



# QUARTERLY STATEMENT

AS OF JUNE 30, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## CINCINNATI INDEMNITY COMPANY

NAIC Group Code 00244 (Current Period), 00244 (Prior Period) NAIC Company Code 23280 Employer's ID Number 31-1241230

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Incorporated/Organized 05/19/1988 Commenced Business 01/01/1989

Statutory Home Office 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH 45014-5141 (City or Town, State and Zip Code)

Main Administrative Office 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH 45014-5141 (City or Town, State and Zip Code), 513-870-2000 (Area Code) (Telephone Number)

Mail Address P.O. BOX 145496 (Street and Number or P.O. Box), CINCINNATI, OH 45250-5496 (City or Town, State and Zip Code)

Primary Location of Books and Records 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH 45014-5141 (City or Town, State and Zip Code), 513-870-2000-4414 (Area Code) (Telephone Number)

Internet Web Site Address www.cinfin.com

Statutory Statement Contact Scott Holderbach (Name), 513-870-2000 (Area Code) (Telephone Number) (Extension)  
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### OFFICERS

Name	Title	Name	Title
<u>STEVEN JUSTUS JOHNSTON</u>	<u>CHIEF EXECUTIVE OFFICER, PRESIDENT</u>	<u>MICHAEL JAMES SEWELL</u>	<u>CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT</u>
<u>THERESA ANN HOFFER</u>	<u>VICE PRESIDENT, TREASURER</u>		

### OTHER OFFICERS

<u>TERESA CURRIN CRACAS</u>	<u>SENIOR VICE PRESIDENT</u>	<u>DONALD JOSEPH DOYLE JR</u>	<u>SENIOR VICE PRESIDENT</u>
<u>MARTIN FRANCIS HOLLENBECK</u>	<u>SENIOR VICE PRESIDENT</u>	<u>THOMAS ANTHONY JOSEPH</u>	<u>SENIOR VICE PRESIDENT</u>
<u>JOHN SCOTT KELLINGTON</u>	<u>SENIOR VICE PRESIDENT</u>	<u>LISA ANNE LOVE</u>	<u>SENIOR VICE PRESIDENT, CORPORATE SECRETARY</u>
<u>ERIC NEIL MATHEWS</u>	<u>SENIOR VICE PRESIDENT</u>	<u>MARTIN JOSEPH MULLEN</u>	<u>SENIOR VICE PRESIDENT</u>
<u>JACOB FERDINAND SCHERER</u>	<u>EXECUTIVE VICE PRESIDENT</u>	<u>JOAN O'CONNOR SCHEVCHIK</u>	<u>SENIOR VICE PRESIDENT</u>
<u>STEPHEN MICHAEL SPRAY #</u>	<u>SENIOR VICE PRESIDENT</u>	<u>JOHN JEFFERSON SCHIFF JR</u>	<u>CHAIRMAN OF THE EXECUTIVE COMMITTEE</u>
<u>KENNETH WILLIAM STECHER</u>	<u>CHAIRMAN OF THE BOARD</u>	<u>CHARLES PHILIP STONEBURNER</u>	
<u>TIMOTHY LEE TIMMEL</u>	<u>SENIOR VICE PRESIDENT</u>	<u>II</u>	<u>SENIOR VICE PRESIDENT</u>

### DIRECTORS OR TRUSTEES

<u>WILLIAM FORREST BAHL</u>	<u>GREGORY THOMAS BIER</u>	<u>TERESA CURRIN CRACAS #</u>	<u>DONALD JOSEPH DOYLE JR</u>
<u>MARTIN FRANCIS HOLLENBECK</u>	<u>STEVEN JUSTUS JOHNSTON</u>	<u>THOMAS ANTHONY JOSEPH</u>	<u>JOHN SCOTT KELLINGTON #</u>
<u>LISA ANNE LOVE #</u>	<u>WILLIAM RODNEY MCMULLEN</u>	<u>MARTIN JOSEPH MULLEN</u>	<u>JACOB FERDINAND SCHERER</u>
<u>JOHN JEFFERSON SCHIFF JR</u>	<u>THOMAS REID SCHIFF</u>	<u>MICHAEL JAMES SEWELL #</u>	<u>STEPHEN MICHAEL SPRAY #</u>
<u>KENNETH WILLIAM STECHER</u>	<u>JOHN FREDERICK STEELE JR</u>	<u>CHARLES PHILIP STONEBURNER</u>	
<u>LARRY RUSSELL WEBB</u>	<u>EARNEST ANTHONY WOODS</u>	<u>II</u>	<u>TIMOTHY LEE TIMMEL</u>

State of OHIO

County of BUTLER ss

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

MICHAEL J. SEWELL  
CHIEF FINANCIAL OFFICER, SENIOR VICE  
PRESIDENT

ERIC N. MATHEWS  
SENIOR VICE PRESIDENT

THERESA A. HOFFER  
VICE PRESIDENT, TREASURER

a. Is this an original filing? Yes [X] No [ ]

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this  
23RD day of JULY, 2012

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	58,324,535		58,324,535	57,601,365
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	15,819,488		15,819,488	15,430,076
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....3,381,473 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....0 ) .....	3,381,473		3,381,473	97,768
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	77,525,496	0	77,525,496	73,129,209
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	846,793		846,793	825,141
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	8,104,057		8,104,057	5,130,803
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....	2,227,383		2,227,383	2,300,363
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	100,071
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	4,266,647		4,266,647	11,916,452
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	92,970,376	0	92,970,376	93,402,039
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	92,970,376	0	92,970,376	93,402,039
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. ....			0	0
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	0	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )		.0
2. Reinsurance payable on paid losses and loss adjustment expenses	5,362	.0
3. Loss adjustment expenses		.0
4. Commissions payable, contingent commissions and other similar charges		.0
5. Other expenses (excluding taxes, licenses and fees)	5,444	3,872
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		.0
7.1 Current federal and foreign income taxes (including \$ ..... (122,135) on realized capital gains (losses))	80,826	.0
7.2 Net deferred tax liability	924,499	685,808
8. Borrowed money \$ ..... and interest thereon \$ .....		.0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....0 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act)		.0
10. Advance premium		.0
11. Dividends declared and unpaid:		
11.1 Stockholders		.0
11.2 Policyholders		.0
12. Ceded reinsurance premiums payable (net of ceding commissions)	16,659,729	19,100,031
13. Funds held by company under reinsurance treaties		.0
14. Amounts withheld or retained by company for account of others	885,266	592,832
15. Remittances and items not allocated		.0
16. Provision for reinsurance		.0
17. Net adjustments in assets and liabilities due to foreign exchange rates		.0
18. Drafts outstanding		.0
19. Payable to parent, subsidiaries and affiliates		.0
20. Derivatives		.0
21. Payable for securities		.0
22. Payable for securities lending		.0
23. Liability for amounts held under uninsured plans		.0
24. Capital notes \$ ..... and interest thereon \$ .....		.0
25. Aggregate write-ins for liabilities	.0	.0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	18,561,125	20,382,543
27. Protected cell liabilities		.0
28. Total liabilities (Lines 26 and 27)	18,561,125	20,382,543
29. Aggregate write-ins for special surplus funds	.0	.0
30. Common capital stock	3,600,000	3,600,000
31. Preferred capital stock		.0
32. Aggregate write-ins for other than special surplus funds	.0	.0
33. Surplus notes		.0
34. Gross paid in and contributed surplus	21,600,000	21,600,000
35. Unassigned funds (surplus)	49,209,251	47,819,496
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... )		.0
36.2 ..... shares preferred (value included in Line 31 \$ ..... )		.0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	74,409,251	73,019,496
38. Totals (Page 2, Line 28, Col. 3)	92,970,376	93,402,039
<b>DETAILS OF WRITE-INS</b>		
2501. Accounts Payable Other		.0
2502. ....		.0
2503. ....		.0
2598. Summary of remaining write-ins for Line 25 from overflow page	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	.0	.0
2901. ....		.0
2902. ....		.0
2903. ....		.0
2998. Summary of remaining write-ins for Line 29 from overflow page	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	.0	.0
3201. ....		.0
3202. ....		.0
3203. ....		.0
3298. Summary of remaining write-ins for Line 32 from overflow page	.0	.0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	.0	.0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 153,049,954 )	99,626,563	39,473,693	94,276,186
1.2 Assumed (written \$ 9 )		0	
1.3 Ceded (written \$ 153,049,963 )	99,626,563	39,473,693	94,276,186
1.4 Net (written \$ 0 )	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	47,232,709	24,993,991	47,035,907
2.2 Assumed	5,847	0	
2.3 Ceded	47,238,557	24,993,991	47,035,907
2.4 Net	0	0	0
3. Loss adjustment expenses incurred	0	0	0
4. Other underwriting expenses incurred	0	0	0
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0	0
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	0	0	0
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,383,747	1,482,644	2,880,185
10. Net realized capital gains (losses) less capital gains tax of \$ (82,171)	(152,603)	0	(151,673)
11. Net investment gain (loss) (Lines 9 + 10)	1,231,144	1,482,644	2,728,511
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,231,144	1,482,644	2,728,511
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,231,144	1,482,644	2,728,511
19. Federal and foreign income taxes incurred	163,068	246,582	651,616
20. Net income (Line 18 minus Line 19)(to Line 22)	1,068,076	1,236,062	2,076,896
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	73,019,496	70,109,253	70,109,254
22. Net income (from Line 20)	1,068,076	1,236,062	2,076,896
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 196,129	364,240	233,721	645,290
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(42,562)	(2,183)	188,057
27. Change in nonadmitted assets	0	0	0
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,389,754	1,467,600	2,910,242
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	74,409,251	71,576,853	73,019,496
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	(2,440,302)	1,571,623	13,277,727
2. Net investment income .....	1,408,689	1,539,368	3,061,818
3. Miscellaneous income .....	0	0	0
4. Total (Lines 1 to 3) .....	(1,031,614)	3,110,991	16,339,545
5. Benefit and loss related payments .....	2,894,912	663,774	2,974,535
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	0	0	0
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... (19,423) tax on capital gains (losses).....	(100,000)	204,000	629,089
10. Total (Lines 5 through 9) .....	2,794,912	867,774	3,603,624
11. Net cash from operations (Line 4 minus Line 10) .....	(3,826,526)	2,243,217	12,735,921
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	1,563,656	126,589	5,631,804
12.2 Stocks .....	1,663,809	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	0	359,571	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	3,227,465	486,160	5,631,804
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	2,345,399	1,090,975	5,915,580
13.2 Stocks .....	1,714,075	0	2,498,147
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	4,059,474	1,090,975	8,413,727
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(832,009)	(604,815)	(2,781,923)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	7,942,238	(1,117,300)	(10,283,326)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	7,942,238	(1,117,300)	(10,283,326)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	3,283,704	521,102	(329,328)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	97,769	427,097	427,097
19.2 End of period (Line 18 plus Line 19.1) .....	3,381,473	948,199	97,769

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Cincinnati Indemnity Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 and updates through current year have been adopted as a component of prescribed or permitted practices by the state of Ohio.

- B. No Change
- C. No Change

2. Accounting Changes and Correction of Errors - No Change

3. Business Combinations and Goodwill - No Change

4. Discontinued Operations – None

5. Investments

- A. Mortgage Loans - No Change
- B. Debt Restructuring - No Change
- C. Reverse Mortgages - No Change
- D. Loan-Backed Securities - Not Applicable
- E. Repurchase Agreements - No Change
- F. Real Estate - No Change
- G. Low-income Housing Tax Credit (LIHTC) - No Change

6. Joint Ventures, Partnerships and Limited Liability Companies - No Change

7. Investment Income - No Change

8. Derivative Instruments - No Change

**9 - Income Taxes**

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

	2012			2011		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ -	\$ 127,160	\$ 127,160	\$ -	\$ 169,637	\$ 169,637
(b) Statutory Valuation Allowance	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	-	127,160	127,160	-	169,637	169,637
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	-	127,160	127,160	-	169,637	169,637
(f) Deferred Tax Liabilities	\$ 6,363	\$ 1,045,296	\$ 1,051,659	\$ 6,279	\$ 849,167	\$ 855,446
(g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f)	\$ (6,363)	\$ (918,136)	\$ (924,499)	\$ (6,279)	\$ (679,530)	\$ (685,809)

	Change		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ -	\$ (42,477)	\$ (42,477)
(b) Statutory Valuation Allowance	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	-	(42,477)	(42,477)
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	-	(42,477)	(42,477)
(f) Deferred Tax Liabilities	\$ 84	\$ 196,129	\$ 196,213
(g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f)	\$ (84)	\$ (238,606)	\$ (238,690)

	2012			2011		
	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>						
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	-	-	-	-	-	-
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	-	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	11,161,388	11,161,388	11,161,388	11,055,796	11,055,796	11,055,796
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	-	127,160	127,160	-	169,637	169,637
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	-	127,160	127,160	-	169,637	169,637

	Change		
	Ordinary	Capital	Total
<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	-	-	-
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	-	-	-
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	105,592	105,592	105,592
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	-	(42,477)	(42,477)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	-	(42,477)	(42,477)

	2012	2011
	Percentage	Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	3380%	3380%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 above	15%	15%

(c) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.

4.

	2012			2011		
	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>						
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.

	Change		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.00%	0.00%	0.00%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.00%	0.00%	0.00%

B. Unrecognized  
DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

	2012	2011	Change
(a) Federal	\$ 163,068	\$ 651,614	\$ (488,546)
(b) Foreign	-	-	-
(c) Subtotal	163,068	651,614	(488,546)
(d) Federal Income Tax on capital gains/(losses)	(82,171)	(81,670)	(501)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
Federal income taxes incurred	\$ 80,897	\$ 569,944	\$ (489,047)

2. Deferred tax assets

	June 30, 2012	December 31, 2011	Change
(a) Ordinary			
(1) Unearned premium reserve	\$ -	\$ -	\$ -
(2) Unpaid loss reserve	-	-	-
(3) Contingent commission	-	-	-
(4) Nonadmitted assets	-	-	-
(5) Other deferred tax assets	-	-	-
(99) Subtotal	-	-	-
(b) Statutory valuation allowance adj	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ -	\$ -	\$ -
(e) Capital			
(1) Investments	\$ 127,160	\$ 169,637	\$ (42,477)
(2) Unrealized (gain)/loss on investments	-	-	-
(99) Subtotal	127,160	169,637	(42,477)
(f) Statutory valuation allowance adj	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 127,160	\$ 169,637	\$ (42,477)
(i) Admitted deferred tax assets (2d + 2h)	\$ 127,160	\$ 169,637	\$ (42,477)

3. Deferred tax liabilities

	June 30, 2012	December 31, 2011	Change
(a) Ordinary			
(1) Commission expense	\$ -	\$ -	\$ -
(2) Other, net	6,363	6,279	84
(99) Subtotal	6,363	6,279	84
(b) Capital			
(1) Unrealized (gain)/loss on investments	\$ 1,045,296	\$ 849,167	\$ 196,129
(99) Subtotal	1,045,296	849,167	196,129
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 1,051,659	\$ 855,446	\$ 196,213
4. Net deferred tax assets/liabilities (2i-3c)	\$ (924,499)	\$ (685,809)	\$ (238,690)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	June 30, 2012	December 31, 2011	Change
Total deferred tax assets	\$ 127,160	\$ 169,637	\$ (42,477)
Total deferred tax liabilities	1,051,659	855,446	196,213
Net deferred tax asset/(liability)	\$ (924,499)	\$ (685,809)	\$ (238,690)
Tax effect of unrealized (gains)/losses			196,129
Change in net deferred income tax (charge)/benefit			\$ (42,561)

  

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$ 169,637	\$ -	\$ 169,637
Total deferred tax liabilities	855,446	526,402	329,044
Net deferred tax asset/(liability)	\$ (685,809)	\$ (526,402)	\$ (159,407)
Tax effect of unrealized (gains)/losses			347,464
Change in net deferred income tax (charge)/benefit			\$ 188,057

**STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:			
Description	As of June 30, 2012		
	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 1,148,973	\$ 402,141	35.00%
Net tax exempt interest	(643,871)	(225,355)	-19.61%
Net dividends received deduction	(152,203)	(53,271)	-4.64%
Other items permanent, net	191	67	0.01%
DRD on accrued	(355)	(123)	-0.01%
<b>Total</b>	<b>\$ 352,736</b>	<b>\$ 123,458</b>	<b>10.75%</b>
Federal income taxes incurred expense/(benefit)	\$ 465,907	\$ 163,068	14.19%
Tax on capital gains/(losses)	(234,774)	(82,171)	-7.15%
Change in net deferred income tax charge/(benefit)	121,603	42,561	3.70%
<b>Total statutory income taxes incurred</b>	<b>\$ 352,736</b>	<b>\$ 123,458</b>	<b>10.75%</b>
As of December 31, 2011			
Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 2,646,841	\$ 926,394	35.00%
Net tax exempt interest	(1,300,601)	(455,211)	-17.20%
Net dividends received deduction	(253,786)	(88,825)	-3.36%
Other items permanent, net	43	15	0.00%
DRD on accrued	(1,392)	(487)	-0.01%
<b>Total</b>	<b>\$ 1,091,105</b>	<b>\$ 381,886</b>	<b>14.43%</b>
Federal income taxes incurred expense/(benefit)	\$ 1,861,755	\$ 651,614	24.62%
Tax on capital gains/(losses)	(233,343)	(81,670)	-3.09%
Change in net deferred income tax charge/(benefit)	(537,307)	(188,058)	-7.10%
<b>Total statutory income taxes incurred</b>	<b>\$ 1,091,105</b>	<b>\$ 381,886</b>	<b>14.43%</b>

E. Operating Loss and Tax Credit Carryforwards

(1) At June 30, 2012, the Company had net operating loss carryforwards of: \$ -  
(2) At June 30, 2012, the Company had capital loss carryforwards of: \$ -

(3) The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:			
Year	Ordinary	Capital	Total
2012	\$ 203,139	\$ (122,242)	\$ 80,897
2011	459,233	110,696	569,929
2010	-	16,295	16,295
<b>Total</b>	<b>\$ 662,371</b>	<b>\$ 4,750</b>	<b>\$ 667,121</b>

(4) Deposits admitted under Internal Revenue Code Section 6603: \$ -

F. Consolidated Federal Income Tax Return

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

Cincinnati Financial Corporation (Parent)  
The Cincinnati Insurance Company  
The Cincinnati Casualty Company  
The Cincinnati Specialty Underwriters Insurance Company  
The Cincinnati Life Insurance Company  
CFC Investment Company  
CSU Producer Resources, Inc.

(2) The method of allocation between the Company is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with a current credit for net losses.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. No Change
- B. No Change
- C. No Change
- D. At June 30, 2012, the Company reported \$4,266,647 due from the Parent Company, The Cincinnati Insurance Company. The terms of the settlement require that these amounts be settled within 30 days.
- E. No Change
- F. No Change
- G. No Change
- H. No Change
- I. No Change
- J. No Change
- K. No Change
- L. No Change

11. Debt - No Change

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - No Change

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations - No Change

14. Contingencies - No Change

15. Leases - No Change

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk - No Change

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. No Change
- B. No Change
- C. Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - No Change

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY  
**NOTES TO THE FINANCIAL STATEMENTS**

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - No Change
20. Fair Value Measurement
  - A. Not applicable
  - B. Not applicable
  - C. Not applicable
  - D. Not applicable
21. Other Items - No Change
22. Subsequent Events – No Change
23. Reinsurance - No Change
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination– No Change
25. Change in Incurred Losses - None
26. Intercompany Pooling Arrangements – No Change
27. Structured Settlements - No Change
28. Health Care Receivables – No Change
29. Participating Policies – No Change
30. Premium Deficiency Reserves - No Change
31. High Deductibles – No Change
32. The Company does not discount unpaid losses or loss adjustment expenses except for income tax purposes.
33. Asbestos and Environmental Reserves - No Change
34. Subscriber Savings Accounts – No Change
35. Multiple Peril Crop Insurance – No Change
36. Financial Guaranty Insurance – None
37. Other - No Change

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes  No
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes  No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes  No
- 2.2 If yes, date of change: .....
3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes  No   
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes  No
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes  No  NA   
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2009
- 6.2 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. .... 08/03/2010
- 6.3 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). .... 08/03/2010
- 6.4 By what department or departments?  
.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes  No  NA
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes  No  NA
- 7.1 Has this 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
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes  No
- 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
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

**GENERAL INTERROGATORIES**

9.1 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  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.

9.11 If the response to 9.1 is No, please explain:  
 .....

9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 4,266,647

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No

11.2 If yes, give full and complete information relating thereto:  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No

If no, attach a description with this statement.

## GENERAL INTERROGATORIES

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

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

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

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

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address

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

Yes [X] No [ ]

17.2 If no, list exceptions:  
.....



**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (Yes or No)
<b>NONE</b>				

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L	1,661,299	188,878	119,397	22,212	1,258,319	1,273,209
2. Alaska	AK L	0	0	0	0	0	0
3. Arizona	AZ L	1,540,854	615,645	658,081	107,259	535,223	515,929
4. Arkansas	AR L	2,116,301	862,849	443,539	243,627	3,197,200	3,150,063
5. California	CA N	0	0	0	0	0	0
6. Colorado	CO L	2,647,564	1,369,805	381,410	567,597	2,862,366	454,917
7. Connecticut	CT L	16,534	3,301	0	0	11,499	250
8. Delaware	DE L	266,740	149,839	88,655	45,901	712,085	282,870
9. District of Columbia	DC L	3,419	11,356	0	0	2,162	386
10. Florida	FL L	1,829,685	109,406	75,194	121,452	1,120,112	976,893
11. Georgia	GA L	4,892,704	2,036,535	1,042,521	642,857	6,359,186	6,709,962
12. Hawaii	HI L	0	0	0	0	0	0
13. Idaho	ID L	1,347,682	2,014	51,239	0	112,990	0
14. Illinois	IL L	13,299,681	3,841,351	2,466,241	2,488,374	16,864,186	17,394,194
15. Indiana	IN L	10,465,441	3,942,337	2,627,480	1,662,216	10,112,990	8,394,892
16. Iowa	IA L	8,981,699	3,146,300	1,606,003	1,852,742	15,137,265	15,646,049
17. Kansas	KS L	2,580,242	1,265,446	1,586,363	551,261	6,671,410	4,609,072
18. Kentucky	KY L	3,813,399	854,027	2,853,150	345,434	4,847,470	3,881,634
19. Louisiana	LA L	8,701	0	0	0	131	0
20. Maine	ME L	0	0	0	0	0	0
21. Maryland	MD L	3,028,072	1,116,131	714,883	571,029	5,684,894	5,770,800
22. Massachusetts	MA N	0	0	0	0	0	0
23. Michigan	MI L	7,998,336	1,821,806	1,400,492	458,764	8,332,723	6,994,704
24. Minnesota	MN L	5,069,689	1,214,804	666,075	163,431	1,806,908	730,242
25. Mississippi	MS L	659	50,935	0	0	10,100	409
26. Missouri	MO L	4,745,178	2,266,811	1,208,466	853,699	9,170,846	9,193,102
27. Montana	MT L	1,503,859	422	21,092	0	14,551	0
28. Nebraska	NE L	2,984,788	1,208,634	672,107	806,164	7,284,860	7,399,642
29. Nevada	NV L	14,656	0	0	0	251	0
30. New Hampshire	NH N	925,766	260,461	117,972	70,560	376,897	190,336
31. New Jersey	NJ N	0	0	0	0	0	0
32. New Mexico	NM L	879,852	119,080	98,851	82,728	381,255	479,174
33. New York	NY L	3,119,503	332,787	296,612	193,706	1,502,434	743,386
34. North Carolina	NC L	6,702,706	2,602,347	2,254,998	1,637,542	13,452,953	12,160,212
35. North Dakota	ND L	1,266,175	0	32,842	0	115,000	0
36. Ohio	OH L	9,958,565	168,649	944,712	(200)	605,849	11,530
37. Oklahoma	OK L	51,560	27,683	3,093	0	18,855	1,992
38. Oregon	OR L	566,834	161,967	22,969	0	81,387	55
39. Pennsylvania	PA L	14,571,219	5,648,390	2,830,922	2,247,166	20,161,144	20,009,859
40. Rhode Island	RI L	0	0	0	0	914	507
41. South Carolina	SC L	2,025,889	361,496	329,672	13,797	2,181,354	2,352,659
42. South Dakota	SD L	1,497,165	654,044	319,226	144,829	1,576,994	1,845,608
43. Tennessee	TN L	6,680,592	2,777,503	1,444,946	809,959	7,947,448	7,146,130
44. Texas	TX L	6,398,564	3,410,277	1,969,698	698,968	1,364,370	614,279
45. Utah	UT L	1,688,222	2,308	288,780	1,297	172,322	4,566
46. Vermont	VT L	2,097,950	1,023,282	383,086	142,594	1,179,141	575,790
47. Virginia	VA L	6,754,840	2,972,259	2,182,850	1,196,608	9,460,990	10,132,561
48. Washington	WA L	357,687	730	16,314	0	70,214	0
49. West Virginia	WV L	1,655,678	360,408	289,278	(6,435)	344,780	293,498
50. Wisconsin	WI L	4,893,875	2,596,401	986,764	829,092	5,872,949	5,830,208
51. Wyoming	WY L	140,130	2,651	46,007	0	0	0
52. American Samoa	AS N	0	0	0	0	0	0
53. Guam	GU N	0	0	0	0	0	0
54. Puerto Rico	PR N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI N	0	0	0	0	0	0
56. Northern Mariana Islands	MP N	0	0	0	0	0	0
57. Canada	CN N	0	0	0	0	0	0
58. Aggregate Other Alien	OT XXX	0	0	0	0	0	0
59. Totals	(a) 47	153,049,954	49,561,355	33,541,984	19,566,230	168,976,976	155,771,569
<b>DETAILS OF WRITE-INS</b>							
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
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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.

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

Schedule Y - Part 1

**NONE**

Schedule Y - Part 1A

**NONE**

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	2,364,480	1,156,121	48.9	(0.9)
2. Allied lines	2,391,748	3,344,915	139.9	140.4
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	106	0	0.0	0.0
5. Commercial multiple peril	19,534,118	9,310,396	47.7	62.5
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	1,325,631	373,876	28.2	16.5
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	121,517	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	55,735	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	45,046,583	23,681,030	52.6	65.8
17.1 Other liability occurrence	11,668,758	1,466,691	12.6	(3.4)
17.2 Other liability-claims made	126,474	12,000	9.5	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	918,422	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	11,696	(600)	(5.1)	0.0
19.3,19.4 Commercial auto liability	11,207,109	3,921,127	35.0	15.4
21. Auto physical damage	4,519,221	3,740,320	82.8	119.0
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	295	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	144,648	226,835	156.8	0.0
27. Boiler and machinery	190,021	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	99,626,563	47,232,709	47.4	63.3
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	2,062,553	3,963,557	269,329
2. Allied lines	2,171,812	4,234,937	362,528
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	72	151	7
5. Commercial multiple peril	16,430,666	34,726,140	2,454,944
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	1,172,838	2,329,101	114,995
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	75,791	239,169	250
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	32,148	63,381	3,031
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	25,506,209	53,184,891	42,631,665
17.1 Other liability occurrence	10,446,840	21,472,044	1,376,967
17.2 Other liability-claims made	104,146	285,716	5,759
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	748,407	1,572,730	135,356
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	11,808	22,654	0
19.3,19.4 Commercial auto liability	10,085,653	21,582,375	1,652,331
21. Auto physical damage	4,057,584	8,828,784	512,691
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	(37)	641
24. Surety	0	0	0
26. Burglary and theft	99,744	238,673	13,631
27. Boiler and machinery	170,492	305,688	27,230
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	73,176,763	153,049,954	49,561,355
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior .....			.0			.0				.0	.0	.0	.0
2. 2010 .....			.0			.0				.0	.0	.0	.0
3. Subtotals 2010 + prior .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2011 .....			.0			.0				.0	.0	.0	.0
5. Subtotals 2011 + prior .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2012 .....	XXX	XXX	XXX	XXX		.0	XXX			.0	XXX	XXX	XXX
7. Totals .....	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Prior Year-End Surplus As Regards Policy-holders	73,019										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 0.0	2. 0.0	3. 0.0
													Col. 13, Line 7 Line 8
													4. 0.0

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	.....YES.....

**Explanation:**

- 1.
- 2.
- 3.

**Bar Code:**

1.   
2 3 2 8 0 2 0 1 2 4 9 0 0 0 0 0 2

2.   
2 3 2 8 0 2 0 1 2 4 5 5 0 0 0 0 2

3.   
2 3 2 8 0 2 0 1 2 3 6 5 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

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## SCHEDULE A – VERIFICATION

### Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other than temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

## SCHEDULE B – VERIFICATION

### Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....	0	0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

## SCHEDULE BA – VERIFICATION

### Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

## SCHEDULE D – VERIFICATION

### Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	73,031,442	69,629,530
2. Cost of bonds and stocks acquired .....	4,059,474	8,413,728
3. Accrual of discount .....	6,870	12,269
4. Unrealized valuation increase (decrease) .....	560,369	992,754
5. Total gain (loss) on disposals .....	200,355	316,275
6. Deduct consideration for bonds and stocks disposed of .....	3,227,465	5,631,804
7. Deduct amortization of premium .....	51,891	151,692
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	435,130	549,618
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	74,144,023	73,031,442
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	74,144,023	73,031,442

STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	47,199,678	758,123		386,177	47,199,678	48,343,978	.0	46,982,927
2. Class 2 (a).....	8,655,062			(408,986)	8,655,062	8,246,076	.0	8,731,749
3. Class 3 (a).....	772,113			(772,113)	772,113	.0	.0	756,904
4. Class 4 (a).....	952,447			782,034	952,447	1,734,481	.0	1,129,785
5. Class 5 (a).....					.0	.0	.0	.0
6. Class 6 (a).....					0	0	0	0
7. Total Bonds	57,579,300	758,123	0	(12,888)	57,579,300	58,324,535	0	57,601,365
<b>PREFERRED STOCK</b>								
8. Class 1.....	.0				.0	.0	.0	.0
9. Class 2.....	.0				.0	.0	.0	.0
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	57,579,300	758,123	0	(12,888)	57,579,300	58,324,535	0	57,601,365

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

S102

Schedule DA - Part 1

**NONE**

Schedule DA - Verification

**NONE**

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**



STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																						
665859-10-4	NORTHERN TRUST CORP.		04/02/2012	PRIOR YEAR INCOME			XXX															
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	10,332	XXX
9799997 - Subtotals - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	10,332	XXX
9799999 - Subtotals - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	10,332	XXX
9899999 - Subtotals - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	10,332	XXX
9999999 Totals						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	10,332	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

E05

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 Total Cash Equivalents					0	0	0

E12



SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2012 OF THE CINCINNATI INDEMNITY COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2012

NAIC Group Code 0244

NAIC Company Code 23280

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 23,241	\$ 10,831	\$ 5,000

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [ ] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [ ] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ .....16,084

2.32 Amount estimated using reasonable assumptions: \$ .....

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ .....