60,766,341	43,193,993	61,752,936	77,208,386
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,241,628	352,517	655,889	658,275	1,294,541
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	6,804,254	10,041,142	7,285,931	7,538,144	7,145,908
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	11,662
64. Total (Line 35).....	74,238,694	73,054,987	51,859,133	70,885,115	87,526,206
Operating Percentages (Page 4) (Item 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).....	57.6	60.1	55.9	54.9	57.2
67. Loss expenses incurred (Line 3).....	2.1	1.2	1.6	1.6	1.8
68. Other underwriting expenses incurred (Line 4).....	37.6	37.6	45.3	37.0	37.2
69. Net underwriting gain (loss) (Line 8).....	2.7	1.1	(2.3)	6.5	3.9
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).....	37.2	36.8	52.2	43.6	41.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	59.7	61.3	57.5	56.6	58.9
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).....	136.9	127.8	81.3	84.3	110.0
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).....	(4,520)	(2,287)	(4,171)	(4,020)	(5,961)
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).....	(4.2)	(2.3)	(3.3)	(3.3)	(5.8)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	321	(2,802)	(4,307)	(3,825)	(4,849)
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).....	0.3	(2.2)	(3.6)	(3.7)	(6.9)

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....3,825	....1,417	....401	....161	....0	....0	....0	....0	....2,648
2. 2002.....	....63,056	....21,241	....41,816	....25,774	....(369)	....992	....0	....107	....0	....0	....0	....27,242
3. 2003.....	....92,731	....15,743	....76,988	....46,785	....1,197	....143	....0	....124	....0	....0	....0	....45,855
4. 2004.....	....121,963	....25,125	....96,838	....51,339	....7,116	....82	....0	....91	....0	....0	....0	....44,396
5. 2005.....	....157,403	....34,611	....122,792	....91,267	....12,551	....172	....0	....890	....0	....0	....0	....79,778
6. 2006.....	....199,952	....55,053	....144,899	....114,399	....24,041	....357	....0	....833	....0	....0	....0	....91,548
7. 2007.....	....213,721	....74,575	....139,146	....105,263	....26,124	....483	....0	....0	....0	....0	....0	....79,622
8. 2008.....	....204,064	....80,264	....123,800	....96,109	....28,358	....170	....0	....0	....0	....0	....0	....67,921
9. 2009.....	....177,063	....84,958	....92,105	....91,237	....40,712	....79	....0	....0	....0	....0	....0	....50,604
10. 2010.....	....243,046	....106,819	....136,227	....109,365	....36,780	....13	....0	....0	....0	....0	....0	....72,598
11. 2011.....	....267,984	....144,845	....123,139	....101,978	....46,845	....0	....0	....0	....0	....0	....0	....55,133
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....837,341	....224,772	....2,892	....161	....2,045	....0	....0	....0	....617,345

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed			
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded								
1. Prior.....	....56,484	....49,471	....38,318	....12,371	....2,850	....2,212	....2,716	....1,758	....1,907	....0	....0	....0	....36,463
2. 2002.....	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....XXX.....
3. 2003.....	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....XXX.....
4. 2004.....	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....XXX.....
5. 2005.....	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....XXX.....
6. 2006.....	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....XXX.....
7. 2007.....	....1	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....1
8. 2008.....	....12	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....0	....12
9. 2009.....	....244	....0	....1	....0	....0	....0	....0	....0	....0	....0	....0	....0	....245
10. 2010.....	....324	....0	....1,148	....561	....0	....0	....0	....18	....18	....0	....0	....0	....911
11. 2011.....	....1,333	....294	....41,267	....22,751	....0	....0	....290	....262	....0	....0	....0	....0	....19,583
12. Totals.....	....58,398	....49,765	....80,734	....35,683	....2,850	....2,212	....3,024	....2,038	....1,907	....0	....0	....0	....57,215

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....32,960	....3,503
2. 2002.....	....26,873	....(369)	....27,242	....42.6	....(1.7)	....65.1	....0	....0	....0.00	....0	....0
3. 2003.....	....47,052	....1,197	....45,855	....50.7	....7.6	....59.6	....0	....0	....0.00	....0	....0
4. 2004.....	....51,512	....7,116	....44,396	....42.2	....28.3	....45.8	....0	....0	....0.00	....0	....0
5. 2005.....	....92,329	....12,551	....79,778	....58.7	....36.3	....65.0	....0	....0	....0.00	....0	....0
6. 2006.....	....115,589	....24,041	....91,548	....57.8	....43.7	....63.2	....0	....0	....0.00	....0	....0
7. 2007.....	....105,747	....26,124	....79,623	....49.5	....35.0	....57.2	....0	....0	....0.00	....1	....0
8. 2008.....	....96,291	....28,358	....67,933	....47.2	....35.3	....54.9	....0	....0	....0.00	....0.12	....0
9. 2009.....	....91,561	....40,712	....50,849	....51.7	....47.9	....55.2	....0	....0	....0.00	....0.245	....0
10. 2010.....	....110,868	....37,359	....73,509	....45.6	....35.0	....54.0	....0	....0	....0.00	....0.911	....0
11. 2011.....	....144,868	....70,152	....74,716	....54.1	....48.4	....60.7	....0	....0	....0.00	....0.19,555	....0.28
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....53,684	....3,531

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 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....	37,741	34,452	36,957	37,778	41,251	43,446	46,476	46,967	48,649	52,237	3,588	5,270
2. 2002....	23,494	28,283	27,851	27,183	27,135	27,133	27,134	27,135	27,135	27,135	0	0
3. 2003....	XXX....	44,701	49,349	46,326	45,762	45,732	45,730	45,730	45,731	45,731	0	1
4. 2004....	XXX....	XXX....	47,840	45,060	44,642	44,526	44,453	44,301	44,581	44,305	(276)	4
5. 2005....	XXX....	XXX....	XXX....	86,544	82,608	78,986	78,793	78,789	78,792	78,888	96	99
6. 2006....	XXX....	XXX....	XXX....	XXX....	96,002	91,615	90,990	90,710	90,712	90,715	3	5
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	86,166	80,008	79,665	79,603	79,623	20	(42)
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	72,368	68,484	67,947	67,933	(14)	(551)
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	55,314	51,658	50,849	(809)	(4,465)
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	80,637	73,509	(7,128)	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	74,716	XXX....	XXX....
										12. Totals....	(4,520)	321

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior....	000....	3,754	5,241	5,336	6,495	9,573	11,327	12,708	15,033	17,681	XXX....	XXX....
2. 2002....	15,603	26,371	27,086	27,124	27,130	27,132	27,133	27,134	27,135	27,135	XXX....	XXX....
3. 2003....	XXX....	27,028	45,257	45,690	45,727	45,730	45,730	45,730	45,731	45,731	XXX....	XXX....
4. 2004....	XXX....	XXX....	32,188	44,058	44,324	44,332	44,301	44,301	44,303	44,305	XXX....	XXX....
5. 2005....	XXX....	XXX....	XXX....	61,267	77,946	78,775	78,786	78,788	78,792	78,888	XXX....	XXX....
6. 2006....	XXX....	XXX....	XXX....	XXX....	73,533	89,448	90,693	90,705	90,711	90,715	XXX....	XXX....
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	68,539	78,708	79,509	79,598	79,622	XXX....	XXX....
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	58,045	67,527	67,851	67,921	XXX....	XXX....
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	40,259	50,405	50,604	XXX....	XXX....
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	57,127	72,598	XXX....	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	55,133	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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior.....	27,410	21,566	21,563	23,321	24,175	24,210	24,928	25,166	25,847	26,905
2. 2002....	582	0	580	34	2	0	0	0	0	0
3. 2003....	XXX....	17,289	3,629	284	11	1	0	0	0	0
4. 2004....	XXX....	XXX....	15,203	629	141	1	0	0	0	0
5. 2005....	XXX....	XXX....	XXX....	24,929	4,344	121	0	0	0	0
6. 2006....	XXX....	XXX....	XXX....	XXX....	22,243	2,051	187	0	0	0
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	16,989	1,077	87	0	0
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	13,013	747	1	0
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	13,283	973	1
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	22,078	587
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	18,544

STONEBRIDGE CASUALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	1,550,090	3,489,238	0	1,501,805	(2,610,438)	19,740,187	0	0
2. Alaska.....	AK	271,652	263,574	0	113,563	124,643	41,478	0	0
3. Arizona.....	AZ	4,162,090	3,876,071	0	1,957,698	2,057,083	696,262	0	0
4. Arkansas.....	AR	1,079,311	1,049,967	0	510,286	543,051	179,474	0	0
5. California.....	CA	32,105,786	30,518,332	0	15,269,937	16,490,411	5,296,069	0	0
6. Colorado.....	CO	2,684,175	2,704,466	0	1,306,190	1,273,084	450,885	0	0
7. Connecticut.....	CT	3,761,732	3,740,985	0	2,412,220	2,524,195	801,000	0	0
8. Delaware.....	DE	831,027	805,832	0	501,522	559,008	167,379	0	0
9. District of Columbia.....	DC	640,309	624,251	0	308,625	326,828	117,974	0	0
10. Florida.....	FL	17,101,775	17,331,934	0	11,148,123	12,060,808	3,894,575	0	0
11. Georgia.....	GA	4,469,545	4,542,217	0	4,528,611	4,563,883	2,128,156	0	0
12. Hawaii.....	HI	793,185	749,306	0	334,149	358,436	114,605	0	0
13. Idaho.....	ID	492,859	487,111	0	214,653	201,939	75,759	0	0
14. Illinois.....	IL	6,010,095	6,084,579	0	3,016,145	3,139,649	1,096,265	0	0
15. Indiana.....	IN	2,282,035	2,531,350	0	1,322,115	1,365,278	494,088	0	0
16. Iowa.....	IA	3,936,220	3,899,747	0	352,615	310,678	120,176	0	0
17. Kansas.....	KS	1,322,964	1,207,374	0	644,090	707,839	276,839	0	0
18. Kentucky.....	KY	1,612,723	1,634,808	0	902,300	933,897	327,598	0	0
19. Louisiana.....	LA	1,704,723	1,673,666	0	758,641	774,055	271,172	0	0
20. Maine.....	ME	1,102,830	849,739	0	381,138	463,472	190,446	0	0
21. Maryland.....	MD	5,204,263	5,009,084	0	3,573,376	4,013,859	1,303,643	0	0
22. Massachusetts.....	MA	16,740,299	16,208,810	0	3,457,889	3,555,933	1,143,653	0	0
23. Michigan.....	MI	4,129,263	9,161,118	0	2,129,344	2,063,868	871,195	0	0
24. Minnesota.....	MN	2,106,047	1,997,572	0	1,114,489	1,251,614	401,709	0	0
25. Mississippi.....	MS	709,155	707,269	0	327,110	303,876	1,599,427	0	0
26. Missouri.....	MO	2,399,453	2,262,508	0	1,157,254	1,226,831	423,635	0	0
27. Montana.....	MT	362,445	354,362	0	176,832	179,251	64,122	0	0
28. Nebraska.....	NE	861,578	862,484	0	286,354	275,191	123,869	0	0
29. Nevada.....	NV	1,813,432	2,693,656	0	1,379,320	1,382,504	472,913	0	0
30. New Hampshire.....	NH	1,432,789	1,458,497	0	488,279	512,713	162,254	0	0
31. New Jersey.....	NJ	11,092,244	11,271,012	0	6,301,155	6,638,210	2,222,030	0	0
32. New Mexico.....	NM	1,150,064	1,084,385	0	543,826	623,282	251,590	0	0
33. New York.....	NY	23,434,740	22,510,985	0	14,081,909	15,307,592	4,786,632	0	0
34. North Carolina.....	NC	4,834,793	4,651,147	0	2,516,039	2,792,335	845,154	0	0
35. North Dakota.....	ND	173,246	166,867	0	95,763	104,524	33,372	0	0
36. Ohio.....	OH	6,414,228	5,999,547	0	3,761,030	4,195,276	1,383,392	0	0
37. Oklahoma.....	OK	1,983,186	1,609,332	0	1,117,049	1,292,893	471,563	0	0
38. Oregon.....	OR	2,507,984	2,399,915	0	1,109,213	1,252,506	557,103	0	0
39. Pennsylvania.....	PA	10,273,292	10,117,653	0	5,925,802	6,318,331	2,019,759	0	0
40. Rhode Island.....	RI	1,400,117	1,341,643	0	521,444	502,691	184,222	0	0
41. South Carolina.....	SC	2,488,633	2,387,884	0	1,245,305	910,436	14,920,266	0	0
42. South Dakota.....	SD	636,319	421,156	0	245,655	264,476	101,710	0	0
43. Tennessee.....	TN	3,123,845	3,454,268	0	2,580,386	2,043,925	21,385,568	0	0
44. Texas.....	TX	9,591,585	47,265,852	0	9,392,505	7,533,544	4,341,673	0	0
45. Utah.....	UT	1,176,080	1,155,726	0	381,712	461,681	213,572	0	0
46. Vermont.....	VT	291,224	285,053	0	240,918	260,033	79,762	0	0
47. Virginia.....	VA	6,885,330	6,071,202	0	5,223,729	5,883,056	1,854,678	0	0
48. Washington.....	WA	3,483,283	3,714,218	0	2,250,267	2,437,176	805,370	0	0
49. West Virginia.....	WV	876,544	847,866	0	577,105	650,835	211,969	0	0
50. Wisconsin.....	WI	2,410,388	2,214,209	0	1,351,343	1,493,622	484,272	0	0
51. Wyoming.....	WY	267,623	285,889	0	212,895	260,107	70,896	0	0
52. American Samoa.....	AS	23,861	23,084	0	19,307	16,197	6,300	0	0
53. Guam.....	GU	4,218	4,020	0	28	(426)	.9	0	0
54. Puerto Rico.....	PR	235,489	227,093	0	164,786	188,631	53,774	0	0
55. US Virgin Islands.....	VI	32,976	32,218	0	34,245	40,390	11,175	0	0
56. Northern Mariana Islands.....	MP	412	366	0	0	0	0	0	0
57. Canada.....	CN	3,978,723	3,853,433	0	2,822,967	3,215,298	921,205	0	0
58. Aggregate Other Alien.....	OT	1,345,469	1,267,618	0	347,654	426,796	113,448	0	0
59. Totals.....	(a)....51	223,789,746	263,443,548	0	124,638,710	126,046,856	101,377,271	0	0

DETAILS OF WRITE-INS

5801. BOLIVIA.....	XXX....	3,362	2,750	0	0	0	0	0	0
5802. CHINA.....	XXX....	710	648	0	0	0	0	0	0
5803. CROATIA.....	XXX....	894	712	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX....	1,340,503	1,263,508	0	347,654	426,796	113,448	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX....	1,345,469	1,267,618	0	347,654	426,796	113,448	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

NAME	DOMICILE	FOOTNOTE
VERENIGING AEGON, NETHERLANDS MEMBERSHIP ASSOCIATION		1
AEGON N.V.	Netherlands	
AEGON NEDERLAND B.V.	Netherlands	
AEGON NEVAK HOLDING B.V.	Netherlands	
AEGON DERIVATIVES N.V.	Netherlands	
AEGON INTERNATIONAL B.V.	Netherlands	
THE AEGON TRUST	DE	
TRANSAMERICA CORPORATION	Foreign	
AEGON U.S. HOLDING CORPORATION	Foreign	
AEGON MANAGEMENT COMPANY	Foreign	
RIVER RIDGE INSURANCE COMPANY	Foreign	
SHORT HILLS MANAGEMENT COMPANY	Foreign	
AEGON USA, LLC	51-6513848	
AUSA HOLDING COMPANY	DE	
AUSA PROPERTIES, INC.	13-3560744	
AEGON USA ASSET MANAGEMENT HOLDING, LLC	42-1484983	
AEGON USA INVESTMENT MANAGEMENT, LLC	35-1113520	
PRISMA HOLDINGS, INC. I	20-0877184	
PRISMA HOLDINGS, INC. II	42-1310237	
TRANSAMERICA INVESTMENT MANAGEMENT, LLC	27-1275705	
AEGON USA REALTY ADVISORS, LLC	52-1549874	
239 WEST 20TH STREET, LLC	42-1549874	
313 EAST 95TH STREET, LLC	42-1549874	
319 EAST 9TH STREET, LLC	20-1063588	
AXA EQUITABLE AGRIFINANCE, LLC	20-1063571	
AEGON USA REAL ESTATE SERVICES, INC.	06-1564377	
AEGON USA REALTY ADVISORS OF CALIFORNIA, INC.	42-1205796	
INVESTMENT ADVISORS INTERNATIONAL, INC.	27-5278588	
WORLD GROUP SECURITIES, INC.	27-5278588	
WORLD FINANCIAL GROUP, INC.	32-0942677	
INNERGY LENDING, LLC	61-1098396	
WFG CHINA HOLDINGS, INC.	20-5023893	
BEIJING DAFU INSURANCE AGENCY CO. LTD.	39-1884868	
TRANSAMERICA REALTY SERVICES, LLC	20-3992563	
AEGON-CMF GP, LLC	42-1517006	
FREALLY INFORMATION SYSTEMS, INC.	42-1518386	
TRANSAMERICA AFFORDABLE HOUSING, INC.	20-1250486	
ARV PACIFIC VILLAS, A CALIFORNIA LIMITED PARTNERSHIP	20-2541057	
TAH-MCD IV, LLC	DE	
TAH PENTAGON FUNDS, LLC	DE	
TRANSAMERICA MINERALS COMPANY	DE	
AUSACAN LP	20-2133638	
CREDITOR RESOURCES, INC.	94-3026780	
LCRI CANADA INC.	94-3026780	
LCRI SOLUTIONS, INC.	94-3252196	
DIVERSIFIED RETIREMENT CORPORATION	42-1418160	
DIVERSIFIED INVESTORS SECURITIES CORP.	94-3252196	
DIVERSIFIED ACTUARIAL SERVICES, INC.	04-2770884	
CLARK, LLC	52-2103826	
CLARK CONSULTING, LLC	50-2103826	
FIBC INSURANCE REVENUE SECURITIZATION, LLC	73-1652528	
CLARK/BARDES (BERMUDA) LTD.	13-3689044	
CLARK INVESTMENT STRATEGIES, INC.	13-3696753	
CLARK SECURITIES, INC.	38-3768457	
CRG INSURANCE AGENCY, INC.	95-4295824	
INVESTORS WARRANTY OF AMERICA, INC.	95-4123166	
FWA COMMERCIAL VENTURE, LLC	35-2283987	
PSL ACQUISITIONS, LLC	42-1154276	
THH ACQUISITIONS, LLC	42-1154276	
TRANSAMERICA AGENCY NETWORK, INC.	61-1513662	
LONGCOR INSURANCE SERVICES, LLC	26-2311888	
MASSACHUSETTS FIDELITY TRUST COMPANY	42-0947998	
MONEY SERVICES, INC.	42-1079580	
TRANSAMERICA TRAVEL AND CONFERENCE SERVICES CORPORATION	42-1079580	
MONUMENTAL GENERAL ADMINISTRATORS, INC.	52-1291367	
TRANSAMERICA RESOURCES, INC.	52-1243288	
TRANSAMERICA RETIREMENT SERVICES CORPORATION	52-1525801	
TRANSAMERICA CAPITAL, INC.	31-1281022	
TRANSAMERICA FINANCIAL ADVISORS, INC.	95-3141953	
TRANSAMERICA FUND SERVICES, INC.	59-2476008	
UNIVERSAL BENEFITS, LLC	59-3403587	
ZAHORIK COMPANY, INC.	42-1334744	
GLOBAL PREFERRED RE LIMITED	95-2775959	
	98-0164807	
	Bermuda	

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

PART 1 - ORGANIZATIONAL CHART

AEGON N.V.	Foreign	Netherlands
THE AEGON TRUST	Foreign	Netherlands
AEGON U.S. HOLDING CORPORATION	DE	DE
AEGON U.S. LLC	DE	DE
TRANSAMERICA LIFE INSURANCE COMPANY	13-3380744	13-3380744
TRANSAMERICA ADVISORS LIFE INSURANCE COMPANY	42-13120237	42-13120237
RCC NORTH AMERICA LLC	91-1325756	79022
SOUTHWEST EQUITY LIFE INSURANCE COMPANY	16-1020465	AR
STONEBRIDGE CASUALTY INSURANCE COMPANY	13-3256226	82848
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY	86-0455577	AZ
TRANSAMERICA INTERNATIONAL HOLDINGS, INC.	31-4423946	11
THI CANADA HOLDING, LLC	36-6071399	OH
LFD TLIC LTD	94-2873401	NY
MALIBU LOAN FUND, LTD	94-2873401	12
ASIA INVESTMENTS HOLDINGS, LIMITED	DE	DE
ASIA BUSINESS CONSULTING COMPANY	Mexico	JA
TRANSAMERICA CONSULTORA Y SERVICIOS LIMITADA	NM	JA
ZERO BETA FUND, LLC	98-0481010	13
AEGON FINANCIAL SERVICES GROUP, INC.	26-1298994	14
AEGON ASSIGNMENT CORPORATION	41-1479568	15
AEGON ASSIGNMENT CORPORATION OF KENTUCKY	42-1477559	16
TRANSAMERICA RETIREMENT MANAGEMENT, INC.	61-1314686	17
AEGON MANAGED ENHANCED CASH, LLC	42-1527720	18
AMERICAN BOND SERVICES, LLC	30-0445564	19
PRIMUS GUARANTY, LTD.	39-0989781	20
REAL ESTATE ALTERNATIVES PORTFOLIO 1, LLC	75-288051	21
REAL ESTATE ALTERNATIVES PORTFOLIO 2, LLC	02-0685017	22
REAL ESTATE ALTERNATIVES PORTFOLIO 3, LLC	20-1378364	23
REAL ESTATE ALTERNATIVES PORTFOLIO 4 HR, LLC	20-3878375	24
REAL ESTATE ALTERNATIVES PORTFOLIO 4 MR, LLC	20-3878417	24
BAY AREA COMMUNITY INVESTMENTS I LLC	94-3392750	25
LIFE INVESTORS ALLIANCE LLC	42-1483973	DE
LICIA HOLDINGS, LLC	42-019190	DE
LICIA RE I, INC	20-5984801	VT
LICIA RE II, INC	20-5927773	VT
CHICAGO COMMUNITY HOUSING FUND I, LLC	39-0989781	DE
CUPPLES STATE LIHTC INVESTORS, LLC	20-4498171	DE
TRANSAMERICA OAKMONT CORPORATION	94-2993881	CA
WORLD FINANCIAL GROUP HOLDING COMPANY OF CANADA INC.	98-0199861	Bermuda
TRANSAMERICA OAKMONT CORPORATION	52-1263786	Bermuda
WORLD FINANCIAL GROUP SUBHOLDING COMPANY OF CANADA INC.	52-1263786	Bermuda
TRANSAMERICA INTERNATIONAL RE (BERMUDA) LTD.	52-1263786	Bermuda
UNITED FINANCIAL SERVICES, INC.	59-3403585	Bermuda
TRANSAMERICA INTRI RE ESCRITORIO DE REPRESENTACAO NO BRASIL LTD	59-3403585	Bermuda
WESTERN RESERVE LIFE INSURANCE CO. OF OHIO	99-0277127	CA
TRANSAMERICA ASSET MANAGEMENT, INC.	04-3182849	CA
WORLD FINANCIAL GROUP INSURANCE AGENCY, INC.	42-1519076	CA
WFG INSURANCE AGENCY OF PUERTO RICO, INC.	58-2270942	CA
WORLD FINANCIAL GROUP INSURANCE AGENCY OF HAWAII, INC.	66-0621281	CA
WORLD FINANCIAL GROUP INSURANCE AGENCY OF MASSACHUSETTS, INC.	66-0621281	CA
WFG PROPERTY & CASUALTY INSURANCE AGENCY OF WYOMING	99-0277127	CA
WFG PROPERTY & CASUALTY INSURANCE AGENCY, INC.	04-3182849	CA
INTERSEcurities INSURANCE AGENCY, INC.	88-0422325	CA
COMMONWEALTH GENERAL CORPORATION	42-151705	CA
TRANSAMERICA PACIFIC INSURANCE COMPANY, LTD.	51-0108922	CA
AEGON STABLE VALUE SOLUTIONS INC.	94-3304740	CA
AEGON INSTITUTIONAL MARKETS, INC.	27-0648987	CA
NEW MARKETS COMMUNITY INVESTMENT FUND, LLC	61-1085329	CA
AEGON STRUCTURED SETTLEMENTS, INC.	20-3318246	CA
AFSG SECURITIES CORPORATION	61-1068209	CA
FINANCIAL PLANNING SERVICES, INC.	23-2421076	CA
GARNET ASSURANCE CORPORATION II	23-2130174	CA
AEGON ALLIANCES, INC.	14-1893533	CA
MONUMENTAL LIFE INSURANCE COMPANY	56-1358257	CA
AEGON DIRECT MARKETING SERVICES, INC.	52-0419790	VA
TRANSAMERICA AFFINITY SERVICES, INC.	42-1470697	VA
TRANSAMERICA INTERNATIONAL DIRECT MARKETING CONSULTANTS, LLC	42-1522438	VA
SMLLC	52-0419790	VA
AFSG SECURITIES CORPORATION	52-0419790	DE
FINANCIAL PLANNING SERVICES, INC.	52-0419790	DE
GARNET ASSURANCE CORPORATION II	52-0419790	DE
AEGON ALLIANCES, INC.	75-2548428	DE
MONUMENTAL LIFE INSURANCE COMPANY	75-2684959	DE
AEGON DIRECT MARKETING SERVICES, INC.	03-0164230	VT
TRANSAMERICA INVESTMENT PROPERTIES, LLC	01-0930908	VT
TRANSAMERICA INVESTMENTS (THAILAND), LTD.	23-1705984	PA
BAY STATE COMMUNITY INVESTMENTS I, LLC	26-1522380	PA
TAHP FUND 1, LLC	61-1497252	VT
TRANSAMERICA PYRAMID PROPERTIES, LLC	65021	VT
STONEBRIDGE REBENEFIT SERVICES, INC.	01-0930908	PA
PINE FALLS RE, INC.	23-1705984	PA
STONEBRIDGE REINSURANCE COMPANY	26-1522380	PA
PEOPLES BENEFIT SERVICES, LLC	61-1497252	VT

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

PART I - ORGANIZATIONAL CHART

Organizational Chart Footnotes:

Ownership is 100% unless otherwise noted. Inclusion of an entity does not necessarily signify control.

- 1) Vereiniging AEGON holds voting power in the Common, Preferred A and Preferred B stock of AEGON N.V. totaling 22.128%.
- 2) Members: AEGON USA Realty Advisors, LLC (50%); non-affiliate of AEGON (50%)
- 3) Members are: World Financial Group, Inc. (50%); non-affiliate of AEGON, (50%)
- 4) WFG China Holdings, Inc. owns 10%; the remaining 90% is owned by a non-AEGON associated individual
- 5) 51% owned by World Financial Group, Inc.; remaining 49% is annually offered to independent contractors associated with WFG Reinsurance Limited
- 6) General Partners are Transamerica Affordable Housing, Inc. (0.5%); non-affiliate of AEGON, (0.5%); Limited Partner-Transamerica Life Insurance Company (99%)
- 7) General Partner - AUSA Holding Company (1%); Limited Partner - AEGON USA, LLC. (98%)
- 8) 82.7% owned by AUSA Holding Company, 17.3% owned by Transamerica International Holdings, Inc.
- 9) AUSA Holding Company owns 56%; Western Reserve Life Assurance Co. of Ohio owns 44%
- 10) RCC Group: FGH USA, LLC; ALH Properties Eight, LLC; ALH Properties Eleven, LLC; ALH Properties Four, LLC; ALH Properties Nine, LLC; ALH Properties Seven, LLC; ALH Properties Seventeen, LLC; ALH Properties Sixteen, LLC; ALH Properties Ten, LLC; ALH Properties Two, LLC; FGH Really Credit, LLC; FGP West Street Two, LLC; ALH Properties Fifteen, LLC; FGP West Mezzanine, LLC; FGP West Street, LLC; Fifth FGP, LLC; First FGP, LLC; Fourth FGP, LLC; Second FGP, LLC; Seventh FGP, LLC; The RCC Group, Inc.
- 11) 100% of the voting common stock owned by AEGON USA, LLC is allocated 75% of total cumulative vote. Participating common stock (100% owned by non-AEGON shareholders) is allocated 25% of the total cumulative vote.
- 12) 14,391 shares of Common Stock and 38,609 shares of Preferred Stock owned by AEGON USA, LLC. 2,075 shares of Common Stock and 5,566 shares of Preferred Stock owned by Transamerica Life Insurance Company
- 13) 95% owned by Transamerica International Holdings, Inc.; 5% owned by Transamerica Life Insurance Company
- 14) 676,190 shares Common Stock owned by Transamerica International Holdings, Inc.; 86,590 shares of Preferred Stock owned by Transamerica Corporation; 30,564 shares of Preferred Stock owned by AEGON USA, LLC.
- 15) Members: Garnet Assurance Corporation, Garnet Assurance Corporation III, Garnet Community Investments III, LLC, Garnet Community Investments XVIII, LLC, Garnet Community Investments XXV, LLC, Garnet Community Investments XXVII, LLC, Garnet Community Investments XXVIII, LLC, Garnet Community Investments XXXIX, LLC, Garnet Community Investments XXXI, LLC, Garnet Community Investments XXX, LLC, Garnet Community Investments XXXI, LLC
- 16) This is a Fund that Transamerica Life Insurance Company and Monumental Life Insurance Company are Investors in.
- 17) Chilean LLC: Partners are Transamerica Life Insurance Company (95%); Transamerica International Holdings, Inc. (5%)
- 18) Members: Transamerica Life Insurance Company (74.02%); Monumental Life Insurance Company (23.67%); Transamerica Financial Life Insurance Company (2.31%); Manager: AEGON USA Investment Management LLC.
- 19) Members: Transamerica Life Insurance Company (91.47%); Monumental Life Insurance Company (8.53%)
- 20) Partners are: Transamerica Life Insurance Company (13.1%) and non-affiliates of AEGON (58.8%). The remaining 28.1% of stock is publicly owned.
- 21) Members: Transamerica Life Insurance Company (90.98%); Monumental Life Insurance Company (6.30%); Transamerica Financial Life Insurance Company (2.74%); Manager: AEGON USA Realty Advisors, LLC
- 22) Members: Transamerica Life Insurance Company (90.25%); Transamerica Financial Life Insurance Company (7.5%); Stonebridge Life Insurance Company (2.25%); Manager: AEGON USA Realty Advisors, LLC
- 23) Members: Transamerica Life Insurance Company (73.4%); Monumental Life Insurance Company (25.6%); Stonebridge Life Insurance Company (1%); Manager: AEGON USA Realty Advisors, LLC
- 24) Members: Transamerica Life Insurance Company (64%); Monumental Life Insurance Company (32%); Transamerica Financial Life Insurance Company (4%); Manager: AEGON USA Realty Advisors, LLC
- 25) Members: Transamerica Life Insurance Company (70%); Monumental Life Insurance Company (30%)
- 26) 50% owned by World Financial Group Holding Co. of Canada, Inc.; 50% owned by World Financial Group Subholding Co. of Canada
- 27) Quotaholders: Transamerica International Re (Bermuda) Ltd. (95%) and Transamerica International Holdings, Inc. (5%)
- 28) United Financial Services, Inc. is doing business in the state of West Virginia as Monumental Financial Services, Inc.
- 29) Western Reserve Life Assurance Co. of Ohio owns 77%; AUSA Holding Company owns 23%
- 30) 26,000 shares of common stock owned by Commonwealth General Corporation; 1,000 shares of common stock owned by Transamerica International Holdings, Inc.
- 31) Ownership: 50% AEGON Institutional Markets, Inc.; 50% AEGON USA Realty Advisors, LLC
- 32) Ownership: 87.72% Commonwealth General Corporation (8,585.39 shares of Class A Common Stock; 3,232.78 shares of Class B Common Stock); 12.28% AEGON USA, LLC (1,206.25 shares of Class A Common Stock; 454.21 shares of Class B Common Stock)
- 33) Monumental Life Insurance Company owns 103,324 shares; Commonwealth General Corporation owns 37,161 shares
- 34) Members: ADMS Representative (51%); AEGON Direct Marketing Services, Inc. (49%)
- 35) Members: Transamerica International Direct Marketing Consultants, LLC (97%); various ADMS representatives (3%)
- 36) 1,250 shares of Redeemable Preference Stock owned by Transamerica International Holdings, Inc.; 120,000 shares of Common Stock owned by Transamerica Corporation

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

PART I - ORGANIZATIONAL CHART

94.4

- 37) 99% owned by Transamerica Leasing Holdings, Inc.; 1% owned by Transamerica Commercial Finance Corporation, I
- 38) AEGON Mexico Holding B.V. owns 49,999 shares; AEGON DMS Holding B.V. owns 1 share
- 39) AEGON DMS Holding B.V. owns 749,000 quota shares; AEGON International B.V. owns 1 quota share
- 40) AEGON Canada Holding B.V. owns 168,250,001 shares of Common Stock; 1,500 shares of Series III Preferred Stock; 2 shares of Series II Preferred stock. THI Canada Holding, LLC owns 1,441,941.26 shares of Class B-Series I Preferred Stock

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

STONEBRIDGE CASUALTY INSURANCE COMPANY

PART I - ORGANIZATIONAL CHART

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