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ANNUAL STATEMENT

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

National Interstate Insurance Company

NAIC Group Code.....84, 84 (Current Period) (Prior Period)	NAIC Company Code..... 32620	Employer's ID Number..... 34-1607395
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... February 10, 1989	Commenced Business..... March 28, 1989	
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)	800-929-1500 (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)	800-929-1500 (Area Code) (Telephone Number)
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Julie Ann McGraw (Name) julie.mcgraw@natl.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, Secretary & General Counsel
3. Julie Ann McGraw	VP, CFO & Treasurer	4. Terry Eugene Phillips	Senior Vice President

OTHER

Gary Norman Monda	Vice President, CIO & Asst. Treasurer	James Allan Parks	Vice President
Anthony Joseph Mercurio	Vice President	John Lloyd Woods	Vice President
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Robert Adrian Bernatchez	Vice President		

DIRECTORS OR TRUSTEES

Alan Robert Spachman	Gary Norman Monda	David Warner Michelson	Michelle Ann Silvestro
Terry Eugene Phillips	Ronald George Steiger Jr.	Edward Jeffrey Masch	James Allan Parks
Anthony Joseph Mercurio	Terri Kaye Johnson	Bradford Lee Scofield	Julie Ann McGraw
John Lloyd Woods	Arthur Jeffrey Gonzales	Pamela Lee McDermid	Robert Adrian Bernatchez
Tanya Marie Inama #	George Olaf Skuggen #	Dale Alan Willis #	Stephen Edward Winborn #

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, Secretary & General Counsel	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).....	598,711,004		598,711,004	410,583,469
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	5,499,245		5,499,245	7,652,732
2.2 Common stocks.....	193,495,658		193,495,658	172,059,591
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).....	15,628,007		15,628,007	15,887,822
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 (\$.....(16,733,863), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....20,607,508, Sch. DA).....	3,873,645		3,873,645	7,353,082
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	13,164,908		13,164,908	13,832,721
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).....	830,372,467	0	830,372,467	627,369,417
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,053,228		6,053,228	3,495,588
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	11,222,090	721,020	10,501,071	13,354,505
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	97,557,211	233,455	97,323,756	88,454,948
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	15,919,902		15,919,902	5,031,367
16.2 Funds held by or deposited with reinsured companies.....	806,234		806,234	1,162,596
16.3 Other amounts receivable under reinsurance contracts.....	27,651		27,651	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	6,612,251		6,612,251	4,653,731
18.2 Net deferred tax asset.....	25,358,174	3,132,841	22,225,333	19,105,446
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	1,352,789		1,352,789	851,149
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.....	483,271		483,271	17,011,664
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	3,681,663	648,687	3,032,976	19,072,801
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	999,446,930	4,736,003	994,710,927	799,563,212
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	999,446,930	4,736,003	994,710,927	799,563,212

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 insureds for deductible payments.....	1,163,282	12,579	1,150,703	824,812
2502. Prepaid expenses.....	636,107	636,107	0	
2503. Miscellaneous receivable.....	351,745		351,745	523,007
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,530,528	0	1,530,528	17,724,981
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,681,663	648,687	3,032,976	19,072,801

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	268,627,377	148,644,616
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).....	63,564,039	46,600,049
4. Commissions payable, contingent commissions and other similar charges.....	7,773,249	7,953,789
5. Other expenses (excluding taxes, licenses and fees).....	7,487,785	10,820,252
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,421,816	4,698,593
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
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 \$.....109,795,780 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).....	112,076,281	106,142,942
10. Advance premium.....	612,339	959,753
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	16,380,025	9,479,588
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	186,322,065	166,330,288
14. Amounts withheld or retained by company for account of others.....	16,057,553	14,059,123
15. Remittances and items not allocated.....	471,725	1,784,183
16. Provision for reinsurance (Schedule F, Part 7).....	302,585	1,322,257
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	13,756,215	7,038,476
20. Derivatives.....		
21. Payable for securities.....	16,262	
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.....	3,227,908	82,444
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	701,097,223	525,916,352
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	701,097,223	525,916,352
29. Aggregate write-ins for special surplus funds.....	3,078,125	622,241
30. Common capital stock.....	3,000,000	3,000,000
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.....	32,108,779	32,108,779
35. Unassigned funds (surplus).....	255,426,800	237,915,840
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).....	293,613,704	273,646,860
38. TOTALS (Page 2, Line 28, Col. 3).....	994,710,927	799,563,212

DETAILS OF WRITE-INS

2501. Unearned rental income.....	33,528	82,444
2502. Payable for balance sheet guaranty.....	3,194,380	
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).....	3,227,908	82,444
2901. Implementation of SSAP 10R.....	3,078,125	622,241
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).....	3,078,125	622,241
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

National Interstate Insurance Company
STATEMENT OF INCOME

UNDERWRITING INCOME		1 Current Year	2 Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....	245,570,924	218,101,579
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7).....	128,479,640	109,797,005
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	27,757,765	22,444,747
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	75,535,416	72,658,789
5.	Aggregate write-ins for underwriting deductions.....	0	0
6.	Total underwriting deductions (Lines 2 through 5).....	231,772,821	204,900,541
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	13,798,103	13,201,038
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	33,487,486	17,893,886
10.	Net realized capital gains (losses) less capital gains tax of \$.....1,382,710 (Exhibit of Capital Gains (Losses)).....	513,366	1,740,597
11.	Net investment gain (loss) (Lines 9 + 10).....	34,000,852	19,634,483
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.....	499,548	507,691
14.	Aggregate write-ins for miscellaneous income.....	(3,194,099)	(2,692,552)
15.	Total other income (Lines 12 through 14).....	(2,694,551)	(2,184,861)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	45,104,404	30,650,660
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).....	45,104,404	30,650,660
19.	Federal and foreign income taxes incurred.....	14,135,853	10,793,157
20.	Net income (Line 18 minus Line 19) (to Line 22).....	30,968,551	19,857,504
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	273,646,860	238,390,295
22.	Net income (from Line 20).....	30,968,551	19,857,504
23.	Net transfers (to) from Protected Cell accounts.....		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(2,861,527).....	(2,305,577)	12,372,269
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....	3,213,493	2,162,999
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(5,385,178)	2,952,019
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	1,019,672	(1,192,037)
29.	Change in surplus notes.....		
30.	Surplus (contributed to) withdrawn from protected cells.....		
31.	Cumulative effect of changes in accounting principles.....		
32.	Capital changes:		
32.1	Paid in.....		
32.2	Transferred from surplus (Stock Dividend).....		
32.3	Transferred to surplus.....		
33.	Surplus adjustments:		
33.1	Paid in.....	(0)	0
33.2	Transferred to capital (Stock Dividend).....		
33.3.	Transferred from capital.....		
34.	Net remittances from or (to) Home Office.....		
35.	Dividends to stockholders.....	(10,000,000)	
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.....	2,455,884	(896,188)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	19,966,844	35,256,565
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	293,613,704	273,646,860
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.	Other.....	1,029,279	1,047,731
1402.	Interest on funds held.....	(4,223,378)	(3,740,283)
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).....	(3,194,099)	(2,692,552)
3701.	Implementation of SSAP 10R.....	2,455,884	(896,188)
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).....	2,455,884	(896,188)

National Interstate Insurance Company
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	252,059,277	217,649,772
2. Net investment income.....	35,829,656	21,332,860
3. Miscellaneous income.....	(2,694,551)	(2,184,861)
4. Total (Lines 1 through 3).....	285,194,382	236,797,772
5. Benefit and loss related payments.....	19,056,703	86,583,890
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	90,117,294	84,443,307
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....1,382,710 tax on capital gains (losses).....	17,654,791	13,101,741
10. Total (Lines 5 through 9).....	126,828,788	184,128,938
11. Net cash from operations (Line 4 minus Line 10).....	158,365,594	52,668,834
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	219,853,223	337,502,894
12.2 Stocks.....	12,139,768	4,112,165
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.....	16,262	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	232,009,253	341,615,059
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	412,342,507	269,106,742
13.2 Stocks.....	34,089,206	122,392,508
13.3 Mortgage loans.....		
13.4 Real estate.....	216,277	138,706
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	446,647,991	391,637,956
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).....	(214,638,738)	(50,022,897)
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.....	(0)	0
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	10,000,000	
16.6 Other cash provided (applied).....	62,793,706	2,593,303
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	52,793,706	2,593,303
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).....	(3,479,438)	5,239,240
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,353,082	2,113,842
19.2 End of year (Line 18 plus Line 19.1).....	3,873,645	7,353,082
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		

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.....	37,383		13,294	24,089
2.	Allied lines.....	100,988		58,820	42,168
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....				0
5.	Commercial multiple peril.....	1,579,089	197,601	573,315	1,203,375
6.	Mortgage guaranty.....				0
8.	Ocean marine.....	29,072			29,072
9.	Inland marine.....	2,971,417	1,602,594	1,472,935	3,101,076
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....	4,140		3,080	1,060
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....	297,911	177,522	129,699	345,734
16.	Workers' compensation.....	60,850,804	10,989,589	20,934,846	50,905,547
17.1	Other liability - occurrence.....	15,572,702	3,888,050	7,272,529	12,188,223
17.2	Other liability - claims-made.....	(19,789)	490,513	119,530	351,194
17.3	Excess workers' compensation.....	7,700			7,700
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	3,663,444	3,169,119	2,182,011	4,650,552
19.3, 19.4	Commercial auto liability.....	120,705,297	56,200,030	55,893,684	121,011,643
21.	Auto physical damage.....	45,640,622	29,399,928	23,384,028	51,656,522
22.	Aircraft (all perils).....				0
23.	Fidelity.....	5,059		10,237	(5,178)
24.	Surety.....	39,357	27,996	30,126	37,227
26.	Burglary and theft.....	10,113		6,765	3,348
27.	Boiler and machinery.....	8,954		(8,618)	17,572
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.....	251,504,263	106,142,942	112,076,281	245,570,924

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	13,294				13,294
2.	Allied lines.....	58,820				58,820
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....	573,315				573,315
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	1,472,935				1,472,935
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....	3,080				3,080
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....	129,699				129,699
16.	Workers' compensation.....	20,934,846				20,934,846
17.1	Other liability - occurrence.....	7,272,529				7,272,529
17.2	Other liability - claims-made.....	119,530				119,530
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.....	2,182,011				2,182,011
19.3, 19.4	Commercial auto liability.....	55,893,684				55,893,684
21.	Auto physical damage.....	23,384,028				23,384,028
22.	Aircraft (all perils).....					0
23.	Fidelity.....	10,237				10,237
24.	Surety.....	30,126				30,126
26.	Burglary and theft.....	6,765				6,765
27.	Boiler and machinery.....	(8,618)				(8,618)
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.....	112,076,281	0	0	0	112,076,281
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					112,076,281

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: Daily pro-rata

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.....		53,404		16,021		37,383
2.	Allied lines.....	2,383,027	144,268		43,280	2,383,027	100,988
3.	Farmowners multiple peril.....						.0
4.	Homeowners multiple peril.....						.0
5.	Commercial multiple peril.....	1,045,869	1,868,223		767,079	567,924	1,579,089
6.	Mortgage guaranty.....						.0
8.	Ocean marine.....		41,531		12,459		29,072
9.	Inland marine.....	5,539,219	1,244,646		3,341,729	470,719	2,971,417
10.	Financial guaranty.....						.0
11.1	Medical professional liability - occurrence.....						.0
11.2	Medical professional liability - claims-made.....						.0
12.	Earthquake.....	12,015	345		2,587	5,633	4,140
13.	Group accident and health.....						.0
14.	Credit accident and health (group and individual).....						.0
15.	Other accident and health.....	698,616			400,705		297,911
16.	Workers' compensation.....	71,661,997	58,676,279	1,536,449	55,215,359	15,808,562	60,850,804
17.1	Other liability - occurrence.....	26,713,800	11,816,247		9,592,680	13,364,665	15,572,702
17.2	Other liability - claims-made.....	950,663	33,298		289,395	714,355	(19,789)
17.3	Excess workers' compensation.....	22,000			3,300	11,000	7,700
18.1	Products liability - occurrence.....						.0
18.2	Products liability - claims-made.....						.0
19.1, 19.2	Private passenger auto liability.....	4,846,521	2,091,549		2,795,840	478,786	3,663,444
19.3, 19.4	Commercial auto liability.....	213,389,685	55,538,589	2,680,127	121,822,426	29,080,678	120,705,297
21.	Auto physical damage.....	61,389,380	26,789,575	272,626	38,001,244	4,809,715	45,640,622
22.	Aircraft (all perils).....						.0
23.	Fidelity.....		7,227		2,168		5,059
24.	Surety.....	67,056			27,699		39,357
26.	Burglary and theft.....	13,710	1,752		5,349		10,113
27.	Boiler and machinery.....	20,494	12,794		3,840	20,494	8,954
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.....	388,754,052	158,319,727	4,489,202	232,343,160	67,715,558	251,504,263

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.....	1,009,280		1,009,280	(0)			(0)	(0.0)
3.	Farmowners multiple peril.....				0			0	
4.	Homeowners multiple peril.....				0			0	
5.	Commercial multiple peril.....	105,386	(530,857)	(135,516)	(289,955)	714,441	186,445	238,042	19.8
6.	Mortgage guaranty.....				0			0	
8.	Ocean marine.....	(34,200)	(231,840)	(93,044)	(172,996)	131,400	48,862	(90,458)	(311.2)
9.	Inland marine.....	2,422,372	(253,392)	1,222,179	946,801	1,533,729	1,242,027	1,238,503	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	303		303	28.6
13.	Group accident and health.....				0			0	
14.	Credit accident and health (group and individual).....				0			0	
15.	Other accident and health.....	46,392		(22,275)	68,667	222,917	198,110	93,474	27.0
16.	Workers' compensation.....	33,099,588	(71,057,883)	(1,620,101)	(36,338,195)	91,184,408	27,747,638	27,098,576	49.9
17.1	Other liability - occurrence.....	8,954,390	(6,656,790)	4,015,540	(1,717,940)	11,310,356	6,482,866	3,109,550	25.5
17.2	Other liability - claims-made.....	1,094,273		762,408	331,866	512,584	448,245	396,204	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.....	3,642,067	1,524,039	575,242	4,590,865	4,040,918	4,885,258	3,746,525	80.6
19.3, 19.4	Commercial auto liability.....	99,662,690	(80,608,121)	16,189,109	2,865,460	150,573,122	98,817,907	54,620,675	46.5
21.	Auto physical damage.....	41,490,916	19,496,689	22,774,599	38,213,006	8,402,241	8,587,258	38,027,989	73.6
22.	Aircraft (all perils).....				0			0	
23.	Fidelity.....				0			0	
24.	Surety.....				0			0	
26.	Burglary and theft.....		(1,000)	(300)	(700)	957		257	7.7
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.....	191,493,154	(138,319,154)	44,677,121	8,496,879	268,627,377	148,644,616	128,479,640	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.....	68,215		68,215	0	170,802		170,802	0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....	186,671	117,542	95,918	208,294	169,588	641,447	304,888	714,441	142,044
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....		55,977	16,793	39,184	36,512	98,301	42,597	131,400	12,784
9.	Inland marine.....	1,585,390	17,941	1,067,303	536,028	4,907,698	200,447	4,110,443	1,533,729	399,904
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	426	6	130	303	75
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....	6,876		4,469	2,406	687,705		467,194	(a) 222,917	89,309
16.	Workers' compensation.....	29,559,551	33,408,674	34,314,413	28,653,812	64,928,410	67,744,927	70,142,740	91,184,408	16,734,206
17.1	Other liability - occurrence.....	4,959,121	1,984,185	4,077,302	2,866,005	8,465,812	7,067,590	7,089,051	11,310,356	3,276,330
17.2	Other liability - claims-made.....	2,333,623		2,023,750	309,872	308,908	30,786	136,983	512,584	93,490
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.....	2,857,114	1,036,423	1,199,616	2,693,920	1,649,893	274,361	577,256	4,040,918	1,073,070
19.3, 19.4	Commercial auto liability.....	94,863,724	37,598,274	70,702,043	61,759,956	160,653,148	69,051,204	140,891,186	150,573,122	39,818,046
21.	Auto physical damage.....	7,553,761	1,918,534	4,212,374	5,259,921	9,674,593	225,527	6,757,800	8,402,241	1,924,564
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0	1,323	44	410	957	218
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.....	143,974,045	76,137,549	117,782,195	102,329,399	251,654,818	145,334,641	230,691,480	268,627,377	63,564,039

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.

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.....	29,269,266			29,269,266
1.2 Reinsurance assumed.....	11,238,032			11,238,032
1.3 Reinsurance ceded.....	21,728,555			21,728,555
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	18,778,743	0	0	18,778,743
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		39,155,799		39,155,799
2.2 Reinsurance assumed, excluding contingent.....		11,903,842		11,903,842
2.3 Reinsurance ceded, excluding contingent.....		19,827,107		19,827,107
2.4 Contingent - direct.....		(92,119)		(92,119)
2.5 Contingent - reinsurance assumed.....		(605,575)		(605,575)
2.6 Contingent - reinsurance ceded.....		(192,020)		(192,020)
2.7 Policy and membership fees.....		392		392
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	30,727,251	0	30,727,251
3. Allowances to manager and agents.....	193	66,661		66,853
4. Advertising.....	5,759	247,228	345	253,332
5. Boards, bureaus and associations.....	32,163	1,589,926		1,622,089
6. Surveys and underwriting reports.....	4,632	936,816		941,448
7. Audit of assureds' records.....		326,594		326,594
8. Salary and related items:				
8.1 Salaries.....	6,283,406	16,553,753	286,779	23,123,937
8.2 Payroll taxes.....	454,467	1,108,658	22,634	1,585,759
9. Employee relations and welfare.....	331,219	2,613,835	(18,560)	2,926,494
10. Insurance.....	30,610	140,007		170,616
11. Directors' fees.....		8,710		8,710
12. Travel and travel items.....	97,194	1,305,079	12,086	1,414,359
13. Rent and rent items.....	124,414	865,761	9,732	999,907
14. Equipment.....	27	12,463	2,148	14,638
15. Cost or depreciation of EDP equipment and software.....	329,375	2,774,961	21,177	3,125,513
16. Printing and stationery.....	94,370	535,421	2,664	632,455
17. Postage, telephone and telegraph, exchange and express.....	58,530	522,721	1,839	583,090
18. Legal and auditing.....	311,362	2,818,684	335,112	3,465,158
19. Totals (Lines 3 to 18).....	8,157,721	32,427,276	675,957	41,260,954
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....51,111.....	7,699	7,483,583		7,491,282
20.2 Insurance department licenses and fees.....	82,540	463,782		546,322
20.3 Gross guaranty association assessments.....	(22,963)	2,480,762		2,457,799
20.4 All other (excluding federal and foreign income and real estate).....	48,707	494,540		543,247
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	115,983	10,922,667	0	11,038,651
21. Real estate expenses.....	674,856	1,118,684	855,272	2,648,812
22. Real estate taxes.....			291,727	291,727
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	30,461	339,538	0	369,999
25. Total expenses incurred.....	27,757,765	75,535,416	1,822,956	(a) 105,116,137
26. Less unpaid expenses - current year.....	63,564,039	19,380,451	302,400	83,246,890
27. Add unpaid expenses - prior year.....	46,600,049	23,168,554	304,080	70,072,683
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).....	10,793,775	79,323,520	1,824,636	91,941,931

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	30,461	266,345		296,806
2402. Interest expense on balance sheet guarantee payable.....		73,193		73,193
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).....	30,461	339,538	0	369,999

(a) Includes management fees of \$.....13,224,665 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....6,782,423	.....6,711,429
1.1	Bonds exempt from U.S. tax.....	(a).....3,073,678	.....4,279,476
1.2	Other bonds (unaffiliated).....	(a).....6,170,222	.....7,509,699
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....333,092	.....333,092
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....543,459	.....628,995
2.21	Common stocks of affiliates.....	.....13,300,000	.....13,300,000
3.	Mortgage loans.....	(c).....	.....
4.	Real estate.....	(d).....3,020,790	.....3,020,790
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments.....	(e).....5,164	.....3,069
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	33,228,829	35,786,549
11.	Investment expenses.....		(g).....1,822,956
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).....476,093
15.	Aggregate write-ins for deductions from investment income.....		.....0
16.	Total deductions (Lines 11 through 15).....		2,299,049
17.	Net investment income (Line 10 minus Line 16).....		33,487,500

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 \$.....404,327 accrual of discount less \$.....4,830,719 amortization of premium and less \$.....3,332,239 paid for accrued interest on purchases.
- (b) Includes \$.....995 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 \$.....476,093 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....935,707	.....	.....935,707	.....	.....
1.1	Bonds exempt from U.S. tax.....132,824	.....	.....132,824	.....(21,624)	.....
1.2	Other bonds (unaffiliated).....1,046,462	.....(240,971)	.....805,491	.....(1,787,755)	.....
1.3	Bonds of affiliates.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....3,732	.....	.....3,732	.....19,216	.....
2.11	Preferred stocks of affiliates.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....1,831,875	.....(1,813,553)	.....18,322	.....(2,552,889)	.....
2.21	Common stocks of affiliates.....	.....	.....0	.....(156,236)	.....
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	.....(667,813)	.....
9.	Aggregate write-ins for capital gains (losses).....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....3,950,601	.....(2,054,524)	.....1,896,076	.....(5,167,101)	.....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.....	.....721,020	.....971,839	.....250,820
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.....233,455		.....(233,455)
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.....	.....3,132,841		.....(3,132,841)
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.....	.....648,687	.....834,870	.....186,183
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....4,736,003	.....1,806,709	.....(2,929,294)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....4,736,003	.....1,806,709	.....(2,929,294)

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 insureds for deductible payments.....	.....12,579	.....158,929	.....146,350
2502. Prepaid expenses.....	.....636,107	.....675,940	.....39,833
2503. ....			.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....648,687	.....834,870	.....186,183

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Annual Statement of National Interstate Insurance Company (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 these 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 on the portion of premiums written that have not yet been earned.

Unlike the recognition of premium 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 amortized cost.
2. Investment grade bonds are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of three through six are stated at the lower of amortized value or fair value.
3. All other common stocks other than those in Item 7 are carried at market.
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. Investments in subsidiary and affiliated companies are stated as follows:

Two wholly owned insurance subsidiaries, National Interstate Insurance Company of Hawaii, Inc. (NIHI) and Triumphe Casualty Company (TCC) are stated at statutory equity value. A third wholly owned subsidiary, Vanliner Group, Inc. is accounted for using the statutory purchase method. The three affiliates of Vanliner Group, Inc. are Vanliner Insurance Company (VIC), which is stated at statutory equity, Vanliner Reinsurance Limited and TransProtection Service Company, which are both stated at GAAP equity value. The value of Vanliner Group, Inc. is based on the underlying value of the three affiliates. Goodwill arising from the acquisition of Vanliner Group, Inc. is amortized over a period of ten years and is described further in Note 3A. Common stock in National Interstate Corporation (the Corporation) is valued at \$0.
8. Investments in limited partnerships are stated at the underlying audited GAAP equity value.
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.

NOTES TO FINANCIAL STATEMENTS

- 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.
- 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

- 1. The Company purchased a 100% interest in Vanliner Group, Inc. on July 1, 2010. The affiliates of Vanliner Group, Inc. include Vanliner Insurance Company, a Missouri domiciled insurance company licensed in all 50 states whose primary business is providing insurance for the moving and storage industry, Vanliner Reinsurance Limited, a Bermuda domiciled reinsurance company and TransProtection Service Company, an insurance agency.
- 2. The transaction was accounted for as a statutory purchase.
- 3. The cost of the Vanliner Group, Inc. acquisition was \$120,529,625, resulting in \$22,328,870 of positive goodwill of which \$18,979,539 is unamortized.
- 4. Goodwill is amortized over ten years. Goodwill amortization relating to the purchase of Vanliner Group, Inc. was \$2,232,887 for the year ending December 31, 2011. Goodwill is recorded as a component of the change in unrealized gains (losses).

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

NOTES TO FINANCIAL STATEMENTS

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 following table shows each loan-backed security with an other-than-temporary (“OTTI”) impairment recognized in 2011.

CUSIP	Amortized Cost Before OTTI	OTTI Recognized	Amortized Cost After OTTI	Fair Value
46629EAC7	\$ 2,040,402	\$ 240,971	\$ 1,799,431	\$ 1,042,706

- 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
\$ 23,583,899	\$ (362,296)	\$ 10,498,411	\$ (2,713,060)

- 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 ability to hold such securities until they recover in value or mature.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Write-down’s 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. Write-down’s 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.

NOTES TO FINANCIAL STATEMENTS

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	19,785,992	6,694,564	26,480,556	14,310,846	8,206,807	22,517,653	5,475,146	(1,512,243)	3,962,903
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	549,330	549,330	-	(549,330)	(549,330)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	19,785,992	6,694,564	26,480,556	14,310,846	7,657,477	21,968,323	5,475,146	(962,913)	4,512,233
(d) Deferred Tax Liabilities	382,967	739,415	1,122,382	403,697	2,459,180	2,862,877	(20,730)	(1,719,765)	(1,740,495)
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	19,403,025	5,955,149	25,358,174	13,907,149	5,198,297	19,105,446	5,495,876	756,852	6,252,728
(f) Deferred Tax Assets Nonadmitted	2,693,458	439,383	3,132,841	-	-	-	2,693,458	439,383	3,132,841
(g) Net Admitted Deferred Tax Assets (1e-1f)	16,709,567	5,515,766	22,225,333	13,907,149	5,198,297	19,105,446	2,802,418	317,469	3,119,887

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 \$3,076,424 as a result of applying SSAP 10R, paragraph 10e.

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

	2011			2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	Col 7+8) Total
Admission Calculation Components – SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:									
(a) Paragraph 10.a.	13,633,143	2,515,919	16,149,062	10,825,728	-	10,825,728	2,807,415	2,515,919	5,323,334
(b) Paragraph 10.b. (the lesser paragraph of 10.b.i and 10.b.ii below)	-	2,998,146	2,998,146	-	8,206,807	8,206,807	-	(5,208,661)	(5,208,661)
(c) Paragraph 10.b.i.	-	2,998,146	2,998,146	-	8,206,807	8,206,807	-	(5,208,661)	(5,208,661)
(d) Paragraph 10.b.ii.	XXX	XXX	23,812,739	XXX	XXX	21,602,564	XXX	XXX	2,210,175
(e) Paragraph 10.c.	382,967	739,415	1,122,382	2,862,877	-	2,862,877	(2,479,910)	739,415	(1,740,495)
(f) Total (4a+4b+4e)	14,016,110	6,253,480	20,269,590	13,688,605	8,206,807	21,895,412	327,505	(1,953,327)	(1,625,822)
Admission Calculation Components – SSAP 10R, paragraph 10.e.:									
(g) Paragraph 10.e.i.	13,633,143	2,515,919	16,149,062	10,825,728	-	10,825,728	2,807,415	2,515,919	5,323,334
(h) Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. and 10.e.ii.b. below)	3,076,424	2,999,847	6,076,271	1,742,559	8,206,807	9,949,366	1,333,865	(5,206,960)	(3,873,095)
(i) Paragraph 10.e.ii.a.	3,076,424	2,999,847	6,076,271	1,742,559	8,206,807	9,949,366	1,333,865	(5,206,960)	(3,873,095)
(j) Paragraph 10.e.ii.b.	XXX	XXX	35,719,108	XXX	XXX	32,403,847	XXX	XXX	3,315,261
(k) Paragraph 10.e.iii.	382,967	739,415	1,122,382	1,742,559	-	1,742,559	(1,359,592)	739,415	(620,177)
(l) Total (4g+4h+4k)	17,092,534	6,255,181	23,347,715	14,310,846	8,206,807	22,517,653	2,781,688	(1,951,626)	830,062
Used in SSAP 10R, Paragraph 10.d.:									
(m) Total Adjusted Capital	XXX	XXX	293,613,704	XXX	XXX	253,919,173	XXX	XXX	39,694,531
(n) Authorized Control Level	XXX	XXX	44,160,301	XXX	XXX	43,120,300	XXX	XXX	1,040,001

NOTES TO FINANCIAL STATEMENTS

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%	42.5%	10.8%
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	99.4%	24.7%

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	14,016,110	6,253,480	20,269,590	13,688,605	8,206,807	21,895,412	327,505	(1,953,327)	(1,625,822)
(b) Admitted Assets	XXX	XXX	994,710,927	XXX	XXX	798,940,971	XXX	XXX	195,769,956
(c) Adjusted Statutory Surplus*	XXX	XXX	293,613,704	XXX	XXX	253,919,173	XXX	XXX	39,694,531
(d) Total Adjusted Capital from DTAs	XXX	XXX	293,613,704	XXX	XXX	253,919,173	XXX	XXX	39,694,531
Increases due to SSAP 10R, paragraph 10.e.									
(e) Admitted Deferred Tax Assets	3,076,424	1,701	3,078,125	622,241	-	622,241	2,454,183	1,701	2,455,884
(f) Admitted Assets	3,076,424	1,701	3,078,125	622,241	-	622,241	2,454,183	1,701	2,455,884
(g) Statutory Surplus	3,076,424	1,701	3,078,125	622,241	-	622,241	2,454,183	1,701	2,455,884

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) 2011	(2) 2010	(3) (Col 1-2) Change
(a) Federal	14,135,853	10,793,157	3,342,696
(b) Foreign	-	-	-
(c) Subtotal	14,135,853	10,793,157	3,342,696
(d) Federal income tax on net capital gains	1,382,710	1,119,735	262,975
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	15,518,563	11,912,892	3,605,671

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) 2011	(2) 2010	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	10,254,749	5,808,529	4,446,220
(2) Unearned premium reserve	7,888,203	7,497,189	391,014
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-

NOTES TO FINANCIAL STATEMENTS

Deferred Tax Assets:		(1)	(2)	(3)
		2011	2010	(Col 1-2) Change
(7)	Fixed assets	-	-	-
(8)	Compensation and benefits accrual	504,018	89,040	414,978
(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)	1,139,022	916,088	222,934
(14)	Other assets – nonadmitted	-	-	-
(99)	Subtotal	19,785,992	14,310,846	5,475,146
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Nonadmitted	2,693,458	-	2,693,458
(d)	Admitted ordinary deferred tax assets (2a99-2b-2c)	17,092,534	14,310,846	2,781,688
(e)	Capital:			
(1)	Investments	6,694,564	7,952,789	(1,258,255)
(2)	Net capital loss carry-forward	-	254,018	(254,018)
(3)	Real estate	-	-	-
(4)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	6,694,564	8,206,807	(1,512,243)
(f)	Statutory valuation allowance adjustment	-	549,330	(549,330)
(g)	Nonadmitted	439,383	-	439,383
(h)	Admitted capital deferred tax assets (2e99-2f-2g)	6,255,181	7,657,477	(1,402,296)
(i)	Admitted deferred tax assets (2d+2h)	23,347,715	21,968,323	1,379,392

3.

Deferred Tax Liabilities:		2011	2010	Change
(a)	Ordinary:			
(1)	Investments	9,149	9,149	-
(2)	Fixed assets	373,818	394,548	(20,730)
(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	382,967	403,697	(20,730)
(b)	Capital:			
(1)	Investments	739,415	2,459,180	(1,719,765)
(2)	Real estate			
(3)	Other (including items <5% of total capital tax assets)			
(99)	Subtotal	739,415	2,459,180	(1,719,765)
(c)	Deferred tax liabilities (3a99+3b99)	1,122,382	2,862,877	(1,740,495)

4. Net Deferred Tax Assets/Liabilities (2i-3c)\$ 22,225,333 \$ 19,105,446 \$ 3,119,887

NOTES TO FINANCIAL STATEMENTS

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	14,977,427	35.0
Tax exempt income deduction	(5,903,604)	(13.8)
Unearned premiums	391,015	0.9
Discount on unpaid losses and LAE	4,227,546	9.9
Equity investment in partnership	267,392	0.6
Impairment loss on investments	(218,207)	(0.5)
Other	394,284	0.9
Totals	14,135,853	33.0
Federal and foreign income taxes incurred	14,135,853	33.0
Realized capital gains (losses) tax	1,382,710	3.2
Total statutory income taxes	15,518,563	36.2

E. Operating Loss and Tax Credit Carryforwards

- At December 31, 2011, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The amount of federal income taxes incurred and available for recoupment in the event of future net losses: current year \$15,518,563; first preceding year \$11,912,892.
- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- The Company's federal income tax return is consolidated with the Corporation (see Note 10) and the Corporation's other wholly owned subsidiaries.
- 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.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a wholly owned subsidiary of the Corporation, a publicly traded (NASDAQ: NATL) insurance holding company. The Company also owns 100% of TCC, NIHI and VIC. Other subsidiaries of the Corporation include Hudson Indemnity Ltd. (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 dividend to its parent National Interstate Corporation during 2011:

Date	Amount	Type
12/20/2011	\$ 10,000,000	Ordinary

NOTES TO FINANCIAL STATEMENTS

The Company received the following dividend from VIC during 2011:

Date	Amount	Type
12/20/2011	\$ 10,500,000	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 and (payables) at December 31,

	2011	2010
National Interstate Corporation	\$ (442,361)	\$ (1,054,626)
National Interstate Insurance Agency, Inc.	(169,862)	(56,847)
National Interstate Insurance of Hawaii, Inc.	(1,539,039)	(1,027,399)
Triumphe Casualty Company	(1,954,499)	(125,630)
American Highways Insurance Agency, Inc.	71,258	15,593
Explorer RV Insurance Agency, Inc.	(93)	(13,970)
Hudson Indemnity, Ltd.	(535,637)	59,562
Hudson Management Group, Ltd.	581,875	16,931,871
Safety Claims & Litigation Services, Inc.	-	564
Vanliner Insurance Company	(9,284,586)	(4,760,004)
Vanliner Reinsurance Ltd.	-	4,070
Total	\$ (13,272,944)	\$ 9,973,185

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

E. Guarantees or Undertakings 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 the Company 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 incurred to operate each company. Allocated costs for 2011 were \$13,224,665.

G. Nature of Relationships that Could Affect Operations

The Company is a wholly owned subsidiary of the Corporation (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

The Company owns a 100% interest in Vanliner Insurance Company (“VIC”) whose carrying value is equal to or exceeds 10% of the net admitted assets of the Company. The Company carries VIC at its statutory equity value of \$134,914,939 which includes unamortized goodwill of \$18,979,539. These amounts are gross of any nonadmitted goodwill attributable to VIC. See Note 3A. Goodwill is amortized on a straight-line basis over a ten year period.

NOTES TO FINANCIAL STATEMENTS

Summarized statutory information for VIC follows.

Description	Amount
Admitted Assets	\$298,724,874
Liabilities	\$182,789,474
Policyholders' Surplus	\$115,935,400
Net Income	\$ 22,527,419

J. Write-down's for Impairment of Investments in Affiliates

Not applicable

K. Foreign 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 3,000 Common shares with a par value of \$1,000 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 \$30,968,551.

An ordinary dividend in the amount of \$10,000,000 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 \$2,455,884 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

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$12,767,067 after deducting applicable deferred taxes of \$2,861,527.

K. Surplus Notes

Not applicable

NOTES TO FINANCIAL STATEMENTS

L and M. Quasi Reorganizations

Not applicable

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 \$3,364,454 and \$3,040,272, 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. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable

E. Product Warranties

Not applicable

F. Other Contingencies and Write-down’s 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.

During the current year, the Company recognized other than temporary impairment charges of \$240,971 and \$1,813,554 relating to bonds and unaffiliated common stocks, respectively. 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 gain is credit-driven or a result of changes in market interest rates.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under a non-cancelable operating lease that expires through July 2013. Rental expense for the current year and the prior year was \$354,175 and \$349,407, respectively. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions and there have been no early terminations of existing leases.

2. Future minimum rental payments are as follows:

Year	Amount
2012	\$ 177,228
2013	103,383
2014	-
2015	-
2016	-
Thereafter	-
Total	\$ 280,611

3. The Company has not entered into any sale and leaseback arrangements.

NOTES TO FINANCIAL STATEMENTS

B. Lessor Leasing Arrangements

1. Operating Leases

- a. The Company leases space at its Richfield, Ohio campus to unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation. The typical lease period is 5 years and some leases contain renewal options. The Company is responsible for the payment of property taxes, insurance and maintenance costs related to the leased spaced.
- b. Rental income for the current and the prior year was approximately \$398,928 and \$609,305 current and prior year, respectively.
- c. Future minimum lease payments receivables under noncancellable leasing arrangements are as follows:

Year	Amount
2012	\$ 394,744
2013	394,744
2014	401,669
2015	405,132
2016	371,371
Thereafter	-
Total	\$ 1,967,660

- d. The lease agreements contain no provision for contingent rental payments.

2. Leveraged Leases

Not applicable

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

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

A. Administrative Services Only (ASO) Plans

Not applicable

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. Direct premiums written by managing general agents or third party administrators for 2011 were \$9,902,731.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurement

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

1. Fair Value Measurements by Level 1, 2 and 3

Under fair value accounting, the Company must determine the appropriate level in the fair value hierarchy for each fair value measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair values for our investment portfolio are reviewed by company personnel using data from nationally recognized pricing services as well as non-binding broker quotes.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices (unadjusted) in active markets for identical securities that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides information as of December 31, 2011 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and Local Government	\$ -	\$ -	\$ 441,234	\$ 441,234
Industrial and Misc	-	14,015,309	-	14,015,309
Residential Mortgage-Backed Securities	-	1,714,567	-	1,714,567
Trust preferred securities	-	1,911,136	-	1,911,136
Total Bonds	\$ -	\$ 17,641,012	\$ 441,234	\$ 18,082,246
Perpetual Preferred Stock				
Industrial and Misc	\$ -	\$ 191,944	\$ 471,650	\$ 663,594
Total Perpetual Preferred Stock	\$ -	\$ 191,944	\$ 471,650	\$ 663,594
Common Stock				
Industrial and Misc	\$18,001,130	\$ 14	\$ -	\$18,001,144
Mutual funds	12,306,136	-	-	12,306,136
Total Common Stocks	\$30,307,266	\$ 14	\$ -	\$30,307,280
Totals	\$30,307,226	\$ 17,832,970	\$ 912,884	\$49,053,120

NOTES TO FINANCIAL STATEMENTS

The following table provides information as of December 31, 2010 about the Company’s investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and Local Government	\$ -	\$ -	\$ 462,858	\$ 462,858
Industrial and Misc	-	3,923,848	-	3,923,848
Residential Mortgage-Backed Securities	-	2,513,264	-	2,513,264
Total Bonds	\$ -	\$6,437,112	\$ 462,858	\$ 6,899,970
Perpetual Preferred Stock				
Industrial and Misc	\$ -	\$1,027,929	\$2,429,350	\$3,457,279
Total Perpetual Preferred Stock	\$ -	\$1,027,929	\$2,429,350	\$3,457,279
Common Stock				
Industrial and Misc	\$15,274,689	\$ 22,000	\$ -	\$15,296,689
Parents, Subsidiaries & Affiliates	-	156,762,904	-	156,762,904
Total Common Stocks	\$15,274,689	\$156,784,904	\$ -	\$172,059,591
Totals	\$15,274,689	\$164,249,945	\$2,892,208	\$182,416,840

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no significant transfers between Level 1 and Level 2 during the year ended December 31, 2011.

2. Rollforward of Level 3 Items

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2011.

	Industrial and Misc Perpetual Preferred Stock	State and Local Government
Beginning balance at January 1, 2011	\$ 2,429,350	\$ 462,858
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Total gains or (losses):		
Included in earnings	-	-
Included in other comprehensive income	37,800	(30,408)
Sales, settlements and redemptions	(2,000,000)	-
Ending balance at December 31, 2011	467,150	432,450

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2010.

	Industrial and Misc Perpetual Preferred Stock	State and Local Government	Residential Mortgage-Backed Securities
Beginning balance at January 1, 2010	\$ 2,353,200	\$ 480,750	\$ 677,981
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	(531,520)
Total gains or (losses):			
Included in earnings	-	-	-
Included in other comprehensive income	76,150	(17,892)	247,235
Purchases, issuances, sales and settlements	-	-	(393,696)
Ending balance at December 31, 2010	\$ 2,429,350	\$ 462,858	\$ -

NOTES TO FINANCIAL STATEMENTS

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including, delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and values obtained from brokers and independent financial institutions are reviewed by company personnel who are familiar with the securities being priced and the markets in which they trade to ensure that the fair value determination is representative of an exit price, as defined by accounting standards.

Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and includes preferred stock, certain publicly traded unaffiliated common stocks, affiliated common stocks, which are priced primarily based on the statutory surplus of the insurance company, corporate obligations, and mortgage backed securities that are not actively traded. Level 3 consists of financial instruments that are not traded in an active market, whose fair value is estimated by management based on inputs from independent financial institutions, which include non-binding broker quotes, for which the Company believes reflects fair value, but are unable to verify inputs to the valuation methodology. The Company obtained one quote or price per instrument from our brokers and pricing services and did not adjust any quotes or prices that were obtained. Management reviews these broker quotes using information such as the market prices of similar investments. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

Note 21 – Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Investments carried at \$37,523,798 and \$31,466,000 at the end of 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 \$107,824,827 and \$101,809,453 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 \$954,475 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

NOTES TO FINANCIAL STATEMENTS

F. State Tax Credits

Not applicable

G. Subprime Mortgage Related Risk 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, corporate debt obligation and equity investments in a financial institution. The Company does not believe that its holdings in mortgage backed securities have significant subprime exposure as these investments are in pools that are backed by loans made to well qualified borrowers or in tranches that have minimal default risk and/or 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.

2. Direct Exposure – Mortgage Loans

None

3. Direct Exposure – Other Investment Classes

The Company has other investment classes that could have subprime mortgage exposure including:

- Mortgage-backed securities
- Structured investment vehicles
- Debt obligations of financial institutions participating in subprime lending practices
- Unaffiliated equity securities, both preferred and common, issued by financial institutions participating in subprime lending practices

The Company holds mortgage-backed securities within its bond portfolio that are guaranteed by government sponsored agencies in addition to mortgage-backed securities that include prime and non-prime residential loans, and commercial mortgage loans. The Company also holds debt obligations, equity interests and structured investment vehicles that were issued by financial institutions participating in subprime lending activities. The carrying value of the debt obligations is primarily investment grade quality. Default risk on these bonds is not expected at this time. Reduced asset values have been reflected in the financial statements and impairments recognized for assets that are not expected to recover or reach full maturity value.

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	\$ 142,818,632	\$ 141,711,578	\$ 145,673,402	\$ -
Residential mortgage-backed securities	21,162,563	17,729,134	16,525,802	2,258,231
Government agency commercial mortgage-backed securities	6,099,023	6,014,309	6,268,606	-
Commercial mortgage-backed securities	7,585,768	7,584,516	7,500,808	-
Collateralized debt obligations	2,031	2,972	2,972	-
Structured investment vehicles	1,941,266	1,289,801	1,292,850	1,750,402
Debt obligations issued by financial institutions	51,954,728	48,222,725	49,513,623	2,784,338
Unaffiliated equity interest in financial institutions	10,515,024	7,170,112	7,296,705	5,509,197
Totals	<u>\$ 242,079,035</u>	<u>\$ 229,725,147</u>	<u>\$ 234,074,768</u>	<u>\$ 12,302,168</u>

4. Underwriting Exposure

Not applicable

NOTES TO FINANCIAL STATEMENTS

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.

Company	NAIC Group Code	Federal Employers or ISI	Amount
		Identification Number	
Vanliner Insurance Company	21172	86-0114294	\$165,008,587
Maiden Reinsurance Company	11054	43-1898350	38,545,775
Platinum Underwriters	10357	52-1952955	13,733,815
Triumphe Casualty Company	41106	95-3623282	12,692,969
National Interstate Insurance Company of Hawaii	11051	99-0345306	12,692,969
Munich Reinsurance America, Inc	10227	13-4924125	12,031,532

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	\$50,420,393	\$3,287,312	\$ 83,234,495	\$4,495,148	\$(32,814,102)	\$(1,207,836)
All Other	1,833,970	658,217	26,561,285	2,764,548	(24,727,315)	(2,106,331)
Total	<u>\$52,254,363</u>	<u>\$3,945,529</u>	<u>\$109,795,780</u>	<u>\$7,259,696</u>	<u>\$(57,541,417)</u>	<u>\$(3,314,167)</u>

Direct Unearned Premium Reserve \$169,617,698

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	\$ 46,000	\$ 672,273	\$(1,270,125)	\$ 1,988,398
Sliding Scale Adjustments	-	-	-	-
Other Profit Commission Arrangements	-	-	-	-
TOTAL	<u>\$ 46,000</u>	<u>\$ 672,273</u>	<u>\$(1,270,125)</u>	<u>\$ 1,988,398</u>

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

D. Uncollectible Reinsurance

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

NOTES TO FINANCIAL STATEMENTS

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 \$1,839,358, 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 communication had no net effect.

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.

Note 24 – Retrospectively Rated Contracts & 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 balances for outstanding losses and loss adjustment expenses (LAE), net of reinsurance recoverables for 2011 and 2010:

	Year Ended December 31	
	2011	2010
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 195,244,665	\$ 170,132,173
Effect of initial reserve establishment for pooling	147,054,266	-
Add provision for claims, net of reinsurance, occurring in:		
Current year	164,936,000	138,501,000
Prior years	(8,698,595)	(6,259,248)
Net incurred losses during the current year	156,237,405	132,241,752
Deduct payments for claims, net of reinsurance occurring in:		
Current year	63,694,000	51,295,000
Prior years	102,650,920	55,834,260
Net claim payments during the current year	166,344,920	107,129,260
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	\$ 332,191,416	\$ 195,244,665

The effect of the initial reserve establishment for pooling of \$147,054,266 represents the net amount received by the Company from VIC for the assumption of the initial reserves effective with the amended intercompany reinsurance pooling arrangement with the Company and its subsidiaries. The foregoing reconciliation shows that an \$8,698,595 favorable development in the December 31, 2010 balances emerged in 2011 and a \$6,259,248 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 case 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 intercompany reinsurance pooling agreement with its subsidiaries, NIHI, TCC and VIC. The effect is to transfer all net retained insurance liabilities of the subsidiaries to NIIC and to cede specified percentages of the net underwriting results of the group to the participating companies as follows:

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%

NOTES TO FINANCIAL STATEMENTS

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. There are no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead company and the corresponding entries on the assumed and ceded reinsurance schedules of other pool participants. Each participant records its own Provision for Reinsurance (Schedule F, Part 7) based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pool participants. Uncollectible reinsurance balances which are written off are subject to the terms of the pooling agreement. As of December 31, 2011 the Company, the lead entity for pooling activity, has payables of \$1,510,216, \$1,170,142 and \$7,638,370 due to NIH, TCC and VIC, respectively. These amounts are settled on a quarterly basis.

Note 27 – Structured Settlements

A. Reserves Released Due to Purchase of Annuities

At December 31, 2011, the Company has purchased two structured settlements from unaffiliated life insurance companies in the amount of \$330,000. The loss and LAE reserves for these claims are no longer included in the balance sheet as a liability for losses and loss adjustment expenses.

B. 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 risk shared 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 as the Company does not have high deductibles.

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

A - C. 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.

Note 34 – Subscriber Savings Accounts

A. Not applicable.

Note 35 – Multiple Peril Crop Insurance

A. Not applicable.

Note 36 – Financial Guaranty Insurance

A. 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?

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 []

N/A []

10.6

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

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

John Doellman, VP and Actuary- Great American Insurance Company 301 East 4th Street, Cincinnati, Ohio 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 [X] No []

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
264271183	Athens Federal community Bank	Non Payment of Policy Premiums	23,353
071111397	BankOrion	Non Payment of Policy Premiums	100,000
053112482	Cabarrus Bank and Trust Company	Non Payment of Policy Premiums	21,000
243074385	Dollar Bank	Non Payment of Policy Premiums	13,310
121108441	Farmers & Merchants Bank of Central Calif	Non Payment of Policy Premiums	50,000
053103585	Fidelity Bank	Non Payment of Policy Premiums	70,000
103104544	First National Bank	Non Payment of Policy Premiums	122,117
043318092	First National Bank of Pennsylvania	Non Payment of Policy Premiums	66,240
084309015	First State Bank	Non Payment of Policy Premiums	47,701
262286109	First Tuskegee Bank	Non Payment of Policy Premiums	11,000
111905612	Gilmer National Bank	Non Payment of Policy Premiums	19,000
031207856	Harvest Community Bank	Non Payment of Policy Premiums	11,604
044109336	Heartland Bank	Non Payment of Policy Premiums	100,000
057001971	Jefferson Security Bank	Non Payment of Policy Premiums	12,500
071926511	Leaders Bank	Non Payment of Policy Premiums	25,728
031100173	M&T Bank	Non Payment of Policy Premiums	21,250
031317636	Mainline National Bank	Non Payment of Policy Premiums	23,000
122242791	Mission Bank	Non Payment of Policy Premiums	17,226
125200934	Northrim Bank	Non Payment of Policy Premiums	32,004
062203942	Peoples Independent Bank	Non Payment of Policy Premiums	25,080
121144340	Pinnacle Bank	Non Payment of Policy Premiums	45,633
102306699	Platte Valley Bank	Non Payment of Policy Premiums	32,510
121106906	Savings Bank of Mendocino County	Non Payment of Policy Premiums	19,710
041215621	Signature Bankcorp, Inc.	Non Payment of Policy Premiums	25,710
053112097	Southern Community Bank and Trust	Non Payment of Policy Premiums	305,555
062203997	Sterling Bank	Non Payment of Policy Premiums	171,862
062105985	The Peoples Bank	Non Payment of Policy Premiums	8,625
062101031	Troy Bank & Trust	Non Payment of Policy Premiums	9,500
061003787	United Community Bank	Non Payment of Policy Premiums	8,134
021101108	Wachovia Bank	Non Payment of Policy Premiums	179,998

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes [X]No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes [X]No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [X]No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes []No [X]

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

20.11 To directors or other officers

\$.....0

20.12 To stockholders not officers

\$.....0

20.13 Trustees, supreme or grand (Fraternal only)

\$.....0

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

20.21 To directors or other officers

\$.....0

20.22 To stockholders not officers

\$.....0

20.23 Trustees, supreme or grand (Fraternal only)

\$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes []No [X]

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

21.21 Rented from others

.....

21.22 Borrowed from others

.....

21.23 Leased from others

.....

21.24 Other

.....

National Interstate Insurance Company

PART 1 - COMMON INTERROGATORIES - FINANCIAL

22.1

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

Yes [☐] No [☒]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

.....

22.22

Amount paid as expenses

.....

22.23

Other amounts paid

.....

23.1

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

Yes [☒] No [☐]

23.2

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

\$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?

Yes [☒] 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 [☒]

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.

.....

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

\$.....37,523,798

25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1

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

Yes [☐] No [☒]

26.2

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

Yes [☐] No [☐] N/A [☒]

27.1

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

Yes [☐] No [☒]

27.2

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

.....

28.

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

Yes [☒] No [☐]

28.01

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

1 Name of Custodian(s)	2 Custodian's Address
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 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☐] No [☒]

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Key Bank	Fort Washington Investment Advisors, Inc.	303 Broadway, Suite 1200 Cincinnati, OH 45202
Key Bank	Elessar Investment Management	1111 Superior Ave., Suite 1310 Cleveland, OH 44115

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 [☐]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1			2	3
CUSIP #			Name of Mutual Fund	Book/Adj. Carrying Value
27829F	10	8	EATON VANCE TAX - MANAGED GLO	330,000
18383M	50	6	GUGGENHEIM MULTI ASSET	498,060
464287	46	5	ISHARES MSCI EAFE INDEX FUND	1,888,430
464287	50	7	ISHARES S&P MIDCAP 400	1,314,938
561911	10	8	MANAGED HIGH YIELD PLUS FUND CLOSED END	21,300
73935X	10	4	POWERSHARES DYNAMIC MKT PORT	1,082,559
73935X	30	2	POWERSHARES HIGH YIELD EQUITY	277,010
761396	30	8	REVENUE SHARES SML CAP	569,246
78462F	10	3	SPDR TRUST SER 1	1,349,000
29.2999. TOTAL				7,330,543

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
EATON VANCE TAX - MANAGED GLOBAL	ROYAL DUTCH SHELL PLC	10,956	12/31/2011
EATON VANCE TAX - MANAGED GLOBAL	VODAFONE GROUP PLC	8,712	12/31/2011
EATON VANCE TAX - MANAGED GLOBAL	NESTLE S.A.	8,580	12/31/2011
EATON VANCE TAX - MANAGED GLOBAL	GLAXOSMITHKLINE PLC	7,260	12/31/2011
EATON VANCE TAX - MANAGED GLOBAL	NOVARTIS AG	7,194	12/31/2011
GUGGENHEIM MULTI-ASSET INCOME	CONOCOPHILLIPS	10,908	12/31/2011
GUGGENHEIM MULTI-ASSET INCOME	BOARDWALK PIPELINE PARTNERS LP	6,076	12/31/2011
GUGGENHEIM MULTI-ASSET INCOME	WELLS FARGO & CO.	5,927	12/31/2011
GUGGENHEIM MULTI-ASSET INCOME	INTEL CORP	5,728	12/31/2011
GUGGENHEIM MULTI-ASSET INCOME	KLA-TENCOR CORP.	5,678	12/31/2011
ISHARES MSCI EAFE INDEX FUND	NESTLE S.A.	37,769	12/31/2011
ISHARES MSCI EAFE INDEX FUND	VODAFONE GROUP PLC	28,138	12/31/2011
ISHARES MSCI EAFE INDEX FUND	HSBC HOLDINGS PLC	27,005	12/31/2011
ISHARES MSCI EAFE INDEX FUND	BP PLC	26,816	12/31/2011
ISHARES MSCI EAFE INDEX FUND	ROYAL DUTCH SHELL PLC	26,627	12/31/2011
ISHARES S&P MIDCAP 400 INDEX FUND	KANSAS CITY SOUTHERN	9,336	12/31/2011
ISHARES S&P MIDCAP 400 INDEX FUND	HANSEN NATURAL CORP.	8,679	12/31/2011
ISHARES S&P MIDCAP 400 INDEX FUND	VERTEX PHARMACEUTICALS INC.	8,679	12/31/2011
ISHARES S&P MIDCAP 400 INDEX FUND	AMETEK INC.	8,416	12/31/2011
ISHARES S&P MIDCAP 400 INDEX FUND	THE MACERICH CO	8,416	12/31/2011
MANAGED HIGH YIELD PLUS FUND CLOSED END	CIT GROUP	362	12/31/2011
MANAGED HIGH YIELD PLUS FUND CLOSED END	SQUARETWO FINANCIAL CORP.	320	12/31/2011
MANAGED HIGH YIELD PLUS FUND CLOSED END	RYERSON INC.	277	12/31/2011
MANAGED HIGH YIELD PLUS FUND CLOSED END	FIREKEEPERS DEVELOPMENT AUTHORITY	277	12/31/2011
MANAGED HIGH YIELD PLUS FUND CLOSED END	NRG ENERGY INC.	256	12/31/2011
POWERSHARES DYNAMIC MKT PORTFOLIO	MARATHON OIL CORP.	52,612	12/31/2011
POWERSHARES DYNAMIC MKT PORTFOLIO	VALERO ENERGY CORP.	46,117	12/31/2011
POWERSHARES DYNAMIC MKT PORTFOLIO	PHILIP MORRIS INTERNATIONAL	40,271	12/31/2011
POWERSHARES DYNAMIC MKT PORTFOLIO	COSTCO WHOLESALE CORP.	37,781	12/31/2011
POWERSHARES DYNAMIC MKT PORTFOLIO	VISA INC.	30,853	12/31/2011
POWERSHARES HIGH YIELD EQUITY	CENTURYTEL INC.	10,554	12/31/2011
POWERSHARES HIGH YIELD EQUITY	OLD REPUBLIC INTERNATIONAL CORP.	8,310	12/31/2011
POWERSHARES HIGH YIELD EQUITY	PITNEY BOWES, INC.	8,227	12/31/2011
POWERSHARES HIGH YIELD EQUITY	UNITED BANKSHARES CORP.	7,895	12/31/2011
POWERSHARES HIGH YIELD EQUITY	MERCURY GENERAL CORP.	7,839	12/31/2011
REVENUESHARES SMALL CAP	WORLD FUEL SERVICES CORP.	19,127	09/30/2011
REVENUESHARES SMALL CAP	SYNNEX CORP.	10,303	09/30/2011
REVENUESHARES SMALL CAP	OFFICEMAX INC.	8,140	09/30/2011
REVENUESHARES SMALL CAP	SONIC AUTOMOTIVE, INC.	7,400	09/30/2011
REVENUESHARES SMALL CAP	EMCOR GROUP INC.	6,205	09/30/2011
SPDR S&P 500 ETF	EXXON MOBILE CORP	48,024	12/31/2011
SPDR S&P 500 ETF	APPLE INC	44,517	12/31/2011
SPDR S&P 500 ETF	INTERNATIONAL BUSINESS MACHINES	25,631	12/31/2011
SPDR S&P 500 ETF	CHEVRON CORP	25,091	12/31/2011
SPDR S&P 500 ETF	MICROSOFT CORP	23,068	12/31/2011

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.....	619,318,512	640,855,749	21,537,237
30.2 Preferred stocks.....	5,499,245	5,717,439	218,194
30.3 Totals.....	624,817,757	646,573,188	21,755,431

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 [X] No []

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

Yes [] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. The Investment Portfolio manager will utilize Bloomberg and current bid and ask marks of securities to assist in pricing for these limited number of securities.

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

Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

\$.....965,217

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

PART 1 - COMMON INTERROGATORIES - OTHER

trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
INSURANCE SERVICES OFFICE	456,342

34.1 Amount of payments for legal expenses, if any? \$.....275,596

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

1	2
Name	Amount Paid
THOMPSON HINE LLP	160,988
THOMPSONCOE	86,802

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	2
Name	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	\$.....0
2.2 Premium Denominator.....	\$.....245,570,924	\$.....218,101,579
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....441,925	\$.....453,868
2.5 Reserve Denominator.....	\$.....444,267,697	\$.....301,387,607
2.6 Reserve Ratio (2.4/2.5).....	.....0.1	.....0.2

- 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 \$4,512,000 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 monitors types and concentrations of insured exposure by territory, protection class and total exposure limits.

The Company purchases catastrophic reinsurance excess of \$500,000 in HI and excess of \$750,000 elsewhere.
- 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.

.....42
- 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

\$.....2,264,228

\$.....3,222,096

13.1

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

\$.....4,800,000

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.

.....3

16.1

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).....	449,957,204	296,434,272	258,459,350	283,674,744	251,526,303
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	97,843,967	84,186,092	82,589,673	96,155,475	84,382,695
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,988,911	968,260	1,267,286	2,102,268	2,271,546
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	772,899	493,215	563,721	9,939	13,457
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	551,562,981	382,081,839	342,880,030	381,942,425	338,194,000
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).....	200,780,158	163,490,632	139,838,196	143,666,668	132,804,600
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	48,764,663	66,071,690	64,434,870	72,971,521	69,395,130
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,617,115	417,415	581,709	1,287,738	1,421,921
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	342,327	347,126	386,732	9,420	13,457
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	251,504,263	230,326,863	205,241,507	217,935,347	203,635,108
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	13,798,103	13,201,038	32,990,392	26,231,543	43,432,810
14. Net investment gain (loss) (Line 11).....	34,000,852	19,634,483	16,620,279	(206,488)	18,522,605
15. Total other income (Line 15).....	(2,694,551)	(2,184,861)	(2,453,030)	(3,355,686)	(3,663,306)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	14,135,853	10,793,157	13,999,307	15,058,332	20,547,527
18. Net income (Line 20).....	30,968,551	19,857,503	33,158,334	7,611,037	37,744,582
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	994,710,927	799,563,212	696,273,294	730,057,838	694,674,348
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	10,501,071	13,354,505	8,742,465	9,675,760	9,125,733
20.2 Deferred and not yet due (Line 15.2).....	97,323,756	88,454,948	80,887,560	79,684,425	73,866,511
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	701,097,223	525,916,353	457,882,999	539,924,332	512,372,746
22. Losses (Page 3, Line 1).....	268,627,377	148,644,616	127,130,593	125,434,164	104,203,117
23. Loss adjustment expenses (Page 3, Line 3).....	63,564,039	46,600,049	43,001,580	42,826,022	37,367,646
24. Unearned premiums (Page 3, Line 9).....	112,076,281	106,142,942	93,917,657	96,938,733	94,271,718
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	293,613,704	273,646,860	238,390,295	190,133,506	182,301,601
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	158,365,594	52,668,834	36,177,149	47,380,404	48,933,066
Risk-Based Capital Analysis					
28. Total adjusted capital.....	293,613,704	273,646,860	238,390,295	190,133,506	182,301,601
29. Authorized control level risk-based capital.....	44,160,301	43,126,588	21,342,829	20,951,243	18,885,303
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).....	72.1	65.4	84.6	64.6	55.5
31. Stocks (Lines 2.1 & 2.2).....	24.0	28.6	9.8	9.9	11.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	1.9	2.5	2.9	2.7	2.9
34. Cash, cash equivalents and short-term investments (Line 5).....	0.5	1.2	0.4	7.6	6.0
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....			XXX	XXX	XXX
37. Other invested assets (Line 8).....	1.6	2.2	2.3	1.5	1.5
38. Receivable for securities (Line 9).....					0.1
39. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....				13.6	22.2
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).....	163,188,377	156,762,904	27,272,253	25,103,635	23,733,521
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.....	163,188,377	156,762,904	27,272,253	25,103,635	23,733,521
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).....	55.6	57.3	11.4	13.2	13.0

National Interstate Insurance Company
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).....	(2,305,577)	12,372,269	8,483,314	(633,296)	(1,009,304)
51. Dividends to stockholders (Line 35).....	(10,000,000)				(4,000,000)
52. Change in surplus as regards policyholders for the year (Line 38).....	19,966,844	35,256,565	48,256,789	7,831,905	34,035,791
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).....	(10,345,746)	124,360,442	119,815,536	93,772,445	93,762,537
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	64,164,865	45,463,760	48,717,223	50,648,831	42,013,207
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(691,511)	603,954	518,250	1,513,581	896,818
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	46,392	37,290			
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
58. Total (Line 35).....	53,174,000	170,465,446	169,051,009	145,934,857	136,672,562
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).....	(30,267,944)	51,587,900	51,923,733	44,596,101	43,790,435
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	39,159,106	36,597,469	38,060,120	37,365,717	35,978,761
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(462,950)	79,716	302,969	1,250,517	655,039
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	68,667	17,899			
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
64. Total (Line 35).....	8,496,879	88,282,984	90,286,821	83,212,335	80,424,235
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	43.1
67. Loss expenses incurred (Line 3).....	11.3	10.3	8.9	10.8	7.6
68. Other underwriting expenses incurred (Line 4).....	30.8	33.3	31.1	28.5	27.0
69. Net underwriting gain (loss) (Line 8).....	5.6	6.1	15.8	12.2	22.3
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).....	31.1	32.5	32.7	29.7	27.6
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	59.3	50.7
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).....	85.7	84.2	86.1	114.6	111.7
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(6,228)	(4,510)	(65)	(622)	(3,712)
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).....	(2.3)	(1.9)	(0.0)	(0.3)	(2.5)
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).....	(21,147)	(7,181)	(1,979)	(5,383)	(6,037)
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).....	(8.9)	(3.8)	(1.1)	(3.6)	(4.9)

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....301	.....1	.....86	.....2	.....49	.....	.....4	.....433	.....XXX.....
2. 2002.....	.....157,109	.....37,903	.....119,206	.....92,849	.....27,087	.....14,409	.....4,786	.....7,819	.....	.....2,532	.....83,204	.....XXX.....
3. 2003.....	.....215,758	.....56,389	.....159,369	.....113,547	.....35,357	.....13,111	.....4,715	.....8,770	.....	.....2,660	.....95,356	.....XXX.....
4. 2004.....	.....267,922	.....80,719	.....187,203	.....128,512	.....37,254	.....17,623	.....5,750	.....9,903	.....	.....3,448	.....113,034	.....XXX.....
5. 2005.....	.....303,617	.....92,073	.....211,544	.....150,723	.....49,889	.....18,852	.....6,663	.....11,901	.....	.....3,478	.....124,924	.....XXX.....
6. 2006.....	.....332,646	.....101,449	.....231,197	.....154,735	.....54,193	.....20,243	.....8,666	.....13,668	.....	.....4,124	.....125,787	.....XXX.....
7. 2007.....	.....368,825	.....126,300	.....242,525	.....163,904	.....56,992	.....25,107	.....11,435	.....13,885	.....	.....4,439	.....134,469	.....XXX.....
8. 2008.....	.....405,254	.....143,951	.....261,303	.....222,485	.....100,109	.....28,599	.....14,542	.....15,621	.....	.....4,333	.....152,054	.....XXX.....
9. 2009.....	.....391,667	.....133,572	.....258,095	.....142,255	.....45,688	.....14,979	.....6,820	.....15,393	.....	.....3,451	.....120,119	.....XXX.....
10. 2010.....	.....388,397	.....134,176	.....254,221	.....142,521	.....55,110	.....11,323	.....6,121	.....13,457	.....	.....3,112	.....106,070	.....XXX.....
11. 2011.....	.....392,230	.....146,659	.....245,571	.....88,820	.....35,639	.....5,053	.....2,956	.....8,416	.....	.....1,348	.....63,694	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....1,400,652	.....497,319	.....169,385	.....72,456	.....118,882	.....0	.....32,929	.....1,119,144	.....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.....	.....2,038	.....115	.....1,303	.....	.....139	.....6	.....43	.....	.....10	.....	.....	.....3,412	.....XXX.....
2. 2002.....	.....539	.....12	.....1,226	.....	.....61	.....5	.....78	.....	.....91	.....	.....	.....1,978	.....XXX.....
3. 2003.....	.....896	.....90	.....1,586	.....88	.....86	.....10	.....147	.....6	.....205	.....	.....	.....2,726	.....XXX.....
4. 2004.....	.....1,880	.....376	.....2,724	.....287	.....203	.....33	.....214	.....3	.....282	.....	.....	.....4,604	.....XXX.....
5. 2005.....	.....2,991	.....594	.....4,954	.....916	.....188	.....65	.....278	.....1	.....309	.....	.....	.....7,144	.....XXX.....
6. 2006.....	.....5,935	.....1,787	.....6,964	.....1,123	.....413	.....88	.....1,203	.....225	.....570	.....	.....	.....11,862	.....XXX.....
7. 2007.....	.....13,470	.....5,873	.....11,170	.....2,931	.....1,020	.....371	.....1,743	.....343	.....947	.....	.....	.....18,832	.....XXX.....
8. 2008.....	.....19,806	.....7,351	.....20,876	.....7,320	.....2,195	.....801	.....2,100	.....385	.....1,502	.....1	.....	.....30,621	.....XXX.....
9. 2009.....	.....26,718	.....8,320	.....58,229	.....24,315	.....3,086	.....847	.....5,555	.....1,131	.....2,842	.....1	.....	.....61,816	.....XXX.....
10. 2010.....	.....46,074	.....21,600	.....85,108	.....42,838	.....4,309	.....1,656	.....9,855	.....1,883	.....10,588	.....2	.....	.....87,955	.....XXX.....
11. 2011.....	.....55,959	.....27,858	.....131,580	.....79,604	.....3,918	.....1,787	.....14,276	.....3,072	.....7,832	.....2	.....	.....101,242	.....XXX.....
12. Totals...	.....176,306	.....73,976	.....325,720	.....159,422	.....15,618	.....5,669	.....35,492	.....7,049	.....25,178	.....6	.....0	.....332,192	.....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.....	.....3,226	.....186
2. 2002.	.....117,072	.....31,890	.....85,182	.....74.5	.....84.1	.....71.5			.....70.00	.....1,753	.....225
3. 2003.	.....138,348	.....40,266	.....98,082	.....64.1	.....71.4	.....61.5			.....70.00	.....2,304	.....422
4. 2004.	.....161,341	.....43,703	.....117,638	.....60.2	.....54.1	.....62.8			.....70.00	.....3,941	.....663
5. 2005.	.....190,196	.....58,128	.....132,068	.....62.6	.....63.1	.....62.4			.....70.00	.....6,435	.....709
6. 2006.	.....203,731	.....66,082	.....137,649	.....61.2	.....65.1	.....59.5			.....70.00	.....9,989	.....1,873
7. 2007.	.....231,246	.....77,945	.....153,301	.....62.7	.....61.7	.....63.2			.....70.00	.....15,836	.....2,996
8. 2008.	.....313,184	.....130,509	.....182,675	.....77.3	.....90.7	.....69.9			.....70.00	.....26,011	.....4,610
9. 2009.	.....269,057	.....87,122	.....181,935	.....68.7	.....65.2	.....70.5			.....70.00	.....52,312	.....9,504
10. 2010.	.....323,235	.....129,210	.....194,025	.....83.2	.....96.3	.....76.3			.....70.00	.....66,744	.....21,211
11. 2011.	.....315,854	.....150,918	.....164,936	.....80.5	.....102.9	.....67.2			.....70.00	.....80,077	.....21,165
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....268,628	.....63,564

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.....	.....61,345	.....64,617	.....65,868	.....66,093	.....68,923	.....69,010	.....69,250	.....69,213	.....66,371	.....66,499	.....128	.....(2,714)
2. 2002.....	.....77,041	.....76,517	.....81,512	.....80,115	.....78,952	.....78,320	.....78,137	.....77,549	.....77,274	.....77,272	.....(2)	.....(277)
3. 2003.....	.....XXX.....	.....97,890	.....94,998	.....95,629	.....92,979	.....92,535	.....91,192	.....89,097	.....89,298	.....89,107	.....(191)	.....10
4. 2004.....	.....XXX.....	.....XXX.....	.....121,276	.....117,818	.....114,999	.....113,448	.....110,878	.....109,432	.....107,716	.....107,453	.....(263)	.....(1,979)
5. 2005.....	.....XXX.....	.....XXX.....	.....XXX.....	.....142,394	.....135,811	.....129,527	.....124,906	.....121,539	.....120,257	.....119,858	.....(399)	.....(1,681)
6. 2006.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....155,337	.....141,509	.....131,342	.....125,840	.....123,866	.....123,411	.....(455)	.....(2,429)
7. 2007.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....161,305	.....145,207	.....138,599	.....136,979	.....138,469	.....1,490	.....(130)
8. 2008.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....179,538	.....172,110	.....166,802	.....165,553	.....(1,249)	.....(6,557)
9. 2009.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....169,091	.....165,950	.....163,701	.....(2,249)	.....(5,390)
10. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....173,020	.....169,982	.....(3,038)	.....XXX.....
11. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....148,690	.....XXX.....	.....XXX.....
12. Totals.....											.....(6,228)	.....(21,147)

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.....	.....25,922	.....40,675	.....50,098	.....55,352	.....59,061	.....60,292	.....62,442	.....62,713	.....63,097	.....XXX.....	.....XXX.....
2. 2002....	.....16,433	.....41,243	.....55,364	.....65,740	.....69,880	.....72,862	.....73,953	.....74,783	.....75,169	.....75,385	.....XXX.....	.....XXX.....
3. 2003....	.....XXX.....	.....30,664	.....53,474	.....67,740	.....76,448	.....81,489	.....84,074	.....85,616	.....86,185	.....86,586	.....XXX.....	.....XXX.....
4. 2004....	.....XXX.....	.....XXX.....	.....35,853	.....61,726	.....79,761	.....91,710	.....98,051	.....100,719	.....102,374	.....103,131	.....XXX.....	.....XXX.....
5. 2005....	.....XXX.....	.....XXX.....	.....XXX.....	.....37,243	.....70,375	.....88,578	.....100,549	.....107,757	.....111,117	.....113,023	.....XXX.....	.....XXX.....
6. 2006....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....41,887	.....70,742	.....88,397	.....100,276	.....108,403	.....112,119	.....XXX.....	.....XXX.....
7. 2007....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....45,875	.....77,745	.....96,658	.....112,177	.....120,584	.....XXX.....	.....XXX.....
8. 2008....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....53,005	.....93,281	.....117,567	.....136,433	.....XXX.....	.....XXX.....
9. 2009....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....48,290	.....83,203	.....104,726	.....XXX.....	.....XXX.....
10. 2010....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....52,151	.....92,613	.....XXX.....	.....XXX.....
11. 2011....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....55,278	.....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.....	.....22,185	.....11,822	.....6,067	.....4,480	.....4,469	.....4,413	.....4,742	.....3,628	.....1,363	.....1,346
2. 2002.....	.....32,561	.....16,117	.....9,759	.....5,271	.....2,727	.....2,203	.....2,011	.....1,319	.....1,187	.....1,304
3. 2003.....	.....XXX.....	.....43,249	.....21,164	.....12,334	.....6,249	.....5,352	.....3,925	.....1,992	.....1,898	.....1,639
4. 2004.....	.....XXX.....	.....XXX.....	.....56,867	.....30,072	.....16,684	.....11,395	.....7,264	.....4,540	.....3,121	.....2,648
5. 2005.....	.....XXX.....	.....XXX.....	.....XXX.....	.....68,547	.....41,258	.....23,183	.....12,910	.....6,484	.....4,539	.....4,315
6. 2006.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....77,802	.....44,591	.....21,788	.....11,183	.....8,168	.....6,819
7. 2007.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....82,882	.....41,178	.....20,673	.....11,155	.....9,639
8. 2008.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....81,992	.....42,204	.....23,859	.....15,271
9. 2009.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....80,434	.....52,634	.....38,338
10. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....80,927	.....50,242
11. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....63,180

National Interstate Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama.....	AL.....L.....	4,013,871	3,657,678		3,015,819	3,029,674	5,137,347	2,592	221,945
2. Alaska.....	AK.....L.....	3,894,485	4,034,500		1,536,706	1,770,135	2,624,571	257	150,549
3. Arizona.....	AZ.....L.....	4,664,332	5,451,518		1,910,879	3,365,404	5,742,132	9,245	446,423
4. Arkansas.....	AR.....L.....	2,944,391	2,023,731		472,661	806,002	1,129,340	4,270	371,256
5. California.....	CA.....L.....	60,694,985	54,451,291		29,217,716	26,718,098	64,359,039	36,298	3,372,764
6. Colorado.....	CO.....L.....	2,734,575	2,661,493		2,013,122	1,956,130	2,583,411	6,115	96,026
7. Connecticut.....	CT.....L.....	9,784,856	9,692,928		4,072,080	5,889,504	10,358,103	2,296	3,366,637
8. Delaware.....	DE.....L.....	6,944,238	7,195,618		8,622,502	4,078,788	7,501,797		171,903
9. District of Columbia.....	DC.....L.....	249	241			4,595	7,029		-
10. Florida.....	FL.....L.....	19,875,579	19,678,139		10,769,617	12,448,847	16,705,247	28,366	4,031,514
11. Georgia.....	GA.....L.....	6,194,349	6,248,275		2,041,198	5,126,824	6,873,298	34,223	1,320,939
12. Hawaii.....	HI.....L.....	14,043,537	14,469,246		3,999,281	376,050	16,331,178	1,225	206,108
13. Idaho.....	ID.....L.....	3,222,985	3,275,316		671,311	1,679,321	2,396,043	1,076	(34,692)
14. Illinois.....	IL.....L.....	11,752,636	10,463,353		5,219,142	7,251,806	12,359,228	6,355	479,936
15. Indiana.....	IN.....L.....	6,542,137	5,797,672		2,511,862	2,300,615	5,606,300	3,310	572,030
16. Iowa.....	IA.....L.....	7,980,170	8,244,041		2,124,554	4,570,711	6,114,216	790	135,786
17. Kansas.....	KS.....L.....	4,256,719	4,082,027		1,158,905	1,722,799	3,804,255	815	454,836
18. Kentucky.....	KY.....L.....	1,434,111	1,508,923		584,644	812,567	1,457,212		166,064
19. Louisiana.....	LA.....L.....	3,614,524	3,385,891		1,644,934	2,043,453	4,155,476	16,285	417,832
20. Maine.....	ME.....L.....	522,066	774,719		369,822	389,445	497,206	605	185,190
21. Maryland.....	MD.....L.....	3,553,345	3,534,282		2,396,483	1,439,956	2,944,520	212	4,579,465
22. Massachusetts.....	MA.....L.....	17,995,605	18,115,242		7,694,257	10,220,002	16,692,420	350	2,710,010
23. Michigan.....	MI.....L.....	17,654	11,006		(125)	(22,825)	(1,190)		-
24. Minnesota.....	MN.....L.....	3,842,296	3,662,007		1,578,129	776,441	3,378,480	3,730	898,606
25. Mississippi.....	MS.....L.....	2,724,513	2,628,170		1,961,213	2,019,548	2,700,194	25	1,035,702
26. Missouri.....	MO.....L.....	7,738,935	7,619,113		2,901,574	5,794,808	9,643,112	3,435	1,615,796
27. Montana.....	MT.....L.....	5,382,324	5,632,480		6,506,807	6,329,615	4,626,700	26,200	49,259
28. Nebraska.....	NE.....L.....	3,249,034	3,149,635		394,451	842,554	4,152,243	455	62,662
29. Nevada.....	NV.....L.....	3,946,310	3,733,721		1,101,449	2,566,514	4,789,328	6,425	179,785
30. New Hampshire.....	NH.....L.....	2,579,589	2,469,611		3,324,644	2,137,489	2,638,754	1,435	131,375
31. New Jersey.....	NJ.....L.....	82,836	81,919		497,556	153,448	316,874		-
32. New Mexico.....	NM.....L.....	1,027,149	992,607		293,360	501,575	833,123	4,660	114,007
33. New York.....	NY.....L.....	24,963,272	25,507,458		6,489,433	12,438,407	28,491,534	1,372	7,426,860
34. North Carolina.....	NC.....L.....	20,735,507	18,803,531		11,315,429	9,425,397	21,238,394	15,705	399,446
35. North Dakota.....	ND.....L.....	833,261	735,643		829,899	1,495,022	2,037,093	710	199,886
36. Ohio.....	OH.....L.....	12,282,195	10,650,397		7,360,887	6,212,563	11,977,707	3,555	916,336
37. Oklahoma.....	OK.....L.....	4,269,787	3,952,434		1,765,424	1,973,710	3,743,284	4,190	837,879
38. Oregon.....	OR.....L.....	1,809,595	1,782,147		938,388	1,781,559	1,993,086	5,175	494,467
39. Pennsylvania.....	PA.....L.....	20,331,063	18,354,729		9,161,835	13,213,353	19,446,941	15,860	1,280,197
40. Rhode Island.....	RI.....L.....	854,648	669,060		105,109	222,240	794,517		245,459
41. South Carolina.....	SC.....L.....	2,033,065	1,829,039		757,660	978,408	2,019,740	2,885	321,191
42. South Dakota.....	SD.....L.....	1,444,602	1,541,105		1,625,910	1,224,291	980,667	13,340	47,028
43. Tennessee.....	TN.....L.....	11,954,694	10,991,342		5,706,926	7,827,598	7,243,042	7,471	461,935
44. Texas.....	TX.....L.....	37,383,071	40,402,046		27,987,659	31,135,325	46,297,495	211,510	2,895,370
45. Utah.....	UT.....L.....	4,116,881	4,034,811		657,051	2,219,202	4,582,948	590	276,878
46. Vermont.....	VT.....L.....	1,164,922	1,300,619		577,208	1,004,406	1,538,121		155,059
47. Virginia.....	VA.....L.....	7,608,298	6,143,014		2,135,801	2,685,945	5,320,084	6,837	395,491
48. Washington.....	WA.....L.....	2,898,906	2,788,514		870,797	1,114,121	2,132,959	6,880	118,179
49. West Virginia.....	WV.....L.....	806,159	296,359		36,738	(27,207)	337,067		37,189
50. Wisconsin.....	WI.....L.....	5,749,802	5,358,808		2,422,991	1,719,791	6,745,314	1,655	143,952
51. Wyoming.....	WY.....L.....	259,939	278,900		141,459	(127,061)	251,887	763	17,522
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).....51.....	388,754,052	374,146,349	0	191,493,157	215,616,963	395,628,866	499,548	44,180,037

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
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX.....	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

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 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	

* 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

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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