



ANNUAL STATEMENT

For the Year Ended December 31, 2011
of the Condition and Affairs of the

National Interstate Insurance Company of Hawaii, Inc

NAIC Group Code.....84, 84 (Current Period) (Prior Period)	NAIC Company Code..... 11051	Employer's ID Number..... 99-0345306
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... September 20, 1999	Commenced Business..... July 28, 2000	
Statutory Home Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	330-659-8900 (Area Code) (Telephone Number)
Mail Address	3250 Interstate Drive..... Richfield OH 44286 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State and Zip Code)	330-659-8900 (Area Code) (Telephone Number)
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Julie Ann McGraw (Name) julie.mcgraw@nationalinterstate.com (E-Mail Address)	330-659-8900 -1272 (Area Code) (Telephone Number) (Extension) 330-659-8904 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David Warner Michelson	President	2. Arthur Jeffrey Gonzales	VP, General Counsel & Secretary
3. Julie Ann McGraw #	VP, CFO & Treasurer	4. Terry Eugene Phillips #	Senior Vice President
OTHER			
Gary Norman Monda #	VP, CIO & Assistant Treasurer	John Lloyd Woods	Vice President

DIRECTORS OR TRUSTEES

David Warner Michelson	Alan Robert Spachman	Julie Ann McGraw	Terry Eugene Phillips
Tanya Marie Inama	Arthur Jeffrey Gonzales	Gary Norman Monda #	

State of..... Ohio
County of..... Summit

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

(Signature) David Warner Michelson	(Signature) Arthur Jeffrey Gonzales	(Signature) Julie Ann McGraw
1. (Printed Name) President	2. (Printed Name) VP, General Counsel & Secretary	3. (Printed Name) VP, CFO & Treasurer
(Title)	(Title)	(Title)
Subscribed and sworn to before me This 17th day of February 2012	a. Is this an original filing? b. If no	Yes [X] No [] 1. State the amendment number 2. Date filed 3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	27,875,274		27,875,274	21,270,736
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....104,033, Sch. DA).....	104,033		104,033	289,876
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	27,979,307	.0	27,979,307	21,560,612
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	276,064		276,064	203,098
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	858,839	76,397	782,442	1,333,647
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	3,231,948	4,287	3,227,661	3,188,216
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	204,686		204,686	222,664
16.2 Funds held by or deposited with reinsured companies.....	(18,370)		(18,370)	(16,657)
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	566,378	87,900	478,478	264,895
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	1,542,101		1,542,101	1,027,438
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	66,329	1,319	65,010	59,707
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	34,707,283	169,903	34,537,380	27,843,620
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	34,707,283	169,903	34,537,380	27,843,620

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.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. Receivable from insured for deductible payments.....	18,900		18,900	36,888
2502. Commission receivable.....	46,111		46,111	22,819
2503. Prepaids.....	1,319	1,319	.0	
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).....	66,329	1,319	65,010	59,707

National Interstate Insurance Company of Hawaii, Inc
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,675,229	3,096,880
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,816,194	970,891
4. Commissions payable, contingent commissions and other similar charges.....	222,093	165,704
5. Other expenses (excluding taxes, licenses and fees).....	255,233	281,056
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	117,452	94,741
7.1 Current federal and foreign income taxes (including \$.....58,362 on realized capital gains (losses)).....	612,238	271,667
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....8,328,961 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	3,201,546	2,210,849
10. Advance premium.....	17,495	19,995
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,114,530	1,369,201
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	7,484,453	6,990,158
14. Amounts withheld or retained by company for account of others.....	166,147	178,787
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....	251,000	
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	145,813	154,035
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	23,079,424	15,803,965
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	23,079,424	15,803,965
29. Aggregate write-ins for special surplus funds.....	87,900	36,305
30. Common capital stock.....	3,500,000	3,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	3,141,936	3,141,936
35. Unassigned funds (surplus).....	4,728,121	5,361,415
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	11,457,957	12,039,656
38. TOTALS (Page 2, Line 28, Col. 3).....	34,537,380	27,843,620

DETAILS OF WRITE-INS

2501.		
2502.		
2503.		
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).....	0	0
2901. Additional admitted deferred taxes assets - SSAP 10R.....	87,900	36,305
2902.		
2903.		
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).....	87,900	36,305
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

UNDERWRITING INCOME		
	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	7,016,312	4,543,784
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,670,847	2,287,439
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	793,079	467,600
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	2,132,863	1,498,322
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	6,596,789	4,253,361
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	419,522	290,423
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	768,701	701,982
10. Net realized capital gains (losses) less capital gains tax of \$.....58,362 (Exhibit of Capital Gains (Losses)).....	108,386	37,341
11. Net investment gain (loss) (Lines 9 + 10).....	877,087	739,323
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....	43,020	46,715
14. Aggregate write-ins for miscellaneous income.....	(130,937)	(99,262)
15. Total other income (Lines 12 through 14).....	(87,917)	(52,547)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,208,693	977,199
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,208,693	977,199
19. Federal and foreign income taxes incurred.....	553,876	251,560
20. Net income (Line 18 minus Line 19) (to Line 22).....	654,816	725,639
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	12,039,656	11,294,828
22. Net income (from Line 20).....	654,816	725,639
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	265,178	34,624
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(102,288)	(20,105)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(251,000)	
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		500,000
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		(500,000)
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(1,200,000)	
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	51,595	4,670
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(581,699)	744,828
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	11,457,957	12,039,656
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
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. Roadside assistance fees.....	15,955	16,367
1402. Interest from funds held.....	(146,893)	(115,629)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(130,937)	(99,262)
3701. Change in nonadmitted assets - additional admitted deferred taxes assets - SSAP 10R.....	51,595	4,670
3702.		
3703.		
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).....	51,595	4,670

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	8,228,938	4,190,442
2. Net investment income.....	900,535	862,455
3. Miscellaneous income.....	(87,917)	(52,547)
4. Total (Lines 1 through 3).....	9,041,556	5,000,350
5. Benefit and loss related payments.....	(927,193)	1,992,708
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,027,363	1,715,611
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	271,667	346,297
10. Total (Lines 5 through 9).....	1,371,837	4,054,617
11. Net cash from operations (Line 4 minus Line 10).....	7,669,718	945,733
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	14,488,064	16,266,999
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	14,488,064	16,266,999
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	21,130,655	15,982,984
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	21,130,655	15,982,984
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(6,642,591)	284,015
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	1,200,000	
16.6 Other cash provided (applied).....	(12,970)	(1,356,932)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,212,970)	(1,356,932)
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).....	(185,842)	(127,185)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	289,876	417,061
19.2 End of year (Line 18 plus Line 19.1).....	104,034	289,876
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	.....	.....

National Interstate Insurance Company of Hawaii, Inc
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.....	1,068		380	688
2.	Allied lines.....	2,885		1,681	1,204
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....				0
5.	Commercial multiple peril.....	46,646	4,117	16,380	34,383
6.	Mortgage guaranty.....				0
8.	Ocean marine.....	831			831
9.	Inland marine.....	97,298	33,387	42,084	88,601
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....	118		88	30
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....	9,885	3,698	3,706	9,877
16.	Workers' compensation.....	1,823,632	228,950	598,138	1,454,444
17.1	Other liability - occurrence.....	474,772	80,333	206,871	348,234
17.2	Other liability - claims-made.....	3,230	10,219	3,415	10,034
17.3	Excess workers' compensation.....	220			220
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	129,186	66,004	62,317	132,873
19.3, 19.4	Commercial auto liability.....	3,879,304	1,159,256	1,581,084	3,457,476
21.	Auto physical damage.....	1,535,901	624,302	684,302	1,475,901
22.	Aircraft (all perils).....				0
23.	Fidelity.....	145		292	(147)
24.	Surety.....	1,341	583	861	1,063
26.	Burglary and theft.....	289		193	96
27.	Boiler and machinery.....	256		(246)	502
28.	Credit.....				0
29.	International.....				0
30.	Warranty.....				0
31.	Reinsurance - nonproportional assumed property.....				0
32.	Reinsurance - nonproportional assumed liability.....				0
33.	Reinsurance - nonproportional assumed financial lines.....				0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	8,007,009	2,210,849	3,201,546	7,016,312

DETAILS OF WRITE-INS

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

National Interstate Insurance Company of Hawaii, Inc
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Uneared (Running One Year or Less from Date of Policy) (a)	Amount Uneared (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Uneared Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	380				380
2.	Allied lines.....	1,681				1,681
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....	16,380				16,380
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	42,084				42,084
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....	88				88
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....	3,706				3,706
16.	Workers' compensation.....	598,138				598,138
17.1	Other liability - occurrence.....	206,871				206,871
17.2	Other liability - claims-made.....	3,415				3,415
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	62,317				62,317
19.3, 19.4	Commercial auto liability.....	1,581,084				1,581,084
21.	Auto physical damage.....	684,302				684,302
22.	Aircraft (all perils).....					0
23.	Fidelity.....	292				292
24.	Surety.....	861				861
26.	Burglary and theft.....	193				193
27.	Boiler and machinery.....	(246)				(246)
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	3,201,546	0	0	0	3,201,546
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					3,201,546

DETAILS OF WRITE-INS

3401.	.....					0
3402.	.....					0
3403.	.....					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	0	0	0	0

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

National Interstate Insurance Company of Hawaii, Inc
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.....		1,068				1,068
2.	Allied lines.....		2,885				2,885
3.	Farmowners multiple peril.....						.0
4.	Homeowners multiple peril.....						.0
5.	Commercial multiple peril.....	75,151	46,646		53,777	21,374	46,646
6.	Mortgage guaranty.....						.0
8.	Ocean marine.....		831				831
9.	Inland marine.....	147,734	97,299		139,910	7,825	97,298
10.	Financial guaranty.....						.0
11.1	Medical professional liability - occurrence.....						.0
11.2	Medical professional liability - claims-made.....						.0
12.	Earthquake.....	600	118		368	232	118
13.	Group accident and health.....						.0
14.	Credit accident and health (group and individual).....						.0
15.	Other accident and health.....		9,885				9,885
16.	Workers' compensation.....	5,268,286	1,823,633	243,902	4,570,663	941,526	1,823,632
17.1	Other liability - occurrence.....	1,182,731	474,772		766,966	415,765	474,772
17.2	Other liability - claims-made.....	71,400	3,230		41,852	29,548	3,230
17.3	Excess workers' compensation.....		220				220
18.1	Products liability - occurrence.....						.0
18.2	Products liability - claims-made.....						.0
19.1, 19.2	Private passenger auto liability.....	701,231	129,186		573,817	127,414	129,186
19.3, 19.4	Commercial auto liability.....	9,238,000	3,879,303	41,036	7,986,346	1,292,689	3,879,304
21.	Auto physical damage.....	4,289,111	1,535,901	1,633	4,102,823	187,921	1,535,901
22.	Aircraft (all perils).....						.0
23.	Fidelity.....		145				145
24.	Surety.....		1,341				1,341
26.	Burglary and theft.....	1,745	289		1,745		289
27.	Boiler and machinery.....	979	256			979	256
28.	Credit.....						.0
29.	International.....						.0
30.	Warranty.....						.0
31.	Reinsurance - nonproportional assumed property.....	XXX					.0
32.	Reinsurance - nonproportional assumed liability.....	XXX					.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35.	TOTALS.....	20,976,968	8,007,009	286,572	18,238,268	3,025,273	8,007,009

DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
If yes: 1. The amount of such installment premiums \$.....0.
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire.....				0			0	
2.	Allied lines.....				0			0	
3.	Farmowners multiple peril.....				0			0	
4.	Homeowners multiple peril.....				0			0	
5.	Commercial multiple peril.....	19,500	(9,727)	19,500	(9,727)	20,412	3,884	6,800	19.8
6.	Mortgage guaranty.....				0			0	
8.	Ocean marine.....		(5,321)		(5,321)	3,755	1,018	(2,584)	(311.0)
9.	Inland marine.....	171,659	17,441	171,659	17,442	43,821	25,876	35,387	39.9
10.	Financial guaranty.....				0			0	
11.1	Medical professional liability - occurrence.....				0			0	
11.2	Medical professional liability - claims-made.....				0			0	
12.	Earthquake.....				0	9		9	29.6
13.	Group accident and health.....				0			0	
14.	Credit accident and health (group and individual).....				0			0	
15.	Other accident and health.....		429		429	6,369	4,127	2,671	27.0
16.	Workers' compensation.....	1,223,776	(1,152,324)	1,324,401	(1,252,949)	2,605,268	578,076	774,244	53.2
17.1	Other liability - occurrence.....	165,167	(99,249)	165,167	(99,249)	323,154	135,060	88,845	25.5
17.2	Other liability - claims-made.....		6,013		6,013	14,647	9,338	11,321	112.8
17.3	Excess workers' compensation.....				0			0	
18.1	Products liability - occurrence.....				0			0	
18.2	Products liability - claims-made.....				0			0	
19.1, 19.2	Private passenger auto liability.....	317,254	93,365	317,254	93,365	115,456	101,777	107,044	80.6
19.3, 19.4	Commercial auto liability.....	4,265,639	(648,908)	4,299,523	(682,792)	4,302,089	2,058,707	1,560,590	45.1
21.	Auto physical damage.....	3,518,768	1,025,992	3,519,452	1,025,308	240,223	179,017	1,086,514	73.6
22.	Aircraft (all perils).....				0			0	
23.	Fidelity.....				0			0	
24.	Surety.....				0			0	
26.	Burglary and theft.....		(20)		(20)	27		7	6.7
27.	Boiler and machinery.....				0			0	
28.	Credit.....				0			0	
29.	International.....				0			0	
30.	Warranty.....				0			0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
35.	TOTALS.....	9,681,763	(772,310)	9,816,955	(907,502)	7,675,229	3,096,880	3,670,847	52.3
DETAILS OF WRITE-INS									
3401.	.....				0			0	
3402.	.....				0			0	
3403.	.....				0			0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....				0				0	
2.	Allied lines.....				0				0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....		5,951		5,951	8,188	14,461	8,188	20,412	4,058
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....		1,120		1,120		2,635		3,755	365
9.	Inland marine.....	12,104	15,315	12,104	15,315	23,276	28,506	23,276	43,821	11,426
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0				0	
11.2	Medical professional liability - claims-made.....				0				0	
12.	Earthquake.....				0	38	9	38	9	2
13.	Group accident and health.....				0				(a).	0
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....		69		69		6,300		(a).	6,369
16.	Workers' compensation.....	903,943	983,971	1,069,234	818,680	2,489,765	1,927,115	2,630,292	2,605,268	478,120
17.1	Other liability - occurrence.....	769,358	81,886	769,358	81,886	808,023	241,267	808,023	323,154	93,609
17.2	Other liability - claims-made.....		8,854		8,854	75,203	5,792	75,203	14,647	2,671
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....				0				0	
18.2	Products liability - claims-made.....				0				0	
19.1, 19.2	Private passenger auto liability.....	155,918	76,971	155,918	76,971	81,841	38,485	81,841	115,456	30,659
19.3, 19.4	Commercial auto liability.....	7,167,718	1,805,971	7,209,119	1,764,570	5,314,246	2,563,746	5,340,473	4,302,089	1,137,658
21.	Auto physical damage.....	607,491	150,514	607,428	150,577	220,236	89,626	220,216	240,223	55,067
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0	44	27	44	27	6
27.	Boiler and machinery.....				0				0	
28.	Credit.....				0				0	
29.	International.....				0				0	
30.	Warranty.....				0				0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	9,616,533	3,130,621	9,823,161	2,923,993	9,020,860	4,917,970	9,187,593	7,675,229	1,816,194

DETAILS OF WRITE-INS

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

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

National Interstate Insurance Company of Hawaii, Inc
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	3,604,222			3,604,222
1.2 Reinsurance assumed.....	539,954			539,954
1.3 Reinsurance ceded.....	3,607,641			3,607,641
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	536,535	0	0	536,535
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		2,270,362		2,270,362
2.2 Reinsurance assumed, excluding contingent.....		996,525		996,525
2.3 Reinsurance ceded, excluding contingent.....		2,374,529		2,374,529
2.4 Contingent - direct.....		(1,399)		(1,399)
2.5 Contingent - reinsurance assumed.....		(14,448)		(14,448)
2.6 Contingent - reinsurance ceded.....		(1,399)		(1,399)
2.7 Policy and membership fees.....		11		11
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	877,921	0	877,921
3. Allowances to manager and agents.....	6	1,905		1,911
4. Advertising.....	165	7,064	10	7,239
5. Boards, bureaus and associations.....	919	45,426		46,345
6. Surveys and underwriting reports.....	132	26,766		26,898
7. Audit of assureds' records.....		9,331		9,331
8. Salary and related items:				
8.1 Salaries.....	179,526	472,968	8,133	660,627
8.2 Payroll taxes.....	12,985	31,676	578	45,239
9. Employee relations and welfare.....	9,463	74,684	(152)	83,995
10. Insurance.....	875	4,000		4,875
11. Directors' fees.....		249		249
12. Travel and travel items.....	2,777	37,289	449	40,515
13. Rent and rent items.....	3,555	24,737		28,292
14. Equipment.....	1	349		350
15. Cost or depreciation of EDP equipment and software.....	6,269	64,702	1,028	71,999
16. Printing and stationery.....	2,696	15,261	19	17,976
17. Postage, telephone and telegraph, exchange and express.....	1,672	14,935	18	16,625
18. Legal and auditing.....	8,439	80,993	22,177	111,609
19. Totals (Lines 3 to 18).....	229,480	912,335	32,260	1,174,075
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	39	214,041		214,080
20.2 Insurance department licenses and fees.....	2,358	14,422		16,780
20.3 Gross guaranty association assessments.....	4,344	65,879		70,223
20.4 All other (excluding federal and foreign income and real estate).....	65	8,540		8,605
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	6,806	302,882	0	309,688
21. Real estate expenses.....	19,388	32,115	75	51,578
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	870	7,610	0	8,480
25. Total expenses incurred.....	793,079	2,132,863	32,335	(a).....2,958,277
26. Less unpaid expenses - current year.....	1,816,194	594,778		2,410,972
27. Add unpaid expenses - prior year.....	970,892	541,502		1,512,394
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	(52,223)	2,079,587	32,335	2,059,699

DETAILS OF WRITE-INS

2401. Miscellaneous Expenses.....	870	7,610		8,480
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	870	7,610	0	8,480

(a) Includes management fees of \$.....2,240,965 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).....253,062	.....286,165
1.1 Bonds exempt from U.S. tax.....	(a).....333,503	.....346,441
1.2 Other bonds (unaffiliated).....	(a).....141,193	.....168,202
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....311	.....229
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	728,070	801,036
11. Investment expenses.....		(g).....32,335
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		32,335
17. Net investment income (Line 10 minus Line 16).....		768,701

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
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).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
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 \$.....10,013 accrual of discount less \$.....214,813 amortization of premium and less \$.....137,624 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....84,472	.....	.....84,472	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....82,275	.....	.....82,275	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	166,747	.....0	166,747	.....0	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....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

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
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Derivatives (Schedule DB).....			.....0
8. Other invested assets (Schedule BA).....			.....0
9. Receivables for securities.....			.....0
10. Securities lending reinvested collateral assets (Schedule DL).....			.....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
14. Investment income due and accrued.....			.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	.....76,397	.....48,023	.....(28,373)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.....4,287		.....(4,287)
15.3 Accrued retrospective premiums.....			.....0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.....0
16.2 Funds held by or deposited with reinsured companies.....			.....0
16.3 Other amounts receivable under reinsurance contracts.....			.....0
17. Amounts receivable relating to uninsured plans.....			.....0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.....0
18.2 Net deferred tax asset.....	.....87,900	.....36,305	.....(51,595)
19. Guaranty funds receivable or on deposit.....			.....0
20. Electronic data processing equipment and software.....			.....0
21. Furniture and equipment, including health care delivery assets.....			.....0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....			.....0
25. Aggregate write-ins for other than invested assets.....	.....1,319	.....34,882	.....33,563
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....169,903	.....119,210	.....(50,693)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....169,903	.....119,210	.....(50,693)

DETAILS OF WRITE-INS

1101. ....			.....0
1102. ....			.....0
1103. ....			.....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. Receivable from insured for deductible payments.....		.....12,634	.....12,634
2502. Commission Receivable.....			.....0
2503. Prepays.....	.....1,319	.....22,248	.....20,929
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).....	.....1,319	.....34,882	.....33,563

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Annual Statement of National Interstate Insurance Company of Hawaii (Company) has been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in the Company's financial statements.

B. Use of Estimates

The preparation of financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* requires management to make estimates and assumptions that affect amounts reported in these financial statements and notes. Actual results could differ from the estimates and assumptions used.

C. Accounting Policies

Premiums that are written, assumed and ceded under the Company's insurance policies and reinsurance contracts are earned over the terms of the related policies and contracts on a pro rata basis. Unearned reserves are liabilities established, as the portion of premiums written that have not yet been earned.

Unlike the recognition of premiums revenue, expenses incurred while producing new insurance business such as commissions and premium taxes are charged to operations as incurred and ceding allowances received or receivable are credited to operations through reductions in expenses incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at cost.
2. Investment grade bonds are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
3. Not applicable as the Company does not have any investments in common stocks.
4. Redeemable preferred stocks with an NAIC designation of 1 or 2 are carried at amortized cost. Perpetual preferred stocks with an NAIC designation of 1 or 2 are carried at market. All other preferred stocks are carried at the lower of cost, amortized cost, or fair value.
5. Not applicable as the Company investment portfolio does not include any mortgage loans.
6. Investment grade loan-backed securities are stated at amortized value. The prospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
7. Not applicable as the Company does not have any investments in subsidiaries, controlled or affiliated companies.
8. Not applicable as the Company does not have any investments in joint ventures, partnerships or limited liability companies.
9. Not applicable as the Company does not invest in derivative instruments.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses include an amount determined using individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates and the ultimate liability may be in excess of or less than the amounts provided, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are reflected in the period determined.
12. The Company has a capitalization policy for prepaid expenses and purchases of items such as office equipment, software/hardware, furniture, vehicles, and other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.

NOTES TO FINANCIAL STATEMENTS

13. Not applicable as the Company is a property and casualty insurance company only and does not write major medical and/or prescription drug coverage.

Note 2 – Accounting Changes and Correction of Errors

A. Accounting Changes Other than Codification and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable as the Company has never entered into any business combinations.

B. Statutory Mergers

Not applicable

C. Impairment Loss

Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reversed Mortgages

Not applicable

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.
3. The Company does not have any loan-backed securities with an other-than-temporary (“OTTI”) impairment recognized in 2011.
4. The following table shows all loan-backed securities with an unrealized loss:

Less than 12 months		12 months or more	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
\$ 1,147,427	\$ (5,504)	\$ -	\$ -

5. Based on cash flow projections received from external sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at December 31, 2011. The Company has the intent to hold such securities until they recover in value or mature.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

NOTES TO FINANCIAL STATEMENTS

F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

Not applicable as the Company’s due and accrued investment income is current and therefore, none is excluded.

Note 8 – Derivative Instruments

A - F. Not applicable as the Company does not invest in derivative instruments.

Note 9 – Income Taxes

A. The components of net deferred tax assets (DTA) recognized in the Company’s Asset, Liabilities, Surplus and Other Funds are as follows:

	2011			2010			Change		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	566,378	-	566,378	301,200	-	301,200	265,178	-	265,178
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	566,378	-	566,378	301,200	-	301,200	265,178	-	265,178
(d) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	566,378	-	566,378	301,200	-	301,200	265,178	-	265,178
(f) Deferred Tax Assets Nonadmitted	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595
(g) Net Admitted Deferred Tax Assets (1e-1f)	478,478	-	478,478	264,895	-	264,895	213,583	-	213,583

2. The Company has elected to admit additional deferred tax assets pursuant to SSAP 10R, paragraph 10e. The current period election does not differ from the prior reporting period. As a result of this election, the Company has recognized additional deferred tax assets, as follows:
3. Ordinary admitted adjusted gross deferred tax assets increased by \$87,900 as a result of applying SSAP 10R, paragraph 10e.

NOTES TO FINANCIAL STATEMENTS

4. The result of the admissibility calculations are as follows:

	2011			2010			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+8) Total
Admission Calculation Components – SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:									
(a) Paragraph 10.a.	390,578	-	390,578	228,590	-	228,590	161,988	-	161,988
(b) Paragraph 10.b. (the lesser paragraph of 10.b.i and 10.b.ii below)	-	-	-	-	-	-	-	-	-
(c) Paragraph 10.b.i.	-	-	-	-	-	-	-	-	-
(d) Paragraph 10.b.ii.	XXX	XXX	1,190,996	XXX	XXX	1,152,946	XXX	XXX	38,050
(e) Paragraph 10.c.	-	-	-	-	-	-	-	-	-
(f) Total (4a+4b+4e)	390,578	-	390,578	228,590	-	228,590	161,988	-	161,988
Admission Calculation Components – SSAP 10R, paragraph 10.e.:									
(g) Paragraph 10.e.i.	390,578	-	390,578	228,590	-	228,590	161,988	-	161,988
(h) Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. and 10.e.ii.b. below)	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595
(i) Paragraph 10.e.ii.a.	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595
(j) Paragraph 10.e.ii.b.	XXX	XXX	1,786,493	XXX	XXX	1,729,418	XXX	XXX	57,075
(k) Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
(l) Total (4g+4h+4k)	478,478	-	478,478	264,895	-	264,895	213,583	-	213,583
Used in SSAP 10R, Paragraph 10.d.:									
(m) Total Adjusted Capital	XXX	XXX	11,457,957	XXX	XXX	12,003,351	XXX	XXX	(545,394)
(n) Authorized Control Level	XXX	XXX	936,011	XXX	XXX	669,806	XXX	XXX	266,205

5. Impact of Tax Planning Strategies

	December 31, 2011		
	Ordinary	Capital	Total %
Impact of Tax Planning Strategies			
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	0.0%	0.0%
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	0.0%	0.0%

6. The impact to the Company’s financial statements as a result of the election of SSAP 10R Paragraph 10.e are as follows:

	2011			2010			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+8) Total
SSAP 10R, Paragraphs 10.a., 10.b. and 10.c.:									
(a) Admitted Deferred Tax Assets	390,578	-	390,578	228,590	-	228,590	161,988	-	161,988
(b) Admitted Assets	XXX	XXX	34,537,380	XXX	XXX	27,843,620	XXX	XXX	6,693,760
(c) Adjusted Statutory Surplus*	XXX	XXX	11,457,957	XXX	XXX	12,003,351	XXX	XXX	(545,394)
(d) Total Adjusted Capital from DTAs	XXX	XXX	11,457,957	XXX	XXX	12,003,351	XXX	XXX	(545,394)
Increases due to SSAP 10R, paragraph 10.e.									
(e) Admitted Deferred Tax Assets	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595
(f) Admitted Assets	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595
(g) Statutory Surplus	87,900	-	87,900	36,305	-	36,305	51,595	-	51,595

NOTES TO FINANCIAL STATEMENTS

B. Unrecognized Deferred Tax Liabilities

Not Applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

	(1)	(2)	(3)
	2011	2010	(Col 1-2) Change
(a) Federal	553,876	251,560	302,316
(b) Foreign	-	-	-
(c) Subtotal	553,876	251,560	302,316
(d) Federal income tax on net capital gains	58,362	20,107	38,255
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	612,238	271,667	340,577

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

2.

Deferred Tax Assets:	(1)	(2)	(3)
	2011	2010	(Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	293,000	121,016	171,984
(2) Unearned premium reserve	225,333	156,159	69,174
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	14,400	1,855	12,545
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	33,645	22,170	11,475
(14) Other assets – nonadmitted	-	-	-
(99) Subtotal	566,378	301,200	265,178
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	87,900	36,305	51,595
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	478,478	264,895	213,583
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
(i) Admitted deferred tax assets (2d+2h)	478,478	264,895	213,583

NOTES TO FINANCIAL STATEMENTS

3.

Deferred Tax Liabilities:		2011	2010	Change
(a)	Ordinary:			
(1)	Investments	\$ -	\$ -	\$ -
(2)	Fixed assets	-	-	-
(3)	Deferred and uncollected premium	-	-	-
(4)	Policyholder reserves	-	-	-
(5)	Other (including items <5% of total ordinary tax assets)	-	-	-
(6)	Additional acquisition costs-installment premiums	-	-	-
(7)	Discount of accrued salvage and subrogation	-	-	-
(8)	Guaranty funds receivable	-	-	-
(99)	Subtotal	-	-	-
(b)	Capital:			
(1)	Investments	-	-	-
(2)	Real estate	-	-	-
(3)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	-	-	-
(c)	Deferred tax liabilities (3a99+3b99)	\$ -	\$ -	\$ -

4. Net Deferred Tax Assets/Liabilities (2i-3c) \$ 478,478 \$ 264,895 \$ 213,583

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	2011	
	Amount In Thousands	Effective Tax Rate (%)
Provision computed at statutory rate	385,107	35.0
Tax exempt income deduction	(103,066)	(9.4)
Unearned premium reserve haircut	69,174	6.3
Loss Reserves	167,428	15.2
Other	35,233	3.2
Totals	553,876	50.3
Federal and foreign income taxes incurred	553,876	50.3
Realized capital gains tax	58,362	5.3
Total statutory income taxes	612,238	55.6

E. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2011, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses: current year \$612,238; first preceding year \$271,667.
3. The Company did not have any protective tax deposits 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 Corporation (see Note 10) and the Corporation's other wholly owned subsidiaries.
2. The method of allocation among companies is subject to a written agreement approved by the Board of Directors, whereby allocation of income taxes to companies in the group is based on taxable income or loss.

NOTES TO FINANCIAL STATEMENTS

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

A. Nature of Relationships

The Company’s parent company, National Interstate Insurance Company (NIIC) is a wholly owned subsidiary of National Interstate Corporation (the Corporation), a publicly traded (Nasdaq: NATL) insurance holding company. NIIC also owns 100% of Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC). Other subsidiaries of the Corporation include Hudson Indemnity Limited (HIL), National Interstate Insurance Agency, Inc. (NIIA), Safety, Claims & Litigation Services, Inc., Explorer RV Insurance Agency, Inc., American Highways Insurance Agency, Inc., Safety, Claims and Litigation Services, LLC, Hudson Management Group, Ltd., TransProtection Service Company, Vanliner Group, Inc. and Vanliner Reinsurance Ltd.

As of December 31, 2011, Great American Insurance Company (GAIC), a wholly owned subsidiary of American Financial Group, Inc. (NYSE, Nasdaq: AFG), owned 52.4% of the outstanding shares of the Corporation.

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

The Company paid the following dividends to NIIC during 2011:

Date	Amount	Type
12/20/2011	\$ 1,200,000	Ordinary

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company had the following inter-company receivables (payables) at December 31,

	2011	2010
National Interstate Insurance Company	\$ 1,539,039	\$ 1,027,399
National Interstate Corporation	(117,196)	(126,291)
National Interstate Insurance Agency, Inc.	3,062	39
Hudson Management Group, Ltd.	(25,599)	(24,777)
American Highways Insurance Agency, Inc.	(1,661)	(1,870)
Explorer RV Insurance Agency, Inc.	(1,357)	(1,097)
Totals	\$ 1,396,288	\$ 873,403

These arrangements are subject to written agreements which require that intercompany balances be settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable (See Note 14A)

F. Management, Service Contracts, Cost Sharing Arrangements

The Company is party with some of its affiliate companies to a Cash Management Agreement dated September 1, 2000 under which NIIC manages all cash accounts for the other parties to the Agreement. Expenses incurred and fees charged to the participants are allocated among the parties at cost.

The Company has a cost sharing agreement with some of its affiliates under which costs are allocated between companies to reflect the actual costs to operate each company. Allocated expenses paid in 2011 related to these agreements amounted to \$2,240,965.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by NIIC (see Note 10A).

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

J. Writedowns for Impairment of Investments in Affiliates

Not applicable

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable

Note 11 – Debt

A. Not applicable as the Company has no debt.

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

Not applicable

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

A – F. Not applicable

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

A. Outstanding Shares

The Company has 500,000 Common shares with a par value of \$7 a share, authorized, issued and outstanding at December 31, 2011.

B. Dividend Rate of Preferred Stock

Not applicable as no preferred shares are authorized.

C, D, E and F. Dividend Restrictions

The payment of dividends by Ohio domiciled insurance companies, without the prior approval of the Superintendent of Insurance, is limited to the greater of 10% of statutory surplus as of the most recent year end or the net income for the prior year. The Ohio Insurance Holding Company law requires an insurance company's surplus to be reasonable in relation to its liabilities and adequate for its financial needs following any dividend that it may pay to its parent. The maximum dividend payment that may be made without prior approval in 2012 is \$1,145,796.

An ordinary dividend in the amount of \$1,200,000 was paid by the Company on December 20, 2011.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

The \$51,595 change in special surplus funds is due to the implementation of SSAP 10R, "Income Taxes – Revised, A Temporary Replacement of SSAP No. 10."

J. Changes in Unassigned Funds

Not applicable as the Company had no unrealized gains or losses at December 31, 2011.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 – Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of its affiliates or on indebtedness of others.

B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of the insolvencies. Other assessments should be accrued either at the time the assessments are levied or in the case of premium-based assessments, at the time the premiums are written, or, in the case of loss-based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty fund and other assessments of \$96,127 and \$63,339, for the current and prior year, respectively. The liability is included in the taxes, licenses and fees liability. The amounts represent management's best estimates based on information received from the states in which the pooled group (refer to Note 26) writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses

Not applicable

E. Product Warranties

Not applicable

F. Other Contingencies and Writedowns for Impairment

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

There were no charges to income due to other-than-temporary impairments in the Company's bond portfolio in 2011 or 2010. Considerations the Company used in the impairment evaluation process included, but were not limited to, whether the issuer is experiencing significant financial difficulties, the economic stability of an entire industry sector or subsection, and the extent to which the unrealized loss is credit-driven or a result of changes in market interest rates.

Note 15 – Leases

A. Lessee Leasing Arrangements

Not applicable as the Company has no lease obligations nor has it entered into any leaseback arrangements.

B. Lessor Leasing Arrangements

Not applicable

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk

A – D. Not applicable as the Company does not invest in these types of financial instruments.

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 18 – Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

A. The Company uses a managing general agent (MGA) to write or administer their insurance products in two states. The MGA below writes direct premiums greater than 5% of policyholders' surplus. The terms of the MGA contract give the MGA authority for premium collection (P), claims adjustments (CA), and claims payments (C). The company also grants binding and underwriting authority for all policies issued under this agreement subject to mutually agreed upon guidelines and limitations.

Name and Address	FEI Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Written Premium
McNeil & Company, Inc 20 Church St., Cortland, NY 13045	16-1364134	No	Commercial Property and Liability	C, CA, P	\$646,725

Note 20 – Fair Value Measurements

A - C. Fair Value Measurements

Not applicable as there were no assets or liabilities stated at fair value as of December 31, 2011.

Note 21 – Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Investments carried at \$2,602,535 and \$2,596,139 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premiums Receivable

At the end of the current and prior year, the Company had admitted assets of \$4,010,103 and \$4,521,863, respectively in premiums due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectable premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amounts totaling \$80,684 and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial position.

E. Business Interruption Insurance Recoveries

Not applicable

F. State Tax Credits

Not applicable

G. Subprime Mortgage-Related Exposure

1. Subprime Mortgage Exposures

The Company invests in asset classes that could potentially be adversely affected by subprime mortgage exposure, including mortgage-backed securities and a corporate debt obligation of a financial institution. The Company does not believe that its holdings in mortgage backed securities have significant subprime exposure as these investments are guaranteed by government sponsored agencies. The Company believes that its greatest exposure is to unrealized losses from declines in asset values from holdings that could have subprime mortgage exposure versus realized losses resulting from defaults or foreclosures. The Company's investment practices limit the Company's exposure to such losses.

NOTES TO FINANCIAL STATEMENTS

2. Direct Exposure – Mortgage Loans

None

3. Direct Exposure – Other Investment Classes

The Company holds mortgage-backed securities within its bond portfolio that are guaranteed by government sponsored agencies. The bond the company holds which was issued by a financial institution that may have subprime mortgage exposure is investment grade quality. Default risk on this bond is not expected at this time.

The following is a summary of the Company's other investments with exposure to mortgages.

Investment Category	Actual Cost	Carrying Value	Fair Value	Impairments
				Recognized
Government agency residential mortgage-backed securities	\$ 5,950,127	\$ 5,929,764	\$ 5,989,366	\$ -
Debt obligations issued by financial institutions	700,823	700,751	676,354	-
Totals	\$ 6,650,950	\$ 6,630,515	\$ 6,665,720	\$ -

4. Underwriting Exposure

Not applicable

Note 22 – Events Subsequent

None

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has the following unsecured aggregate reinsurance recoverable for paid and unpaid losses including IBNR, loss adjustment expenses and unearned premiums from an individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
32620	34-1607395	National Interstate Insurance Co	\$ 18,486,335
10357	52-1952955	Platinum Underwriters Reinsurance Co	357,787

B. Reinsurance Recoverables in Dispute

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

C. Reinsurance Assumed and Ceded and Protected Cells

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 3,201,546	\$ 356,803	\$ 7,218,591	\$ 883,213	\$ (4,017,045)	\$ (526,410)
All Other	90,553	32,834	1,110,370	95,121	(1,019,817)	(62,287)
Total	\$ 3,292,099	\$ 389,637	\$ 8,328,961	\$ 978,334	\$ (5,036,862)	\$ (588,697)

Direct Unearned Premium Reserve \$8,238,408

NOTES TO FINANCIAL STATEMENTS

2. Amounts accrued at the end of the current year for additional or return on commission resulting from existing contractual arrangements are as follows:

	Direct	Assumed	Ceded	Net
Contingent Commission	\$ -	\$ 56,811	\$ -	\$ 56,811
Sliding Scale Adjustments	-	-	-	-
Other Profit Commission Arrangements	-	-	-	-
TOTAL	\$ -	\$ 56,811	\$ -	\$ 56,811

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

D. Uncollectible Reinsurance

The Company has no reinsurance in dispute nor does it deem any of its reinsurance recoverables to be uncollectible.

E. Commutation of Ceded Reinsurance

During 2011 the Company commuted its treaty with a captive reinsurer, Trax Insurance, Ltd, for the 2007-2008 underwriting year. The Company recognized the amounts received from the reinsurer, of \$ 170,195, as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The Company also increased its loss and loss adjustment expense reserves by the same amount (thereby increasing losses and loss adjustment expense incurred) to recognize the effect of releasing the reinsurer from its obligation under the treaty. The net effect of the commutation was \$0.

F. Retroactive Reinsurance

Not applicable as the Company does not have any retroactive reinsurance agreements.

G. Reinsurance Accounted for as a Deposit

Not applicable as the Company does not have any reinsurance contracts that are accounted for as a deposit.

H. Run-off Agreements

Not Applicable as the Company did not have any run-off agreements in the current year.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A - E. Not applicable as the Company has not entered any contracts that are retrospectively rated or subject to redetermination.

Note 25 –Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses (LAE), net of reinsurance recoverables, for 2011 and 2010:

	December 31	
	2011	2010
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 4,067,771	\$ 3,544,595
Effect of initial reserve establishment for pooling	5,712,437	-
Add provision for claims, net of reinsurance occurring in:		
Current year	4,720,000	2,888,000
Prior years	(256,074)	(132,961)
Net incurred losses during the current year	4,463,926	2,755,039
Deduct payments for claims, net of reinsurance, occurring in:		
Current year	1,819,000	1,067,000
Prior years	2,933,711	1,164,863
Net claim payments during the current year	4,752,711	2,231,863
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	\$ 9,491,423	\$ 4,067,771

NOTES TO FINANCIAL STATEMENTS

The effect of the initial reserve establishment for pooling of \$5,712,437 represents the net amount received by the Company for the assumption of the initial reserves effective with the amended intercompany reinsurance pooling arrangement due to the inclusion of VIC with the Company, its parent and affiliate, TCC. The foregoing reconciliation shows that a \$256,074 favorable development in the December 31, 2010 balances emerged in 2011, and a \$132,961 favorable development in the December 31, 2009 balances emerged in 2010. The favorable development in 2011 and 2010 resulted from the combination of settling cases and adjusting current estimates of open cases and incurred but not reported losses (IBNR) for amounts less than the case and IBNR estimates carried at the end of the prior year. Management of the Company evaluates case and IBNR estimates based on data from a variety of sources including the Company’s historical experience, knowledge of various factors, and industry data extrapolated from other insurers writing similar lines of business.

Note 26 – Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended pooling agreement with its parent, NIIC and NIIC’s two insurance subsidiaries, TCC and VIC. The following summarizes the participation percentages:

Name of Insurer	NAIC Code	% Participation
Triumphe Casualty Company	41106	2%
National Interstate Insurance Company of Hawaii, Inc.	11051	2%
Vanliner Insurance Company	21172	26%
National Interstate Insurance Company (Lead)	32620	70%

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of December 31, 2011 the Company had a \$1,510,216 receivable due from NIIC, the lead company. NIIC had a \$1,170,142 payable to TCC and had a \$7,638,370 payable due to VIC.

Note 27 – Structured Settlements

A. Reserves Released Due to Purchase of Annuities

Not applicable as the Company does not have any structured settlements.

A. Annuity Insurers with Balances Due Greater than 1% of Policyholders’ Surplus

None.

Note 28 – Health Care Receivables

A - B. Not applicable as the Company does not write pharmaceutical or shared risk health insurance coverage.

Note 29 – Participating Policies

A. Not applicable as the Company does not have participating policies.

Note 30 – Premium Deficiency Reserves

A. The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined that a reserve is not required. The date of the evaluation for premium deficiency reserve was January 30, 2012. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.

Note 31 – High Deductibles

A. Not applicable

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

A - C. Not applicable as the Company does not discount its liabilities for unpaid loss and loss adjustment expenses.

Note 33 – Asbestos/Environmental Reserves

A - F. Not applicable as the Company does not have on the books, nor has it ever written an insured for which it has identified a potential for the existence of a liability due to asbestos or environmental losses.

NOTES TO FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

A. Not applicable

Note 35 – Multiple Peril Crop Insurance

A. Not applicable

Note 36 – Financial Guaranty Insurance

A - B. Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [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:

12/31/2010

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010

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.

12/31/2010

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).

10/18/2011

3.4

By what department or departments?

State of Ohio Department of Insurance

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 []

No [X]

4.12

renewals?

Yes []

No [X]

4.2

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

4.21

sales of new business?

Yes []

No [X]

4.22

renewals?

Yes []

No [X]

5.1

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

Yes []

No [X]

5.2

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

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

6.1

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

Yes []

No [X]

6.2

If yes, give full information:

7.1

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

Yes []

No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(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	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes []

No [X]

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes []

No [X]

8.4

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

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

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

Ernst & Young LLP

1300 Huntington Building, 925 Euclid Ave, Cleveland, OH 44115-1405

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 []

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?

John L. Doellman, VP and Actuary

Great American Insurance Company 301 East 4th Street, Cincinnati, OH 45202

12.1

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

Yes []

No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

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

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal only)

\$.....0

\$.....0

\$.....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

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal only)

\$.....0

\$.....0

\$.....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

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

.....

.....

.....

.....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes []No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

.....

.....

.....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X]No []

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

\$.....1,539,039

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).

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

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

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

.....

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

.....

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 [☐]

No [☐]

N/A [☒]

24.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐]

No [☐]

N/A [☒]

24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐]

No [☐]

N/A [☒]

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 [☒]

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

\$.....2,602,535

25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☐]

No [☒]

26.2

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

Yes [☐]

No [☐]

N/A [☒]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [☐]

No [☒]

27.2

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

.....

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [☒]

No [☐]

28.01

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

1	2
Name of Custodian(s)	Custodian's Address
First Hawaiian Bank	PO Box 3708, Honolulu, HI 96847
Key Bank	PO Box 6717 Cleveland, OH 44101

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	2	3
Name(s)	Location(s)	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 [☒]

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

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

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 [☒]

29.2

If yes, complete the following schedule:

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

29.3

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

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

30.

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....27,979,307	.....29,065,672	.....1,086,365
30.2 Preferred stocks.....			.....0
30.3 Totals.....	.....27,979,307	.....29,065,672	.....1,086,365

30.4

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

The source used to determine the fair value is primarily trust statements provided by the custodian and to a lesser extent broker quotes when necessary.

31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [☒]

No [☐]

31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [☐]

No [☒]

31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. Investments held with First Hawaiian Bank are liquid securities with readily determinable values and could be priced by a pricing service. The Investment Portfolio manager reviews prices within the portfolio to ensure they are reliable.

Yes [☒]

No [☐]

32.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [☒]

No [☐]

32.2

If no, list exceptions:

15.2

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....3,579

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
Independent Statistical Services	2,861

34.1 Amount of payments for legal expenses, if any? \$.....0

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

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 [☒]
- 1.2

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

.....
- 1.3

What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

.....
- 1.31

Reason for excluding:

.....

- 1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

.....
- 1.5

Indicate total incurred claims on all Medicare Supplement insurance.

.....
- 1.6

Individual policies:

Most current three years:

1.61

Total premium earned

.....

1.62

Total incurred claims

.....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

.....

1.65

Total incurred claims

.....

1.66

Number of covered lives

.....
- 1.7

Group policies:

Most current three years:

1.71

Total premium earned

.....

1.72

Total incurred claims

.....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

.....

1.75

Total incurred claims

.....

1.76

Number of covered lives

.....

2.

Health test:

	1	2
	Current Year	Prior Year
2.1	Premium Numerator.....	\$.....0
2.2	Premium Denominator.....	\$.....7,016,312
2.3	Premium Ratio (2.1/2.2).....	.....0.0
2.4	Reserve Numerator.....	\$.....12,627
2.5	Reserve Denominator.....	\$.....12,692,969
2.6	Reserve Ratio (2.4/2.5).....	.....0.1

- 3.1

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

Yes [☐]

No [☒]
- 3.2

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

.....
- 3.21

Participating policies

.....
- 3.22

Non-participating policies

.....

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
- 4.1

Does the reporting entity issue assessable policies?

Yes [☐]

No [☐]
- 4.2

Does the reporting entity issue non-assessable policies?

Yes [☐]

No [☐]
- 4.3

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

.....%
- 4.4

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

.....

5.

FOR RECIPROCAL EXCHANGES ONLY:
- 5.1

Does the exchange appoint local agents?

Yes [☐]

No [☐]
- 5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [☐]

No [☐]

N/A [☒]

5.22

As a direct expense of the exchange

Yes [☐]

No [☐]

N/A [☒]
- 5.3

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

.....

- 5.4

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

Yes [☐]

No [☒]
- 5.5

If yes, give full information:

.....

- 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 reinsurance treaties for workers' compensation coverage under which it retains no more than \$94,000 per occurrence.

In addition we purchase up to 15M per person WC coverage & up to 30M multiple person WC coverage subject to a 10M maximum any one life.
- 6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

The Company uses Intrat Analysis from Guy Carpenter using RMS Risklink model to identify locations and concentrations. It also limits its writing of property insurance and reinsures under catastrophic reinsurance losses in excess of \$500,000 in Hawaii and \$750,000 elsewhere.
- 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 has a 5%/95% Property quota share agreement for risks up to \$5 million and purchased a \$4.5M x \$500K excess of loss for catastrophe.
- 6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [☒]

No [☐]
- 6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:

.....

- 7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes [☒]

No [☐]
- 7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

.....26
- 7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [☒]

No [☐]

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?

Yes [☐]

No [☒]

8.2

If yes, give full information:

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [☒]

No [☐]

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 sessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [☐]

No [☒]

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 [☒]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external sessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [☐]

No [☒]

Yes [☐]

No [☒]

Yes [☐]

No [☒]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [☒]

No [☐]

N/A [☐]

11.1

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

Yes [☐]

No [☒]

11.2

If yes, give full information:

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses
12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....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 [☐]

12.4

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

.....%

.....%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [☐]

No [☒]

12.6

If yes, state the amount thereof at December 31 of current year:
12.61 Letters of credit
12.62 Collateral and other funds

.....

.....

13.1

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

\$.....94,000

13.2

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

Yes [☐]

No [☒]

13.3

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

.....2

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1

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

Yes [X]

No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
The allocation would be based on the percentage of the individual company's claim to the total of all claims.

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 [X]

No []

14.4

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

Yes []

No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes []

No [X]

15.2

If yes, give full information:

16.1

Does the reporting entity write any warranty business?

Yes []

No [X]

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

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

* Disclose type of coverage:

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?
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:

Yes []

No [X]

17.11

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

17.12

Unfunded portion of Interrogatory 17.11

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14

Case reserves portion of Interrogatory 17.11

17.15

Incurred but not reported portion of Interrogatory 17.11

17.16

Unearned premium portion of Interrogatory 17.11

17.17

Contingent commission portion of Interrogatory 17.11

Provide the following information for all other amounts included in Schedule F-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

17.19

Unfunded portion of Interrogatory 17.18

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21

Case reserves portion of Interrogatory 17.18

17.22

Incurred but not reported portion of Interrogatory 17.18

17.23

Unearned premium portion of Interrogatory 17.18

17.24

Contingent commission portion of Interrogatory 17.18

18.1

Do you act as a custodian for health savings account?

Yes []

No [X]

18.2

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

18.3

Do you act as an administrator for health savings accounts?

Yes []

No [X]

18.4

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

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).....	23,056,931	18,473,931	14,829,010	16,684,634	9,591,502
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,078,384	5,801,138	6,701,689	8,042,006	5,364,889
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	123,863	8,696	12,118	41,791	
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	11,371	7,232	8,057	259	
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	29,270,549	24,290,997	21,550,874	24,768,690	14,956,391
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).....	6,310,344	3,406,055	2,913,298	2,985,352	2,410,684
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,637,560	1,376,494	1,342,393	990,036	2,398,510
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	47,733	8,696	12,118	41,791	
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	11,371	7,232	8,057	259	
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	8,007,009	4,798,477	4,275,866	4,017,439	4,809,194
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	419,522	290,423	692,394	539,207	593,535
14. Net investment gain (loss) (Line 11).....	877,087	739,323	580,830	622,574	492,422
15. Total other income (Line 15).....	(87,917)	(52,547)	(23,023)	(18,601)	30,687
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	553,876	251,560	350,881	303,967	306,015
18. Net income (Line 20).....	654,816	725,639	899,319	839,214	810,629
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	34,537,380	27,843,620	25,665,123	23,575,678	18,157,424
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	782,442	1,333,647	790,443	573,918	218,148
20.2 Deferred and not yet due (Line 15.2).....	3,227,661	3,188,216	2,288,543	2,184,619	2,492,427
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	23,079,424	15,803,965	14,370,295	13,178,792	8,543,192
22. Losses (Page 3, Line 1).....	7,675,229	3,096,880	2,648,672	2,613,329	1,117,095
23. Loss adjustment expenses (Page 3, Line 3).....	1,816,194	970,891	895,924	892,266	202,505
24. Unearned premiums (Page 3, Line 9).....	3,201,546	2,210,849	1,956,156	2,019,095	2,486,412
25. Capital paid up (Page 3, Lines 30 & 31).....	3,500,000	3,500,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	11,457,957	12,039,656	11,294,828	10,396,886	9,614,232
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	7,669,718	945,733	671,948	1,795,888	2,187,056
Risk-Based Capital Analysis					
28. Total adjusted capital.....	11,457,957	12,039,656	11,294,828	10,396,886	9,614,232
29. Authorized control level risk-based capital.....	936,011	670,989	597,111	470,268	616,527
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).....	99.6	98.7	98.1	82.7	87.1
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	0.4	1.3	1.9	17.3	12.9
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....			XXX	XXX	XXX
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
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				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2011	2010	2009	2008	2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....					
51. Dividends to stockholders (Line 35).....	(1,200,000)				
52. Change in surplus as regards policyholders for the year (Line 38).....	(581,699)	744,828	897,941	782,654	877,856
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).....	4,170,733	4,921,095	3,585,217	(35,786)	661,014
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	4,733,840	3,685,824	3,319,493	2,605,795	2,118,391
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,451	1,661	6,311	11,583	
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	429	373			
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
58. Total (Line 35).....	8,909,453	8,608,953	6,911,021	2,581,592	2,779,405
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).....	(1,935,612)	1,074,749	1,081,746	(146,811)	194,897
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,042,730	762,448	792,919	815,270	961,112
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(15,049)	1,661	6,311	11,583	
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	429	373			
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
64. Total (Line 35).....	(907,502)	1,839,231	1,880,976	680,042	1,156,009
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).....	52.3	50.3	44.2	48.5	41.9
67. Loss expenses incurred (Line 3).....	11.3	10.3	8.9	10.8	5.9
68. Other underwriting expenses incurred (Line 4).....	30.4	33.0	31.0	28.6	39.9
69. Net underwriting gain (loss) (Line 8).....	6.0	6.4	16.0	12.0	12.3
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).....	27.7	32.3	32.0	32.4	39.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	63.6	60.6	53.1	59.4	47.8
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).....	69.9	39.9	37.9	38.6	50.0
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).....	(187)	(94)	(9)	(13)	(65)
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).....	(1.5)	(0.8)	(0.1)	(0.1)	(0.7)
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).....	(615)	(160)	(44)	(112)	(1)
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).....	(5.4)	(1.5)	(0.5)	(1.3)	(0.0)

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

Yes[] No[]

If no, please explain:

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	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....8.....	.....	.....2.....	.....	.....1.....	.....	.....	.....11.....	.....XXX.....
2. 2002.....	.....4,129.....	.....722.....	.....3,407.....	.....2,086.....	.....207.....	.....276.....	.....	.....231.....	.....6.....	.....72.....	.....2,380.....	.....XXX.....
3. 2003.....	.....5,280.....	.....726.....	.....4,554.....	.....2,530.....	.....296.....	.....240.....	.....	.....250.....	.....	.....75.....	.....2,724.....	.....XXX.....
4. 2004.....	.....6,076.....	.....727.....	.....5,349.....	.....2,907.....	.....300.....	.....340.....	.....1.....	.....283.....	.....	.....100.....	.....3,229.....	.....XXX.....
5. 2005.....	.....6,489.....	.....445.....	.....6,044.....	.....3,039.....	.....158.....	.....349.....	.....	.....338.....	.....	.....101.....	.....3,568.....	.....XXX.....
6. 2006.....	.....10,041.....	.....3,435.....	.....6,606.....	.....3,907.....	.....1,034.....	.....467.....	.....136.....	.....390.....	.....	.....119.....	.....3,593.....	.....XXX.....
7. 2007.....	.....16,483.....	.....9,556.....	.....6,927.....	.....5,641.....	.....2,586.....	.....780.....	.....390.....	.....396.....	.....	.....124.....	.....3,841.....	.....XXX.....
8. 2008.....	.....13,809.....	.....6,343.....	.....7,466.....	.....6,015.....	.....2,519.....	.....2,827.....	.....2,425.....	.....446.....	.....	.....124.....	.....4,344.....	.....XXX.....
9. 2009.....	.....13,229.....	.....5,854.....	.....7,375.....	.....4,650.....	.....1,891.....	.....577.....	.....344.....	.....439.....	.....	.....97.....	.....3,431.....	.....XXX.....
10. 2010.....	.....13,255.....	.....5,992.....	.....7,263.....	.....4,461.....	.....1,964.....	.....332.....	.....184.....	.....384.....	.....	.....88.....	.....3,029.....	.....XXX.....
11. 2011.....	.....14,657.....	.....7,641.....	.....7,016.....	.....3,595.....	.....2,076.....	.....176.....	.....118.....	.....242.....	.....	.....37.....	.....1,819.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....38,839.....	.....13,031.....	.....6,366.....	.....3,598.....	.....3,400.....	.....6.....	.....937.....	.....31,969.....	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded						Direct and Assumed	Ceded
1. Prior.....	.....56.....		.....37.....		.....3.....		.....1.....					.....97.....	....XXX.....
2. 2002.....	.....15.....		.....34.....		.....1.....		.....2.....		.....2.....			.....54.....	....XXX.....
3. 2003.....	.....23.....		.....42.....		.....3.....		.....3.....		.....6.....			.....77.....	....XXX.....
4. 2004.....	.....43.....		.....69.....		.....5.....		.....5.....		.....7.....			.....129.....	....XXX.....
5. 2005.....	.....69.....		.....114.....		.....3.....		.....8.....		.....9.....			.....203.....	....XXX.....
6. 2006.....	.....181.....	.....62.....	.....168.....	.....2.....	.....10.....	.....1.....	.....28.....		.....16.....			.....338.....	....XXX.....
7. 2007.....	.....732.....	.....515.....	.....265.....	.....29.....	.....24.....	.....4.....	.....46.....	.....7.....	.....27.....			.....539.....	....XXX.....
8. 2008.....	.....1,707.....	.....1,354.....	.....648.....	.....261.....	.....242.....	.....203.....	.....95.....	.....44.....	.....43.....			.....873.....	....XXX.....
9. 2009.....	.....1,176.....	.....651.....	.....1,420.....	.....451.....	.....166.....	.....102.....	.....197.....	.....72.....	.....82.....			.....1,765.....	....XXX.....
10. 2010.....	.....1,647.....	.....946.....	.....2,098.....	.....887.....	.....214.....	.....140.....	.....363.....	.....136.....	.....303.....			.....2,516.....	....XXX.....
11. 2011.....	.....2,242.....	.....1,439.....	.....3,912.....	.....2,425.....	.....145.....	.....82.....	.....659.....	.....336.....	.....225.....			.....2,901.....	....XXX.....
12. Totals...	.....7,891.....	.....4,967.....	.....8,807.....	.....4,055.....	.....816.....	.....532.....	.....1,407.....	.....595.....	.....720.....	.....0.....	.....0.....	.....9,492.....	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....93.....	.....4.....
2. 2002.	.....2,647.....	.....213.....	.....2,434.....	.....64.1.....	.....29.5.....	.....71.4.....	.....	.....	.....2.00.....	.....49.....	.....5.....
3. 2003.	.....3,097.....	.....296.....	.....2,801.....	.....58.7.....	.....40.8.....	.....61.5.....	.....	.....	.....2.00.....	.....65.....	.....12.....
4. 2004.	.....3,659.....	.....301.....	.....3,358.....	.....60.2.....	.....41.4.....	.....62.8.....	.....	.....	.....2.00.....	.....112.....	.....17.....
5. 2005.	.....3,929.....	.....158.....	.....3,771.....	.....60.5.....	.....35.5.....	.....62.4.....	.....	.....	.....2.00.....	.....183.....	.....20.....
6. 2006.	.....5,167.....	.....1,236.....	.....3,931.....	.....51.5.....	.....36.0.....	.....59.5.....	.....	.....	.....2.00.....	.....285.....	.....53.....
7. 2007.	.....7,911.....	.....3,531.....	.....4,380.....	.....48.0.....	.....37.0.....	.....63.2.....	.....	.....	.....2.00.....	.....453.....	.....86.....
8. 2008.	.....12,023.....	.....6,806.....	.....5,217.....	.....87.1.....	.....107.3.....	.....69.9.....	.....	.....	.....2.00.....	.....740.....	.....133.....
9. 2009.	.....8,707.....	.....3,511.....	.....5,196.....	.....65.8.....	.....60.0.....	.....70.5.....	.....	.....	.....2.00.....	.....1,494.....	.....271.....
10. 2010.	.....9,802.....	.....4,257.....	.....5,545.....	.....73.9.....	.....71.0.....	.....76.3.....	.....	.....	.....2.00.....	.....1,912.....	.....604.....
11. 2011.	.....11,196.....	.....6,476.....	.....4,720.....	.....76.4.....	.....84.8.....	.....67.3.....	.....	.....	.....2.00.....	.....2,290.....	.....611.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....7,676.....	.....1,816.....

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior.....	.....1,752	.....1,846	.....1,882	.....1,888	.....1,969	.....1,973	.....1,979	.....1,977	.....1,896	.....1,899	.....3	.....(78)
2. 2002.....	.....2,201	.....2,186	.....2,329	.....2,288	.....2,256	.....2,237	.....2,233	.....2,215	.....2,208	.....2,207	.....(1)	.....(8)
3. 2003.....	.....XXX	.....2,797	.....2,714	.....2,732	.....2,658	.....2,644	.....2,607	.....2,546	.....2,551	.....2,545	.....(6)	.....(1)
4. 2004.....	.....XXX	.....XXX	.....3,465	.....3,367	.....3,285	.....3,242	.....3,168	.....3,127	.....3,078	.....3,068	.....(10)	.....(59)
5. 2005.....	.....XXX	.....XXX	.....XXX	.....4,068	.....3,881	.....3,701	.....3,568	.....3,473	.....3,436	.....3,424	.....(12)	.....(49)
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....4,439	.....4,044	.....3,752	.....3,595	.....3,539	.....3,525	.....(14)	.....(70)
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....4,608	.....4,150	.....3,961	.....3,913	.....3,957	.....44	.....(4)
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....5,131	.....4,918	.....4,766	.....4,728	.....(38)	.....(190)
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....4,831	.....4,742	.....4,675	.....(67)	.....(156)
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....4,944	.....4,858	.....(86)	.....XXX
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....4,253	.....XXX	.....XXX
12. Totals.....											.....(187)	.....(615)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	.....000	.....741	.....1,161	.....1,431	.....1,582	.....1,688	.....1,723	.....1,784	.....1,792	.....1,802	.....XXX	.....XXX
2. 2002.....	.....470	.....1,180	.....1,581	.....1,879	.....1,997	.....2,082	.....2,113	.....2,137	.....2,148	.....2,155	.....XXX	.....XXX
3. 2003.....	.....XXX	.....877	.....1,530	.....1,936	.....2,185	.....2,329	.....2,403	.....2,447	.....2,463	.....2,474	.....XXX	.....XXX
4. 2004.....	.....XXX	.....XXX	.....1,024	.....1,765	.....2,278	.....2,621	.....2,803	.....2,879	.....2,925	.....2,946	.....XXX	.....XXX
5. 2005.....	.....XXX	.....XXX	.....XXX	.....1,063	.....2,010	.....2,530	.....2,873	.....3,079	.....3,176	.....3,230	.....XXX	.....XXX
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....1,197	.....2,022	.....2,526	.....2,865	.....3,097	.....3,203	.....XXX	.....XXX
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,310	.....2,222	.....2,761	.....3,205	.....3,445	.....XXX	.....XXX
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,514	.....2,664	.....3,359	.....3,898	.....XXX	.....XXX
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,379	.....2,377	.....2,992	.....XXX	.....XXX
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,490	.....2,645	.....XXX	.....XXX
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,577	.....XXX	.....XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior.....	.....634	.....338	.....174	.....128	.....128	.....125	.....136	.....105	.....39	.....38
2. 2002.....	.....932	.....461	.....280	.....150	.....78	.....63	.....58	.....38	.....33	.....36
3. 2003.....	.....XXX	.....1,235	.....605	.....352	.....179	.....152	.....112	.....56	.....53	.....45
4. 2004.....	.....XXX	.....XXX	.....1,624	.....859	.....476	.....326	.....207	.....131	.....87	.....74
5. 2005.....	.....XXX	.....XXX	.....XXX	.....1,960	.....1,178	.....663	.....368	.....185	.....129	.....122
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....2,224	.....1,275	.....622	.....321	.....233	.....194
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,368	.....1,176	.....590	.....320	.....275
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,341	.....1,206	.....681	.....438
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,297	.....1,505	.....1,094
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,312	.....1,438
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,810

National Interstate Insurance Company of Hawaii, Inc
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	.N								
2. Alaska.....AK	.N								
3. Arizona.....AZ	.N								
4. Arkansas.....AR	.N								
5. California.....CA	.N								
6. Colorado.....CO	.N								
7. Connecticut.....CT	.N								
8. Delaware.....DE	.N								
9. District of Columbia.....DC	.N								
10. Florida.....FL	.N								
11. Georgia.....GA	.N								
12. Hawaii.....HI	.L	1,902,209	1,703,860		411,177	906,056	1,205,732	175	
13. Idaho.....ID	.N								
14. Illinois.....IL	.N								
15. Indiana.....IN	.N								
16. Iowa.....IA	.N								
17. Kansas.....KS	.N								
18. Kentucky.....KY	.N								
19. Louisiana.....LA	.N								
20. Maine.....ME	.N								
21. Maryland.....MD	.N								
22. Massachusetts.....MA	.N								
23. Michigan.....MI	.L	3,972,562	4,288,089		1,987,362	3,082,834	2,838,541	12,250	265,344
24. Minnesota.....MN	.N								
25. Mississippi.....MS	.N								
26. Missouri.....MO	.N								
27. Montana.....MT	.N								
28. Nebraska.....NE	.N								
29. Nevada.....NV	.N								
30. New Hampshire.....NH	.N								
31. New Jersey.....NJ	.L	15,102,197	15,331,930		7,283,223	9,783,570	14,593,119	30,595	1,964,693
32. New Mexico.....NM	.N								
33. New York.....NY	.N								
34. North Carolina.....NC	.N								
35. North Dakota.....ND	.N								
36. Ohio.....OH	.L								
37. Oklahoma.....OK	.N								
38. Oregon.....OR	.N								
39. Pennsylvania.....PA	.N								
40. Rhode Island.....RI	.N								
41. South Carolina.....SC	.N								
42. South Dakota.....SD	.N								
43. Tennessee.....TN	.N								
44. Texas.....TX	.N								
45. Utah.....UT	.N								
46. Vermont.....VT	.N								
47. Virginia.....VA	.N								
48. Washington.....WA	.N								
49. West Virginia.....WV	.N								
50. Wisconsin.....WI	.N								
51. Wyoming.....WY	.N								
52. American Samoa.....AS	.N								
53. Guam.....GU	.N								
54. Puerto Rico.....PR	.N								
55. US Virgin Islands.....VI	.N								
56. Northern Mariana Islands.....MP	.N								
57. Canada.....CN	.N								
58. Aggregate Other Alien.....OT	.XXX	0	0	0	0	0	0	0	0
59. Totals.....	(a).....4	20,976,968	21,323,879	0	9,681,763	13,772,459	18,637,392	43,020	2,230,037

DETAILS OF WRITE-INS

5801. ....	.XXX...								
5802. ....	.XXX...								
5803. ....	.XXX...								
5898. Summary of remaining write-ins for Line 58 from overflow page	.XXX...	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	.XXX....	0	0	0	0	0	0	0	0

(a) Insert the number of "L" responses except for Canada and Other Alien.
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

Allied Lines - Location of Property
Commercial multiperil - Location of Property
Inland Marine - Location of Property
Other Accident and Health - Individual, by personal residence
Workers' Compensation - Location of risk
Other Liability - Location of risk
Auto Liability - Location of primay garage
Auto Physical - Location of primary garage
Surety - location of contractor
Boiler and machinery - Location of property

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
American Financial Capital Trust II	DE	31-6549738	
American Financial Capital Trust III	DE	16-6543606	
American Financial Capital Trust IV	DE	16-6543609	
American Financial Enterprises, Inc.	CT	31-0996797	
American Money Management Corporation	OH	31-0828578	
American Real Estate Capital Company, LLC (80%)	OH	27-1577326	
MidMarket Capital Partners, LLC (51%)	DE	27-2829629	
APU Holding Company	OH	41-2112001	
American Premier Underwriters, Inc.	PA	23-6000765	
The Associates of the Jersey Company	NJ	23-6297584	
Cal Coal, Inc.	IL	37-1094159	
Great Southwest Corporation	DE	95-2802826	
The Indianapolis Union Railway Company	IN	35-6001691	
Lehigh Valley Railroad Company	PA	13-6400464	
Magnolia Alabama Holdings, Inc.	DE	20-1548213	
Magnolia Alabama Holdings LLC	AL	20-1574094	
The Owasco River Railway, Inc.	NY	13-6021353	
PCC Real Estate, Inc.	NY	31-1236926	
PCC Technical Industries, Inc.	DE	76-0080537	
PCC Maryland Realty Corp.	MD	31-1388401	
Penn Central Energy Management Company	DE	06-1209709	
Penn Towers, Inc.	PA	23-1537928	
Pennsylvania-Reading Seashore Lines (66.67%)	NJ	23-6000766	
Pittsburgh and Cross Creek Railroad Company (83%)	PA	23-6207599	
Terminal Realty Penn Co.	DC	23-1707450	
Waynesburg Southern Railroad Company	PA	23-1675796	
GAI Insurance Company, Ltd. *	BM		
Hangar Acquisition Corp.	OH	31-1446308	
PLLS, Ltd.	WA	91-1508643	
Premier Lease & Loan Services Insurance Agency, Inc.	WA	91-1242743	
Premier Lease & Loan Services of Canada, Inc.	WA	91-1508644	
Republic Indemnity Company of America *	CA	95-2801326	22179
Republic Indemnity Company of California *	CA	31-1054123	43753
Risiko Management Corporation	DE	31-1262960	
Atlas Building Company, LLC	OH	27-4521779	
Dixie Terminal Corporation	OH	31-0823725	
Flextech Holding Co., Inc.	OH	31-1733037	
GAI Holding Bermuda Ltd.	BM	98-0606803	
GAI Indemnity, Ltd. #	GB	98-0556144	
Marketform Group Limited (71.6%)	GB		
Marketform Holdings Limited	GB		
Caduceus Underwriting Limited	GB		
Lavenham Underwriting Limited #	GB	98-0412245	
Marketform Limited	GB		
Gabinete Marketform SL	ES		
Marketform Australia Pty Limited	AU		
Studio Marketform SRL	IT		
Marketform Management Services Limited	GB		
Marketform Managing Agency Limited	GB		
Sampford Underwriting Limited #	GB	98-0431601	
Marketform Trust Company Limited	GB		

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

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	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Financial Resources, Inc. ^	DE	06-1356481	
AAG Holding Company, Inc.	OH	31-1475936	
Great American Financial Statutory Trust IV	CT	58-646032	
Great American Life Insurance Company *	OH	13-1935920	63312
Aerielle IP Holdings, LLC ^	OH	45-2969767	
Aerielle, LLC ^	DE	26-4391696	
Aerielle Technologies, Inc.	CA	26-0756104	
Annuity Investors Life Insurance Company *	OH	31-1021738	93661
Bay Bridge Marina Hemingway's Restaurant, LLC (85%)	MD	27-4078277	
Bay Bridge Marina Management, LLC (85%)	MD	27-0513333	
Brothers Management, LLC (99%)	FL	20-1246122	
Consolidated Financial Corporation	MI	36-3383108	
FT Liquidation, LLC	OH	45-3988240	
GALIC - Bay Bridge Marina, LLC	MD	20-4604276	
GALIC - Stoneleigh, LLC	FL	45-3829557	
GALIC Brothers, Inc. (80%)	OH	31-1391777	
GALIC Pointe, LLC ^	FL	45-1144095	
GALIC Port Orange, LLC (80%) ^	FL	27-1026964	
Manhattan National Holding Corporation	OH	26-3260520	
Manhattan National Life Insurance Company *	IL	45-0252531	67083
Skipjack Marina Corp.	MD	52-2179330	
Loyal American Holding Corporation	OH	20-3568924	
Loyal American Life Insurance Company *	OH	63-0343428	65722
American Retirement Life Insurance Company *	OH	59-2760189	88366
GALAC Holding Company	OH	45-4121852	
Great American Life Assurance Company *	OH	95-2496321	62200
United Teacher Associates, Ltd. ^	TX	74-2180806	
United Teacher Associates Insurance Company *	TX	58-0869673	63479
AAG Insurance Agency, Inc.	KY	31-1422717	
Ceres Group, Inc.	DE	34-1017531	
Central Reserve Life Insurance Company *	OH	34-0970995	61727
Provident American Life & Health Insurance Company *	OH	23-1335885	67903
United Benefit Life Insurance Company *	OH	75-2305400	65269
Ceres Administrators, L.L.C.	DE	34-1880408	
Ceres Sales, LLC	DE	34-1947043	
Ceres Sales of Ohio, LLC	OH	34-1970892	
HealthMark Sales, LLC	DE	34-1920479	
Continental General Corporation	NE	47-0717079	
Continental General Insurance Company *	OH	47-0463747	71404
Continental Print & Photo Co.	NE	47-0562685	
QQAgency of Texas, Inc.	TX	34-1947042	
Great American Advisors, Inc.	OH	31-1395344	
Great American Holding, Inc.	OH	42-1575938	
Agricultural Services, LLC	OH	27-3062314	
United States Commodities Producers, LLC (51.3%)	MT	45-4110027	
United States Livestock Producers, LLC (51.3%)	NV	27-2354685	
Livestock Market Enhancement Risk Retention Group *	NV	27-4395897	14084
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
Great American International Insurance Limited *	IE		
Mid-Continent Casualty Company *	OH	73-0556513	23418
Mid-Continent Assurance Company *	OH	73-1406844	15380
Mid-Continent Excess and Surplus Insurance Company *	DE	38-3803661	13794
Mid-Continent Specialty Insurance Services, Inc.	OK	30-0571535	
Oklahoma Surety Company *	OH	73-0773259	23426
Premier International Insurance Company *	TC	98-0627464	

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Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Insurance Company *	OH	31-0501234	16691
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation (80%)	OH	59-2840291	
Brothers Le Pavillon, LLC	DE	20-5173494	
Brothers Le Pavillon (SPE), LLC	DE	20-5173589	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
Crescent Centre Apartments ^	OH	20-4498054	
Crop Managers Insurance Agency, Inc.	KS	31-1277904	
Dempsey & Siders Agency, Inc.	OH	31-0589001	
Eden Park Insurance Brokers, Inc.	CA	31-1341668	
El Aguila, Compañía de Seguros, S.A. de C.V. *	MX		
Financiadora de Primas Condor, S.A. de C.V. (99%)	MX		
Farmers Crop Insurance Alliance, Inc.	KS	39-1404033	
FCIA Management Company, Inc.	NY	13-3628555	
Foreign Credit Insurance Association @	NY		
GAI Warranty Company	OH	31-1753938	
GAI Warranty Company of Florida	FL	31-1765544	
GAI Warranty Company of Canada Inc.	CN		
Global Premier Finance Company	OH	61-1329718	
Great American Agency of Texas, Inc.	TX	74-2693636	
Great American Alliance Insurance Company *	OH	95-1542353	26832
Great American Assurance Company *	OH	15-6020948	26344
Great American Casualty Insurance Company *	OH	61-0983091	39896
Great American Claims Services, Inc.	DE	31-1228726	
Great American Contemporary Insurance Company *	OH	36-4079497	10646
Great American E & S Insurance Company *	DE	31-0954439	37532
Great American Fidelity Insurance Company *	DE	31-1036473	41858
Great American Insurance Agency, Inc.	OH	31-1652643	
Great American Insurance Company of New York *	NY	13-5539046	22136
Great American Lloyd's Insurance Company * @	TX	31-0974853	38024
Great American Lloyd's, Inc.	TX	31-1073664	
Great American Management Services, Inc.	OH	31-0856644	
Great American Protection Insurance Company *	OH	31-1288778	38580
Great American Re Inc.	DE	31-0918893	
Great American Security Insurance Company *	OH	31-1209419	31135
Great American Spirit Insurance Company *	OH	31-1237970	33723
Key Largo Group, Inc.	FL	59-1263251	
National Interstate Corporation (52.4%)	OH	34-1607394	
American Highways Insurance Agency, Inc.	OH	34-1899058	
Explorer RV Insurance Agency, Inc.	OH	31-1548235	
Hudson Indemnity, Ltd.	KY	98-0191335	
Hudson Management Group, Ltd.	VI	66-0660039	
National Interstate Insurance Agency, Inc.	OH	34-1607396	
Commercial For Hire Transportation Purchasing Group @	SC	36-4670968	
National Interstate Insurance Company *	OH	34-1607395	32620
National Interstate Insurance Company of Hawaii, Inc. *	OH	99-0345306	11051
Triumphe Casualty Company *	OH	95-3623282	41106
Vanliner Group, Inc.	DE	43-1415856	
TransProtection Service Company	MO	43-1254631	
Vanliner Insurance Company *	MO	86-0114294	21172
Vanliner Reinsurance Limited *	BM		
Safety Claims and Litigation Services, LLC	MT	20-5546054	
Safety, Claims & Litigation Services, Inc.	PA	23-2825108	
Penn Central U.K. Limited	GB		
Insurance (GB) Limited *	GB		
Pinecrest Place LLC	FL	27-2226948	
PLLS Canada Insurance Brokers Inc. ^	CN	871850814	
Professional Risk Brokers, Inc.	IL	31-1293064	
Strategic Comp Holdings, L.L.C.	LA	72-1331800	
Strategic Comp Services, L.L.C.	LA	36-4517754	
Strategic Comp, L.L.C.	LA	32-0050970	
One East Fourth, Inc.	OH	31-0686194	
Pioneer Carpet Mills, Inc.	OH	31-0883227	
Superior NWVN of Ohio, Inc.	OH	31-1737792	
TEJ Holdings, Inc.	OH	31-1119320	
Three East Fourth, Inc.	OH	31-0728327	

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