



ANNUAL STATEMENT

For the Year Ended December 31, 2012
of the Condition and Affairs of the

STONEBRIDGE CASUALTY INSURANCE COMPANY

NAIC Group Code.....0468, 0468 (Current Period) (Prior Period)	NAIC Company Code..... 10952	Employer's ID Number..... 31-4423946
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated/Organized..... November 15, 1957	Commenced Business..... April 15, 1958	
Statutory Home Office	366 E. Broad Street, C/O Andrew J. Federico..... Columbus OH US 43215 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	4333 Edgewood Road NE..... Cedar Rapids IA US..... 52499 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	319-355-8511 <i>(Area Code) (Telephone Number)</i>
Mail Address	4333 Edgewood Road NE..... Cedar Rapids IA US 52499 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	4333 Edgewood Road NE..... Cedar Rapids IA US 52499 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	319-355-8511 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.aegonins.com	
Statutory Statement Contact	Brenda Kay Kraemer <i>(Name)</i> brenda.kraemer@transamerica.com <i>(E-Mail Address)</i>	319-355-8549 <i>(Area Code) (Telephone Number) (Extension)</i> 319-355-2210 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Edward H. Walker III	President	2. Michael Allen Eubanks	Senior Vice President, Secretary & Division Genera
3. Eric John Martin	Senior Vice President & Corporate Controller	4.	

OTHER

DIRECTORS OR TRUSTEES

Craig Dean Vermie	Brenda Kay Clancy	Martha Ann McConnell	Brian Arthur Smith
Michael Allen Eubanks #	Glyn Douglas Mangum Jr	Edward H. Walker III	

State of..... Iowa
County of..... Linn

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) Edward H. Walker III 1. (Printed Name) President _____ (Title)	_____ (Signature) Michael Allen Eubanks 2. (Printed Name) Senior Vice President, Secretary & Division Genera _____ (Title)	_____ (Signature) Eric John Martin 3. (Printed Name) Senior Vice President & Corporate Controller _____ (Title)
--	--	---

Subscribed and sworn to before me
This 22nd day of February 2013

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 _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	234,126,428	0	234,126,428	211,968,336
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....(16,392,289), Schedule E-Part 1), cash equivalents (\$.....13,695,585, Schedule E-Part 2) and short-term investments (\$.....29,638,355, Schedule DA).....	26,941,652	0	26,941,652	14,952,105
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	95,327	0	95,327	32,492
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	17,727,242	0	17,727,242	22,001,094
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	278,890,649	0	278,890,649	248,954,027
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	2,328,657	0	2,328,657	2,202,001
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,650,024	0	4,650,024	5,722,158
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,628,238	0	10,628,238	10,321,171
16.2 Funds held by or deposited with reinsured companies.....	20,414	0	20,414	20,415
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	7,059,273	2,661,856	4,397,417	5,059,994
19. Guaranty funds receivable or on deposit.....	7,299	0	7,299	6,471
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0	473,685
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	3,394,302	0	3,394,302	3,015,251
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	306,978,856	2,661,856	304,317,000	275,775,173
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	306,978,856	2,661,856	304,317,000	275,775,173

DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Accounts receivable.....	3,159,725	0	3,159,725	2,303,526
2502. State transferrable tax credits.....	234,577	0	234,577	376,225
2503. Prepaid reinsurance premium.....	0	0	0	335,500
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,394,302	0	3,394,302	3,015,251

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	53,212,230	53,684,656
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	339,797	64,190
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	3,202,183	3,531,459
4. Commissions payable, contingent commissions and other similar charges.....	8,163,672	7,065,320
5. Other expenses (excluding taxes, licenses and fees).....	727,056	789,168
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,914,684	1,413,687
7.1 Current federal and foreign income taxes (including \$.....61,949 on realized capital gains (losses)).....	1,127,451	316,672
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....7,394,687 and interest thereon \$.....18,333.....	7,413,020	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....62,229,447 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).....	33,012,092	27,168,556
10. Advance premium.....	69	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,337,528	3,109,078
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	41,300,706	41,404,991
14. Amounts withheld or retained by company for account of others.....	0	0
15. Remittances and items not allocated.....	309,750	205,475
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	10,145,002	8,149,786
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	13,828,385	13,817,748
20. Derivatives.....	0	0
21. Payable for securities.....	0	0
22. Payable for securities lending.....	17,727,242	22,001,094
23. Liability for amounts held under uninsured plans.....	0	0
24. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	3,903,588	3,241,587
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	198,664,455	185,963,467
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	198,664,455	185,963,467
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	8,724,386	8,724,386
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	1,969,200
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	67,217,108	67,217,108
35. Unassigned funds (surplus).....	29,711,051	11,901,012
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	105,652,545	89,811,706
38. TOTALS (Page 2, Line 28, Col. 3).....	304,317,000	275,775,173

DETAILS OF WRITE-INS

2501. Accident & sickness active life reserves.....	2,901,815	2,251,913
2502. Contingency reserves.....	1,001,773	989,674
2503.	0	0
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).....	3,903,588	3,241,587
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. Increase in admitted deferred tax assets pursuant to SSAP No. 10R.....	0	1,969,200
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	1,969,200

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	169,421,007	123,138,976
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	87,945,385	70,980,941
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	1,153,518	2,535,205
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	65,597,327	46,315,330
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	154,696,230	119,831,476
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	14,724,777	3,307,500
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	10,400,353	10,172,971
10. Net realized capital gains (losses) less capital gains tax of \$.....61,949 (Exhibit of Capital Gains (Losses)).....	89,095	140,946
11. Net investment gain (loss) (Lines 9 + 10).....	10,489,448	10,313,917
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0
13. Finance and service charges not included in premiums.....	0	0
14. Aggregate write-ins for miscellaneous income.....	36,727	543,861
15. Total other income (Lines 12 through 14).....	36,727	543,861
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	25,250,952	14,165,278
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).....	25,250,952	14,165,278
19. Federal and foreign income taxes incurred.....	8,219,912	3,926,966
20. Net income (Line 18 minus Line 19) (to Line 22).....	17,031,040	10,238,312
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	89,811,706	108,852,073
22. Net income (from Line 20).....	17,031,040	10,238,312
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....517,891.....	961,798	441,443
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	252,522	(1,191,250)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(397,206)	809,729
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(1,995,216)	1,125,854
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	(14,000,000)
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	0	(16,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	(12,099)	(464,455)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	15,840,839	(19,040,367)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	105,652,545	89,811,706
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income.....	1,227,360	1,254,950
1402. Funds withheld ceded investment income.....	(539,803)	(518,121)
1403. Accident and sickness active life reserve.....	(649,902)	(192,818)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(928)	(150)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	36,727	543,861
3701. Change in admitted deferred tax assets pursuant to SSAP No. 10R.....	0	(437,952)
3702. Change in contingency reserve.....	(12,099)	(26,503)
3703.	0	0
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).....	(12,099)	(464,455)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	174,565,196	124,193,281
2. Net investment income.....	10,619,869	10,324,089
3. Miscellaneous income.....	566,313	543,861
4. Total (Lines 1 through 3).....	185,751,378	135,061,231
5. Benefit and loss related payments.....	89,932,072	75,154,901
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	62,669,921	49,344,124
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	7,783,582	4,941,388
10. Total (Lines 5 through 9).....	160,385,575	129,440,413
11. Net cash from operations (Line 4 minus Line 10).....	25,365,803	5,620,818
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	58,460,596	22,483,340
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	369	49
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(1,306)	1,041
12.7 Miscellaneous proceeds.....	4,273,852	10,615,004
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	62,733,511	33,099,434
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	79,264,888	18,279,630
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	128,042	110,835
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	79,392,930	18,390,465
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(16,659,420)	14,708,969
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	(14,000,000)
16.3 Borrowed funds.....	7,394,687	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	16,000,000
16.6 Other cash provided (applied).....	(4,111,526)	(5,162,114)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	3,283,161	(35,162,114)
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).....	11,989,544	(14,832,327)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	14,952,104	29,784,432
19.2 End of year (Line 18 plus Line 19.1).....	26,941,649	14,952,104
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	0	0	0	0
2.	Allied lines.....	0	0	0	0
3.	Farmowners multiple peril.....	0	0	0	0
4.	Homeowners multiple peril.....	0	0	0	0
5.	Commercial multiple peril.....	7,895	0	0	7,895
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	0	0	0	0
9.	Inland marine.....	148,468,352	6,927,220	10,333,162	145,062,409
10.	Financial guaranty.....	3,000,000	0	0	3,000,000
11.1	Medical professional liability - occurrence.....	0	0	0	0
11.2	Medical professional liability - claims-made.....	0	0	0	0
12.	Earthquake.....	0	0	0	0
13.	Group accident and health.....	306,959	1,992	1,624	307,327
14.	Credit accident and health (group and individual).....	478,637	0	0	478,637
15.	Other accident and health.....	55,720	1,416	1,407	55,729
16.	Workers' compensation.....	(40,795)	0	0	(40,795)
17.1	Other liability - occurrence.....	12,556	0	0	12,556
17.2	Other liability - claims-made.....	0	0	0	0
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability - occurrence.....	0	0	0	0
18.2	Products liability - claims-made.....	0	0	0	0
19.1, 19.2	Private passenger auto liability.....	0	0	0	0
19.3, 19.4	Commercial auto liability.....	0	0	0	0
21.	Auto physical damage.....	0	0	0	0
22.	Aircraft (all perils).....	0	0	0	0
23.	Fidelity.....	0	0	0	0
24.	Surety.....	0	0	0	0
26.	Burglary and theft.....	0	0	0	0
27.	Boiler and machinery.....	0	0	0	0
28.	Credit.....	10,998,230	16,581,396	20,060,570	7,519,056
29.	International.....	0	0	0	0
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	0	0	0	0
32.	Reinsurance - nonproportional assumed liability.....	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34.	Aggregate write-ins for other lines of business.....	11,977,058	3,656,532	2,615,398	13,018,192
35.	TOTALS.....	175,264,613	27,168,556	33,012,161	169,421,008

DETAILS OF WRITE-INS

3401.	Credit Unemployment.....	4,967,850	0	0	4,967,850
3402.	Contract Liability.....	7,008,963	3,656,532	2,615,398	8,050,097
3403.	Tuition Reimbursement.....	245	0	0	245
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	11,977,058	3,656,532	2,615,398	13,018,192

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.....	0	0	0	0	0
2.	Allied lines.....	0	0	0	0	0
3.	Farmowners multiple peril.....	0	0	0	0	0
4.	Homeowners multiple peril.....	0	0	0	0	0
5.	Commercial multiple peril.....	0	0	0	0	0
6.	Mortgage guaranty.....	0	0	0	0	0
8.	Ocean marine.....	0	0	0	0	0
9.	Inland marine.....	10,333,162	0	0	0	10,333,162
10.	Financial guaranty.....	0	0	0	0	0
11.1	Medical professional liability - occurrence.....	0	0	0	0	0
11.2	Medical professional liability - claims-made.....	0	0	0	0	0
12.	Earthquake.....	0	0	0	0	0
13.	Group accident and health.....	1,624	0	0	0	1,624
14.	Credit accident and health (group and individual).....	0	0	0	0	0
15.	Other accident and health.....	1,407	0	0	0	1,407
16.	Workers' compensation.....	0	0	0	0	0
17.1	Other liability - occurrence.....	0	0	0	0	0
17.2	Other liability - claims-made.....	0	0	0	0	0
17.3	Excess workers' compensation.....	0	0	0	0	0
18.1	Products liability - occurrence.....	0	0	0	0	0
18.2	Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2	Private passenger auto liability.....	0	0	0	0	0
19.3, 19.4	Commercial auto liability.....	0	0	0	0	0
21.	Auto physical damage.....	0	0	0	0	0
22.	Aircraft (all perils).....	0	0	0	0	0
23.	Fidelity.....	0	0	0	0	0
24.	Surety.....	0	0	0	0	0
26.	Burglary and theft.....	0	0	0	0	0
27.	Boiler and machinery.....	0	0	0	0	0
28.	Credit.....	0	20,060,570	0	0	20,060,570
29.	International.....	0	0	0	0	0
30.	Warranty.....	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	0	0	0	0	0
32.	Reinsurance - nonproportional assumed liability.....	0	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0	0	0	0	0
34.	Aggregate write-ins for other lines of business.....	0	2,615,398	0	0	2,615,398
35.	TOTALS.....	10,336,193	22,675,968	0	0	33,012,161
36.	Accrued retrospective premiums based on experience.....					0
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					33,012,161

DETAILS OF WRITE-INS

3401.	Contract Liability.....	0	2,615,398	0	0	2,615,398
3402.	.....	0	0	0	0	0
3403.	.....	0	0	0	0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	2,615,398	0	0	2,615,398

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

STONEBRIDGE CASUALTY INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	0	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0
5. Commercial multiple peril.....	0	0	0	0	(7,895)	7,895
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0
9. Inland marine.....	258,758,201	0	0	0	110,289,850	148,468,352
10. Financial guaranty.....	3,000,000	0	0	0	0	3,000,000
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0
13. Group accident and health.....	307,586	0	0	0	627	306,959
14. Credit accident and health (group and individual).....	478,637	0	0	0	0	478,637
15. Other accident and health.....	55,896	0	0	0	176	55,720
16. Workers' compensation.....	0	0	0	0	40,795	(40,795)
17.1 Other liability - occurrence.....	0	0	0	0	(12,556)	12,556
17.2 Other liability - claims-made.....	0	0	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0	0	0	0
21. Auto physical damage.....	0	0	0	0	0	0
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	0	0	0	0	0	0
24. Surety.....	0	0	0	0	0	0
26. Burglary and theft.....	0	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0	0
28. Credit.....	13,817,252	0	(2,241)	0	2,816,781	10,998,230
29. International.....	0	0	0	0	0	0
30. Warranty.....	897,316	0	(39,533)	0	857,783	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	16,315,078	0	(66,213)	0	4,271,807	11,977,058
35. TOTALS.....	293,629,967	0	(107,986)	0	118,257,367	175,264,613

DETAILS OF WRITE-INS

3401. Credit Unemployment.....	8,755,902	0	0	0	3,788,052	4,967,850
3402. Contract Liability.....	7,562,516	0	(19,461)	0	534,091	7,008,963
3403. Vehicle Service Cont.....	(3,584)	0	(46,752)	0	(50,336)	0
3498. Summary of remaining write-ins for Line 34 from overflow page..	245	0	0	0	0	245
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	16,315,078	0	(66,213)	0	4,271,807	11,977,058

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	0	0	0	0	142,090	193,430	(51,340)	0.0
2. Allied lines.....	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0.0
5. Commercial multiple peril.....	0	987,363	(71,546)	1,058,909	11,222,478	11,892,556	388,831	4,925.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	3,549	0	3,549	305,450	396,160	(87,161)	0.0
9. Inland marine.....	134,296,296	0	54,963,883	79,332,413	18,065,624	16,457,936	80,940,101	55.8
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	0	0	0	5,334	6,245	(911)	0.0
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0	0	0.0
12. Earthquake.....	0	0	0	0	0	0	0	0.0
13. Group accident and health.....	51,872	0	0	51,872	3,428	36,772	18,528	6.0
14. Credit accident and health (group and individual).....	110,500	0	0	110,500	126,385	161,516	75,368	15.7
15. Other accident and health.....	12,509	0	0	12,509	2,085	15,659	(1,065)	(1.9)
16. Workers' compensation.....	1,874,329	42,637	1,874,329	42,637	276,400	321,548	(2,510)	6.2
17.1 Other liability - occurrence.....	0	799,303	(60,884)	860,187	18,604,433	19,989,261	(524,641)	(4,178.4)
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0.0
17.3 Excess workers' compensation.....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence.....	0	0	0	0	0	0	0	0.0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	0	0	62,665	(62,665)	0	125,773	(188,438)	0.0
19.3, 19.4 Commercial auto liability.....	0	10,492	0	10,492	100,917	0	111,409	0.0
21. Auto physical damage.....	0	0	0	0	0	0	0	0.0
22. Aircraft (all perils).....	0	101	0	101	3,491	3,994	(402)	0.0
23. Fidelity.....	0	0	0	0	0	0	0	0.0
24. Surety.....	0	0	0	0	25,751	30,152	(4,401)	0.0
26. Burglary and theft.....	0	0	0	0	0	0	0	0.0
27. Boiler and machinery.....	0	0	0	0	0	0	0	0.0
28. Credit.....	5,555,899	(683)	2,035,063	3,520,153	805,297	1,059,194	3,266,256	43.4
29. International.....	0	0	0	0	0	0	0	0.0
30. Warranty.....	505,208	491,379	996,586	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	4,430,141	1,228,139	2,181,124	3,477,156	3,523,068	2,994,460	4,005,763	30.8
35. TOTALS.....	146,836,754	3,562,279	61,981,222	88,417,811	53,212,232	53,684,656	87,945,387	51.9

DETAILS OF WRITE-INS

3401. Credit Unemployment.....	802,932	0	187,432	615,500	561,548	802,121	374,927	7.5
3402. Contract Liability.....	3,607,988	212,904	959,235	2,861,656	2,961,520	2,192,339	3,630,837	45.1
3403. Vehicle Service Cont.....	19,222	1,015,235	1,034,457	0	0	0	0	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).....	4,430,141	1,228,139	2,181,124	3,477,156	3,523,068	2,994,460	4,005,763	30.8

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	0	60,415	469	59,946	0	82,245	101	142,090	9,552
2. Allied lines.....	0	0	0	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril.....	0	2,618,037	326,832	2,291,205	0	10,426,668	1,495,395	11,222,478	996,764
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	118,493	11,515	106,978	0	217,012	18,540	305,450	16,290
9. Inland marine.....	96,485	0	0	96,485	37,190,659	0	19,221,520	18,065,624	0
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	2,500	0	2,500	0	2,834	0	5,334	281
11.2 Medical professional liability - claims-made.....	0	0	0	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0	0	0	0
13. Group accident and health.....	0	0	0	0	3,428	0	0	(a) 3,428	79
14. Credit accident and health (group and individual).....	80,302	0	0	80,302	46,082	0	0	126,385	0
15. Other accident and health.....	0	0	0	0	2,085	0	0	(a) 2,085	48
16. Workers' compensation.....	42,539,001	130,023	42,539,001	130,023	7,459,293	147,377	7,460,293	276,400	16,818
17.1 Other liability - occurrence.....	0	5,498,102	463,636	5,034,466	0	15,125,828	1,555,861	18,604,433	2,134,874
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0	0
17.3 Excess workers' compensation.....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability.....	0	50,921	0	50,921	0	49,996	0	100,917	5,873
21. Auto physical damage.....	0	0	0	0	0	0	0	0	0
22. Aircraft (all perils).....	0	2,081	949	1,132	0	2,359	0	3,491	189
23. Fidelity.....	0	0	0	0	0	0	0	0	0
24. Surety.....	0	12,070	0	12,070	0	13,681	0	25,751	1,358
26. Burglary and theft.....	0	0	0	0	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0	0	0	0	0
28. Credit.....	114,775	0	90,939	23,836	1,951,800	10,755	1,181,094	805,297	17,884
29. International.....	0	0	0	0	0	0	0	0	0
30. Warranty.....	21,540	11,601	33,140	(0)	21,835	19,567	41,401	(0)	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business.....	1,599,965	95,661	67,784	1,627,843	2,533,330	120,197	758,302	3,523,068	2,173
35. TOTALS.....	44,452,068	8,599,904	43,534,265	9,517,707	49,208,513	26,218,519	31,732,507	53,212,232	3,202,183
DETAILS OF WRITE-INS									
3401. Credit Unemployment.....	309,545	0	0	309,545	887,981	0	635,978	561,548	2,173
3402. Contract Liability.....	1,289,342	28,956	0	1,318,298	1,644,017	100,306	101,101	2,961,520	0
3403. Vehicle Service Cont.....	1,078	66,706	67,784	0	1,332	19,891	21,223	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	1,599,965	95,661	67,784	1,627,843	2,533,330	120,197	758,302	3,523,068	2,173

(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.....	(592,876)	0	0	(592,876)
1.2 Reinsurance assumed.....	(322,000)	0	0	(322,000)
1.3 Reinsurance ceded.....	(583,230)	0	0	(583,230)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	(331,645)	0	0	(331,645)
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	91,399,758	0	91,399,758
2.2 Reinsurance assumed, excluding contingent.....	0	(3,197)	0	(3,197)
2.3 Reinsurance ceded, excluding contingent.....	0	43,718,496	0	43,718,496
2.4 Contingent - direct.....	0	4,465,711	0	4,465,711
2.5 Contingent - reinsurance assumed.....	0	0	0	0
2.6 Contingent - reinsurance ceded.....	0	4,047	0	4,047
2.7 Policy and membership fees.....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	52,139,729	0	52,139,729
3. Allowances to manager and agents.....	0	0	0	0
4. Advertising.....	0	562,592	0	562,592
5. Boards, bureaus and associations.....	3,941	35,835	236	40,012
6. Surveys and underwriting reports.....	0	0	0	0
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	638,104	3,615,964	113,557	4,367,625
8.2 Payroll taxes.....	46,685	264,553	5,849	317,087
9. Employee relations and welfare.....	116,794	661,833	23,385	802,012
10. Insurance.....	156	887	1,209	2,252
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	0	130,872	3,333	134,205
13. Rent and rent items.....	0	317,488	5,484	322,972
14. Equipment.....	0	(28,804)	9,442	(19,362)
15. Cost or depreciation of EDP equipment and software.....	0	693,430	0	693,430
16. Printing and stationery.....	31,272	179,715	925	211,912
17. Postage, telephone and telegraph, exchange and express.....	67,819	384,304	859	452,982
18. Legal and auditing.....	165,809	885,968	2,523	1,054,300
19. Totals (Lines 3 to 18).....	1,070,580	7,704,637	166,802	8,942,019
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	0	3,759,576	0	3,759,576
20.2 Insurance department licenses and fees.....	0	31,585	12,477	44,062
20.3 Gross guaranty association assessments.....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate).....	0	1,531,134	38	1,531,172
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	5,322,295	12,515	5,334,810
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	414,583	430,666	97,614	942,863
25. Total expenses incurred.....	1,153,518	65,597,327	276,931	(a) 67,027,776
26. Less unpaid expenses - current year.....	3,202,183	11,805,412	0	15,007,595
27. Add unpaid expenses - prior year.....	3,531,459	9,268,175	0	12,799,634
28. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	1,482,793	63,060,091	276,931	64,819,815

DETAILS OF WRITE-INS

2401. Sundry General Expenses.....	5,211	29,531	(409)	34,333
2402. Other Service Fees.....	0	301,580	0	301,580
2403. Bank Charges.....	10,072	57,346	712	68,130
2498. Summary of remaining write-ins for Line 24 from overflow page.....	399,300	42,209	97,311	538,820
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	414,583	430,666	97,614	942,863

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....691,491	.....496,757
1.1 Bonds exempt from U.S. tax.....	(a).....0	.....0
1.2 Other bonds (unaffiliated).....	(a).....9,865,199	.....10,169,239
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....53,469	.....53,477
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....(66,701)	.....(66,701)
9. Aggregate write-ins for investment income.....	.....194,000	.....208,622
10. Total gross investment income.....	.....10,737,458	.....10,861,394
11. Investment expenses.....		(g).....264,416
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....12,515
13. Interest expense.....		(h).....165,776
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....18,333
16. Total deductions (Lines 11 through 15).....		.....461,040
17. Net investment income (Line 10 minus Line 16).....		.....10,400,354

DETAILS OF WRITE-INS

0901. Borrowing Fee.....	.....151,328	.....168,047
0902. Security Lending Fee.....	.....41,577	.....39,480
0903. Misc. Investment Income.....	.....1,095	.....1,095
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).....	.....194,000	.....208,622
1501. Accrued Interest Expense- Collateral.....		.....18,333
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....18,333

- (a) Includes \$.....452,836 accrual of discount less \$.....731,058 amortization of premium and less \$.....353,040 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....13,061 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....0	.....0	.....0	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....268,369	.....(28,085)	.....240,284	.....1,391,739	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....964	.....0	.....964	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....(87,935)	.....0	.....(87,935)	.....87,950	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(2,270)	.....(2,270)	.....0	.....0
10. Total capital gains (losses).....	.....181,398	.....(30,355)	.....151,043	.....1,479,689	.....0

DETAILS OF WRITE-INS

0901. All Other Gains.....	.....0	.....(2,270)	.....(2,270)	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(2,270)	.....(2,270)	.....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	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	2,661,856	2,264,648	(397,208)
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,661,856	2,264,648	(397,208)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	2,661,856	2,264,648	(397,208)

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed by the 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 operation of an insurance company for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. While the Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices, none are included within this financial statement.

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

	State of Domicile	2012	2011
Net Income, State of Ohio Basis	OH	\$ 17,031,040	\$ 10,238,312
State Prescribed Practices	OH	0	0
State Permitted Practices	OH	0	0
Net Income, NAIC SAP	OH	<u>\$ 17,031,040</u>	<u>\$ 10,238,312</u>
Statutory Surplus, State of Ohio Basis	OH	\$ 105,652,545	\$ 89,811,706
State Prescribed Practices	OH	0	0
State Permitted Practices	OH	0	0
Statutory Surplus, NAIC SAP	OH	<u>\$ 105,652,545</u>	<u>\$ 89,811,706</u>

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

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

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are accounted for in the same manner as similar long-term investments. Investments in money market funds are reported in accordance with the guidance as outlined in the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO).
- (2) Investments in bonds not backed by other loans are stated at amortized cost using the scientific interest method, except those with NAIC designations of 3 - 6, which are stated at the lower of amortized cost or fair value.
- (3) The Company had no investments in common stock during 2012 or 2011.
- (4) The Company had no investments in preferred stock during 2012 or 2011.
- (5) The Company had no investments in mortgage loans during 2012 or 2011.
- (6) Investments in loan-backed securities are stated at amortized cost, except those with initial NAIC designations of 3 - 6, which are stated at the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities unless the security has been impaired.
- (7) The Company had no investments in subsidiaries, controlled or affiliated companies during 2012 or 2011.
- (8) The accounting policies of the insurer with respect to investments in joint ventures, partnerships and limited liability companies follow the guidance as outlined in SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*, and SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, a replacement of SSAP No. 88*, of the NAIC Accounting Practices and Procedures Manual.
- (9) The Company has not invested in derivatives.
- (10) The Company holds premium deficiency reserves as reported in Note 30.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Method used to estimate pharmaceutical rebate receivables - Not Applicable

2. Accounting Changes and Corrections of Errors

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

Effective December 31, 2012, the Company adopted non-substantive revisions to SSAP No. 86, *Accounting for Derivative Instruments and Hedging Activities*, (SSAP No. 86) to require disclosure of embedded credit derivatives within a financial instrument that expose the holder to the possibility of making future payments, and adopted guidance from Accounting Standards Update (ASU) 2010-11, *Derivatives and Hedging (Topic 815) – Scope Exception Related to Embedded Credit Derivatives*, to clarify that seller credit derivative disclosures do not apply to embedded derivative features related to the transfer of credit risk that is only in the form of subordination of one financial instrument to another. The adoption of these revisions had no impact to the Company's results of operation or financial position.

Effective December 31, 2012, the Company adopted non-substantive revisions to SSAP No. 27, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk, Financial Instruments with Concentrations of Credit Risk and Disclosures about Fair Value of Financial Instruments*, which clarifies that embedded derivatives, which are not separately recognized as derivatives under statutory accounting, are included in the disclosures of financial instruments with off-balance-sheet risk. The adoption of this revision had no impact to the Company's results of operation or financial position.

NOTES TO FINANCIAL STATEMENTS

Effective December 31, 2012, the Company adopted non-substantive revisions to SSAP No. 86 to move one aspect of the criteria for a hedged forecasted transaction and incorporate it as criteria for a fair value hedge. The adoption of this revision had no impact to the Company's results of operation or financial position.

Effective December 31, 2012, the Company adopted non-substantive revisions to SSAP No. 1, *Disclosure of Accounting Policies, Risks and Uncertainties and Other Disclosures*, to require reference to Note 1, Summary of Significant Accounting Policies, in each applicable financial statement note if the amount reported in the financial statement note has been adjusted by a prescribed or permitted practice. The adoption of this requirement had no impact to the Company's results of operation or financial position.

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

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

Effective January 1, 2012, the Company adopted revisions to SSAP No. 100, *Fair Value Measurements*. These revisions require new disclosures of fair value hierarchy and the method used to obtain the fair value measurement, a new footnote that summarizes hierarchy levels by type of financial instrument, and gross presentation of purchases, sales, issues and settlements within the reconciliation for fair value measurements categorized within Level 3 of the hierarchy. The adoption of these revisions had no impact to the Company's results of operation or financial position.

Effective December 31, 2011, the Company adopted non-substantive revisions to SSAP No. 100, *Fair Value Measurements*, to incorporate the provisions of Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. This revision required a new disclosure for assets and liabilities for which fair value is not measured and reported in the statement of financial position but is otherwise disclosed. The adoption of these revisions had no impact to the Company's results of operation or financial position.

Effective December 31, 2011, the Company adopted SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*. The revisions require the Company to recognize a liability equal to the greater of (a) the fair value of the guarantee at its inception, even if the likelihood of payment under the guarantee is remote or (b) the contingent liability amount required to be recognized if it is probable that a liability has been incurred at the financial statement date and the amount of loss can reasonably be determined. While this guidance does not exclude guarantees issued as intercompany transactions or between related parties from the initial liability recognition requirement, there are a couple exceptions. Guarantees made to/or on behalf of a wholly-owned subsidiary and related party guarantees that are considered "unlimited" (for example, in response to a rating agency's requirement to provide a commitment to support) are exempt from the initial liability recognition. Additional disclosures were also required under this new guidance for all guarantees, whether or not they meet the criteria for initial liability recognition. The adoption of this new accounting principle had no material impact to the Company's results of operations or financial position, but did require additional disclosures regarding these guarantees. See Note 14 on Commitments and Contingencies for further details.

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

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

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

3. Business Combinations and Goodwill

- A. Statutory Purchase Method - Not Applicable
- B. Statutory Merger - Not Applicable
- C. Impairment Loss - Not Applicable

4. Discontinued Operations

- (1) The Company entered into an agreement to sell its auto liability policies to MetLife Property and Casualty Insurance Company effective June 27, 1989.
- (2) The sale was completed June 27, 1989.
- (3) MetLife assumed responsibility for all claim payments, including claims incurred to the sale date. The Company has continued to maintain inforce an excess of loss reinsurance agreement with General Re Life Corporation. The excess of loss reinsurance agreement is expected to stay inforce until all claims incurred to the sale date are settled.
- (4) The Company's auto operations have been classified as Discontinued Operations and have been reported consistently with the Company's reporting of continuing operations.

NOTES TO FINANCIAL STATEMENTS

- (5) The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Statement of Income are as follows:

Balance sheet December 31, 2012

Assets

a. Line 5	Cash	\$	-
b. Line 28	Totals	\$	-

Liabilities, Surplus and Other Funds

c. Line 28	Total liabilities	\$	-
d. Line 37	Surplus	\$	62,665
e. Line 38	Total	\$	62,665

Statement of Income December 31, 2012

f. Line 1	Premius	\$	-
g. Line 6	Total underwriting deductions	\$	(62,665)
h. Line 8	Net underwriting gain or loss	\$	62,665
i. Line 18	Net income after dividends to policy holders, after capital gains tax and before all other federal and foreign income taxes	\$	62,665
j. Line 19	Federal and foreign income taxes incurred	\$	21,933
k. Line 20	Net income	\$	40,732

5. Investments

A. Mortgage Loans - None

B. Debt Restructuring - The Company had no investments in restructured loans during 2012 or 2011.

C. Reverse Mortgages - None

D. Loan-Backed Securities

- (1) Prepayment assumptions were obtained from BlackRock or Bloomberg prepayment models. If assumptions were not available from these sources, internal estimates were used.
- (2) There were no loan-backed securities with a recognized other-than-temporary impairment due to intent to sell or lack of intent and ability to hold during the current reporting period.
- (3) The following loan-backed and structured securities were held at December 31, 2012, for which an other-than-temporary impairment had been previously recognized:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
22942KCA6	\$ 491,068	\$ 453,135	\$ 37,933	\$ 453,135	\$ 253,559	3Q 2009
22942KCA6	453,135	442,465	10,670	442,465	262,698	3Q 2009
43718MAD6	5,620,894	5,307,233	313,661	5,307,233	2,898,766	4Q 2009
22942KCA6	406,690	402,099	4,592	402,099	298,213	1Q 2010
43718MAD6	5,226,795	5,002,824	223,971	5,002,824	2,919,386	1Q 2010
74925FAA1	917,213	876,094	41,119	876,094	812,403	1Q 2010
22942KCA6	383,425	380,456	2,969	380,456	273,804	2Q 2010
52522QAM4	662,553	633,842	28,711	633,842	451,831	2Q 2010
65536PAA8	157,996	148,508	9,488	148,508	135,313	2Q 2010
22942KCA6	365,655	364,641	1,014	364,641	284,816	3Q 2010
65536PAA8	87,271	80,446	6,825	80,446	75,595	3Q 2010
22942KCA6	350,148	326,654	23,494	326,654	266,028	4Q 2010
52522QAM4	579,986	574,453	5,534	574,453	442,345	4Q 2010
74925FAA1	766,041	733,740	32,301	733,740	720,926	4Q 2010
22942KCA6	306,869	272,405	34,464	272,405	232,293	2Q 2011
65536PAA8	61,066	59,655	1,411	59,655	33,419	2Q 2011
65536PAA8	58,247	56,731	1,516	56,731	27,816	3Q 2011
52522QAM4	502,892	470,482	32,410	470,482	373,392	4Q 2011
65536PAA8	55,670	55,076	594	55,076	22,761	4Q 2011
74925FAA1	635,290	611,184	24,107	611,184	586,800	4Q 2011
65536PAA8	54,490	53,573	918	53,573	25,245	1Q 2012
36185MAF9	1,831,534	1,828,420	3,114	1,828,420	1,552,591	1Q 2012
52522QAM4	442,124	435,998	6,126	435,998	370,944	2Q 2012
65536PAA8	52,970	49,686	3,284	49,686	23,934	2Q 2012
74925FAA1	563,546	560,459	3,086	560,459	557,181	2Q 2012
36185MAF9	1,724,849	1,712,471	12,379	1,712,471	1,402,382	2Q 2012
65536PAA8	48,237	46,788	1,449	46,788	27,941	3Q 2012
Total	xxx	xxx	\$ 867,137	\$ xxx	xxx	xxx

- (4) The unrealized losses of loan-backed and structured securities where fair value is less than cost or amortized cost for which an other-than-temporary impairment has not been recognized in earnings as of December 31, 2012 are as follows:

a. The aggregate amount of unrealized losses:			
1.	Less than 12 Months	\$	97,074
2.	12 Months or Longer	\$	1,349,035
b. The aggregate related fair value of securities with unrealized losses:			
1.	Less than 12 Months	\$	429,752
2.	12 Months or Longer	\$	9,991,087

NOTES TO FINANCIAL STATEMENTS

(5) Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	(1) <u>Amortized Cost</u>	(2) <u>Fair Value</u>
1. Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	<u>\$ -</u>	<u>\$ -</u>
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
2. Securities Lending		
(a) Open	\$ 4,638,887	\$ 4,638,887
(b) 30 Days or Less	7,850,424	7,850,531
(c) 31 to 60 Days	3,280,285	3,268,306
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	636,607	636,718
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	1,334,855	1,317,931
(j) Greater Than 3 Years	-	-
(k) Sub-Total	<u>\$ 17,741,058</u>	<u>\$ 17,712,373</u>
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u><u>\$ 17,741,058</u></u>	<u><u>\$ 17,712,373</u></u>
3. Dollar Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	<u>\$ -</u>	<u>\$ -</u>
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

- b. The Company's sources of cash that it uses to return the cash collateral is dependent upon the liquidity of the current market conditions. Under current conditions, the Company has securities with par value of \$17,731,581 (fair value of \$17,712,373) that are currently tradable securities that could be sold and used to pay for the \$17,798,172 in collateral calls that could come due under a worst-case scenario.

F. Real Estate - None.

G. Investments in Low-Income Housing Tax Credits

For the year ending December 31, 2012, the Company had ownership interest in two Low Income Housing Tax Credit Investments. The remaining years of unexpired tax credits ranged from eight to nine, and none of the properties were subject to regulatory review. The length of time remaining for the holding periods ranged from twelve to fourteen years. The amount of contingent equity commitments expected to be paid during 2013 is \$180,309. There were no impairment losses, write-downs, or reclassifications during the year related to any of these credits.

6. Joint Ventures, Partnerships, and Limited Liability Companies

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

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

C. The Company had contingent commitments of \$180,309 and \$4,617 as of December 31, 2012 and 2011, respectively, for Joint Ventures, Partnerships and Limited Liability Companies, which includes LIHTC commitments disclosed in Note 5G.

7. Investment Income

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

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

B. The total amount excluded from bonds was \$0 and \$0 as of December 31, 2012 and December 31, 2011, respectively.

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

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

	12/31/2012		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,839,681	\$ 480,093	\$ 7,319,774
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	6,839,681	480,093	7,319,774
(d) Deferred Tax Assets Nonadmitted	2,661,856	-	2,661,856
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	4,177,825	480,093	4,657,918
(f) Deferred Tax Liabilities	101,287	159,214	260,501
(g) Net Admitted Deferred Tax Assets (1e-1f)	<u>\$ 4,076,538</u>	<u>\$ 320,879</u>	<u>\$ 4,397,417</u>

	12/31/2011		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 6,519,711	\$ 1,021,964	\$ 7,541,675
(b) Statutory Valuation Allowance Adjustment	-	(185,899)	(185,899)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	6,519,711	836,065	7,355,776
(d) Deferred Tax Assets Nonadmitted	2,078,749	-	2,078,749
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	4,440,962	836,065	5,277,027
(f) Deferred Tax Liabilities	-	217,033	217,033
(g) Net Admitted Deferred Tax Assets (1e-1f)	<u>\$ 4,440,962</u>	<u>\$ 619,032</u>	<u>\$ 5,059,994</u>

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 319,970	\$ (541,871)	\$ (221,901)
(b) Statutory Valuation Allowance Adjustment	-	185,899	185,899
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	319,970	(355,972)	(36,002)
(d) Deferred Tax Assets Nonadmitted	583,107	-	583,107
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	(263,137)	(355,972)	(619,109)
(f) Deferred Tax Liabilities	101,287	(57,819)	43,468
(g) Net Admitted Deferred Tax Assets (1e-1f)	<u>\$ (364,424)</u>	<u>\$ (298,153)</u>	<u>\$ (662,577)</u>

	12/31/2012		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 3,336,445	\$ 320,879	\$ 3,657,324
(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)	\$ 740,093	\$ -	\$ 740,093
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ 740,093	\$ -	\$ 740,093
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	14,461,216
(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	\$ 101,287	\$ 159,214	\$ 260,501
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101, Total (2(a) + 2(b) + 2(c))	\$ 4,177,825	\$ 480,093	\$ 4,657,918

NOTES TO FINANCIAL STATEMENTS

	12/31/2011		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 3,642,619	\$ 619,032	\$ 4,261,651
(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)	\$ 798,343	\$ -	\$ 798,343
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ 798,343	\$ -	\$ 798,343
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ 12,216,850	\$ -	\$ 12,216,850
(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	\$ -	\$ 217,033	\$ 217,033
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101, Total (2(a) + 2(b) + 2(c))	\$ 4,440,962	\$ 836,065	\$ 5,277,027

	Change		
	(7) Ordinary	(8) Capital	(9) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ (306,174)	\$ (298,153)	\$ (604,327)
(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)	\$ (58,250)	\$ -	\$ (58,250)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ (58,250)	\$ -	\$ (58,250)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	\$ 2,244,366
(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	\$ 101,287	\$ (57,819)	\$ 43,468
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101, Total (2(a) + 2(b) + 2(c))	\$ (263,137)	\$ (355,972)	\$ (619,109)

	12/31/2012	12/31/2011
3. (a) Ratio Percentage Used To Determine Recovery Period and Threshold Limitation Amount	333%	408%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation in 2(b)2 above	101,255,128	84,751,712

	12/31/2012		
	(1) Ordinary Percent	(2) Capital Percent	(3) Total Percent
4.			

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%
(c) Does the Company's tax-planning strategies include the use of reinsurance?	Yes _____	No <u>X</u>	

NOTES TO FINANCIAL STATEMENTS

12/31/2011		
(4)	(5)	(6)
Ordinary Percent	Capital Percent	Total Percent

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

Change		
(7)	(8)	(9)
Ordinary Percent	Capital Percent	Total Percent

Impact of Tax Planning Strategies:

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

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

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

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

(1)	(2)	(3)
12/31/2012	12/31/2011	(Col 1-2) Change

1. Current Income Tax

(a) Federal	\$ 8,219,911	\$ 3,926,966	\$ 4,292,945
(b) Foreign	-	-	-
(c) Subtotal	8,219,911	3,926,966	4,292,945
(d) Federal income tax on net capital gains	61,950	130,329	(68,379)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 8,281,861</u>	<u>\$ 4,057,295</u>	<u>\$ 4,224,566</u>

NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)
12/31/2012	12/31/2011	(Col 1-2) Change

2. Deferred Tax Assets:

(a) Ordinary

(1) Discounting of unpaid losses	\$ 1,535,206	\$ 1,467,699	\$ 67,507
(2) Unearned premium reserve	1,650,385	2,045,936	(395,549)
(3) Policyholder reserves	13,510	9,277	4,233
(4) Corporate provision	89,829	35,000	54,829
(5) Reinsurance in unauthorized companies	3,550,750	2,852,425	698,325
(6) Other (including items <5% of total ordinary tax assets)	-	109,375	(109,375)
(99) Subtotal	\$ 6,839,680	\$ 6,519,712	\$ 319,970

(b) Statutory valuation allowance adjustment

\$ -	\$ -	\$ -
------	------	------

(c) Nonadmitted

\$ 2,661,856	\$ 2,078,749	\$ 583,107
--------------	--------------	------------

(d) Admitted ordinary deferred tax assets (2a99-2b-2c)

\$ 4,177,824	\$ 4,440,963	\$ (263,137)
--------------	--------------	--------------

(e) Capital:

(1) Investments	\$ 480,093	\$ 1,021,964	\$ (541,871)
(2) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	\$ 480,093	\$ 1,021,964	\$ (541,871)

(f) Statutory valuation allowance adjustment

\$ -	\$ 185,899	\$ (185,899)
------	------------	--------------

(g) Nonadmitted

\$ -	\$ -	\$ -
------	------	------

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)

\$ 480,093	\$ 836,065	\$ (355,972)
------------	------------	--------------

(i) Admitted deferred tax assets (2d + 2h)

\$ 4,657,917	\$ 5,277,028	\$ (619,109)
--------------	--------------	--------------

3. Deferred Tax Liabilities

(a) Ordinary

(1) Other (including items <5% of total ordinary tax liabilities)	313	\$ -	\$ 313
(99) Subtotal	\$ 313	\$ -	\$ 313

(b) Capital

(1) Investments	\$ 260,188	\$ 217,033	\$ 43,155
(2) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 260,188	\$ 217,033	\$ 43,155

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

\$ 260,501	\$ 217,033	\$ 43,468
------------	------------	-----------

4. Net deferred tax assets/liabilities (2i - 3c)

\$ 4,397,416	\$ 5,059,995	\$ (662,577)
--------------	--------------	--------------

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

	12/31/2012	12/31/2011
Current income taxes incurred	\$ 8,281,861	\$ 4,057,295
Change in deferred income taxes (without tax on unrealized gains and losses)	(438,421)	1,207,668
Total income tax reported	\$ 7,843,440	\$ 5,264,963
Income before taxes	25,312,901	14,295,610
	35.00%	35.00%
Expected income tax expense (benefit) at 35% statutory rate	\$ 8,859,515	\$ 5,003,464
Increase (decrease) in actual tax reported resulting from:		
a. Tax credits	\$ (116,688)	\$ (10,166)
b. Tax-exempt income	(4,698)	-
c. Nondeductible expenses	325	53
d. Deferred tax benefit on other items in surplus	(702,560)	384,773
e. Provision to return	(4,704)	(2,662)
f. Statutory valuation allowance	(185,899)	16,417
g. Other	(1,851)	(126,915)
Total income tax reported	\$ 7,843,440	\$ 5,264,963

E. Loss and credit carryforwards

(1) As of December 31, 2012, the Company has no operating loss, capital loss, or tax credit carryforwards available for tax purposes.

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

2012	\$ 8,114,995
2011	\$ 4,741,330
2010	\$ 4,151,744

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

NOTES TO FINANCIAL STATEMENTS

F. Consolidated federal income tax return

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

G. Federal or Foreign Income Tax Loss Contingencies

It is not anticipated that the total amounts of unrecognized tax benefits will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

- A-C. The Company did not pay common stock dividends to its parent company during 2012. On May 16, 2011, the Company paid \$30,000,000 in dividends to its parent company, AEGON USA, LLC. The payment consisted of an ordinary cash dividend of \$10,800,000, an extraordinary dividend of \$5,200,000 and a return of capital of \$14,000,000.
- D. At December 31, 2012 and 2011, the Company reported a net amount of \$13,828,385 and \$13,344,063 payable to Parent, Subsidiary, and Affiliated Companies, respectively. Terms of settlement require that these amounts are settled within 90 days.
- E. The Company has made no guarantees or commitments with regard to affiliated or related parties.
- F. The Company does not have employees. The Company is party to a common cost allocation service arrangement between AEGON companies, in which various affiliated companies may perform specified administrative functions in connection with the operation of the Company, in consideration of reimbursement of actual costs of services rendered. AEGON USA Investment Management, LLC acts as a discretionary investment manager under an Investment Management Agreement with the Company.
- G. All outstanding shares of the Company are owned by AEGON USA, LLC, a holding company domiciled in the state of Iowa.
- H. The Company does not own any shares of stock of its Parent Company.
- I. The Company has no investments in Subsidiary, Controlled or Affiliated Companies.
- J. The Company has no investments in Subsidiary, Controlled or Affiliated Companies.
- K. The Company has no investments in foreign insurance subsidiaries.
- L. The Company does not hold any investments in a downstream noninsurance holding company.

11. Debt

- A. The Company had an outstanding liability for borrowed money in the amount of \$7,413,020 and \$0 as of December 31, 2012 and 2011, respectively, due to participation in dollar repurchase agreements which includes accrued interest. The Company enters dollar repurchase agreements in which securities are delivered to the counterparty once adequate collateral has been received as stated in Note 5E.
- B. FHLB (Federal Home Loan Bank) Agreements - None

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

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

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

- (1) The Company has 500,645 common shares authorized, 396,563 shares issued and outstanding. Par value is \$22.
- (2) The Company has no preferred stock authorized.
- (3) The Company is subject to limitations, imposed by the State of Ohio, on the payment of dividends to its parent company. Generally, dividends during any twelve month period may not be paid, without prior regulatory approval, in excess of the greater of (a) 10 percent of statutory surplus as of the preceding December 31, or (b) statutory net income. Subject to availability of unassigned surplus at the time of such dividend, the maximum payment which may be made in 2013 without the prior approval of insurance regulatory authorities is \$17,031,040.
- (4) The Company did not pay common stock dividends to its parent company during 2012. On May 16, 2011, the Company paid \$30,000,000 in dividends to its parent company, AEGON USA, LLC. The payment consisted of an ordinary cash dividend of \$10,800,000, an extraordinary dividend of \$5,200,000 and a return of capital of \$14,000,000.
- (5) Within the limitation of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) The total amount of advances to surplus not repaid is \$0.
- (8) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:

(a) For conversion of preferred stock	0 Shares
(b) For employee stock options	0 Shares
(c) For stock purchase warrants	0 Shares
- (9) Changes in balances of special surplus funds from the prior year are due to: Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

(a) Unrealized gains and losses	(\$1,347,033)
(b) Nonadmitted asset values	(\$2,661,856)
(c) Reinsurance in unauthorized companies	(\$6,132,186)

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

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

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

14. Contingencies

A. Contingent Commitments

The Company has purchased annuities from life insurers under which the claimants are payees to fund future payments that are fixed to specific claim settlement provisions. The Company is continually liable for the outstanding balances under these annuities amounting to \$41,472.

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
The Company has reduced reserves for annuities purchased where the claimant is the payee. The Company is contingently liable for such amounts should the issuers of the annuities fail to perform under the terms of the annuities.	\$ -	Payment would impact losses incurred.	\$ 41,472	No payments required as of December 31, 2012. Current assessment of risk of making payments under guarantees is remote.

	12/31/2012
a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above).	\$ 41,472
b. Current Liability Recognized in F/S:	
1. Noncontingent Liabilities	-
2. Contingent Liabilities	-
3. Total	\$ -
c. Ultimate Financial Statement Impact if action under the guarantee is required.	
1. Investments in SCA	-
2. Joint Venture	-
3. Dividends to Stockholders (capital contribution)	-
4. Expense	-
5. Other	41,472
6. Total	\$ 41,472

B. Assessments

(1) The Company is assessed amounts by state guaranty funds to cover losses to policyholders of insolvent or rehabilitated insurance companies. Those mandatory assessments may be partially recovered through a reduction in future premium taxes in certain states. Amounts assessed during 2012 and 2011 were not material.

(2) Reconciliation of Assets Recognized from Paid and Accrued Premium Tax Offsets Related to Guaranty Fund Assessments

As of Year End 2012:	<u>Dollar Amount</u>
a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end:	\$ 6,471
b. Decreases current year:	
Premium tax offset applied:	\$ (1,824)
c. Increases current year:	
Premium tax asset from new assessments:	\$ 2,652
d. Assets recognized from paid and accrued premium tax offsets and policy	<u>\$ 7,299</u>

C. Gain Contingencies - None

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits - None

NOTES TO FINANCIAL STATEMENTS

E. All Other Contingencies

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

15. Leases - The Company does not have any material lease obligations.

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

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

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

A. Transfers of Receivables Reported as Sales - None

B. Transfer and Servicing of Financial Assets – Not Applicable except for item (2).

(2) See Note 5E.

C. Wash Sales - None

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

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premium Written/ Produced By
Customized Services Administrators 5454 Ruffin Road San Diego, CA 92123	33-0463446	No	Travel Insurance	C, CA, P, U	\$74,971,377
The Berkeley Group 300 Jericho Quadrangle PO Box 9022 Jericho, NY 11753	36-3642411	No	Travel Insurance	C, CA, P, U	\$98,270,349
RBC U.S. Insurance Services, Inc. 6881 Financial Drive Mississauga, ON L4N 7Y5	57-0714532	No	Travel Insurance	C, CA, P, U	\$23,652,181
Total MGA/TPA premiums					\$196,893,907

20. Fair Value Measurements

A. (1) Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Bonds				
Industrial and Misc	\$ -	\$ 5,422,070	\$ 85,500	\$ 5,507,570
Total Bonds	\$ -	\$ 5,422,070	\$ 85,500	\$ 5,507,570
Short Term				
Industrial and Misc	\$ -	\$ 13,695,585	\$ -	\$ 13,695,585
Mutual Funds	-	29,638,359	-	29,638,359
Total Short Term	\$ -	\$ 43,333,944	\$ -	\$ 43,333,944
Total assets at fair value	\$ -	\$ 48,756,014	\$ 85,500	\$ 48,841,514
b. Liabilities at fair value	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

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

	Beginning Balance at 01/01/2012	Transfers in (Level 3)	Transfers out (Level 3)	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus
Bonds					
RMBS	\$ 4,051,151	\$ 1,518,020	\$ 5,062,273	\$ (9,583)	\$ 1,510,846
Total	\$ 4,051,151	\$ 1,518,020	\$ 5,062,273	\$ (9,583)	\$ 1,510,846

	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Bonds					
RMBS	\$ -	\$ -	\$ -	\$ 1,922,661	\$ 85,500
Total	\$ -	\$ -	\$ -	\$ 1,922,661	\$ 85,500

Transfers in for bonds were attributed to securities being valued using third party vendor inputs at December 31, 2011, subsequently changing to being internally modeled, thus causing the transfer into Level 3 during 2012.

NOTES TO FINANCIAL STATEMENTS

Transfers out for bonds were attributed to securities being internally modeled at December 31, 2011, subsequently changing to being valued using third party vendor inputs during 2012.

- (3) The Company's policy is to recognize transfers in and out of Level 3 as of the beginning of the reporting period.
- (4) Bonds classified in Level 2 are valued using inputs from third party pricing services or broker quotes. Level 3 measurements for bonds are primarily those valued using broker quotes or internal modeling which utilize inputs that are not market observable.

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

C. Fair Value Hierarchy by Type of Financial Instrument

Type of Financial Instrument	(1) Aggregate Fair Value	(2) Admitted Assets	(3) (Level 1)	(4) (Level 2)	(5) (Level 3)	(6) Not Practicable (Carrying Value)	(7)
Bonds	\$ 255,361,530	\$ 234,126,428	\$ 38,784,196	\$ 216,491,834	\$ 85,500	-	-
Cash, Cash Equivalents & Short Term	26,941,655	26,941,652	-	26,941,655	-	-	-
	<u>\$ 282,303,185</u>	<u>\$ 261,068,080</u>	<u>\$ 38,784,196</u>	<u>\$ 243,433,489</u>	<u>\$ 85,500</u>	<u>\$ -</u>	<u>-</u>

D. Not Practicable to Estimate Fair Value – Not Applicable

21. Other Items

- A. Extraordinary Items - None
- B. Troubled Debt Restructuring - None
- C. Other Disclosures

Assets in the amount of \$4,652,167 and \$4,607,947 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

The Company has established an offset to amounts recoverable from reinsurers for disputed reinsurance recoverables.

- D. Uncollectible Assets - None
- E. Business Interruption Insurance Recoveries - None
- F. State Transferable and Non-transferable Tax Credits

- (1) The following table provides the carrying value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total:

(1) Description of State Transferable Tax Credits	(2) State	(3) Carrying Value	(4) Unused Amount*
Low-Income Housing Tax Credits	MA	\$ 234,577	\$ 424,946
Total		\$ 234,577	\$ 424,946

*The unused amount reflects credits that we deem will be realizable in the period 2013-2015.

- (2) The Company estimated the utilization of the remaining State Transferable Tax credits by projecting a future tax liability based on projected premium, tax rates and tax credits, and comparing the projected future tax liability to the availability of remaining State Transferable Tax Credits.
- (3) The Company had no impairment losses related to State Transferable Tax Credits.
- (4) State Tax Credits Admitted and Nonadmitted.

	Total Admitted	Total Nonadmitted
a. Transferable	\$ 234,577	\$ -
b. Non-Transferable	\$ -	\$ -

G. Subprime Mortgage Related Risk Exposure

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

For asset-backed securities in an unrealized loss position, the Company would consider them for impairment when there has been an adverse change in estimated cash flows from the cash flows previously projected at purchase, which is in accordance with SSAP No. 43R. The Company has recorded impairments of \$13,222 in 2012 and \$0 in 2011.

- (2) The Company does not have any direct residential mortgages to subprime borrowers outside of the ABS structures.

NOTES TO FINANCIAL STATEMENTS

- (3) The following table provides the actual cost, carrying value and fair value by asset class of the Company's subprime mortgage direct exposure through other investments at December 31, 2012:

	1	2	3	4
	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 5,627,666	\$ 4,963,704	\$ 4,963,704	\$ 13,222
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 5,627,666	\$ 4,963,704	\$ 4,963,704	\$ 13,222

- (4) The Company does not have any underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

H. Retained Assets – None

22. Events Subsequent

As of February 13, 2013, the Company is not aware of any Type I Recognized or Type II Non-recognized events subsequent to December 31, 2012, which would have a material adverse effect upon the financial condition of the Company.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company's unsecured reinsurance balances, included ceded case IBNR reserves, in excess of 3% of policyholder's surplus with any one reinsurer are displayed below:

NAIC Company Code	Federal Id # (FEIN)	Name of Reinsurer	Amount
20443	36-2114545	Continental Cas Co	\$ 28,396,687
11231	13-5617450	Generali US Branch	\$ 17,810,439
86258	13-2572994	General Re Life Corp	\$ 4,133,701
62235	01-0278678	UNUM Life Ins Co of Amer	\$ 3,584,271

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed and Ceded - None

D. Uncollectible Reinsurance - None

E. Commutation of Ceded Reinsurance - None

F. Retroactive Reinsurance - None

G. Reinsurance Accounted for as a Deposit – None

H. Disclosure for the Transfer of Property and Casualty Run-off Agreements - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – None

25. Change in Incurred Losses and Loss Adjustment Expenses

- A. After benefit and expense payments of \$12,942,000, reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased by \$6,121,000 from \$20,752,000 in 2011 to \$1,689,000 in 2012. This decrease was primarily a result of re-estimation of unpaid losses and loss adjustment expenses primarily on the travel block of business. This change is the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

For the Corpa Re division, after benefit and expense payments of \$1,975,878, reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased by \$618,901 from \$36,463,123 to \$33,868,344 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on general liability and commercial multi-peril lines of business. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements - None

27. Structured Settlements

A. Reserves Released Due to Purchase of Annuities

The Company has purchased annuities from life insurers under which the claimants are payees. The aggregate value of annuities due from all life insurers as of December 31, 2012 was \$41,472. No one life insurer equals or exceeds 1% of the Company's policyholder surplus.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ _____	\$ _____ 41,472

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

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

28. Health Care Receivables - None

29. Participating Policies – None

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$ 97,288
 2. Date of the most recent evaluation of this liability September 2012
 3. Was anticipated investment income utilized in the calculation? Yes No

31. High Deductibles - None

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses - None

33. Asbestos/Environmental Reserves

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

Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

Yes (X) No ()

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

(1) Direct Basis - None

(2) Assumed Reinsurance (in dollars)

	(1) 2012	(2) 2011	(3) 2010	(4) 2009	(5) 2008
a. Beginning reserves:	\$ 28,704,778	\$ 30,082,682	\$ 28,822,732	\$ 29,372,296	\$ 26,388,232
b. Incurred losses and loss adjustment expense:	(870,464)	(223,878)	2,918,613	555,531	4,404,599
c. Calendar year payments for losses and loss adjustment expenses:	1,318,333	1,154,026	1,658,663	1,105,095	1,420,535
d. Ending reserves:	\$ 26,515,981	\$ 28,704,778	\$ 30,082,682	\$ 28,822,732	\$ 29,372,296

(3) Net of Ceded Reinsurance (in dollars)

	(1) 2012	(1) 2011	(2) 2010	(3) 2009	(4) 2008
a. Beginning reserves:	\$ 24,533,787	\$ 22,907,166	\$ 21,647,151	\$ 20,921,799	\$ 18,280,354
b. Incurred losses and loss adjustment expense:	(126,019)	3,484,952	2,480,251	1,262,840	3,603,148
c. Calendar year payments for losses and loss adjustment expenses:	1,459,755	1,858,331	1,220,236	537,488	961,703
d. Ending reserves:	\$ 22,948,013	\$ 24,533,787	\$ 22,907,166	\$ 21,647,151	\$ 20,921,799

- B. State the amount of the ending reserves for Bulk + IBNR included in A (loss & LAE):

(1) Direct Basis:	\$ -
(2) Assumed Reinsurance Basis:	\$ 21,641,000
(3) Net of Ceded Reinsurance Basis:	\$ 18,810,103

- C. State the amount of ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):

(1) Direct Basis:	\$ -
(2) Assumed Reinsurance Basis:	\$ -
(3) Net of Ceded Reinsurance Basis:	\$ -

- D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses?

Yes (X) No ()

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

(1) Direct Basis - None

(2) Assumed Reinsurance (in dollars)

	(1) 2012	(2) 2011	(3) 2010	(4) 2009	(5) 2008
a. Beginning reserves:	\$ 2,522,586	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000
b. Incurred losses and loss adjustment expense:	374,879	533,962	111,117	909,459	(702,385)
c. Calendar year payments for losses and loss adjustment expenses:	203,357	535,781	101,856	488,315	40,615
d. Ending reserves:	\$ 2,694,108	\$ 2,522,586	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000

(3) Net of Ceded Reinsurance (in dollars)

	(1) 2012	(1) 2011	(2) 2010	(3) 2009	(4) 2008
a. Beginning reserves:	\$ 2,322,939	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000	\$ 2,837,000
b. Incurred losses and loss adjustment expense:	379,879	334,315	111,117	909,459	(702,385)
c. Calendar year payments for losses and loss adjustment expenses:	203,357	535,781	101,856	488,315	40,615
d. Ending reserves:	\$ 2,499,461	\$ 2,322,939	\$ 2,524,405	\$ 2,515,144	\$ 2,094,000

NOTES TO FINANCIAL STATEMENTS

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE):

(1)	Direct Basis:	\$ <u> -</u>
(2)	Assumed Reinsurance Basis:	\$ <u> 2,264,000</u>
(3)	Net of Ceded Reinsurance Basis:	\$ <u> 2,102,000</u>

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

(1)	Direct Basis:	\$ <u> -</u>
(2)	Assumed Reinsurance Basis:	\$ <u> -</u>
(3)	Net of Ceded Reinsurance Basis:	\$ <u> -</u>

34. Subscriber Savings Accounts - None.

35. Multiple Peril Crop Insurance - None.

36. Financial Guaranty Insurance

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

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

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

1.	(a) 1st Qtr 2013	\$ <u> 3,000,000</u>
	(b) 2nd Qtr 2013	<u> -</u>
	(c) 3rd Qtr 2013	<u> -</u>
	(d) 4th Qtr 2013	<u> -</u>
	(e) Year 2014	<u> 3,000,000</u>
	(f) Year 2015	<u> 3,000,000</u>
	(g) Year 2016	<u> 3,000,000</u>
	(h) Year 2017	<u> \$ 3,000,000</u>
2.	(a) 2018 through 2022	<u> \$ 3,000,000</u>

c. Expected future premiums are as follows:

1.	Expected future premiums - Beginning of Year	\$ <u> 21,000,000</u>
2.	Less - Premium payments received for existing installment contracts	<u> 3,000,000</u>
3.	Add - Expected premium payments for new installment contracts	<u> 0</u>
4.	Adjustments to the expected future premium payments	<u> 0</u>
5.	Expected future premiums - End of Year	<u> \$ 18,000,000</u>

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

(3) Claim Liability

The Company calculated no current claim liability on the contract. Therefore, the Company's reserve on this contract at year end 2012 was equal to the unearned premium of \$0.

(4) Not Applicable

B. Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/28/2011
- 3.4 By what department or departments? _____

Ohio, Iowa, New York, Arkansas and Vermont

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [X] No []
- 4.12 renewals? Yes [X] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information: _____

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [X] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control100.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
<u>Dutch</u>	<u>Corporation</u>

- 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 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 801 Grand Avenue, Des Moines, IA 50309

- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption: _____

- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption: _____

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the answer to 10.5 is no or n/a, please explain. _____

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

GENERAL INTERROGATORIES

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company _____
-
- 12.12 Number of parcels involved0
 12.13 Total book/adjusted carrying value \$.....0
- 12.2 If yes, provide explanation. _____

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 where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
 18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
 - 20.12 To stockholders not officers \$.....0
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....0
 - 20.22 To stockholders not officers \$.....0
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....0
 - 21.22 Borrowed from others \$.....0
 - 21.23 Leased from others \$.....0
 - 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
 - 22.22 Amount paid as expenses \$.....0
 - 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 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 24.03)? Yes [X] No []
 24.02 If no, give full and complete information relating thereto. _____

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
See Note 5E for program details

- 24.04 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
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....17,798,172
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 24.07 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
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.09 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
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....17,712,373
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....17,727,242
- 24.103 Total payable for securities lending reported on the liability page. \$.....17,727,242
- 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 24.03) 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 \$.....7,270,624
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....0
- 25.26 Placed under option agreements \$.....0
- 25.27 Letter stock or securities restricted as to sale \$.....0
- 25.28 On deposit with state or other regulatory body \$.....4,652,167
- 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? Yes No N/A
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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

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

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

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

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
114537	AEGON USA Investment Management, LLC	Cedar Rapids, IA

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	234,126,428	298,695,472	64,569,044
30.2 Preferred stocks.....			0
30.3 Totals.....	234,126,428	298,695,472	64,569,044

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.
-
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
-

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$.....34,602
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Budd, Larner PC	13,871
Zurek Thomas M	12,720

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....169,421,007	\$.....123,138,976
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....8,671	\$.....57,045
2.5 Reserve Denominator.....	\$.....89,766,371	\$.....84,448,861
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.1

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
 3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating policies \$.....0
 3.22 Non-participating policies \$.....0

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

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

5. FOR RECIPROCAL EXCHANGES ONLY:

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

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

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

The Company has 100% reinsurance coverage, with an upper limit of statutory obligations.

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

On its travel business, the Company has catastrophic exposure for accidental death and dismemberment sustained by insureds traveling worldwide.

The Company purchased catastrophic excess of loss protection for an amount above the estimated benefits related to the probable maximum number of insureds.

- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

The Company does not have catastrophic exposure to property losses.

On it's travel business, the Company has modest exposure to property losses for baggage and documents-limited to \$500 per insured traveler.

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.1
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [X] No []
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [X] No []
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No [X]
 - (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 Yes [] No [X]
 - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information:
-
-
-
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....0
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From0.0 %
 - 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....0
 - 12.62 Collateral and other funds \$.....0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....0
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.0

- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]

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

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No []

- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []

14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

15.2 If yes, give full information:

- 16.1 Does the reporting entity write any warranty business? Yes [X] No []

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....	0	0	0	0	0
16.12 Products.....	0	0	0	0	0
16.13 Automobile.....	1,007,002	86,748	1,794,632	5,847,030	2,359,466
16.14 Other*.....	0	0	0	0	0

* Disclose type of coverage:

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

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

Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
- 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
- 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
- 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0

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

- 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
- 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
- 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
- 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
- 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
- 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0

- 18.1 Do you act as a custodian for health savings account? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0

- 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	0	0	0	0	(30,044)
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	258,758,201	194,501,972	157,312,517	77,397,411	93,703,318
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	4,134	(8)	3,733	15,795
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	34,763,779	28,987,489	34,674,544	47,476,502	92,508,768
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	(39)
6. Total (Line 35).....	293,521,980	223,493,596	191,987,053	124,877,646	186,197,798
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).....	(28,239)	79,408	(77,266)	(14,148)	(1,111,577)
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	148,468,352	97,439,308	112,965,895	67,424,197	93,042,374
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	7,895	101,485	(15,245)	17,905	(11,886)
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	26,816,605	25,354,907	26,250,565	15,140,894	15,941,613
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	(39)
12. Total (Line 35).....	175,264,613	122,975,108	139,123,949	82,568,848	107,860,485
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	14,724,777	3,307,500	1,544,772	(2,163,125)	7,990,791
14. Net investment gain (loss) (Line 11).....	10,489,448	10,313,917	11,040,167	12,092,455	13,352,097
15. Total other income (Line 15).....	36,727	543,861	(93,181)	(1,803,820)	(1,252,989)
16. Dividends to policyholders (Line 17).....	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19).....	8,219,912	3,926,966	4,128,145	2,966,691	5,798,877
18. Net income (Line 20).....	17,031,040	10,238,312	8,363,613	5,158,819	14,291,022
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	304,317,000	275,775,173	305,236,517	257,562,956	298,465,716
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	4,650,024	5,722,158	6,679,951	4,133,176	6,870,936
20.2 Deferred and not yet due (Line 15.2).....	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	198,664,455	185,963,467	196,384,444	156,008,329	170,547,027
22. Losses (Page 3, Line 1).....	53,212,230	53,684,656	56,942,409	48,389,468	48,760,159
23. Loss adjustment expenses (Page 3, Line 3).....	3,202,183	3,531,459	3,848,166	3,954,719	4,425,890
24. Unearned premiums (Page 3, Line 9).....	33,012,092	27,168,556	27,332,424	24,442,789	33,976,648
25. Capital paid up (Page 3, Lines 30 & 31).....	8,724,386	8,724,386	8,724,386	8,724,386	8,724,386
26. Surplus as regards policyholders (Page 3, Line 37).....	105,652,545	89,811,706	108,852,073	101,554,627	127,918,689
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	25,365,803	5,620,818	16,378,503	(1,057,496)	809,317
Risk-Based Capital Analysis					
28. Total adjusted capital.....	105,652,545	89,811,706	108,852,073	101,554,627	127,918,689
29. Authorized control level risk-based capital.....	30,397,967	20,755,851	24,007,975	21,941,583	24,697,899
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).....	83.9	85.1	77.5	84.1	80.3
31. Stocks (Lines 2.1 & 2.2).....	0.0	0.0	0.0	0.0	2.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	9.7	6.0	10.7	15.8	16.9
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	XXX	XXX
37. Other invested assets (Line 8).....	0.0	0.0	0.0	0.1	0.0
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	6.4	8.8	11.7	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	4,400,000	2,800,000
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	0	0	0	0	0
48. Total of above lines 42 to 47.....	0	0	0	4,400,000	2,800,000
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0	0.0	0.0	4.3	2.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	961,798	441,443	466,876	2,099,888	(4,850,600)
52. Dividends to stockholders (Line 35).....	0	(16,000,000)	0	(17,400,000)	0
53. Change in surplus as regards policyholders for the year (Line 38).....	15,840,839	(19,040,367)	7,297,446	(26,364,062)	7,773,855
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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).....	2,726,761	3,214,355	4,023,978	2,424,261	3,519,084
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	134,296,296	109,453,035	74,928,484	45,180,328	61,752,936
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	991,013	846,393	441,482	914,850	887,028
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	12,384,963	15,670,868	24,889,784	43,693,567	35,853,561
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
59. Total (Line 35).....	150,399,033	129,184,651	104,283,728	92,213,006	102,012,609
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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).....	850,651	1,402,640	1,894,987	723,321	935,759
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	79,332,413	64,790,172	60,766,341	43,193,993	61,752,936
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,062,559	1,241,628	352,517	655,889	658,275
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	7,172,189	6,804,254	10,041,142	7,285,931	7,538,144
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	0	0	0	0	0
65. Total (Line 35).....	88,417,811	74,238,694	73,054,987	51,859,133	70,885,115
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	51.9	57.6	60.1	55.9	54.9
68. Loss expenses incurred (Line 3).....	0.7	2.1	1.2	1.6	1.6
69. Other underwriting expenses incurred (Line 4).....	38.7	37.6	37.6	45.3	37.0
70. Net underwriting gain (loss) (Line 8).....	8.7	2.7	1.1	(2.3)	6.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	37.4	37.2	36.8	52.2	43.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	52.6	59.7	61.3	57.5	56.6
73. 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).....	165.9	136.9	127.8	81.3	84.3
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(6,627)	(4,520)	(2,287)	(4,171)	(4,020)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(7.4)	(4.2)	(2.3)	(3.3)	(3.3)
Two Year Loss Development (000 omitted)					
76. 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).....	(5,575)	321	(2,802)	(4,307)	(3,825)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(5.1)	0.3	(2.2)	(3.6)	(3.7)

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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	3,411	1,804	397	91	0	0	0	1,913	XXX.....
2. 2003.....	92,731	15,743	76,988	46,785	1,197	143	0	124	0	0	45,855	XXX.....
3. 2004.....	121,963	25,125	96,838	51,339	7,116	82	0	91	0	0	44,396	XXX.....
4. 2005.....	157,403	34,611	122,792	91,267	12,551	172	0	890	0	0	79,778	XXX.....
5. 2006.....	199,686	55,053	144,633	114,400	24,041	357	0	833	0	0	91,549	XXX.....
6. 2007.....	213,168	74,575	138,593	105,289	26,127	483	0	0	0	0	79,645	XXX.....
7. 2008.....	203,355	80,264	123,091	96,164	28,375	170	0	0	0	0	67,959	XXX.....
8. 2009.....	176,271	84,958	91,313	91,293	40,718	79	0	0	0	0	50,654	XXX.....
9. 2010.....	240,046	106,819	133,227	109,875	36,979	13	0	0	0	0	72,909	XXX.....
10. 2011.....	267,984	144,845	123,139	127,518	59,803	0	0	0	0	0	67,715	XXX.....
11. 2012.....	320,309	150,888	169,421	120,495	47,244	0	0	0	0	0	73,251	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	957,836	285,955	1,896	91	1,938	0	0	675,624	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 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	51,032	43,342	33,527	10,530	2,467	1,912	2,328	1,496	1,795	0	0	33,869	XXX.....
2. 2003.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX.....
3. 2004.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX.....
4. 2005.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX.....
5. 2006.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX.....
6. 2007.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX.....
7. 2008.....	4	0	0	0	0	0	0	0	0	0	0	4	XXX.....
8. 2009.....	13	0	0	0	0	0	0	0	0	0	0	13	XXX.....
9. 2010.....	243	0	0	0	0	0	0	0	0	0	0	243	XXX.....
10. 2011.....	392	0	2,167	1,130	0	0	0	0	0	0	0	1,429	XXX.....
11. 2012.....	1,368	192	39,732	20,072	0	0	179	159	0	0	0	20,856	XXX.....
12. Totals.....	53,052	43,534	75,426	31,732	2,467	1,912	2,507	1,655	1,795	0	0	56,414	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.....	0	0	XXX.....	30,687	3,182
2. 2003..	47,052	1,197	45,855	50.7	7.6	59.6	0	0	0.00	0	0
3. 2004..	51,512	7,116	44,396	42.2	28.3	45.8	0	0	0.00	0	0
4. 2005..	92,329	12,551	79,778	58.7	36.3	65.0	0	0	0.00	0	0
5. 2006..	115,590	24,041	91,549	57.9	43.7	63.3	0	0	0.00	0	0
6. 2007..	105,772	26,127	79,645	49.6	35.0	57.5	0	0	0.00	0	0
7. 2008..	96,338	28,375	67,963	47.4	35.4	55.2	0	0	0.00	4	0
8. 2009..	91,385	40,718	50,667	51.8	47.9	55.5	0	0	0.00	13	0
9. 2010..	110,131	36,979	73,152	45.9	34.6	54.9	0	0	0.00	243	0
10. 2011..	130,077	60,933	69,144	48.5	42.1	56.2	0	0	0.00	1,429	0
11. 2012..	161,774	67,667	94,107	50.5	44.8	55.5	0	0	0.00	20,836	20
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	53,212	3,202

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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior.....	36,758	38,831	38,984	42,409	44,601	47,632	48,124	49,806	53,394	52,825	(569)	3,019
2. 2003.....	44,701	49,349	46,326	45,762	45,732	45,730	45,730	45,731	45,731	45,731	0	0
3. 2004.....	XXX	47,840	45,060	44,642	44,526	44,453	44,301	44,581	44,305	44,305	0	(276)
4. 2005.....	XXX	XXX	86,544	82,608	78,986	78,793	78,789	78,792	78,888	78,888	0	96
5. 2006.....	XXX	XXX	XXX	96,002	91,615	90,990	90,710	90,712	90,715	90,716	1	4
6. 2007.....	XXX	XXX	XXX	XXX	86,166	80,008	79,665	79,603	79,623	79,645	22	42
7. 2008.....	XXX	XXX	XXX	XXX	XXX	72,368	68,484	67,947	67,933	67,963	30	16
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	55,314	51,658	50,849	50,667	(182)	(991)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	80,637	73,509	73,152	(357)	(7,485)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	74,716	69,144	(5,572)	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	94,107	XXX	XXX
12. Totals.....											(6,627)	(5,575)

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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior.....	000	6,350	6,483	7,648	10,727	12,482	13,864	16,190	18,838	20,751	XXX	XXX
2. 2003.....	27,028	45,257	45,690	45,727	45,730	45,730	45,730	45,731	45,731	45,731	XXX	XXX
3. 2004.....	XXX	32,188	44,058	44,324	44,332	44,301	44,301	44,303	44,305	44,305	XXX	XXX
4. 2005.....	XXX	XXX	61,267	77,946	78,775	78,786	78,788	78,792	78,888	78,888	XXX	XXX
5. 2006.....	XXX	XXX	XXX	73,533	89,448	90,693	90,705	90,711	90,715	90,716	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	68,539	78,708	79,509	79,598	79,622	79,645	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	58,045	67,527	67,851	67,921	67,959	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	40,259	50,405	50,604	50,654	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	57,127	72,598	72,909	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,133	67,715	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	73,251	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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior.....	21,566	22,143	23,355	24,177	24,210	24,928	25,166	25,847	26,905	23,829
2. 2003.....	17,289	3,629	284	11	1	0	0	0	0	0
3. 2004.....	XXX	15,203	629	141	1	0	0	0	0	0
4. 2005.....	XXX	XXX	24,929	4,344	121	0	0	0	0	0
5. 2006.....	XXX	XXX	XXX	22,243	2,051	187	0	0	0	0
6. 2007.....	XXX	XXX	XXX	XXX	16,989	1,077	87	0	0	0
7. 2008.....	XXX	XXX	XXX	XXX	XXX	13,013	747	1	0	0
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	13,283	973	1	0
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,078	587	0
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,544	1,037
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,680

STONEBRIDGE CASUALTY INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	2,538,160	3,455,045	0	2,495,751	(88,261)	17,156,175	0	0
2. Alaska.....AK	L	394,215	384,918	0	137,197	137,195	41,476	0	0
3. Arizona.....AZ	L	7,333,804	6,910,003	0	3,890,182	4,371,267	1,177,348	0	0
4. Arkansas.....AR	L	1,268,661	1,265,001	0	625,731	630,110	183,852	0	0
5. California.....CA	L	35,601,806	34,684,064	0	18,767,084	19,032,942	5,561,928	0	0
6. Colorado.....CO	L	3,986,352	3,921,959	0	1,887,327	1,970,201	533,759	0	0
7. Connecticut.....CT	L	5,031,859	5,028,999	0	2,770,864	2,739,472	769,609	0	0
8. Delaware.....DE	L	1,159,913	1,128,474	0	430,603	386,726	123,502	0	0
9. District of Columbia.....DC	L	855,680	829,391	0	284,903	262,261	95,332	0	0
10. Florida.....FL	L	25,839,522	25,656,840	0	15,395,740	15,532,220	4,031,054	0	0
11. Georgia.....GA	L	6,050,969	6,049,714	0	2,891,063	2,793,006	2,030,098	0	0
12. Hawaii.....HI	L	1,576,063	1,502,624	0	564,617	615,306	165,293	0	0
13. Idaho.....ID	L	752,344	736,793	0	388,913	426,483	113,328	0	0
14. Illinois.....IL	L	8,253,325	8,174,670	0	4,165,939	4,299,486	1,229,813	0	0
15. Indiana.....IN	L	2,791,431	2,948,100	0	1,252,687	1,136,158	377,559	0	0
16. Iowa.....IA	L	4,582,733	4,528,644	0	845,126	962,426	237,476	0	0
17. Kansas.....KS	L	1,745,740	1,725,128	0	843,864	892,084	325,060	0	0
18. Kentucky.....KY	L	2,037,942	2,034,088	0	953,183	905,470	279,884	0	0
19. Louisiana.....LA	L	2,257,090	2,194,669	0	1,171,136	1,269,553	369,588	0	0
20. Maine.....ME	L	1,518,249	1,198,942	0	644,758	700,243	245,931	0	0
21. Maryland.....MD	L	6,626,951	6,343,770	0	3,257,021	2,938,661	985,284	0	0
22. Massachusetts.....MA	L	19,746,825	19,514,919	0	6,026,565	6,577,121	1,694,210	0	0
23. Michigan.....MI	L	5,952,987	8,529,669	0	2,881,433	2,909,416	899,178	0	0
24. Minnesota.....MN	L	2,769,176	2,676,357	0	1,323,849	1,302,471	380,332	0	0
25. Mississippi.....MS	L	848,374	841,449	0	504,327	340,328	1,435,428	0	0
26. Missouri.....MO	L	3,360,306	3,191,960	0	1,685,065	1,795,091	533,662	0	0
27. Montana.....MT	L	499,710	490,107	0	288,910	310,108	85,320	0	0
28. Nebraska.....NE	L	1,431,162	1,400,323	0	513,108	559,216	169,976	0	0
29. Nevada.....NV	L	2,364,884	2,674,868	0	1,282,006	1,273,485	464,392	0	0
30. New Hampshire.....NH	L	2,767,517	2,663,726	0	499,852	479,140	141,542	0	0
31. New Jersey.....NJ	L	13,666,924	13,691,438	0	6,341,845	5,997,325	1,877,511	0	0
32. New Mexico.....NM	L	1,531,981	1,539,270	0	661,745	694,160	284,006	0	0
33. New York.....NY	L	30,748,264	30,227,523	0	16,624,961	16,579,053	4,740,725	0	0
34. North Carolina.....NC	L	7,547,232	7,266,345	0	2,524,997	2,402,145	722,302	0	0
35. North Dakota.....ND	L	215,249	213,190	0	109,634	105,084	28,821	0	0
36. Ohio.....OH	L	7,993,407	7,589,909	0	4,398,513	4,366,498	1,351,377	0	0
37. Oklahoma.....OK	L	2,424,341	2,095,957	0	1,226,487	1,135,693	380,769	0	0
38. Oregon.....OR	L	3,868,583	3,705,678	0	1,918,139	2,012,353	651,317	0	0
39. Pennsylvania.....PA	L	12,379,226	12,172,178	0	6,163,983	5,892,393	1,748,169	0	0
40. Rhode Island.....RI	L	1,388,621	1,353,623	0	546,171	527,111	165,161	0	0
41. South Carolina.....SC	L	3,686,151	3,598,300	0	1,609,875	(240,042)	13,070,348	0	0
42. South Dakota.....SD	L	756,934	540,037	0	217,909	191,966	75,766	0	0
43. Tennessee.....TN	L	3,999,225	4,269,680	0	2,499,702	(96,329)	18,789,537	0	0
44. Texas.....TX	L	17,141,920	42,500,253	0	10,191,315	9,760,771	3,911,129	0	0
45. Utah.....UT	L	2,310,657	2,278,407	0	630,994	788,987	371,565	0	0
46. Vermont.....VT	L	474,136	465,145	0	212,542	193,249	60,469	0	0
47. Virginia.....VA	L	9,088,410	8,055,948	0	3,635,755	2,890,429	1,109,352	0	0
48. Washington.....WA	L	5,299,224	5,329,489	0	2,687,735	2,665,502	783,137	0	0
49. West Virginia.....WV	L	813,593	811,518	0	445,144	375,560	142,385	0	0
50. Wisconsin.....WI	L	3,009,972	2,896,227	0	1,416,085	1,350,505	418,693	0	0
51. Wyoming.....WY	L	332,745	349,080	0	126,120	91,311	36,086	0	0
52. American Samoa.....AS	N	19,552	20,323	0	659	(5,458)	183	0	0
53. Guam.....GU	L	3,943	4,032	0	775	981	215	0	0
54. Puerto Rico.....PR	N	241,303	244,260	0	126,163	107,418	35,029	0	0
55. US Virgin Islands.....VI	N	31,228	31,889	0	20,669	15,233	5,739	0	0
56. Northern Mariana Islands.....MP	N	0	46	0	0	0	0	0	0
57. Canada.....CAN	N	2,564,817	2,760,171	0	3,759,684	3,882,352	1,043,870	0	0
58. Aggregate Other Alien.....OT	XXX	148,584	280,015	0	70,346	(23,571)	19,532	0	0
59. Totals.....(a) 52		293,629,972	316,975,145	0	146,836,751	139,120,064	93,660,582	0	0

DETAILS OF WRITE-INS

58001. BOLIVIA.....	XXX	6,759	7,816	0	0	0	0	0	0
58002. BRAZIL.....	XXX	0	0	0	176	(23,059)	1,627	0	0
58003. CHINA.....	XXX	0	106	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	141,825	272,093	0	70,170	(512)	17,905	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	148,584	280,015	0	70,346	(23,571)	19,532	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.

STONEBRIDGE CASUALTY INSURANCE COMPANY
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

<u>NAME</u>	<u>FEDERAL ID NUMBER</u>	<u>NAIC CO. CODE</u>	<u>DOMICILE</u>	<u>FOOTNOTE</u>
VERENIGING AEGON, NLD MEMBERSHIP ASSOCIATION				
AEGON N.V.	Foreign		NLD	1
- AEGON NEDERLAND N.V.	Foreign		NLD	
- AEGON NEVAK HOLDING B.V.	Foreign		NLD	
- BLUE SQUARE RE N.V.	Foreign		NLD	
- AEGON DERIVATIVES N.V.	Foreign		NLD	
- AEGON INTERNATIONAL B.V.	Foreign		NLD	
- THE AEGON TRUST	51-6513848		DE	
└ TRANSAMERICA CORPORATION	42-1484983		DE	
└ AEGON U.S. HOLDING CORPORATION	13-3350744		DE	
└ AEGON MANAGEMENT COMPANY	35-1113520		IN	
└ RIVER RIDGE INSURANCE COMPANY	20-0877184		VT	
└ SHORT HILLS MANAGEMENT COMPANY	42-1338496		NJ	
└ AEGON USA, LLC	42-1310237		IA	
└ AEGON FUNDING COMPANY LLC	42-1489646		DE	
└ AUSA HOLDING COMPANY	52-1549874		MD	
└ AUSA PROPERTIES, INC.	27-1275705		IA	
└ AEGON USA ASSET MANAGEMENT HOLDING, LLC	52-1549874		IA	
└ AEGON USA INVESTMENT MANAGEMENT, LLC	42-1310237		IA	
└ PEARL HOLDINGS, INC. I	20-1063558		DE	
└ PEARL HOLDINGS, INC. II	20-1063571		DE	
└ TRANSAMERICA INVESTMENT MANAGEMENT, LLC	06-1564377		DE	
└ AEGON USA REALTY ADVISORS, LLC	42-1205796		IA	
└ AXA EQUITABLE AGRIFINANCE, LLC	32-0342677		DE	2
└ AEGON USA REAL ESTATE SERVICES, INC.	61-1098396		DE	
└ AEGON USA REALTY ADVISORS OF CALIFORNIA, INC.	20-5023693		IA	
└ YARRA RAPIDS MANAGEMENT, LLC	42-1205796		DE	
└ AEGON ASSET MANAGEMENT SERVICES, INC.	39-1884868		DE	
└ WORLD FINANCIAL GROUP, INC.	42-1518386		DE	
└ WFG CHINA HOLDINGS, INC.	20-2541057		DE	
└ BEIJING DAFU INSURANCE AGENCY CO. LTD.	Foreign		CHN	3
└ WFG PROPERTIES HOLDINGS, LLC	20-2133638		GA	
└ WFG REINSURANCE LIMITED	Foreign		BMU	4
└ TRANSAMERICA REALTY SERVICES, LLC	94-3026780		DE	
└ AEGON-CMF GP, LLC	94-3026780		DE	
└ REALTY INFORMATION SYSTEMS, INC.	42-1418160		IA	
└ TRANSAMERICA AFFORDABLE HOUSING, INC.	94-3252196		CA	
└ AUSACAN LP	Foreign		CAN	5
└ CREDITOR RESOURCES, INC.	42-1079584		MI	
└ CRI CANADA INC.	Foreign		CAN	
└ CRI SOLUTIONS, INC.	52-1363611		MD	
└ DIVERSIFIED RETIREMENT CORPORATION	13-3689044		DE	
└ DIVERSIFIED INVESTMENT ADVISORS, INC.	13-3689044		DE	
└ DIVERSIFIED INVESTORS SECURITIES CORP.	13-3696753		DE	
└ CLARK, LLC	52-2103926		DE	
└ CLARK CONSULTING, LLC	50-2103928		DE	
└ CBC INSURANCE REVENUE SECURITIZATION, LLC	73-1652928		DE	
└ CLARK/BARDES (BERMUDA) LTD.	Foreign		BMU	
└ CLARK INVESTMENT STRATEGIES, INC.	38-3768457		DE	
└ CLARK SECURITIES, INC.	95-4295824		CA	
└ CRG INSURANCE AGENCY, INC.	95-4123166		CA	
└ nVISION FINANCIAL, INC	35-2283987		IA	
└ INVESTORS WARRANTY OF AMERICA, INC.	42-1154276		IA	
└ FONG LCS ASSOCIATES, LLC	20-8736609		DE	
└ IWA COMMERCIAL VENTURE, LLC			GA	6
└ INTERSTATE NORTH OFFICE PARK OWNER, LLC	42-1154276		DE	
└ LCS ASSOCIATES, LLC	20-8687142		DE	
└ TRADITION LAND COMPANY, LLC.			IA	
└ PSL ACQUISITIONS OPERATING, LLC			IA	
└ THH ACQUISITIONS, LLC	42-1154276		IA	
└ TRANSAMERICA AGENCY NETWORK, INC.	61-1513662		IA	
└ ONCOR INSURANCE SERVICES, LLC	26-2311888		IA	
└ MASSACHUSETTS FIDELITY TRUST COMPANY	42-0947998		IA	
└ MONEY SERVICES, INC.	42-1079580		DE	
└ TRANSAMERICA TRAVEL AND CONFERENCE SERVICES, LLC	42-1079580		IA	
└ AEGON DIRECT MARKETING SERVICES INTERNATIONAL, INC.	52-1291367		MD	
└ MONUMENTAL GENERAL ADMINISTRATORS, INC.	52-1243288		MD	
└ TRANSAMERICA RESOURCES, INC.	52-1525601		MD	
└ TRANSAMERICA CAPITAL, INC.	95-3141953		CA	
└ TRANSAMERICA FINANCIAL ADVISORS, INC.	59-2476008		DE	7
└ TRANSAMERICA FUND SERVICES, INC.	59-3403587		FL	8
└ UNIVERSAL BENEFITS, LLC	42-1334744		IA	
└ ZAHORIK COMPANY, INC.	95-2775959		CA	
└ GLOBAL PREFERRED RE LIMITED	98-0164807		BMU	

**STONEBRIDGE CASUALTY INSURANCE COMPANY
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 – ORGANIZATIONAL CHART

AEGON N.V.			NLD
└ AEGON INTERNATIONAL B.V.	Foreign		NLD
└ THE AEGON TRUST	51-6513848		DE
└└ TRANSAMERICA CORPORATION	42-1484983		DE
└└└ AEGON U.S. HOLDING CORPORATION	13-3350744		DE
└└└└ AEGON USA, LLC	42-1310237		IA
└└└└└ TRANSAMERICA ADVISORS LIFE INSURANCE COMPANY	91-1325756	79022	AR
└└└└└└ TRANSAMERICA ADVISORS LIFE INSURANCE COMPANY OF NEW YORK	16-1020455	82848	NY
└└└└└└└ RCC NORTH AMERICA LLC	13-3256226		DE
└└└└└└└ SOUTHWEST EQUITY LIFE INSURANCE COMPANY	86-0455577	98426	AZ
└└└└└└└ STONEBRIDGE CASUALTY INSURANCE COMPANY	31-4423946	10952	OH
└└└└└└└ TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY	36-6071399	70688	NY
└└└└└└└└ TRANSAMERICA INTERNATIONAL HOLDINGS, INC.	94-2873401		DE
└└└└└└└└└ TIHI CANADA HOLDING, LLC			IA
└└└└└└└└└ TIHI MEXICO, S. DE R.L. DE C.V.	Foreign		MEX
└└└└└└└└└└ TRANSAMERICA ANNUITY SERVICE CORPORATION	85-0325648		NM
└└└└└└└└└└└ TRANSAMERICA LIFE INSURANCE COMPANY	39-0989781	86231	IA
└└└└└└└└└└└└ TLIC RIVERWOOD REINSURANCE, INC.	45-3193055	14146	IA
└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 3A, INC	20-1627078		DE
└└└└└└└└└└└└└└ FD TLIC, LIMITED LIABILITY COMPANY	01-0969916		NY
└└└└└└└└└└└└└└└ FD TLIC LTD			GBR
└└└└└└└└└└└└└└└ MALIBU LOAN FUND, LTD			DE
└└└└└└└└└└└└└└└└ ASIA INVESTMENTS HOLDINGS, LIMITED	Foreign		HKG
└└└└└└└└└└└└└└└└└ ASIA BUSINESS CONSULTING COMPANY	Foreign		CHN
└└└└└└└└└└└└└└└└└└ TRANSAMERICA CONSULTORA Y SERVICIOS LIMITADA	Foreign		CHL
└└└└└└└└└└└└└└└└└└└ TRANSAMERICA LIFE (BERMUDA) LTD.	98-0481010		BMU
└└└└└└└└└└└└└└└└└└└└ ZERO BETA FUND, LLC	26-1298094		DE
└└└└└└└└└└└└└└└└└└└└└ AEGON FINANCIAL SERVICES GROUP, INC.	41-1479568		MN
└└└└└└└└└└└└└└└└└└└└└└ AEGON ASSIGNMENT CORPORATION	42-1477359		IL
└└└└└└└└└└└└└└└└└└└└└└└ AEGON ASSIGNMENT CORPORATION OF KENTUCKY	61-1314968		KY
└└└└└└└└└└└└└└└└└└└└└└└└ AEGON MANAGED ENHANCED CASH, LLC	30-0445264		DE
└└└└└└└└└└└└└└└└└└└└└└└└└ AMERICAN BOND SERVICES, LLC	39-0989781		IA
└└└└└└└└└└└└└└└└└└└└└└└└└└ PRIMUS GUARANTY, LTD.	Foreign		BMU
└└└└└└└└└└└└└└└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 1, LLC	75-2980951		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 2, LLC	02-0685017		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 3, LLC	20-1378364		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 4 HR, LLC	20-3878375		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└ REAL ESTATE ALTERNATIVES PORTFOLIO 4 MR, LLC	20-3878417		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└└ BAY AREA COMMUNITY INVESTMENTS I LP	94-3392750		CA
└└└└└└└└└└└└└└└└└└└└└└└└└└└└ LIFE INVESTORS ALLIANCE LLC	42-1483973		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└└ LIICA HOLDINGS, LLC	42-0191090		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ LIICA RE I, INC	20-5984601	12863	VT
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ LIICA RE II, INC	20-5927773	12864	VT
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ CUPPLES STATE LIHTC INVESTORS, LLC	20-4498171		DE
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ TRANSAMERICA OAKMONT CORPORATION	94-2993381		CA
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WORLD FINANCIAL GROUP HOLDING COMPANY OF CANADA INC.	Foreign		CAN
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WFG SECURITIES OF CANADA INC.	Foreign		CAN
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WORLD FINANCIAL GROUP CANADA, INC.	Foreign		CAN
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WORLD FINANCIAL GROUP SUBHOLDING COMPANY OF CANADA INC.	Foreign		CAN
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WORLD FINANCIAL GROUP INSURANCE AGENCY OF CANADA INC	Foreign		CAN
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ TRANSAMERICA INTERNATIONAL RE (BERMUDA) LTD.	98-0199561		BMU
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ TRANSAMERICA INT'L RE ESCRITORIO DE REPRESENTACAO NO BRASIL LTD	Foreign		BRA
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ UNITED FINANCIAL SERVICES, INC.	52-1263786		MD
└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└└ WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO	43-1162657	91413	OH
└└ TRANSAMERICA ASSET MANAGEMENT, INC.	59-3403585		FL
└└└ WORLD FINANCIAL GROUP INSURANCE AGENCY, INC.	95-3809372		CA
└└ WFG INSURANCE AGENCY OF PUERTO RICO, INC.	66-0621281		PR
└└└ WORLD FINANCIAL GROUP INSURANCE AGENCY OF HAWAII, INC.	99-0277127		HI
└└└ WORLD FINANCIAL GROUP INSURANCE AGENCY OF MASSACHUSETTS, INC.	04-3182849		MA
└└└ WORLD FINANCIAL GROUP INSURANCE AGENCY OF WYOMING, INC	42-1519076		WY
└└└ INTERSECURITIES INSURANCE AGENCY, INC	42-1517005		CA
└└└ COMMONWEALTH GENERAL CORPORATION	51-0108922		DE
└└ TRANSAMERICA PACIFIC INSURANCE COMPANY, LTD	94-3304740		HI
└└ TRANSAMERICA STABLE VALUE SOLUTIONS INC.	27-0648897		DE
└└ AEGON INSTITUTIONAL MARKETS, INC.	61-1085329		DE
└└└ NEW MARKETS COMMUNITY INVESTMENT FUND, LLC	20-3318246		IA
└└└ AEGON STRUCTURED SETTLEMENTS, INC.	61-1068209		KY
└└ AFSG SECURITIES CORPORATION	23-2421076		PA
└└ FINANCIAL PLANNING SERVICES, INC.	23-2130174		DC
└└ GARNET ASSURANCE CORPORATION II	14-1893533		IA
└└ AEGON ALLIANCES, INC.	56-1358257		VA
└└ MONUMENTAL LIFE INSURANCE COMPANY	52-0419790	66281	IA
└└└ AEGON DIRECT MARKETING SERVICES, INC.	42-1470697		MD
└└ TRANSAMERICA AFFINITY SERVICES, INC.	42-1523438		MD
└└└ TRANSAMERICA INTERNATIONAL DIRECT MARKETING CONSULTANTS, LLC	SMLLC		MD
└└ AEGON DIRECT & AFFINITY MARKETING SERVICES (THAILAND), LIMITED	Foreign		THA
└└└ BAY STATE COMMUNITY INVESTMENTS I, LLC	52-0419790		DE
└└└ BAY STATE COMMUNITY INVESTMENTS II, LLC	52-0419790		DE
└└└ MCDONALD CORPORATE TAX CREDIT FUND IV LIMITED PARTNERSHIP			DE
└└ TAHP FUND I, LLC	52-0419790		DE
└└ TRANSAMERICA PYRAMID PROPERTIES, LLC	52-0419790		IA
└└ TRANSAMERICA REALTY INVESTMENT PROPERTIES, LLC	52-0419790		DE
└└└ STONEBRIDGE BENEFIT SERVICES, INC.	75-2548428		DE
└└└ STONEBRIDGE GROUP, INC.	75-2664959		DE
└└└ STONEBRIDGE LIFE INSURANCE COMPANY	03-0164230	65021	VT
└└ MLIC RE I, INC.	01-0930908	13712	VT
└└ PEOPLES BENEFIT SERVICES, LLC	23-1705984		PA
└└ PINE FALLS RE, INC.	26-1552330	13096	VT
└└ STONEBRIDGE REINSURANCE COMPANY	61-1497252	12705	VT

PART 1 – ORGANIZATIONAL CHART

AEGON N.V.			
└ AEGON INTERNATIONAL B.V.	Foreign	NLD	
└ THE AEGON TRUST			
└└ TRANSAMERICA CORPORATION	51-6513848	DE	
└└└ ARC REINSURANCE CORPORATION	42-1484983	DE	
└└└ PYRAMID INSURANCE COMPANY, LTD.	99-0300081	HI	
└└└ TRANSAMERICA CORPORATION (OR)	98-0087891	HI	36
└└└ TRANSAMERICA CORPORATION (OR)	98-6021219	OR	
└└└ TRANSAMERICA FINANCE CORPORATION	95-1077235	DE	
└└└└ TRANSAMERICA LEASING HOLDINGS, INC.	13-3452993	DE	
└└└└└ TRANSAMERICA FUNDING LP		GBR	37
└└└└ TRANSAMERICA COMMERCIAL FINANCE CORPORATION, I	94-3054228	DE	
└└└└└ TCFC AIR HOLDINGS, INC.	32-0092333	DE	
└└└└└└ TRANSAMERICA AVIATION, LLC		DE	
└└└└└└ TCFC ASSET HOLDINGS, INC.	32-0092334	DE	
└└└└└└└ TCF ASSET MANAGEMENT CORPORATION	84-0642550	DE	
└└└└└└└ TRANSAMERICA ACCOUNTS HOLDING CORPORATION	36-4162154	DE	
└└└└└└└ TRANSAMERICA CONSUMER FINANCE HOLDING COMPANY	95-4631538	DE	
└└└└└└└└ TRANSAMERICA HOME LOAN	95-4390993	CA	
└└└└└└└ TRANSAMERICA DISTRIBUTION FINANCE - OVERSEAS, INC.	36-4254366	DE	
└└└└└└└ TRANSAMERICA SMALL BUSINESS CAPITAL, INC.	36-4251204	DE	
└└└└└└└ TRANSAMERICA VENDOR FINANCIAL SERVICES CORPORATION	36-4134790	DE	
└ AEGON DMS HOLDING B.V.	Foreign	NLD	
└└ AEGON DIRECT & AFFINITY MARKETING SERVICES LIMITED	Foreign	HKG	
└└└ AEGON DIRECT MARKETING SERVICES INSURANCE BROKER (HK) LIMITED	Foreign	HKG	
└ CORNERSTONE INTERNATIONAL HOLDINGS LTD	Foreign	GBR	
└└ AEGON DIRECT MARKETING SERVICES EUROPE LTD	Foreign	GBR	
└└└ ERFFAHRUNGSSCHATZ GMBH	Foreign	DEU	
└└└ STONEBRIDGE INTERNATIONAL INSURANCE LTD	Foreign	GBR	
└ AEGON DIRECT MARKETING SERVICES KOREA CO., LTD.	Foreign	KOR	
└└ TRANSAMERICA DIRECT MARKETING ASIA PACIFIC PTY LTD	08-2507515	AUS	
└└└ TRANSAMERICA INSURANCE MARKETING ASIA PACIFIC PTY LTD	08-2524730	AUS	
└└└ AEGON DIRECT & AFFINITY MARKETING SERVICES AUSTRALIA PTY LTD	08-2524785	AUS	
└ AEGON DIRECT MARKETING SERVICES MEXICO S.A. DE C.V.	Foreign	MEX	38
└└ AEGON DIRECT MARKETING SERVICES MEXICO SERVICIOS S.A. DE C.V.	Foreign	MEX	38
└└└ AEGON DIRECT & AFFINITY MARKETING SERVICES CO., LTD	Foreign	JPN	
└└└ AEGON DIRECT MARKETING SERVICES, INC	Foreign	TWN	
└└└└ AEGON LIFE INSURANCE AGENCY, INC.	Foreign	TWN	
└└└└ TRANSAMERICA AFFINITY MARKETING CORRECTORA DE SEGUROS LTDA	Foreign	BRA	39
└└└└ TRANSAMERICA DIRECT MARKETING CONSULTANTS PRIVATE LIMITED	Foreign	IND	40
└ TRANSAMERICA HOLDING B.V.	Foreign	NLD	
└ AEGON IRELAND HOLDING B.V.	Foreign	NLD	
└└ AEGON SERVICES (DUBLIN) LIMITED	Foreign	IRL	
└└└ TRANSAMERICA LIFE INTERNATIONAL (BERMUDA) LTD.	Foreign	BMU	
└ AEGON ASSET MANAGEMENT (CANADA) B.V.	Foreign	NLD	
└└ AEGON CAPITAL MANAGEMENT INC.	Foreign	CAN	
└└└ AEGON FUND MANAGEMENT INC	Foreign	CAN	
└ AEGON CANADA HOLDING B.V.	Foreign	NLD	
└└ AEGON CANADA ULC	Foreign	CAN	41
└└└ CONSUMER MEMBERSHIP SERVICES CANADA INC.	Foreign	CAN	
└└└ LEGACY GENERAL INSURANCE COMPANY	140478637	CAN	
└└└ SELIENT INC.	Foreign	CAN	
└└└ TRANSAMERICA LIFE CANADA	Foreign	CAN	
└└└└ CANADIAN PREMIER LIFE INSURANCE COMPANY	140478595	CAN	

Organizational Chart Footnotes:

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

- 1) Vereniging AEGON holds voting power in the Common, Preferred A and Preferred B stock of AEGON N.V. totaling 21.798%.
- 2) Members: AEGON USA Realty Advisors, LLC (50%); non-affiliate of AEGON (50%)
- 3) WFG China Holdings, Inc. owns 10%; the remaining 90% is owned by a non-AEGON associated individual
- 4) 51% owned by World Financial Group, Inc.; remaining 49% is annually offered to independent contractors associated with WFG Reinsurance Limited
- 5) General Partner - AUSA Holding Company (1%); Limited Partner - AEGON USA, LLC. (99%)
- 6) Members are: Investors Warranty of America, Inc. (99.9%); non-affiliate of AEGON (0.1%)
- 7) AUSA Holding Company owns 51.60%; AEGON Asset Management Services, Inc. owns 37.62%; Transamerica International Holdings, Inc. owns 10.78%
- 8) AUSA Holding Company owns 56%; Western Reserve Life Assurance Co. of Ohio owns 44%
- 9) RCC Group: FGH USA, LLC; ALH Properties Eight, LLC; ALH Properties Eleven, LLC; ALH Properties Four, LLC; ALH Properties Nine, LLC; ALH Properties Seven, LLC; ALH Properties Seventeen, LLC; ALH Properties Sixteen, LLC; ALH Properties Ten, LLC; ALH Properties Twelve, LLC; ALH Properties Two, LLC; FGH Realty Credit, LLC; FGP West Street Two, LLC; FGP 90 West Street, LLC; FGP West Mezzanine, LLC; FGP West Street, LLC; Fifth FGP, LLC; First FGP, LLC; Fourth FGP, LLC; Second FGP, LLC; Seventh FGP, LLC; The RCC Group, Inc.
- 10) 100% of the voting common stock owned by AEGON USA, LLC is allocated 75% of total cumulative vote. Participating common stock (100% owned by non-AEGON shareholders) is allocated 25% of the total cumulative vote.
- 11) Ownership: 87.4% AEGON USA, LLC (14,391 shares of Common Stock and 38,609 shares of Preferred Stock); 12.6% Transamerica Life Insurance Company (2,075 shares of Common Stock and 5,566 shares of Preferred Stock)
- 12) 95% owned by Transamerica International Holdings, Inc.; 5% owned by Transamerica Life Insurance Company
- 13) 676,190 shares Common Stock owned by Transamerica International Holdings, Inc.; 86,590 shares of Preferred Stock owned by Transamerica Corporation; 30,564 shares of Preferred Stock owned by AEGON USA, LLC.

Gamet Subsidiaries: Gamet Assurance Corporation, Gamet Assurance Corporation III, Gamet Community Investments III, LLC, Gamet Community Investments XVIII, LLC, Gamet Community Investments XX, LLC, Gamet Community Investments XXIV, LLC, Gamet Community Investments XXV, LLC, Gamet Community Investments XXVI, LLC, Gamet Community Investments XXVII, LLC, Gamet Community Investments XXVIII, LLC, Gamet Community Investments XXIX, LLC, Gamet Community Investments XXX, LLC, Gamet Community Investments XXXI, LLC, Gamet Community Investments XXXII, LLC, Gamet Community Investments XXXIII, LLC, Gamet Community Investments XXXIV, LLC, Gamet Community Investments XXXV, LLC; Gamet Community Investments XXXVI, LLC
- 14) Members: Transamerica Life Insurance Company (52.6%); Monumental Life Insurance Company (37.0%); Transamerica Financial Life Insurance Company (9.4%); Stonebridge Life Insurance Company (1%)
- 15) This is a Fund that Transamerica Life Insurance Company and Monumental Life Insurance Company are investors in.
- 16) Chilean LLC: Partners are Transamerica Life Insurance Company (95%); Transamerica International Holdings, Inc. (5%)
- 17) Members: Transamerica Life Insurance Company (82.35%); Monumental Life Insurance Company (16.16%); Transamerica Financial Life Insurance Company (1.49%). Manager: AEGON USA Investment Management LLC.
- 18) Members: Transamerica Life Insurance Company (86.05%); Monumental Life Insurance Company (13.95%)
- 19) Partners are: Transamerica Life Insurance Company (13.1%) and non-affiliates of AEGON (58.8%). The remaining 28.1% of stock is publicly owned.
- 20) Members: Transamerica Life Insurance Company (90.96%); Monumental Life Insurance Company (6.30%); Transamerica Financial Life Insurance Company (2.74%). Manager: AEGON USA Realty Advisors, LLC
- 21) Members: Transamerica Life Insurance Company (90.25%); Transamerica Financial Life Insurance Company (7.5%); Stonebridge Life Insurance Company (2.25%). Manager: AEGON USA Realty Advisors, LLC
- 22) Members: Transamerica Life Insurance Company (73.4%); Monumental Life Insurance Company (25.6%); Stonebridge Life Insurance Company (1%). Manager: AEGON USA Realty Advisors, LLC
- 23) Members: Transamerica Life Insurance Company (64%); Monumental Life Insurance Company (32%); Transamerica Financial Life Insurance Company (4%). Manager: AEGON USA Realty Advisors, LLC
- 24) Partners: Transamerica Life Insurance Company (70%); Monumental Life Insurance Company (30%)
- 25) 50% owned by World Financial Group Holding Company of Canada, Inc.; 50% owned by World Financial Group Subholding Company of Canada, Inc.
- 26) Quotaholders: Transamerica International Re (Bermuda) Ltd. (95%) and Transamerica International Holdings, Inc. (5%)
- 27) United Financial Services, Inc. is doing business in the state of West Virginia as Monumental Financial Services, Inc.
- 28) Western Reserve Life Assurance Co. of Ohio owns 77%; AUSA Holding Company owns 23%
- 29) 26,000 shares of common stock owned by Commonwealth General Corporation; 1,000 shares of common stock owned by Transamerica International Holdings, Inc.
- 30) Ownership: 50% AEGON Institutional Markets, Inc.; 50% AEGON USA Realty Advisors, LLC
- 31) Ownership: 87.72% Commonwealth General Corporation (8,585.39 shares of Class A Common Stock; 3,232.78 shares of Class B Common Stock); 12.28% AEGON USA, LLC (1,206.25 shares of Class A Common Stock; 454.21 shares of Class B Common Stock)

Gamet Subsidiaries: Gamet Community Investments, LLC, Gamet Community Investments II, LLC, Gamet Community Investments IV, LLC, Gamet Community Investments V, LLC, Gamet Community Investments VI, LLC, Gamet Community Investments VII, LLC, Gamet Community Investments VIII, LLC, Gamet Community Investments IX, LLC, Gamet Community Investments X, LLC, Gamet Community Investments XI, LLC, Gamet Community Investments XII, LLC.
- 32) Monumental Life Insurance Company owns 103,324 shares; Commonwealth General Corporation owns 37,161 shares
- 33) Members: ADMS Representative (51%); AEGON Direct Marketing Services, Inc. (49%)
- 34) Members: Transamerica International Direct Marketing Consultants, LLC (97%); various ADMS representatives (3%)
- 35) Partners: Monumental Life Insurance Company - 99.9%; General Partner: TAH-McD IV, LLC - 0.10%
- 36) 1,250 shares of Redeemable Preference Stock owned by Transamerica International Holdings, Inc.; 120,000 shares of Common Stock owned by Transamerica Corporation

STONEBRIDGE CASUALTY INSURANCE COMPANY
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

- 37) 99% owned by Transamerica Leasing Holdings, Inc.; 1% owned by Transamerica Commercial Finance Corporation, I
- 38) AEGON Mexico Holding B.V. owns 49,999 shares; AEGON DMS Holding B.V. owns 1 share
- 39) AEGON DMS Holding B.V. owns 749,000 quota shares; AEGON International B.V. owns 1 quota share
- 40) AEGON DMS Holding B.V. owns 99.95%; ADMS representative owns .05%
- 41) AEGON Canada Holding B.V. owns 174,588,712 shares of Common Stock; 1,500 shares of Series II Preferred Stock; 2 shares of Series III Preferred stock. TIHI Canada Holding, LLC owns 1,441,941.26 shares of Class B-Series I Preferred Stock

2012 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	59
Cash Flow	5	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	59
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	59
Exhibit of Net Investment Income	12	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	60
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2J-Auto Physical Damage	60
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2K-Fidelity, Surety	60
Five-Year Historical Data	17	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	60
General Interrogatories	15	Schedule P-Part 2M-International	60
Jurat Page	1	Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property	61
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability	61
Notes To Financial Statements	14	Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines	61
Overflow Page For Write-ins	101	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	62
Schedule A-Part 1	E01	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	62
Schedule A-Part 2	E02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	62
Schedule A-Part 3	E03	Schedule P-Part 2T-Warranty	62
Schedule A-Verification Between Years	SI02	Schedule P-Part 3A-Homeowners/Farmowners	63
Schedule B-Part 1	E04	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	63
Schedule B-Part 2	E05	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	63
Schedule B-Part 3	E06	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	63
Schedule B-Verification Between Years	SI02	Schedule P-Part 3E-Commercial Multiple Peril	63
Schedule BA-Part 1	E07	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	64
Schedule BA-Part 2	E08	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	64
Schedule BA-Part 3	E09	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	64
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	64
Schedule D-Part 1	E10	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	64
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	65
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3J-Auto Physical Damage	65
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3K-Fidelity/Surety	65
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	65
Schedule D-Part 3	E13	Schedule P-Part 3M-International	65
Schedule D-Part 4	E14	Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property	66
Schedule D-Part 5	E15	Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability	66
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines	66
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	67
Schedule D-Summary By Country	SI04	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	67
Schedule D-Verification Between Years	SI03	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	67
Schedule DA-Part 1	E17	Schedule P-Part 3T-Warranty	67
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4A-Homeowners/Farmowners	68
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	68
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	68
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	68
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4E-Commercial Multiple Peril	68
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	69
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	69
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	69
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	69
Schedule DB-Part D	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	69
Schedule DB-Verification	SI14	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	70
Schedule DL-Part 1	E23	Schedule P-Part 4J-Auto Physical Damage	70
Schedule DL-Part 2	E24	Schedule P-Part 4K-Fidelity/Surety	70
Schedule E-Part 1-Cash	E25	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	70
Schedule E-Part 2-Cash Equivalents	E26	Schedule P-Part 4M-International	70
Schedule E-Part 3-Special Deposits	E27	Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property	71
Schedule E-Verification Between Years	SI15	Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability	71
Schedule F-Part 1	20	Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines	71
Schedule F-Part 2	21	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	72
Schedule F-Part 3	22	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	72
Schedule F-Part 4	23	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	72
Schedule F-Part 5	24	Schedule P-Part 4T-Warranty	72
Schedule F-Part 6-Section 1	25	Schedule P-Part 5A-Homeowners/Farmowners	73
Schedule F-Part 6-Section 2	27	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	74
Schedule F-Part 7	28	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	75
Schedule F-Part 8	29	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	76
Schedule F-Part 9	30	Schedule P-Part 5E-Commercial Multiple Peril	77
Schedule H-Accident and Health Exhibit-Part 1	31	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	79
Schedule H-Part 2, Part 3 and Part 4	32	Schedule P-Part 5F-Medical Professional Liability-Occurrence	78
Schedule H-Part 5-Health Claims	33	Schedule P-Part 5H-Other Liability-Claims-Made	81
Schedule P-Part 1-Summary	34	Schedule P-Part 5H-Other Liability-Occurrence	80
Schedule P-Part 1A-Homeowners/Farmowners	36	Schedule P-Part 5R-Products Liability-Claims-Made	83
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	37	Schedule P-Part 5R-Products Liability-Occurrence	82
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	38	Schedule P-Part 5T-Warranty	84
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	39	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	85
Schedule P-Part 1E-Commercial Multiple Peril	40	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	85
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	41	Schedule P-Part 6E-Commercial Multiple Peril	86
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	42	Schedule P-Part 6H-Other Liability-Claims-Made	87
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	43	Schedule P-Part 6H-Other Liability-Occurrence	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	44	Schedule P-Part 6M-International	87
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	45	Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property	88
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	46	Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability	88
Schedule P-Part 1J-Auto Physical Damage	47	Schedule P-Part 6R-Products Liability-Claims-Made	89
Schedule P-Part 1K-Fidelity/Surety	48	Schedule P-Part 6R-Products Liability-Occurrence	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	49	Schedule P-Part 7A-Primary Loss Sensitive Contracts	90
Schedule P-Part 1M-International	50	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	92
Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property	51	Schedule P Interrogatories	94
Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability	52	Schedule T-Exhibit of Premiums Written	95
Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines	53	Schedule T-Part 2-Interstate Compact	96
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	54	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	97
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	55	Schedule Y-Detail of Insurance Holding Company System	98
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	56	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	99
Schedule P-Part 1T-Warranty	57	Statement of Income	4
Schedule P-Part 2, Part 3 and Part 4 - Summary	35	Summary Investment Schedule	SI01
Schedule P-Part 2A-Homeowners/Farmowners	58	Supplemental Exhibits and Schedules Interrogatories	100
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	58	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	58	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	58	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2E-Commercial Multiple Peril	58	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	59	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made	59	Underwriting and Investment Exhibit Part 3	11