



ANNUAL STATEMENT

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

UNITED FINANCIAL CASUALTY COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 11770	Employer's ID Number..... 36-3298008
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... June 13, 1984	Commenced Business..... August 10, 1984	
Statutory Home Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	P.O. BOX 89490..... CLEVELAND OH US 44101-6490 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO <i>(Name)</i> FINANCIAL_REPORTING@PROGRESSIVE.COM <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-446-7168 <i>(Fax Number)</i>

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

Name	Title	Name	Title
MICHAEL WILLIAM BISSLER	PRESIDENT	PATRICIA MITCHELL CORWIN	SECRETARY
KEVIN PATRICK MAHER	TREASURER		

OTHER

PATRICIA ONODY BEMER	(VICE PRESIDENT)	WILLIAM RAYMOND KAMPF	(VICE PRESIDENT)
SANDRA LEE RIHVALSKY	(VICE PRESIDENT)	MARGARET ANN ROSE	(ASST. SECRETARY)

DIRECTORS OR TRUSTEES

PATRICIA ONODY BEMER	MICHAEL WILLIAM BISSLER	JEANETTE LOUISE HISEK	WILLIAM RAYMOND KAMPF
KEVIN PATRICK MAHER			

State of..... OHIO
County of..... CUYAHOGA

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) MICHAEL WILLIAM BISSLER	_____ (Signature) MARGARET ANN ROSE	_____ (Signature) KEVIN PATRICK MAHER
1. (Printed Name) PRESIDENT	2. (Printed Name) ASSISTANT SECRETARY	3. (Printed Name) TREASURER
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This 14TH day of FEBRUARY, 2013

a. Is this an original filing? Yes 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).....	987,277,249		987,277,249	1,044,202,664
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	64,805,500		64,805,500	64,730,356
2.2 Common stocks.....	170,265,523		170,265,523	198,838,496
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$.....101,395,265, Schedule E-Part 2) and short-term investments (\$.....7,180,050, Schedule DA).....	108,575,315		108,575,315	17,079,041
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....	1,785		1,785	404,347
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,330,925,372	.0	1,330,925,372	1,325,254,904
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	6,830,966		6,830,966	10,248,845
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	46,656,200	1,993,792	44,662,408	29,057,003
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	327,159,853		327,159,853	196,426,422
15.3 Accrued retrospective premiums.....	1,888		1,888	1,006
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	41,550,965		41,550,965	43,415,184
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	64,264,386		64,264,386	25,556,391
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	1,016,832	532,417	484,415	460,188
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,818,406,462	2,526,209	1,815,880,253	1,630,419,943
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	1,818,406,462	2,526,209	1,815,880,253	1,630,419,943

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. STATE UNEARNED SURCHARGE RECOVERABLE.....	484,415		484,415	460,188
2502. PREPAID EXPENSES.....	528,364	528,364	.0	
2503. MISCELLANEOUS OTHER ASSETS.....	4,053	4,053	.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,016,832	532,417	484,415	460,188

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	613,829,600	561,713,289
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	110,404,096	98,092,693
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	116,942,281	113,888,353
4. Commissions payable, contingent commissions and other similar charges.....	337,063	301,693
5. Other expenses (excluding taxes, licenses and fees).....	93,680	115,577
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,453,841	2,837,248
7.1 Current federal and foreign income taxes (including \$.....5,129,753 on realized capital gains (losses)).....	14,349,678	14,114,386
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....67,228 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).....	527,020,908	421,201,748
10. Advance premium.....	5,342,015	3,621,182
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	9,729	1,556
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	25,413,743	17,591,330
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	6,337,550	6,675,275
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,424,534,184	1,240,154,330
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,424,534,184	1,240,154,330
29. Aggregate write-ins for special surplus funds.....	0	5,224,627
30. Common capital stock.....	3,008,000	3,008,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	221,373,432	221,373,432
35. Unassigned funds (surplus).....	166,964,637	160,659,554
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	391,346,069	390,265,613
38. TOTALS (Page 2, Line 28, Col. 3).....	1,815,880,253	1,630,419,943

DETAILS OF WRITE-INS

2501. STATE PLAN LIABILITY.....	5,758,516	5,734,386
2502. OTHER LIABILITIES.....	438,404	761,227
2503. ESCHEATABLE PROPERTY.....	140,631	179,662
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).....	6,337,550	6,675,275
2901. SPECIAL SURPLUS FUNDS PER SSAP 10R.....		5,224,627
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	5,224,627
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

UNITED FINANCIAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,067,355,017	962,166,209
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	669,104,439	525,446,049
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	108,060,653	91,113,110
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	243,484,314	206,181,136
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	1,020,649,406	822,740,295
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	46,705,611	139,425,914
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	39,256,383	45,880,098
10. Net realized capital gains (losses) less capital gains tax of \$.....8,223,003 (Exhibit of Capital Gains (Losses)).....	19,537,482	6,206,643
11. Net investment gain (loss) (Lines 9 + 10).....	58,793,865	52,086,741
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....180,792 amount charged off \$.....7,214,378).....	(7,033,586)	(6,963,405)
13. Finance and service charges not included in premiums.....	4,955,147	4,547,732
14. Aggregate write-ins for miscellaneous income.....	7,407,753	6,777,280
15. Total other income (Lines 12 through 14).....	5,329,314	4,361,607
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	110,828,790	195,874,262
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	110,828,790	195,874,262
19. Federal and foreign income taxes incurred.....	36,855,814	61,708,836
20. Net income (Line 18 minus Line 19) (to Line 22).....	73,972,976	134,165,426
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	390,265,613	406,286,846
22. Net income (from Line 20).....	73,972,976	134,165,426
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....8,515,026.....	15,813,620	(4,011,648)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	6,650,807	(2,021,773)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(356,947)	314,286
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(95,000,000)	(145,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	532,476
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,080,456	(16,021,233)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	391,346,069	390,265,613
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. FINANCE & SERVICE CHARGE REVENUE ASSUMED.....	7,399,844	6,709,124
1402. MISCELLANEOUS OTHER INCOME.....	37,491	49,741
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	34,243	21,718
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(63,825)	(3,303)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	7,407,753	6,777,280
3701. REVERSAL OF ADDITIONAL ADMITTED DEFERRED TAX ASSET PER SSAP 10R.....	(5,224,627)	532,476
3702. ADOPTION OF SSAP 101.....	5,224,627	
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	532,476

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	1,027,806,164	962,929,798
2. Net investment income.....	72,330,682	77,673,448
3. Miscellaneous income.....	5,992,874	4,213,788
4. Total (Lines 1 through 3).....	1,106,129,720	1,044,817,034
5. Benefit and loss related payments.....	604,676,725	571,087,928
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	346,858,275	305,775,818
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....2,134,259 tax on capital gains (losses).....	44,843,525	68,053,770
10. Total (Lines 5 through 9).....	996,378,525	944,917,516
11. Net cash from operations (Line 4 minus Line 10).....	109,751,195	99,899,518
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	567,327,906	783,874,525
12.2 Stocks.....	64,140,474	15,839,960
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	402,562	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	631,870,942	799,714,485
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	520,932,336	671,804,683
13.2 Stocks.....	2,682,784	103,654,110
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		404,347
13.7 Total investments acquired (Lines 13.1 to 13.6).....	523,615,120	775,863,140
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	108,255,822	23,851,345
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	95,000,000	145,000,000
16.6 Other cash provided (applied).....	(31,510,743)	10,119,689
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(126,510,743)	(134,880,311)
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).....	91,496,274	(11,129,448)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	17,079,041	28,208,489
19.2 End of year (Line 18 plus Line 19.1).....	108,575,315	17,079,041

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

20.0001		
---------------	--	--

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....				.0
2.	Allied lines.....				.0
3.	Farmowners multiple peril.....				.0
4.	Homeowners multiple peril.....				.0
5.	Commercial multiple peril.....				.0
6.	Mortgage guaranty.....				.0
8.	Ocean marine.....				.0
9.	Inland marine.....	35,119,852	15,280,840	16,990,902	33,409,790
10.	Financial guaranty.....				.0
11.1	Medical professional liability - occurrence.....				.0
11.2	Medical professional liability - claims-made.....				.0
12.	Earthquake.....				.0
13.	Group accident and health.....				.0
14.	Credit accident and health (group and individual).....				.0
15.	Other accident and health.....				.0
16.	Workers' compensation.....				.0
17.1	Other liability - occurrence.....	8,017,348	3,949,358	3,916,995	8,049,711
17.2	Other liability - claims-made.....				.0
17.3	Excess workers' compensation.....				.0
18.1	Products liability - occurrence.....				.0
18.2	Products liability - claims-made.....				.0
19.1, 19.2	Private passenger auto liability.....	231,957,378	53,663,435	88,663,884	196,956,929
19.3, 19.4	Commercial auto liability.....	579,641,633	245,067,156	277,169,033	547,539,756
21.	Auto physical damage.....	318,385,492	103,240,960	140,277,367	281,349,085
22.	Aircraft (all perils).....				.0
23.	Fidelity.....				.0
24.	Surety.....	52,500		2,725	49,775
26.	Burglary and theft.....				.0
27.	Boiler and machinery.....				.0
28.	Credit.....				.0
29.	International.....				.0
30.	Warranty.....				.0
31.	Reinsurance - nonproportional assumed property.....				.0
32.	Reinsurance - nonproportional assumed liability.....				.0
33.	Reinsurance - nonproportional assumed financial lines.....				.0
34.	Aggregate write-ins for other lines of business.....	(25)	.0	.0	(25)
35.	TOTALS.....	1,173,174,178	421,201,749	527,020,906	1,067,355,021

DETAILS OF WRITE-INS

3401.	GAP ADDENDUM.....	(25)			(25)
3402.	.....				.0
3403.	.....				.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	(25)	.0	.0	(25)

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
2.	Allied lines.....					0
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	16,990,902				16,990,902
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....	3,916,995				3,916,995
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	88,663,884				88,663,884
19.3, 19.4	Commercial auto liability.....	277,169,033				277,169,033
21.	Auto physical damage.....	140,277,367				140,277,367
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....	2,725				2,725
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	527,020,906	0	0	0	527,020,906
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					527,020,906

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	8,415,544	26,704,308				35,119,852
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....	1,508,474	6,508,874				8,017,348
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	63,252,569	168,704,809				231,957,378
19.3, 19.4 Commercial auto liability.....	306,141,067	273,623,177			122,611	579,641,633
21. Auto physical damage.....	150,605,069	167,780,423				318,385,492
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....	52,500					52,500
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	(25)	0	0	0	0	(25)
35. TOTALS.....	529,975,198	643,321,591	0	0	122,611	1,173,174,178

DETAILS OF WRITE-INS

3401. GAP ADDENDUM.....	(25)					(25)
3402.						0
3403.						0
3498. Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	(25)	0	0	0	0	(25)

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

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	
2. Allied lines.....				0			0	
3. Farmowners multiple peril.....				0			0	
4. Homeowners multiple peril.....				0			0	
5. Commercial multiple peril.....				0			0	
6. Mortgage guaranty.....				0			0	
8. Ocean marine.....				0			0	
9. Inland marine.....	4,131,631	10,782,695		14,914,326	2,449,829	1,918,777	15,445,378	46.2
10. Financial guaranty.....				0			0	
11.1 Medical professional liability - occurrence.....				0			0	
11.2 Medical professional liability - claims-made.....				0			0	
12. Earthquake.....				0			0	
13. Group accident and health.....				0			0	
14. Credit accident and health (group and individual).....				0			0	
15. Other accident and health.....				0			0	
16. Workers' compensation.....				0			0	
17.1 Other liability - occurrence.....	30,038	1,264,496		1,294,534	2,305,136	2,725,841	873,829	10.9
17.2 Other liability - claims-made.....				0			0	
17.3 Excess workers' compensation.....				0			0	
18.1 Products liability - occurrence.....				0			0	
18.2 Products liability - claims-made.....				0			0	
19.1, 19.2 Private passenger auto liability.....	9,119,156	101,600,724		110,719,880	121,320,647	94,842,832	137,197,695	69.7
19.3, 19.4 Commercial auto liability.....	179,790,318	135,341,877		315,132,195	478,701,862	457,544,385	336,289,672	61.4
21. Auto physical damage.....	76,665,216	98,261,977		174,927,193	9,049,516	4,681,455	179,295,254	63.7
22. Aircraft (all perils).....				0			0	
23. Fidelity.....				0			0	
24. Surety.....				0	2,612		2,612	5.2
26. Burglary and theft.....				0			0	
27. Boiler and machinery.....				0			0	
28. Credit.....				0			0	
29. International.....				0			0	
30. Warranty.....				0			0	
31. Reinsurance - nonproportional assumed property.....	XXX			0			0	
32. Reinsurance - nonproportional assumed liability.....	XXX			0			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
35. TOTALS.....	269,736,359	347,251,769	0	616,988,128	613,829,602	561,713,290	669,104,440	62.7

DETAILS OF WRITE-INS

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

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

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 Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				.0				.0	
2. Allied lines.....				.0				.0	
3. Farmowners multiple peril.....				.0				.0	
4. Homeowners multiple peril.....				.0				.0	
5. Commercial multiple peril.....				.0				.0	
6. Mortgage guaranty.....				.0				.0	
8. Ocean marine.....				.0				.0	
9. Inland marine.....	589,891	731,711		1,321,602	274,569	853,658		2,449,829	457,779
10. Financial guaranty.....				.0				.0	
11.1 Medical professional liability - occurrence.....				.0				.0	
11.2 Medical professional liability - claims-made.....				.0				.0	
12. Earthquake.....				.0				.0	
13. Group accident and health.....				.0				(a) .0	
14. Credit accident and health (group and individual).....				.0				.0	
15. Other accident and health.....				.0				(a) .0	
16. Workers' compensation.....				.0				.0	
17.1 Other liability - occurrence.....	152,694	1,350,304		1,502,998	45,306	756,832		2,305,136	327,739
17.2 Other liability - claims-made.....				.0				.0	
17.3 Excess workers' compensation.....				.0				.0	
18.1 Products liability - occurrence.....				.0				.0	
18.2 Products liability - claims-made.....				.0				.0	
19.1, 19.2 Private passenger auto liability.....	10,894,297	82,793,439		93,687,736	4,464,225	23,168,686		121,320,647	22,768,604
19.3, 19.4 Commercial auto liability.....	233,530,602	162,126,725		395,657,327	45,457,360	37,632,995	45,820	478,701,862	90,565,604
21. Auto physical damage.....	8,604,419	6,943,637		15,548,056	(2,979,827)	(3,518,713)		9,049,516	2,821,664
22. Aircraft (all perils).....				.0				.0	
23. Fidelity.....				.0				.0	
24. Surety.....				.0	2,612			2,612	.891
26. Burglary and theft.....				.0				.0	
27. Boiler and machinery.....				.0				.0	
28. Credit.....				.0				.0	
29. International.....				.0				.0	
30. Warranty.....				.0				.0	
31. Reinsurance - nonproportional assumed property.....	XXX			.0	XXX			.0	
32. Reinsurance - nonproportional assumed liability.....	XXX			.0	XXX			.0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			.0	XXX			.0	
34. Aggregate write-ins for other lines of business.....	0	0	.0	.0	0	.0	.0	.0	.0
35. TOTALS.....	253,771,903	253,945,816	.0	507,717,719	47,264,245	58,893,458	45,820	613,829,602	116,942,281

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	10,261,723			10,261,723
1.2 Reinsurance assumed.....	17,609,750			17,609,750
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	27,871,473	0	0	27,871,473
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		40,147,966		40,147,966
2.2 Reinsurance assumed, excluding contingent.....		59,603,196		59,603,196
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....		359,988		359,988
2.5 Contingent - reinsurance assumed.....		1,293,069		1,293,069
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	101,404,220	0	101,404,220
3. Allowances to manager and agents.....		64,233		64,233
4. Advertising.....		15,877,106		15,877,106
5. Boards, bureaus and associations.....	268,094	414,303		682,397
6. Surveys and underwriting reports.....		8,299,248		8,299,248
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	51,752,161	54,618,325	771,622	107,142,108
8.2 Payroll taxes.....	3,635,973	4,109,143	24,267	7,769,383
9. Employee relations and welfare.....	8,983,718	8,934,304	36,866	17,954,888
10. Insurance.....	65,446	244,595		310,041
11. Directors' fees.....				0
12. Travel and travel items.....	3,463,834	1,158,964	2,135	4,624,933
13. Rent and rent items.....	4,069,570	4,472,722	29,883	8,572,175
14. Equipment.....	286,464	1,516,526		1,802,990
15. Cost or depreciation of EDP equipment and software.....	3,240,930	9,499,845	162	12,740,937
16. Printing and stationery.....	335,194	1,250,791	1,877	1,587,862
17. Postage, telephone and telegraph, exchange and express.....	3,129,241	8,174,711	6,040	11,309,992
18. Legal and auditing.....	658,355	1,069,695	137,541	1,865,591
19. Totals (Lines 3 to 18).....	79,888,982	119,704,508	1,010,394	200,603,884
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....827.....		15,637,327		15,637,327
20.2 Insurance department licenses and fees.....	33,259	3,465,862		3,499,121
20.3 Gross guaranty association assessments.....		272,984		272,984
20.4 All other (excluding federal and foreign income and real estate).....	22,027	1,247,818		1,269,845
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	55,286	20,623,991	0	20,679,277
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	244,912	1,751,595	190,754	2,187,261
25. Total expenses incurred.....	108,060,653	243,484,314	1,201,148	(a) 352,746,114
26. Less unpaid expenses - current year.....	116,942,281	4,854,866	29,719	121,826,865
27. Add unpaid expenses - prior year.....	113,888,354	3,222,100	32,417	117,142,871
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	105,006,726	241,851,547	1,203,846	348,062,119

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	244,912	1,751,595	190,754	2,187,261
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	244,912	1,751,595	190,754	2,187,261

(a) Includes management fees of \$.....97,203,757 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).....2,089,806	.....2,315,317
1.1 Bonds exempt from U.S. tax.....	(a).....4,161,976	.....3,509,626
1.2 Other bonds (unaffiliated).....	(a).....28,461,129	.....25,795,930
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....4,388,187	.....4,195,347
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....4,757,231	.....4,624,229
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....17,082	.....17,082
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....43,875,411	.....40,457,531
11. Investment expenses.....	.....	(g).....1,201,148
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....1,201,148
17. Net investment income (Line 10 minus Line 16).....	.....	.....39,256,383

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....1,605,855 accrual of discount less \$.....31,264,973 amortization of premium and less \$.....875,959 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 \$.....17,069 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.....	.....937,640	.....	.....937,640	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....10,339,500	.....5,867,275	.....16,206,775	.....1,984,858	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....5,398,720	.....	.....5,398,720	.....5,860,074	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....7,921,982	.....(2,704,630)	.....5,217,352	.....16,483,715	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....24,597,842	.....3,162,645	.....27,760,487	.....24,328,647	.....0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,993,792	1,683,416	(310,376)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	532,417	485,846	(46,571)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,526,209	2,169,262	(356,947)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	2,526,209	2,169,262	(356,947)

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. PREPAID EXPENSES.....	528,364	484,328	(44,036)
2502. MISCELLANEOUS OTHER ASSETS.....	4,053	1,518	(2,535)
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	532,417	485,846	(46,571)

NOTES TO FINANCIAL STATEMENTS

<u>Note #</u>	<u>Description</u>	<u>Page #</u>
1	Summary of Significant Accounting Policies	14.1
2	Accounting Changes and Corrections of Errors	14.2
3	Business Combinations and Goodwill	14.2
4	Discontinued Operations	14.2
5	Investments	14.2
6	Joint Ventures, Partnerships and Limited Liability Companies	14.3
7	Investment Income	14.3
8	Derivative Instruments	14.3
9	Income Taxes	14.4
10	Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties	14.6
11	Debt	14.7
12	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans	14.7
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	14.7
14	Contingencies	14.8
15	Leases	14.9
16	Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk	14.9
17	Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities	14.9
18	Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans	14.9
19	Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators	14.9
20	Fair Value Measurements	14.9
21	Other Items	14.10
22	Events Subsequent	14.11
23	Reinsurance	14.11
24	Retrospectively Rated Contracts and Contracts Subject to Redetermination	14.11
25	Changes in Incurred Losses and Loss Adjustment Expenses	14.12
26	Intercompany Pooling Arrangements	14.12
27	Structured Settlements	14.12
28	Health Care Receivables	14.12
29	Participating Accident and Health Policies	14.12
30	Premium Deficiency Reserves	14.12
31	High Deductibles	14.12
32	Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses	14.12
33	Asbestos and Environmental Reserves	14.12
34	Subscriber Savings Accounts	14.12
35	Multiple Peril Crop Insurance	14.12
36	Financial Guaranty Insurance	14.12

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of United Financial Casualty Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC statutory accounting practices ("NAIC SAP") were used in preparing these statutory-basis financial statements as illustrated in the table below:

Description	State of Domicile	2012	2011
Net income			
(1) Net income, state basis	OH	\$ 73,972,976	\$ 134,165,426
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 73,972,976	\$ 134,165,426
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 391,346,069	\$ 390,265,613
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 391,346,069	\$ 390,265,613

B. Use of Estimates

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense ("LAE") reserves and the Company's adjustment to realized losses for other-than-temporary impairment ("OTTI"), (see page 12, column 2, Exhibit of Capital Gains (Losses) and Note 1C).

C. Accounting Policies

Insurance premiums written are being earned into income on a pro-rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company's exposure to credit risk.

Acquisition costs, such as agents' commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Other income includes finance and service charges collected on premiums receivable and finance and service charges assumed under quota-share reinsurance agreements with three of the Company's non-pooled insurance company affiliates.

Certain assets designated as "nonadmitted assets", in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost which approximates market value.
- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost which approximates market value.
- Investment grade bond valuations are based on NAIC designations or NAIC Credit Rating Provider ("CRP") designations from the Acceptable Rating Organization ("ARO") list and are reported at amortized cost using the scientific method which closely approximates the effective interest method. Non-investment grade bond valuations are also based on NAIC designations or NAIC CRP-ARO designations and are reported at the lower of amortized cost or fair market value. Loan-backed and structured securities follow the guidance prescribed by SSAP No. 43R, Loan-backed and Structured Securities ("SSAP No. 43R"), for the determination of the bond valuation and reporting designation. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values based on active market closing quotations from a regulated exchange. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes.
- Non-redeemable preferred stocks are reported at fair market values. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes. Investment grade redeemable preferred stocks are reported at amortized cost, while non-investment grade redeemable preferred stocks are reported at the lower of amortized cost or fair market value. The difference between the original cost and redemption value of the redeemable preferred securities is recognized using the scientific method, which closely approximates the effective interest method, over the lives of the respective issues and included in net investment gain.
- The fair market values reported are derived from independent and observable market input evaluations provided by reputable pricing services, independent broker/dealer bid lists, independent broker/dealer quotations, independent broker/dealer pricing services, or active market closing quotations from a regulated exchange. In very rare cases, if none of the aforementioned primary sources are available, matrix pricing using the reporting entity's own market based assumptions may be utilized. The approved methods for computation of fair market value are prescribed in Part Five of the Securities Valuation Office Purposes and Procedures Manual.
- The Company has no investments in mortgage loans.
- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.

NOTES TO FINANCIAL STATEMENTS

- The Company has no investments in derivatives.
- The Company has no investments in joint ventures, partnerships, or limited liability companies.
- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2012 and December 31, 2011.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.
- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for OTTI requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

Management assesses valuation declines to determine the extent to which such changes are attributable to (i) fundamental factors specific to the issuer, such as financial conditions, business prospects or other factors, or (ii) market-related factors such as interest rates or equity market declines (i.e., negative returns at either a sector index level or the broader market level), or (iii) credit-related losses where the present value of cash flows expected to be collected are lower than the amortized cost basis of the security (includes only those securities covered under SSAP No. 43R). This evaluation reflects management's assessment of current conditions, as well as predictions of uncertain future events that may have a material effect on the financial statements related to security valuation.

When persuasive evidence exists that causes management to conclude that a decline in fair value is other-than-temporary, the book value of such security is written down and recognized as a realized loss. All other unrealized gains or losses are reflected in statutory surplus.

Loss and Loss Adjustment Expense Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Note 25).

Capitalization of Assets

- Prepaid assets above a \$100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted.

2. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles

Accounting changes adopted to conform to the provisions of the NAIC statutory accounting practices are reported as changes in accounting principle. Effective January 1, 2012, the Company adopted SSAP No. 101, Income Taxes. SSAP No. 101 reflects a revision to the accounting principles regarding deferred tax asset admissibility calculations (see Note 9). The Company's deferred tax asset was not impacted by applying the provisions of SSAP No. 101.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.
2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment
Not applicable

NOTES TO FINANCIAL STATEMENTS

3. The following table shows, as of December 31, 2012, the Company's other-than-temporary impairment for loan-backed and structured debt securities since the adoption of SSAP No. 43R.

CUSIP	Amortized cost before current period other-than-temporary impairment	Projected Cash Flows	Recognized other-than-temporary Impairment	Amortized Cost after other-than-temporary Impairment	Fair Value at time of other-than-temporary impairment	Financial Statement date when other-than-temporary impairment was reported
68389FKP8	\$ 8,184,699	\$ 8,037,244	\$ 147,455	\$ 8,037,244	\$ 5,975,010	2009 - Q4
855541AB4	3,930,524	3,603,865	326,659	3,603,865	3,458,325	2010 - Q2
1266732M3	1,661,109	980,639	680,470	980,639	980,639	2010 - Q3
144531BE9	6,132,532	5,903,890	228,642	5,903,890	3,946,657	2011 - Q1
855541AB4	3,247,770	3,108,268	139,502	3,108,268	3,108,268	2011 - Q1
07387AGH2	1,939,622	1,865,096	74,526	1,865,096	1,819,457	2011 - Q2
94980QAA7	8,309,807	7,899,409	410,398	7,899,409	7,816,785	2011 - Q2
07387AGH2	1,861,317	1,751,766	109,551	1,751,766	1,605,437	2011 - Q4
1266732M3	1,277,883	571,231	706,652	571,231	571,231	2012 - Q3
1266732M3	571,230	450,612	120,618	450,612	450,612	2012 - Q4
Total	XXX	XXX	\$ 2,944,473	XXX	XXX	XXX

4. As of December 31, 2012, the Company had \$2,681,415 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

As of December 31, 2012, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

Description	Amount
a. Aggregate amount of unrealized losses	
1. Less than twelve months	\$ 161,805
2. Twelve months or longer	2,519,610
Total	\$ 2,681,415
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 2,960,137
2. Twelve months or longer	25,428,948
Total	\$ 28,389,085

5. Under SSAP No. 43R, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair market value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

E. Repurchase Agreements

Not applicable (see Note 1C Investments)

F. Real Estate

Not applicable

G. Low Income Housing Tax Credits

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if the amounts are greater than 90 days past due.

B. Amounts Nonadmitted

Not applicable

8. Derivative Instruments

Not applicable

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. Components of the net deferred tax asset (liability) ("DTA"/"(DTL"))

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

Description	December 31, 2012			December 31, 2011			Change		
	(1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	\$ 53,761,532	\$ 22,447,463	\$ 76,208,995	\$ 46,552,556	\$ 33,757,582	\$ 80,310,138	\$ 7,208,976	\$ (11,310,119)	\$ (4,101,143)
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	\$ 53,761,532	\$ 22,447,463	\$ 76,208,995	\$ 46,552,556	\$ 33,757,582	\$ 80,310,138	\$ 7,208,976	\$ (11,310,119)	\$ (4,101,143)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal (net deferred tax asset) (1c-1d)	\$ 53,761,532	\$ 22,447,463	\$ 76,208,995	\$ 46,552,556	\$ 33,757,582	\$ 80,310,138	\$ 7,208,976	\$ (11,310,119)	\$ (4,101,143)
(f) Deferred tax liabilities	515,760	34,142,270	34,658,030	714,348	36,180,606	36,894,954	(198,588)	(2,038,336)	(2,236,924)
(g) Net admitted deferred tax assets (net deferred tax liability) (1e-1f)	\$ 53,245,772	\$ (11,694,807)	\$ 41,550,965	\$ 45,838,208	\$ (2,423,024)	\$ 43,415,184	\$ 7,407,564	\$ (9,271,783)	\$ (1,864,219)

2. The admission calculation components of the DTA in accordance with SSAP No. 101, Income Taxes, are as follows:

Description	December 31, 2012			December 31, 2011			Change		
	(1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 49,754,453	\$ -	\$ 49,754,453	\$ 42,083,758	\$ -	\$ 42,083,758	\$ 7,670,695	\$ -	\$ 7,670,695
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	1,936,335	-	1,936,335	2,383,657	-	2,383,657	(447,322)	-	(447,322)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,936,335	-	1,936,335	2,383,657	-	2,383,657	(447,322)	-	(447,322)
2. Adjusted gross deferred tax assets allowed per limitation threshold			52,469,266			49,920,713			2,548,553
(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	2,070,744	22,447,463	24,518,207	2,085,141	33,757,582	35,842,723	(14,397)	(11,310,119)	(11,324,516)
(d) Deferred tax assets admitted as result of application of SSAP No. 101.									
Total (2(a)+2(b)+2(c))	\$ 53,761,532	\$ 22,447,463	\$ 76,208,995	\$ 46,552,556	\$ 33,757,582	\$ 80,310,138	\$ 7,208,976	\$ (11,310,119)	\$ (4,101,143)

3. Recovery period and threshold limitation information is as follows:

Description	2012	2011
(a) Ratio percentage used to determine recovery period and threshold limitation amount	594%	n/a
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 349,795,104	n/a

4. The impact of tax planning strategies is as follows:

Description	December 31, 2012			December 31, 2011			Change		
	(1) Ordinary Percent	(2) Capital Percent	(3) (Col 1+2) Total	(4) Ordinary Percent	(5) Capital Percent	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Percent	(8) (Col 2-5) Capital Percent	(9) (Col 7+8) Total
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(c) Does the Company's tax planning strategies include the use of reinsurance? Yes ___ No <u>X</u>									

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

1. Current Income Tax:

Description	(1) December 31, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
(a) Federal	\$ 36,855,814	\$ 61,708,836	\$ (24,853,022)
(b) Foreign	-	-	-
(c) Subtotal	\$ 36,855,814	\$ 61,708,836	\$ (24,853,022)
(d) Federal income tax on net capital gains	8,223,003	2,114,650	6,108,353
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 45,078,817	\$ 63,823,486	\$ (18,744,669)

2. Deferred Tax Assets:

Description	(1) December 31, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 15,331,238	\$ 15,864,294	\$ (533,056)
(2) Unearned premium reserve	37,096,035	29,626,100	7,469,935
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	10,924	11,951	(1,027)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	697,827	589,195	108,632
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other Bad debt reserve	439,163	277,465	161,698
(14) Intangible assets	-	-	-
(15) Other (including items <5% of total ordinary tax assets)	186,345	183,551	2,794
(99) Subtotal	\$ 53,761,532	\$ 46,552,556	\$ 7,208,976
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 53,761,532	\$ 46,552,556	\$ 7,208,976
(e) Capital			
(1) Investments	22,447,463	33,757,582	(11,310,119)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	\$ 22,447,463	\$ 33,757,582	\$ (11,310,119)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 22,447,463	\$ 33,757,582	\$ (11,310,119)
(i) Admitted deferred tax assets (2d+2h)	\$ 76,208,995	\$ 80,310,138	\$ (4,101,143)

3. Deferred Tax Liabilities:

Description	(1) December 31, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 45,940	\$ 111,148	\$ (65,208)
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other liabilities- prepaid expenses	184,927	225,490	(40,563)
(6) Other liabilities - salvage and subrogation	284,893	377,710	(92,817)
(7) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	\$ 515,760	\$ 714,348	\$ (198,588)
(b) Capital			
(1) Investments	34,142,270	36,180,606	(2,038,336)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 34,142,270	\$ 36,180,606	\$ (2,038,336)
(c) Deferred tax liabilities (3a99+3b99)	\$ 34,658,030	\$ 36,894,954	\$ (2,236,924)

4. Net Deferred Tax Asset (Liability) (2i - 3c):

Description	(1) December 31, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
Net deferred tax asset (liability) (2i-3c)	\$ 41,550,965	\$ 43,415,184	\$ (1,864,219)

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	December 31, 2012	December 31, 2011	Change
Total deferred tax assets	\$ 76,208,995	\$ 80,310,138	\$ (4,101,143)
Total deferred tax liabilities	34,658,030	36,894,954	(2,236,924)
Net deferred tax asset (liability)	\$ 41,550,965	\$ 43,415,184	\$ (1,864,219)
Tax effect of unrealized gains (losses)			(8,515,026)
Change in net deferred income tax			\$ 6,650,807

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

The provision for Federal income taxes is different than that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. The significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 41,668,127	35%
Exempt interest income	(1,048,599)	-1%
Dividends received deduction	(1,564,301)	-1%
Impact of nonadmitted assets	(124,931)	0%
Other	(502,286)	-1%
Total	\$ 38,428,010	32%
Federal and foreign income taxes incurred	\$ 45,078,817	
Change in net deferred income tax	(6,650,807)	
Total statutory income taxes	\$ 38,428,010	

E. Operating Loss and Tax Credit Carryforwards

- The Company has no operating loss or tax credit carryforwards available.
- The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately:

Period	Amount
Current tax year:	\$ 42,449,601
First preceding tax year:	\$ 63,345,493

The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

- Protective Tax Deposits
Not applicable

F. Consolidated Federal Income Tax Return

- The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.
- The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.

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

A. Nature of Relationships

The Company is wholly owned by Progressive Commercial Holdings, Inc. ("PCH"), a holding company incorporated in Delaware. The structure of the holding company organization is shown on Schedule Y, Part 1.

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

All significant 2012 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

See Note 13.4

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company reported a \$64,264,386 and \$25,556,391 receivable from parent, subsidiaries, and affiliates at December 31, 2012 and 2011, respectively. These balances are due to the timing of security purchases and cash collections and disbursements under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a \$14,349,678 and \$14,114,386 current Federal income tax payable at December 31, 2012 and 2011, respectively. These balances are due to TPC for the Company's Federal income tax liability. The intercompany balances are settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable

NOTES TO FINANCIAL STATEMENTS

F. Management, Service Contracts, Cost Sharing Arrangements

The Company participates in management agreements with two of its insurance affiliates. Under the terms of the agreements, the affiliates are provided underwriting and loss adjustment services for business produced in exchange for a management fee based on their use of services.

The Company participates in joint management services agreements with several of its insurance affiliates. Under the terms of the agreements, the Company provides these affiliates with underwriting and loss adjustment services for specific business produced, and these affiliates may, from time to time, provide the Company with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company's use of the other's services.

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

All intercompany agreements are approved by the participating insurance companies' states of domicile when established. Upon redomestication, intercompany agreements are not required to be approved by the new state of domicile.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by PCH.

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

J. Write-Downs for Impairments of Investments in Affiliates

Not applicable

K. Investment in Foreign Insurance Subsidiary

Not applicable

L. Investment in Downstream Non-Insurance Holding Company

Not applicable

11. Debt

Not applicable

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

The Company has no direct payroll (see Note 10F).

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

1. Outstanding Shares

The Company has 128 shares of \$23,500 par value common stock authorized and 128 shares issued, and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to PCH in 2013 without prior regulatory approval is limited by insurance laws in Ohio. Based on the dividend laws currently in effect, the Company may pay dividends of \$73,972,976 in 2013 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

Within the limitations described above, there are no additional restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

The Company paid dividends to PCH as follows:

Date Paid	Amount Paid	Dividend Type
December 19, 2012	\$ 45,000,000	Ordinary
September 24, 2012	\$ 50,000,000	Ordinary
December 19, 2011	\$ 45,000,000	Ordinary
September 23, 2011	\$ 100,000,000	Extraordinary

The extraordinary dividend was approved by the Ohio DOI.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

Not applicable

9. Changes in Special Surplus Funds

Not Applicable

NOTES TO FINANCIAL STATEMENTS

10. Changes in Unassigned Funds (Surplus)

As of December 31, 2012, the portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss)	\$ 79,462,629
Nonadmitted assets	(2,526,209)
Provision for reinsurance	--
Total	\$ 76,936,420

The unrealized gain is gross of the applicable deferred tax liability of \$27,811,920.

11. Surplus Notes

Not applicable

12,13. Quasi Reorganizations

Not applicable

14. Contingencies

A. Contingent Commitments

Not applicable

B. Assessments

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

As of December 31, 2012 and 2011, the Company's estimated liability for state guaranty fund and other assessments was \$259,465 and \$363,025, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2012 and 2011, the Company's estimated liability for various surcharges was \$434,579 and \$264,034, respectively.

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

The Company paid the following amounts in 2012 to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits:

Description	Direct
Claims related ECO and bad faith losses paid in 2012	\$ 300,000

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during 2012.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

(f) Per Claim [] (g) Per Claimant [x]

E. Product Warranties

Not applicable

F. All Other Contingencies

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and LAE reserves. The Company also has potential exposure relating to lawsuits due to its participation in management agreements for which it is allocated litigation expenses (see Note 10F).

The following is a discussion of potentially significant pending cases at December 31, 2012. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of December 31, 2012, the Company was defending a putative statewide class action lawsuit alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of December 31, 2012, there was a putative class action lawsuit challenging the manner in which the Company charges premium and assesses total loss for commercial vehicle stated amount policies.

As of December 31, 2012, there was a putative class action lawsuit challenging the manner in which the Company reimburses insureds for collision coverage previously paid by an at-fault party.

As of December 31, 2012, there was a putative class action lawsuit alleging that the Company failed to reimburse legal fees incurred to recover medical damages for personal injury protection benefits.

NOTES TO FINANCIAL STATEMENTS

15. Leases
Not applicable
16. Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk
Not applicable
17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities
- A. Transfers of Receivables Reported as Sales
Not applicable
- B. Transfers and Servicing of Financial Assets
Not applicable
- C. Wash Sales
The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.
18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
Not applicable
19. Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators
Not applicable
20. Fair Value Measurements
- A. Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements

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

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

The Company evaluated whether the market was distressed or inactive in determining the fair value for those securities reported and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, the Company concluded that there was sufficient activity in determining the fair value for those securities reported.

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2.

Fair Value Measurements at December 31, 2012:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Preferred stock				
Industrial & miscellaneous	\$ -	\$ 64,805,500	\$ -	\$ 64,805,500
Parent, subsidiaries and affiliates	-	-	-	-
Total preferred stocks	\$ -	\$ 64,805,500	\$ -	\$ 64,805,500
Bonds				
U.S. governments	\$ -	\$ -	\$ -	\$ -
Industrial & miscellaneous	-	1,675,082	-	1,675,082
Hybrid securities	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
Total bonds	\$ -	\$ 1,675,082	\$ -	\$ 1,675,082
Common stock				
Industrial & miscellaneous	\$ 170,265,523	\$ -	\$ -	\$ 170,265,523
Parent, subsidiaries and affiliates	-	-	-	-
Total common stocks	\$ 170,265,523	\$ -	\$ -	\$ 170,265,523
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 170,265,523	\$ 66,480,582	\$ -	\$ 236,746,105
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

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

See Note 1C and refer to narrative in Note 20A

5. Derivative Fair Values

Not applicable

C. Fair Values for all Financial Instruments by Levels 1, 2, and 3

The table below represents the fair value of all financial instruments however, not all financial instruments are reported at fair value in the Company's financial statements (see Note 1C).

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 1,021,234,644	\$ 987,277,249	\$ 182,577,617	\$ 828,770,222	\$ 9,886,805	\$ -
Cash equivalents	101,395,265	101,395,265	101,395,265	-	-	-
Short term investments	7,180,050	7,180,050	7,180,050	-	-	-
Common stock	170,265,523	170,265,523	170,265,523	-	-	-
Preferred stock	64,805,500	64,805,500	-	64,805,500	-	-
Total	\$ 1,364,880,982	\$ 1,330,923,587	\$ 461,418,455	\$ 893,575,722	\$ 9,886,805	\$ -

D. Financial Instruments for Which it is Not Practicable to Estimate Fair Values

Not applicable

21. Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Segregated Funds

At December 31, 2012, securities at the amortized cost of \$4,786,354 were on deposit with various regulatory agencies to meet statutory requirements (see Schedule E, Part 3).

D. Uncollectible Premiums Receivable

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable and Non-transferable Tax Credits

Not applicable

G. Sub-Prime Mortgage Related Risk Exposure

1. Exposure to Sub-Prime Mortgage Related Risk

The following sub-prime disclosure and the review and procedures described within are completed at a consolidated level for all the Progressive companies. To the extent the Company had any direct sub-prime exposure, those securities would be listed in Note 21.G.3.

Management's review of the investment portfolio for securities with direct sub-prime exposure, such as Alt-A residential mortgage loan-backed bonds and home equity loan-backed bonds is performed in conjunction with the OTTI analysis and procedures (see Note 1C). Additionally, securities that were determined to have an indirect sub-prime exposure were also reviewed as part of the OTTI process.

The Company's management continues to perform a detailed review of its investment portfolio, paying particular attention to the credit profile of the issuers to identify the extent to which any asset values may have been impacted by direct or indirect exposure to the sub-prime mortgage loan disruption, as well as broader credit and financial market events.

2. Direct Investment in Sub-Prime Mortgage Loans

Not applicable

NOTES TO FINANCIAL STATEMENTS

3. Direct Investment in Securities with Underlying Sub-Prime Exposure

At December 31, 2012, the Company had the following securities with underlying sub-prime exposure:

Investment Type	Actual Cost	Book Adjusted Carrying Value	Fair Market Value	OTTI Recognized
(a) Residential mortgage-backed securities	\$ 35,901,221	\$ 33,299,649	\$ 36,428,287	\$ 530,027
(b) Commercial mortgage-backed securities	-	-	-	-
(c) Collateralized debt obligations	-	-	-	-
(d) Structured securities	-	-	-	-
(e) Equity investment in SCAs	-	-	-	-
(f) Other assets	-	-	-	-
(g) Total	\$ 35,901,221	\$ 33,299,649	\$ 36,428,287	\$ 530,027

4. Mortgage or Financial Guaranty Sub-Prime Exposure

Not applicable

H. Agents' Balances Certification, Florida Statute 625.012 (5):

At December 31, 2012 and 2011, the Company reported net admitted premiums and agents' balances in course of collection of \$44,662,408 and \$29,057,003, respectively. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 15, 2013 for the statutory statement that was available for issuance by March 1, 2013.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

Not applicable

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded (all amounts in 000's)

- 1) The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2012.

	ASSUMED		CEDED		NET	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(a) Affiliates	\$ 269,101	\$ --	\$ 67	\$ --	\$ 269,034	\$ --
(b) All Other	--	--	--	--	--	--
(c) Totals	\$ 269,101	\$ --	\$ 67	\$ --	\$ 269,034	\$ --

(d) Direct Unearned Premium Reserve is \$257,987

- 2) The Company has no return commission or profit sharing arrangements

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

The Company's only retrospectively rated contract for its auto rental insurance business was cancelled and is in run-off effective April 5, 2002. The Company calculates accrued retrospective premium for each policy period based on inception-to-date incurred losses and defense and cost containment expense grossed up for certain adjusting and other LAE and premium tax reimbursement factors as stipulated in the contracts. The difference between the inception-to-date retrospective premium and the inception-to-date basic premium that has been paid is accrued as a retrospective premium adjustment. At December 31, 2012, the amount remaining on the contract is not considered material to the Company.

NOTES TO FINANCIAL STATEMENTS

- B. Method Used to Record
The Company records accrued retrospective premium as an adjustment to net premiums written.
- C. Amount and Percent of Net Retrospective Premiums
At December 31, 2012, the net premiums written on retrospective policies were not considered material to the Company.
- D. Medical Loss Ratio Rebates
Not applicable
- E. Calculation of Nonadmitted Accrued Retrospective Premiums
Not applicable
25. Changes in Incurred Losses and Loss Adjustment Expenses
Incurred losses and LAE attributable to insured events of prior accident years increased by \$11,857,000 in 2012, which is approximately 1.8% of the total prior year net unpaid losses and LAE of \$675,601,642. Commercial auto liability reserves comprise approximately 80% of the total reserves. Originally anticipated severity for accident years 2011 and 2010 increased by 1.1% and .7%, respectively, for commercial auto liability. Private passenger auto liability originally anticipated severity for accident years 2011 and 2010 increased by 4.4% and 1.4%, respectively.
26. Intercompany Pooling Arrangements
Not applicable.
27. Structured Settlements
Not applicable
28. Health Care Receivables
Not applicable
29. Participating Accident and Health Policies
Not applicable
30. Premium Deficiency Reserves
- | | | |
|----|--|-----------------|
| 1. | Liability carried for premium deficiency reserves | \$0 |
| 2. | Date of most recent evaluation of this liability | January 5, 2013 |
| 3. | Was anticipated investment income utilized in the calculation? | Yes [X] No [] |
31. High Deductibles
Not applicable
32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses
Not applicable
33. Asbestos and Environmental Reserves
Not applicable
34. Subscriber Savings Accounts
Not applicable
35. Multiple Peril Crop Insurance
Not applicable
36. Financial Guaranty Insurance
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. 12/31/2007
- 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. 12/31/2007
- 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). 04/07/2009
- 3.4 By what department or departments?
OHIO

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

1 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 [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?
PRICEWATERHOUSECOOPERS, LLP
200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301
- 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?
GARY S. TRACOFF, FCAS, MAAA CORPORATE ACTUARY
6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182

UNITED FINANCIAL CASUALTY COMPANY GENERAL INTERROGATORIES

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
 12.11 Name of real estate holding company
AVALONBAY COMMUNITIES INC, BRANDYWINE REALTY TRUST, HEALTH CARE REIT INC, KIMCO REALTY CORP, PLUM CREEK TIMBER CO INC,
CBRE GROUP INC, FOREST CITY ENTERPRISES-CL A
 12.12 Number of parcels involved0
 12.13 Total book/adjusted carrying value \$.....4,514,778

12.2 If yes, provide explanation.
WE HOLD A COMMON STOCK INTEREST IN SEVERAL REAL ESTATE HOLDING COMPANIES.
THE NUMBER OF PARCELS IS UNKNOWN.

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?
N/A

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 [X] No []
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
THE COMPANY'S CODE OF ETHICS POLICIES WERE UPDATED WITH THE FOLLOWING:
- A NEW SECTION ON ETHICAL DECISION-MAKING.
- REVISED PROVISIONS ON 1)REPORTING CONCERNS ABOUT POTENTIAL MISCONDUCT, 2)DIVERSITY AND INCLUSION, 3) SOCIAL
RESPONSIBILITY, 4)PERSONAL USE OF COMPANY PROVIDED MOBILE DEVICES 5)ALCOHOLIC BEVERAGES, 6)DISCLOSURE OF
MINOR TRAFFIC VIOLATIONS, AND 7)CONFLICT OF INTEREST RULES FOR CLAIMS PERSONNEL.

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

N/A

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 [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

24.06 If answer to 24.04 is no, report amount of collateral for other programs.

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 [X]

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

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 [X]

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.

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

24.103 Total payable for securities lending reported on the liability page.

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 [X] No []

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

25.21 Subject to repurchase agreements \$.....0

25.22 Subject to reverse repurchase agreements \$.....0

25.23 Subject to dollar repurchase agreements \$.....0

25.24 Subject to reverse dollar repurchase agreements \$.....0

25.25 Pledged as collateral \$.....0

25.26 Placed under option agreements \$.....0

25.27 Letter stock or securities restricted as to sale \$.....0

25.28 On deposit with state or other regulatory body \$.....4,786,354

25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

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

If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105

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)
NONE		

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

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
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST, BOSTON, MA 02110

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	1,095,852,565	1,129,809,964	33,957,399
30.2 Preferred stocks.....	64,805,500	64,805,500	0
30.3 Totals.....	1,160,658,065	1,194,615,464	33,957,399

PART 1 - COMMON INTERROGATORIES - INVESTMENT

30.4 Describe the sources or methods utilized in determining the fair values:
 THE FAIR MARKET VALUES REPORTED ARE DERIVED FROM INDEPENDENT AND OBSERVABLE MARKET INPUT EVALUATIONS PROVIDED BY WIDELY UTILIZED REPUTABLE PRICING SERVICES, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

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

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. THE COMPANY'S FAIR MARKET VALUATION PROCESS, REGARDLESS OF WHAT PRICING SOURCE IS USED, ANALYZES AND COMPARES INDEPENDENT VENDOR QUOTATIONS/SPREADS, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTES, INDEPENDENT BROKER/DEALER PRICING SERVICES, INPUTS FROM THE PORTFOLIO MANAGEMENT TEAM, DISCUSSIONS WITH EXTERNAL AUDITORS, AND SECURITY SPECIFIC PARAMETERS TO ENSURE THAT THE VALUATION PROCESS REFLECTS THE MOST ACCURATE FAIR VALUE AT THE REPORTING DATE.

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? \$.....47,925

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

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS	47,925

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

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

1 Name	2 Amount Paid
NONE	

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
NONE	

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.
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?
 - 1.31 Reason for excluding:
.....

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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....962,166,209
2.2 Premium Denominator.....	\$.....1,067,355,017	\$.....962,166,209
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....1,368,196,883	\$.....1,194,896,084
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 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
 - 3.22 Non-participating policies
- 4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
 - 4.1 Does the reporting entity issue assessable policies? Yes [] No []
 - 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 - 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?%
 - 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.
- 5. FOR RECIPROCAL EXCHANGES ONLY:
 - 5.1 Does the exchange appoint local agents? Yes [] No []
 - 5.2 If yes, is the commission paid:
 - 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 - 5.22 As a direct expense of the exchange Yes [] No [] N/A []
 - 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?
.....
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
- 5.5 If yes, give full information:
.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. APPROXIMATELY 33% OF THE COMPANY'S TOTAL DIRECT AND ASSUMED EXPOSURES ARE IN THE STATE OF FLORIDA. THE ESTIMATE OF THE PML IS APPROXIMATELY 12% OF TOTAL SURPLUS. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMMERCIAL AUTO COMPREHENSIVE.

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'S ESTIMATED PML IS APPROXIMATELY 12% OF THE COMPANY'S SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS CATASTROPHE EXPOSURE.

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 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:
NONE

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 [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 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 [] No [X]
- 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 [] No [X]
- 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 \$.....44,948
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....9,956
- 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 [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From%
 - 12.42 To%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit
 - 12.62 Collateral and other funds

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....2,000,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.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 [] No [X]

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

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

* Disclose type of coverage:

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

Included 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

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14 Case reserves portion of Interrogatory 17.11

17.15 Incurred but not reported portion of Interrogatory 17.11

17.16 Unearned premium portion of Interrogatory 17.11

17.17 Contingent commission portion of Interrogatory 17.11

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

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

17.19 Unfunded portion of Interrogatory 17.18

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21 Case reserves portion of Interrogatory 17.18

17.22 Incurred but not reported portion of Interrogatory 17.18

17.23 Unearned premium portion of Interrogatory 17.18

17.24 Contingent commission portion of Interrogatory 17.18

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

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

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

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

FIVE-YEAR HISTORICAL DATA

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

	1 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).....	819,738,970	694,447,970	705,338,171	753,437,364	810,261,196
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	353,505,344	280,694,480	291,123,690	333,450,764	375,526,346
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	52,475		(1)	(518)	(3,852)
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	1,173,296,789	975,142,450	996,461,860	1,086,887,610	1,185,783,690
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).....	819,616,359	694,437,677	705,330,636	753,442,777	810,273,806
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	353,505,344	280,694,480	291,123,690	333,450,764	375,526,346
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	52,475		(1)	(518)	(3,852)
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	1,173,174,178	975,132,157	996,454,325	1,086,893,023	1,185,796,300
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	46,705,611	139,425,914	168,022,322	187,179,713	89,263,974
14. Net investment gain (loss) (Line 11).....	58,793,865	52,086,741	63,834,601	74,860,616	(42,939,714)
15. Total other income (Line 15).....	5,329,314	4,361,607	2,908,091	980,250	2,627,161
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	36,855,814	61,708,836	68,158,859	79,236,433	49,929,826
18. Net income (Line 20).....	73,972,976	134,165,426	166,606,155	183,784,146	(978,405)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	1,815,880,253	1,630,419,943	1,693,526,013	1,790,391,209	1,783,051,741
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	44,662,408	29,057,003	29,842,286	36,658,550	37,685,615
20.2 Deferred and not yet due (Line 15.2).....	327,159,853	196,426,422	182,975,138	212,581,826	229,061,122
20.3 Accrued retrospective premiums (Line 15.3).....	1,888	1,006			49,088
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,424,534,184	1,240,154,330	1,287,239,167	1,384,986,406	1,431,911,014
22. Losses (Page 3, Line 1).....	613,829,600	561,713,289	612,826,163	638,701,724	646,920,974
23. Loss adjustment expenses (Page 3, Line 3).....	116,942,281	113,888,353	122,788,681	131,920,677	134,204,059
24. Unearned premiums (Page 3, Line 9).....	527,020,908	421,201,748	408,235,802	452,020,117	506,465,649
25. Capital paid up (Page 3, Lines 30 & 31).....	3,008,000	3,008,000	3,008,000	3,008,000	3,008,000
26. Surplus as regards policyholders (Page 3, Line 37).....	391,346,069	390,265,613	406,286,846	405,404,803	351,140,727
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	109,751,195	99,899,518	125,792,031	151,821,646	244,133,788
Risk-Based Capital Analysis					
28. Total adjusted capital.....	391,346,069	390,265,613	406,286,846	405,404,803	351,140,727
29. Authorized control level risk-based capital.....	58,934,461	52,208,033	53,669,791	56,687,060	65,472,638
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).....	74.2	78.8	84.9	92.3	90.8
31. Stocks (Lines 2.1 & 2.2).....	17.7	19.9	13.1	7.7	9.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	8.2	1.3	2.0	0.0	0.1
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....				XXX	XXX
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....	0.0	0.0			
39. Securities lending reinvested collateral assets (Line 10).....				XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....				8,648,566	8,370,541
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	8,648,566	8,370,541
49. Total investment in parent included in Lines 42 to 47 above.....					
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			2.1	2.4

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).....	15,813,620	(4,011,648)	12,675,103	27,366,283	(3,961,708)
52. Dividends to stockholders (Line 35).....	(95,000,000)	(145,000,000)	(185,826,684)	(210,000,000)	(45,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	1,080,456	(16,021,233)	882,043	54,264,076	(64,934,633)
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).....	427,146,609	409,607,060	416,078,275	439,791,554	405,671,975
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	189,841,519	166,951,862	170,067,504	187,410,539	211,339,728
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			(498)	20,432	22,586
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	616,988,128	576,558,922	586,145,281	627,222,525	617,034,289
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).....	427,146,609	409,607,060	416,070,864	439,786,903	405,672,170
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	189,841,519	166,951,862	170,068,072	187,411,155	211,344,478
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			(498)	20,432	22,586
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	616,988,128	576,558,922	586,138,438	627,218,490	617,039,234
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).....	62.7	54.6	53.9	54.2	60.7
68. Loss expenses incurred (Line 3).....	10.1	9.5	9.3	9.6	11.7
69. Other underwriting expenses incurred (Line 4).....	22.8	21.4	20.7	19.8	20.2
70. Net underwriting gain (loss) (Line 8).....	4.4	14.5	16.2	16.4	7.3
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).....	20.3	20.7	21.3	20.7	20.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	72.8	64.1	63.2	63.8	72.5
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).....	299.8	249.9	245.3	268.1	337.7
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).....	14,805	(54,933)	(66,070)	(53,028)	8,393
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).....	3.8	(13.5)	(16.3)	(15.1)	2.0
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).....	(49,954)	(101,356)	(70,442)	(9,844)	60,382
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).....	(12.3)	(25.0)	(20.1)	(2.4)	14.2

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.....	(9).....		11.....		79.....		8.....	81.....	XXX.....
2. 2003.....	82,445.....	(32).....	82,477.....	35,800.....	0.....	3,821.....		4,879.....		1,665.....	44,499.....	XXX.....
3. 2004.....	75,896.....	(4).....	75,900.....	19,232.....	5.....	(6,532).....		2,241.....		1,363.....	14,936.....	XXX.....
4. 2005.....	687,388.....	18.....	687,370.....	434,122.....	4.....	19,548.....		68,685.....		2,354.....	522,352.....	XXX.....
5. 2006.....	1,001,296.....	18.....	1,001,278.....	553,832.....		25,638.....		86,152.....		11,167.....	665,621.....	XXX.....
6. 2007.....	1,289,481.....	8.....	1,289,473.....	701,102.....		27,210.....		104,223.....		24,255.....	832,534.....	XXX.....
7. 2008.....	1,221,940.....	(13).....	1,221,953.....	657,926.....		24,978.....		103,701.....		22,882.....	786,605.....	XXX.....
8. 2009.....	1,141,335.....	(5).....	1,141,340.....	570,928.....		18,790.....		81,953.....		18,371.....	671,671.....	XXX.....
9. 2010.....	1,040,248.....	8.....	1,040,240.....	524,535.....		16,114.....		76,750.....		15,908.....	617,399.....	XXX.....
10. 2011.....	962,169.....	3.....	962,166.....	433,598.....		5,339.....		64,967.....		15,510.....	503,904.....	XXX.....
11. 2012.....	1,067,418.....	62.....	1,067,356.....	346,853.....		1,204.....		52,896.....		9,719.....	400,952.....	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	4,277,917.....	9.....	136,119.....	0.....	646,526.....	0.....	123,202.....	5,060,553.....	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.....	404.....		5.....		39.....				8.....		456.....	XXX.....	
2. 2003.....	44.....		5.....		15.....				3.....		66.....	XXX.....	
3. 2004.....	631.....		4.....		83.....				17.....		735.....	XXX.....	
4. 2005.....	1,511.....		2.....		112.....				32.....		1,658.....	XXX.....	
5. 2006.....	5,864.....		3.....		544.....				139.....		6,549.....	XXX.....	
6. 2007.....	4,344.....		1.....		567.....				181.....		5,093.....	XXX.....	
7. 2008.....	18,435.....		(0).....		2,348.....				744.....		21,527.....	XXX.....	
8. 2009.....	32,653.....		10,322.....		4,832.....		1,777.....		1,598.....		51,182.....	XXX.....	
9. 2010.....	70,187.....		9,852.....		11,590.....		2,591.....		4,315.....		98,534.....	XXX.....	
10. 2011.....	131,733.....		18,908.....	2.....	16,400.....		3,666.....		9,911.....		180,616.....	XXX.....	
11. 2012.....	241,913.....		67,056.....	44.....	21,355.....		5,331.....		28,745.....		364,356.....	XXX.....	
12. Totals.....	507,718.....	0.....	106,157.....	46.....	57,886.....	0.....	13,365.....	0.....	45,694.....	0.....	730,773.....	XXX.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	409.....	47.....
2. 2003..	44,566.....	0.....	44,565.....	54.1.....	(1.0).....	54.0.....				49.....	17.....
3. 2004..	15,676.....	5.....	15,671.....	20.7.....	(119.3).....	20.6.....				636.....	100.....
4. 2005..	524,014.....	4.....	524,010.....	76.2.....	20.0.....	76.2.....				1,513.....	145.....
5. 2006..	672,170.....	0.....	672,170.....	67.1.....	0.0.....	67.1.....				5,866.....	683.....
6. 2007..	837,627.....	0.....	837,627.....	65.0.....	0.0.....	65.0.....				4,346.....	748.....
7. 2008..	808,131.....	0.....	808,131.....	66.1.....	0.0.....	66.1.....				18,435.....	3,092.....
8. 2009..	722,853.....	0.....	722,853.....	63.3.....	0.0.....	63.3.....				42,975.....	8,208.....
9. 2010..	715,933.....	0.....	715,933.....	68.8.....	0.0.....	68.8.....				80,038.....	18,496.....
10. 2011..	684,522.....	2.....	684,520.....	71.1.....	61.3.....	71.1.....				150,639.....	29,978.....
11. 2012..	765,352.....	44.....	765,308.....	71.7.....	71.2.....	71.7.....				308,925.....	55,431.....
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	613,829.....	116,944.....

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.....	15,155	14,827	12,111	19,877	23,917	23,491	23,874	24,961	24,876	24,821	(54)	(140)
2. 2003.....	43,401	42,938	36,319	35,420	35,576	39,254	40,434	40,278	39,931	39,683	(248)	(595)
3. 2004.....	XXX	38,053	15,990	10,319	14,828	12,453	13,201	13,074	13,305	13,413	108	340
4. 2005.....	XXX	XXX	453,086	445,064	460,838	458,656	454,237	456,069	455,612	455,292	(320)	(776)
5. 2006.....	XXX	XXX	XXX	559,260	591,564	596,470	594,032	585,795	585,235	585,880	645	85
6. 2007.....	XXX	XXX	XXX	XXX	757,315	762,107	748,417	746,071	736,487	733,223	(3,264)	(12,848)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	762,357	727,565	718,097	709,160	703,687	(5,473)	(14,410)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	695,659	647,003	631,457	639,302	7,844	(7,702)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	648,775	629,128	634,868	5,739	(13,907)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	599,816	609,642	9,826	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	683,667	XXX	XXX
12. Totals.....											14,805	(49,954)

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	4,705	(29,244)	888	16,280	20,822	22,347	23,596	24,372	24,373	XXX	XXX
2. 2003.....	26,467	34,745	(9,324)	14,734	26,447	35,811	38,596	39,306	39,503	39,620	XXX	XXX
3. 2004.....	XXX	19,917	(63,189)	(29,515)	(4,161)	5,202	10,328	11,954	12,405	12,695	XXX	XXX
4. 2005.....	XXX	XXX	271,427	359,287	410,254	433,650	446,285	450,708	452,892	453,667	XXX	XXX
5. 2006.....	XXX	XXX	XXX	307,283	439,441	505,555	540,487	567,493	575,442	579,469	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	399,702	544,597	641,992	690,477	717,425	728,311	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	381,910	531,452	604,605	654,483	682,904	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	348,074	470,489	541,656	589,718	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	332,341	460,891	540,648	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	314,752	438,937	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	348,057	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.....	1,742	658	4,323	20	44	33	73	10	7	5
2. 2003.....	6,138	1,377	10,396	3,226	71	48	44	15	10	5
3. 2004.....	XXX	6,211	18,569	8,114	3,201	56	48	14	10	4
4. 2005.....	XXX	XXX	44,839	14,957	8,171	3,488	56	9	4	2
5. 2006.....	XXX	XXX	XXX	61,004	20,964	11,226	10,007	38	22	3
6. 2007.....	XXX	XXX	XXX	XXX	76,532	28,243	14,758	14,783	69	1
7. 2008.....	XXX	XXX	XXX	XXX	XXX	87,901	28,705	15,014	10,144	(0)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	84,292	25,712	14,297	12,099
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	63,486	22,578	12,443
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	57,835	22,572
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	72,342

UNITED FINANCIAL CASUALTY 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. Alaska.....AK	L	7,253,476	7,112,604		3,281,582	3,789,416	2,796,625	43,164	
3. Arizona.....AZ	L	17,670,177	17,572,312		8,713,990	11,523,510	11,501,420	196,519	
4. Arkansas.....AR	L	20,971,793	19,504,288		10,023,235	12,816,199	12,605,909	165,355	
5. California.....CA	L	205,154,555	150,573,717		91,972,957	106,468,506	101,709,880	1,889,960	
6. Colorado.....CO	L	3,576,960	3,756,607		2,646,092	3,721,492	5,217,006	27,279	
7. Connecticut.....CT	L								
8. Delaware.....DE	L	5,254,281	4,842,923		2,538,607	1,965,626	2,875,609	44,140	
9. District of Columbia.....DC	L								
10. Florida.....FL	L								
11. Georgia.....GA	L								
12. Hawaii.....HI	L								
13. Idaho.....ID	L	10,205,513	9,080,518		3,727,743	5,135,580	4,313,089	84,409	
14. Illinois.....IL	L						300,000		
15. Indiana.....IN	L								
16. Iowa.....IA	L								
17. Kansas.....KS	L	12,241,532	10,835,054		4,707,789	5,458,714	3,166,490	90,638	
18. Kentucky.....KY	L	20,431,591	20,236,959		13,523,206	11,768,835	10,680,215	101,819	
19. Louisiana.....LA	L								
20. Maine.....ME	L	23,757,841	23,410,659		12,814,163	12,459,363	8,609,164	444,307	
21. Maryland.....MD	L	6,082,782	6,613,334		3,219,226	2,530,123	3,938,306	50,537	
22. Massachusetts.....MA	L	4,800,885	5,217,479		3,160,370	2,646,934	2,648,194	71,369	
23. Michigan.....MI	L								
24. Minnesota.....MN	L	17,022,476	15,415,892		6,841,346	8,593,511	7,384,860	118,024	
25. Mississippi.....MS	L								
26. Missouri.....MO	L	(5,923)	20,004		1,343,602	19,465	716,233	(178)	
27. Montana.....MT	L	10,558,857	10,155,676		5,160,437	6,826,076	5,515,172	81,297	
28. Nebraska.....NE	L								
29. Nevada.....NV	L	10,497,830	10,396,626		7,273,431	6,285,621	11,561,807	94,711	
30. New Hampshire.....NH	L	5,028,636	4,907,645		1,228,050	1,658,089	2,721,075	58,900	
31. New Jersey.....NJ	L								
32. New Mexico.....NM	L	13,278,438	12,493,935		4,570,801	5,671,180	7,293,313	124,246	
33. New York.....NY	L	(4,781)	(4,781)		4,656,962	(787,386)	1,769,106	1,387	
34. North Carolina.....NC	L	(2,065)	(2,065)		2,112,782	(1,579,886)	2,418,541	(78)	
35. North Dakota.....ND	L	11,273,245	9,548,458		5,070,880	6,149,567	2,147,459	47,068	
36. Ohio.....OH	L	9,078,323	9,689,150		4,394,011	3,820,365	6,968,395	104,958	
37. Oklahoma.....OK	L	(580)	(580)		3,345,019	(844,762)	2,885,330	(5)	
38. Oregon.....OR	L								
39. Pennsylvania.....PA	L	57,341,093	56,189,865		28,761,929	32,340,402	37,695,969	610,778	
40. Rhode Island.....RI	L	6,779,209	6,686,955		3,580,031	2,282,559	5,227,360	91,636	
41. South Carolina.....SC	L				2,503,454	(285,941)	3,319,050		
42. South Dakota.....SD	L	3,982,983	3,492,901		1,624,977	1,948,727	1,806,990	21,997	
43. Tennessee.....TN	L				12,446	(53,486)	172,342		
44. Texas.....TX	L								
45. Utah.....UT	L	10,328,709	9,251,113		6,068,774	8,574,367	9,408,840	77,178	
46. Vermont.....VT	L	6,803,803	6,756,048		2,883,032	3,101,261	4,152,043	79,871	
47. Virginia.....VA	L	1,593,883	1,684,927		2,241,311	1,107,497	1,774,314	13,810	
48. Washington.....WA	L	20,453,754	18,707,469		10,830,187	10,122,625	11,513,354	193,893	
49. West Virginia.....WV	L	8,565,921	8,408,606		4,903,937	3,051,196	4,222,688	26,158	
50. Wisconsin.....WI	L								
51. Wyoming.....WY	L								
52. American Samoa.....AS	N								
53. Guam.....GU	N								
54. Puerto Rico.....PR	N								
55. US Virgin Islands.....VI	N								
56. Northern Mariana Islands.....MP	N								
57. Canada.....CAN	N								
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a) 51		529,975,197	462,554,298	0	269,736,359	278,285,345	301,036,148	4,955,147	0

DETAILS OF WRITE-INS

58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

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

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

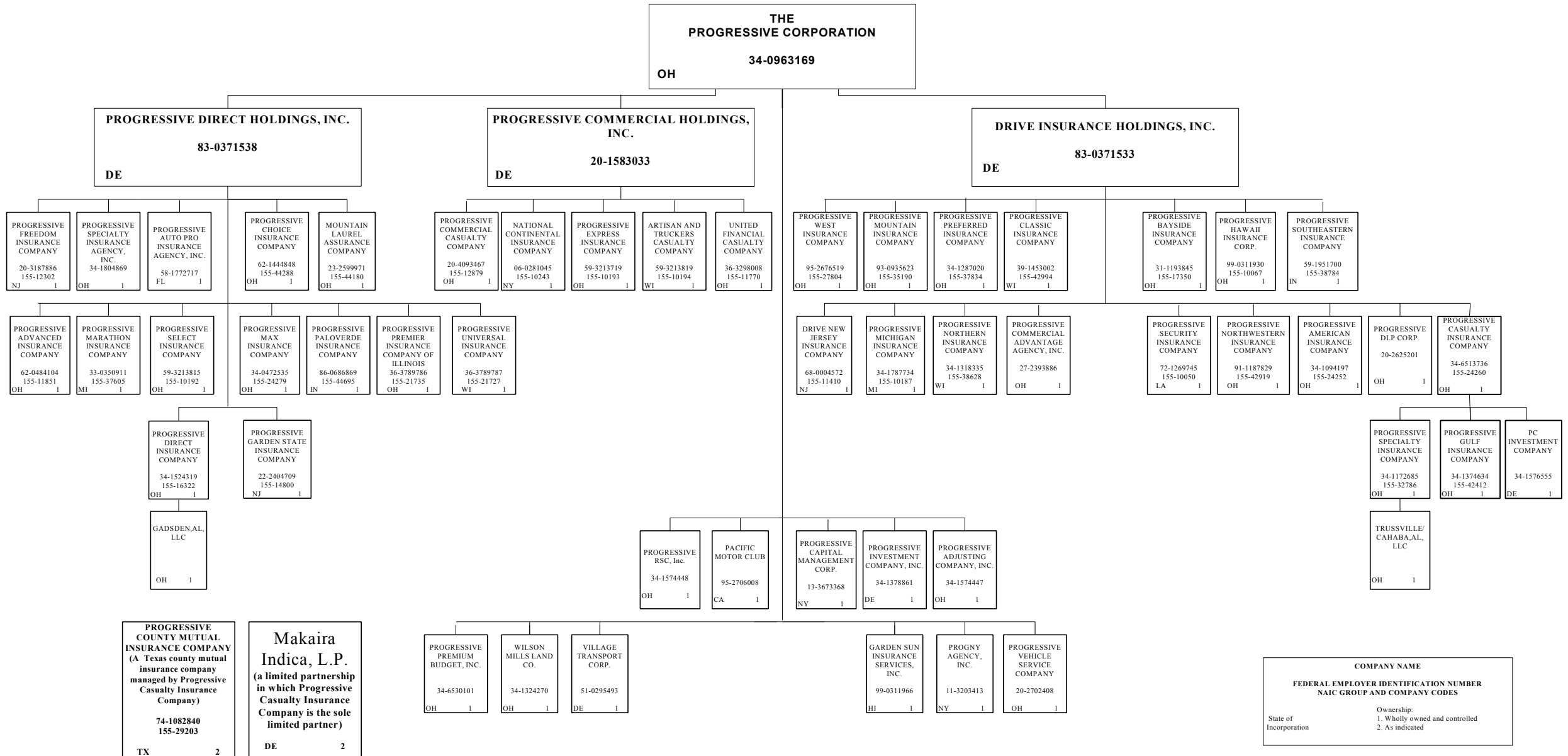
Explanation of Basis of Allocation of Premiums by States, etc.

Allocation on the basis of the location where the vehicle is principally garaged and used.

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

PART 1 – ORGANIZATIONAL CHART

97



COMPANY NAME	
FEDERAL EMPLOYER IDENTIFICATION NUMBER NAIC GROUP AND COMPANY CODES	
State of Incorporation	Ownership: 1. Wholly owned and controlled 2. As indicated

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