



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Republic-Franklin Insurance Company

NAIC Group Code 0201 0201 NAIC Company Code 12475 Employer's ID Number 31-4290270
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America

Incorporated/Organized 02/10/1949 Commenced Business 02/10/1949

Statutory Home Office 2600 Corporate Exchange Drive, Columbus, OH, US 43231
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 180 Genesee Street
(Street and Number)
New Hartford, NY, US 13413 315-734-2000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address Post Office Box 530, Utica, NY, US 13503-0530
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 180 Genesee Street
(Street and Number)
New Hartford, NY, US 13413 315-734-2717
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.uticanational.com

Statutory Statement Contact Brian Wade Miller, Jr., 315-734-2717
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OFFICERS

Chairman & CEO James Douglas Robinson SVP & Secretary Kristen Holly Martin #
President & COO Brian Patrick Lytwynec SVP, CFO & Treasurer Raymond Edward Cox

OTHER

James Porter Carhart Senior Vice President Richard Patrick Creedon Executive Vice President Daniel Desmond Daly Executive Vice President
Steven Paul Guzski Senior Vice President

DIRECTORS OR TRUSTEES

Alfred Elliot Calligaris Roy Anthony Cardia Paul Alan Hagstrom, Ph.D.
Gregory Miller Harden # Jerry John Hartman Brian Patrick Lytwynec
Alan Joseph Pope, Sr. James Douglas Robinson Linda Ellen Romano

State of New York SS:
County of Oneida

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.

Brian Patrick Lytwynec
President & COO

Raymond Edward Cox
SVP, CFO & Treasurer

Kristen Holly Martin
SVP & Secretary

Subscribed and sworn to before me this _____ day of _____

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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)	67,903,911		67,903,911	81,521,375
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$				
encumbrances)				
4.2 Properties held for the production of income (less				
\$				
encumbrances)				
4.3 Properties held for sale (less \$				
encumbrances)				
5. Cash (\$148,139 , Schedule E - Part 1), cash equivalents				
(\$6,999,614 , Schedule E - Part 2) and short-term				
investments (\$3,349,501 , Schedule DA)	10,497,254		10,497,254	173,526
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivable for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	78,401,165		78,401,165	81,694,900
13. Title plants less \$ charged off (for Title insurers				
only)				
14. Investment income due and accrued	545,192		545,192	725,017
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,178,452	58,953	5,119,499	4,820,232
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$(1,065)				
earned but unbilled premiums)	687,340		687,340	803,585
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,067,767		1,067,767	2,719,650
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				1,185,481
18.2 Net deferred tax asset	1,944,305	456,095	1,488,210	1,614,726
19. Guaranty funds receivable or on deposit	1,087,709		1,087,709	1,144,692
20. Electronic data processing equipment and software	9,950		9,950	16,682
21. Furniture and equipment, including health care delivery assets				
(\$)	3,460	3,460		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	3,173,227	1,964,481	1,208,746	1,222,402
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	92,098,567	2,482,989	89,615,579	95,947,367
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts				
28. Total (Lines 26 and 27)	92,098,567	2,482,989	89,615,579	95,947,367
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Accounts Receivable - Other	1,102,112	16,706	1,085,406	1,073,198
2502. Equities and Deposits in Pools and Associations	124,249	909	123,340	149,204
2503. Prepaid Expenses	1,573,224	1,573,224		
2598. Summary of remaining write-ins for Line 25 from overflow page	373,642	373,642		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,173,227	1,964,481	1,208,746	1,222,402

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	25,993,203	29,919,336
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	293	
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	7,511,174	11,151,340
4. Commissions payable, contingent commissions and other similar charges	544,968	543,979
5. Other expenses (excluding taxes, licenses and fees)	1,179,293	1,052,528
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	770,504	886,852
7.1 Current federal and foreign income taxes (including \$ 320,235 on realized capital gains (losses))	813,247	1,293,762
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 73,992,898 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	9,051,309	8,903,704
10. Advance premium	87,329	78,097
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	107,541	81,670
12. Ceded reinsurance premiums payable (net of ceding commissions)	225,109	319,560
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	38,228	
14. Amounts withheld or retained by company for account of others	403,022	333,842
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	53,949	60,005
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	666,745	64,199
20. Derivatives		
21. Payable for securities	96	45
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	500,072	403,712
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	47,946,083	55,092,630
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	47,946,083	55,092,630
29. Aggregate write-ins for special surplus funds	94,038	636,299
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	2,139,802	2,139,802
35. Unassigned funds (surplus)	35,935,656	34,578,636
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	41,669,496	40,854,737
38. TOTALS (Page 2, Line 28, Col. 3)	89,615,579	95,947,367
DETAILS OF WRITE-INS		
2501. Pension Benefit Obligation	464,495	320,553
2502. Contingent Balances in Safety Groups	32,670	74,610
2503. Miscellaneous Accounts Payable	2,907	8,549
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	500,072	403,712
2901. Reserve for Undeclared Dividends	94,038	99,692
2902. Additional Admitted Deferred tax Asset		536,607
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	94,038	636,299
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	17,796,261	18,041,270
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	9,614,742	12,443,311
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	2,923,926	4,663,599
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	6,773,786	6,741,231
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	19,312,454	23,848,141
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(1,516,193)	(5,806,871)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	2,839,214	3,273,976
10. Net realized capital gains or (losses) less capital gains tax of \$320,235 (Exhibit of Capital Gains (Losses)).....	594,721	2,478,965
11. Net investment gain (loss) (Lines 9 + 10).....	3,433,935	5,752,942
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$850 amount charged off \$24,682).....	(23,832)	(21,233)
13. Finance and service charges not included in premiums.....	537,643	509,464
14. Aggregate write-ins for miscellaneous income.....	(993,681)	(14,170)
15. Total other income (Lines 12 through 14).....	(479,869)	474,061
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,437,872	420,131
17. Dividends to policyholders.....	239,643	130,133
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,198,229	289,998
19. Federal and foreign income taxes incurred.....	39,789	(847,769)
20. Net income (Line 18 minus Line 19)(to Line 22).....	1,158,440	1,137,767
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	40,854,737	40,664,898
22. Net income (from Line 20).....	1,158,440	1,137,767
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$(3,401).....	3,401	(999,057)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(139,579)	(145,927)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	425,050	65,723
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	6,056	2,761
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.....		
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.....	(638,609)	128,572
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	814,759	189,839
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	41,669,496	40,854,737
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....		
1401. Gain/Loss on Sale of Assets.....	205	140
1402. Miscellaneous Income.....	(993,886)	(14,311)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	(993,681)	(14,170)
3701. Contingent Balance in Safety Groups.....	41,940	128,010
3702. Deferred Tax Expanded Admissibility - SSAP 10R.....	(536,607)	321,115
3703. Pension Benefit Obligation.....	(143,942)	(320,553)
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	(638,609)	128,572

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	17,674,967	18,094,925
2. Net investment income	3,410,517	3,633,054
3. Miscellaneous income	(479,869)	474,061
4. Total (Lines 1 through 3)	20,605,615	22,202,040
5. Benefit and loss related payments	11,888,991	10,872,267
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	13,274,106	10,457,994
8. Dividends paid to policyholders	213,772	299,481
9. Federal and foreign income taxes paid (recovered) net of \$ 320,235 tax on capital gains (losses)	(344,942)	266,574
10. Total (Lines 5 through 9)	25,031,928	21,896,317
11. Net cash from operations (Line 4 minus Line 10)	(4,426,313)	305,722
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	27,371,171	31,658,697
12.2 Stocks		6,361,385
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		789
12.7 Miscellaneous proceeds	52	10
12.8 Total investment proceeds (Lines 12.1 to 12.7)	27,371,223	38,020,880
13. Cost of investments acquired (long-term only):		
13.1 Bonds	13,231,640	38,050,141
13.2 Stocks		1,448,194
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,231,640	39,498,335
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	14,139,583	(1,477,455)
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		
16.6 Other cash provided (applied)	610,459	(87,186)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	610,459	(87,186)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	10,323,728	(1,258,919)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	173,526	1,432,444
19.2 End of period (Line 18 plus Line 19.1)	10,497,254	173,526

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

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	42,489	25,331	24,721	43,098
2.	Allied lines	33,969	21,539	20,448	35,060
3.	Farmowners multiple peril				
4.	Homeowners multiple peril	1,202,466	630,580	672,800	1,160,246
5.	Commercial multiple peril	4,188,951	2,318,040	2,310,717	4,196,275
6.	Mortgage guaranty				
8.	Ocean marine	0			0
9.	Inland marine	50,974	38,984	34,478	55,480
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	1,389	670	746	1,314
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation	4,430,076	1,957,456	2,022,012	4,365,521
17.1	Other liability - occurrence	853,371	434,377	410,201	877,547
17.2	Other liability - claims-made	1,808,102	854,076	835,329	1,826,850
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	(4,574)	7,201	7,231	(4,604)
18.2	Products liability - claims-made	0			0
19.1, 19.2	Private passenger auto liability	1,319,801	603,278	664,797	1,258,283
19.3, 19.4	Commercial auto liability	2,518,284	1,231,662	1,294,081	2,455,865
21.	Auto physical damage	1,424,258	717,193	704,160	1,437,291
22.	Aircraft (all perils)	0			0
23.	Fidelity	6,764	11,589	5,526	12,827
24.	Surety	50,597	45,346	30,761	65,182
26.	Burglary and theft	16,488	6,186	12,973	9,700
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property	4	(10)	2	(8)
32.	Reinsurance - nonproportional assumed liability				
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business	457	205	327	334
35.	TOTALS	17,943,866	8,903,704	9,051,309	17,796,261
DETAILS OF WRITE-INS					
3401.	Involuntary Unemployment	457	205	327	334
3402.				
3403.				
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	457	205	327	334

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	24,721				24,721
2.	Allied lines	20,448				20,448
3.	Farmowners multiple peril					
4.	Homeowners multiple peril	672,800				672,800
5.	Commercial multiple peril	2,310,717				2,310,717
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine	34,478				34,478
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	746				746
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation	2,022,012				2,022,012
17.1	Other liability - occurrence	410,201				410,201
17.2	Other liability - claims-made	835,329				835,329
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	7,231				7,231
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	664,797				664,797
19.3, 19.4	Commercial auto liability	1,294,081				1,294,081
21.	Auto physical damage	704,160				704,160
22.	Aircraft (all perils)					
23.	Fidelity	5,526				5,526
24.	Surety	30,761				30,761
26.	Burglary and theft	12,973				12,973
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property	2				2
32.	Reinsurance - nonproportional assumed liability					
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business	327				327
35.	TOTALS	9,051,309				9,051,309
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					9,051,309
DETAILS OF WRITE-INS						
3401.	Involuntary Unemployment	327				327
3402.					
3403.					
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	327				327

(a) State here basis of computation used in each case Pro-rata

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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	118,418	42,489		102,337	16,081	42,489
2. Allied lines	90,843	33,969		72,318	18,525	33,969
3. Farmowners multiple peril						
4. Homeowners multiple peril	10,148,919	1,202,466		9,628,426	520,493	1,202,466
5. Commercial multiple peril	43,318,490	4,179,385		37,383,081	5,925,842	4,188,951
6. Mortgage guaranty						
8. Ocean marine		0				0
9. Inland marine	338,575	60,541		262,064	86,078	50,974
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	12,138	1,389		12,091	47	1,389
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	34,517,185	4,430,076	0	33,673,303	843,881	4,430,076
17.1 Other liability - occurrence	4,089,340	853,371		3,326,431	762,909	853,371
17.2 Other liability - claims-made	8,050,534	1,808,102		7,433,894	616,640	1,808,102
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	23,323	(4,574)		19,356	3,967	(4,574)
18.2 Products liability - claims-made		0				0
19.1, 19.2 Private passenger auto liability	7,858,551	1,319,801		7,847,663	10,888	1,319,801
19.3, 19.4 Commercial auto liability	26,726,813	2,518,284		26,621,304	105,509	2,518,284
21. Auto physical damage	12,449,821	1,424,258		12,327,332	122,488	1,424,258
22. Aircraft (all perils)		0				0
23. Fidelity		6,764		(6)	6	6,764
24. Surety	4,556	50,597		4,556		50,597
26. Burglary and theft	1,916	16,488		1,902	14	16,488
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX	4				4
32. Reinsurance - nonproportional assumed liability	XXX					
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business		457				457
35. TOTALS	147,749,421	17,943,866	0	138,716,054	9,033,367	17,943,866
DETAILS OF WRITE-INS						
3401. Involuntary Unemployment		457				457
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		457				457

(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 \$

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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		12,388		12,388	3,909	8,713	7,584	17.6
2. Allied lines	(634)	17,815	(634)	17,815	13,734	6,017	25,532	72.8
3. Farmowners multiple peril								
4. Homeowners multiple peril	6,115,567	809,732	6,115,567	809,732	399,286	361,557	847,462	73.0
5. Commercial multiple peril	25,487,526	2,390,792	25,487,526	2,390,792	4,584,542	4,807,110	2,168,224	51.7
6. Mortgage guaranty								
8. Ocean marine		3,565		3,565	82,678	78,535	7,707	38,537,150.0
9. Inland marine	38,452	11,670	38,452	11,670	4,398	5,895	10,173	18.3
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	19,953,332	2,486,431	19,945,681	2,494,082	12,350,432	12,139,695	2,704,820	62.0
17.1 Other liability - occurrence	1,400,249	3,861,545	1,417,515	3,844,279	2,330,609	5,666,931	507,957	57.9
17.2 Other liability - claims-made	502,432	686,049	502,432	686,049	2,099,920	1,964,124	821,845	45.0
17.3 Excess workers' compensation								
18.1 Products liability - occurrence		175,773		175,773	25,429	415,931	(214,729)	4,664.1
18.2 Products liability - claims-made					900	450	450	(97,826.1)
19.1, 19.2 Private passenger auto liability	5,075,034	742,177	5,075,034	742,177	993,901	1,123,869	612,210	48.7
19.3, 19.4 Commercial auto liability	11,937,394	1,448,127	11,938,265	1,447,257	2,964,072	3,134,378	1,276,951	52.0
21. Auto physical damage	7,072,270	884,487	7,072,270	884,487	36,838	47,719	873,606	60.8
22. Aircraft (all perils)		(390)		(390)	1,901	2,218	(707)	(7,072,100.0)
23. Fidelity		1,687		1,687	36,019	35,267	2,439	19.0
24. Surety		19,427		19,427	64,487	120,208	(36,294)	(55.7)
26. Burglary and theft		83		83	150	600	(367)	(3.8)
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX	0		0			0	(5.1)
32. Reinsurance - nonproportional assumed liability	XXX							
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business						120	(120)	(35.9)
35. TOTALS	77,581,621	13,551,360	77,592,107	13,540,875	25,993,203	29,919,336	9,614,742	54.0
DETAILS OF WRITE-INS								
3401. Involuntary Unemployment Insurance						120	(120)	
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						120	(120)	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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 Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire		3,664		3,664		245		3,909	4,409
2. Allied lines	30,000	13,585	30,000	13,585		149		13,734	2,771
3. Farmowners multiple peril									
4. Homeowners multiple peril	1,599,428	361,827	1,599,428	361,827	221,000	37,459	221,000	399,286	109,144
5. Commercial multiple peril	37,489,707	3,669,962	37,489,707	3,669,962	8,455,000	914,580	8,455,000	4,584,542	2,257,403
6. Mortgage guaranty									
8. Ocean marine		80,518		80,518		2,160		82,678	10,474
9. Inland marine		3,978		3,978	1,000	420	1,000	4,398	6,038
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									750
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)									
15. Other accident and health								(a)	
16. Workers' compensation	76,369,792	11,618,669	76,369,794	11,618,667	3,486,000	731,767	3,486,002	12,350,432	2,218,731
17.1 Other liability - occurrence	1,377,000	1,006,789	1,377,000	1,006,789	3,107,000	2,585,820	4,369,000	2,330,609	648,680
17.2 Other liability - claims-made	3,487,500	2,099,920	3,487,500	2,099,920				2,099,920	962,902
17.3 Excess workers' compensation									
18.1 Products liability - occurrence		21,649		21,649		3,780		25,429	58,019
18.2 Products liability - claims-made		450		450		450		900	
19.1, 19.2 Private passenger auto liability	4,919,892	904,441	4,919,892	904,441	729,000	89,460	729,000	993,901	366,389
19.3, 19.4 Commercial auto liability	29,245,638	2,729,869	29,245,638	2,729,869	2,190,000	234,203	2,190,000	2,964,072	740,151
21. Auto physical damage	(454,854)	(2,056)	(454,854)	(2,056)	412,000	38,893	412,000	36,838	43,294
22. Aircraft (all perils)		1,541		1,541		360		1,901	30
23. Fidelity		9,229		9,229		26,790		36,019	34,408
24. Surety		38,567		38,567		25,920		64,487	47,191
26. Burglary and theft						150		150	390
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX				XXX				
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	154,064,103	22,562,599	154,064,105	22,562,597	18,601,000	4,692,608	19,863,002	25,993,203	7,511,174
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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	11,986,051			11,986,051
1.2 Reinsurance assumed	1,312,564			1,312,564
1.3 Reinsurance ceded	11,986,051			11,986,051
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	1,312,564			1,312,564
2. Commission and brokerage:				
2.1 Direct excluding contingent		18,934,101		18,934,101
2.2 Reinsurance assumed, excluding contingent		2,447,579		2,447,579
2.3 Reinsurance ceded, excluding contingent		18,934,101		18,934,101
2.4 Contingent - direct		1,886,680		1,886,680
2.5 Contingent - reinsurance assumed		328,902		328,902
2.6 Contingent - reinsurance ceded		1,886,680		1,886,680
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		2,776,481		2,776,481
3. Allowances to managers and agents		16,770		16,770
4. Advertising		16,264		16,264
5. Boards, bureaus and associations	6,243	107,725		113,968
6. Surveys and underwriting reports		193,534		193,534
7. Audit of assureds' records		20,512		20,512
8. Salary and related items:				
8.1 Salaries	737,061	1,754,533	21,671	2,513,265
8.2 Payroll taxes	50,836	127,892	1,288	180,016
9. Employee relations and welfare	110,744	290,472	4,489	405,705
10. Insurance	19,027	30,616	1,028	50,670
11. Directors' fees	4,619	19,777	767	25,163
12. Travel and travel items	12,087	96,412	737	109,237
13. Rent and rent items	62,569	149,613	1,532	213,713
14. Equipment	4,958	14,377	107	19,441
15. Cost or depreciation of EDP equipment and software	78,232	333,063	1,284	412,579
16. Printing and stationery	4,057	17,964	107	22,128
17. Postage, telephone and telegraph, exchange and express	17,982	54,804	6,538	79,325
18. Legal and auditing	4,980	(74,562)	2	(69,580)
19. Totals (Lines 3 to 18)	1,113,394	3,169,765	39,550	4,322,709
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 868,800	393,065	604,578		997,643
20.2 Insurance department licenses and fees		42,898		42,898
20.3 Gross guaranty association assessments		(14,697)		(14,697)
20.4 All other (excluding federal and foreign income and real estate)		(3)		(3)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	393,065	632,775		1,025,840
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	104,904	194,765	53,309	352,977
25. Total expenses incurred	2,923,926	6,773,786	92,859	9,790,571
26. Less unpaid expenses - current year	7,511,174	1,610,868	31,497	9,153,539
27. Add unpaid expenses - prior year	11,151,340	1,529,053	32,906	12,713,299
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,564,092	6,691,971	94,268	13,350,331
DETAILS OF WRITE-INS				
2401. Contributions		739		739
2402. Outside Service Fees	97,531	255,705	52,402	405,639
2403. Claims Service Fees	(3,197)			(3,197)
2498. Summary of remaining write-ins for Line 24 from overflow page	10,569	(61,680)	907	(50,203)
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	104,904	194,765	53,309	352,977

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 375,776	367,498
1.1 Bonds exempt from U.S. tax	(a) 235,400	235,400
1.2 Other bonds (unaffiliated)	(a) 2,494,151	2,322,603
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 230	230
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	6,340	6,340
10. Total gross investment income	3,111,897	2,932,072
11. Investment expenses		(g) 92,859
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)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		92,859
17. Net investment income (Line 10 minus Line 16)		2,839,214
DETAILS OF WRITE-INS		
0901. Miscellaneous Income	6,340	6,340
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	6,340	6,340
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ 26,688 accrual of discount less \$ 419,576 amortization of premium and less \$ 15,269 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 230 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	163,929		163,929		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	751,027		751,027		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	914,956		914,956		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	58,953	59,221	268
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	456,095	465,757	9,662
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	3,460	95	(3,365)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	1,964,481	1,846,359	(118,122)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,482,989	2,371,432	(111,557)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	2,482,989	2,371,432	(111,557)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Accounts Receivable - Other	16,706	42,459	25,753
2502. Clearing Accounts	26,175	10,095	(16,079)
2503. Deposits	400	400	
2598. Summary of remaining write-ins for Line 25 from overflow page	1,921,201	1,793,405	(127,796)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,964,481	1,846,359	(118,122)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Republic-Franklin Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Laws. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state of Ohio has adopted some practices that differ from NAIC SAP; however, none of those changes would impact the financial results of Republic-Franklin Insurance Company.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is not required since there are no material differences to reconcile.

B. Use of Estimates in Preparation of the Financial Statement

The preparation of financial statements in compliance with Statutory Accounting Principles (SAP) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the balance sheet date as well as reported amounts of revenue and expenses during the period covered by the income statement. The actual results could vary from these estimates.

C. Accounting Policies

Premiums are earned over the term of related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed on the daily pro-rata method. Expenses incurred with the acquisition of new insurance contracts, including acquisition costs such as commissions, are charged to operations as incurred. Expenses incurred are reduced by any ceding allowances received or receivable.

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific amortization method.
- (3) Common stock is stated at market value.
- (4) The Company does not own any preferred stock.
- (5) The Company does not own any mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost, or the lower of amortized cost or fair market value. The prospective adjustment method is used to value all loan-backed securities.
- (7) The Company does not own any subsidiaries or affiliates.
- (8) The Company does not have any ownership interests in joint ventures.
- (9) The Company does not own any derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.

Note 2 – Accounting Changes and Corrections of Errors

During 2012 the Company changed its accounting policy for salary accruals based on changes in the Company's payment practices. The Company recorded a liability of \$50,094 directly through surplus in 2012 related to this change.

Note 3 – Business Combinations and Goodwill

The Company did not have any business combinations and does not have any goodwill.

Note 4 – Discontinued Operations

The Company did not have any discontinued operations.

Note 5 – Investments

- A. The Company did not have any mortgage loans in its portfolio.
- B. The Company did not have any restructured debt in which it is a creditor in its portfolio.
- C. The Company did not have any reverse mortgages in its portfolio.
- D. Loan Backed Securities

NOTES TO FINANCIAL STATEMENTS

1. Our asset manager uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-backed and asset-backed securities with inputs from major third party data providers. The models combine the effects of interest rates, volatility, and pre-payment speeds based on various scenarios (Monte Carlo), simulations with resulting effective analytics (spreads, duration, convexity) and cash flows on a monthly basis. Credit sensitive cash flows are calculated using a proprietary model which estimates future loan defaults in terms of timing and severity. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

2. Not applicable.

3. Not applicable.

4. Unrealized Losses

a. The aggregate amount of unrealized losses

1. Less than 12 Months	\$ 20,354
2. 12 Months or Longer	\$ 125

b. The aggregate related fair value of securities with unrealized losses

1. Less than 12 Months	\$4,378,233
2. 12 Months or Longer	\$ 0

5. There are a number of factors considered in determining if an other-than-temporary impairment does not exist for an investment, including but not limited to, debt burden, credit rating, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

E. The Company did not have any repurchase agreements in its portfolio.

F. The Company did not have any real estate in its portfolio.

G. The Company does not have any low-income housing tax credits (LIHTC) in its investment portfolio.

Note 6 – Joint Ventures, Partnerships, and Limited Liability Companies

The Company did not have any investments in joint ventures, partnerships or limited liability companies.

Note 7 – Investment Income

The Company did not have any due and accrued income over 90 days that were excluded from surplus.

Note 8 – Derivative Instruments

The Company did not have any derivative financial instruments during the statement period.

Note 9 – Income Taxes

A. The components of net deferred tax asset / (liability) at December 31 are as follows:									
	12/31/2012			12/31/2011			Change		
1.DTA / DTL Components	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	2,225,106	0	2,225,106	2,407,202	0	2,407,202	(182,096)	0	(182,096)
(b) Statutory Valuation Allowance Adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	2,225,106	0	2,225,106	2,407,202	0	2,407,202	(182,096)	0	(182,096)
(d) Deferred Tax Assets Nonadmitted	456,095	0	456,095	465,757	0	465,757	(9,662)	0	(9,662)
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,769,011	0	1,769,011	1,941,445	0	1,941,445	(172,434)	0	(172,434)
(f) Deferred Tax Liabilities	257,506	23,295	280,801	300,023	26,696	326,719	(42,517)	(3,401)	(45,918)
(g) Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e-1f)	<u>1,511,505</u>	<u>(23,295)</u>	<u>1,488,210</u>	<u>1,641,422</u>	<u>(26,696)</u>	<u>1,614,726</u>	<u>(129,917)</u>	<u>3,401</u>	<u>(126,516)</u>
B. Admission calculation components – SSAP No. 101									
	12/31/2012			12/31/2011			Change		
2. Admission calculation components – SSAP No. 101	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	0	0	0	0	0	0	0	0	0
(b) Adjusted Gross Deferred Tax Assets Expected to Be Realized (Excluding the Amount of Deferred Tax Assets from 29a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below)	1,511,505	(23,295)	1,488,210	1,641,422	(26,696)	1,614,726	(129,917)	3,401	(126,516)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	1,511,505	(23,295)	1,488,210	1,641,422	(26,696)	1,614,726	(129,917)	3,401	(126,516)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	N/A	N/A	5,951,749	N/A	N/A	5,899,742	N/A	N/A	(52,374)
(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.	257,506	23,295	280,801	300,023	26,696	326,719	(42,517)	(3,401)	(45,918)

NOTES TO FINANCIAL STATEMENTS

(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b)+2(c))	<u>1,769,011</u>	<u>0</u>	<u>1,769,011</u>	<u>1,941,445</u>	<u>0</u>	<u>1,941,445</u>	<u>(172,434)</u>	<u>0</u>	<u>(172,434)</u>
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	2012	2011
3.		
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	1250.06%	1061.44%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation In 2(b)2 Above.	40,181,286	40,854,737

	12/31/2012			12/31/2011			Change		
	(1) Ordinary Percent	(2) Capital Percent	(3) (Col 1+2) Total Percent	(4) Ordinary Percent	(5) Capital Percent	(6) (Col 4+5) Total Percent	(7) (Col 1-4) Ordinary Percent	(8) (Col 2-5) Capital Percent	(9) (Col 7+8) Total Percent
4. Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs:									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c) Does the Company's tax-planning strategies include the use of reinsurance?				No					

B. Temporary differences for which a DTL has not been established – Not applicable

C. Current income taxes incurred consist of the following major components:			
	(1) 12/31/2012	(2) 12/31/2011	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	39,789	(847,769)	887,558
(b) Foreign	0	0	0
(c) Subtotal	39,789	(847,769)	887,558
(d) Federal income tax on net capital gains	320,235	1,293,762	(973,527)
(e) Utilization of capital loss carry-forwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	<u>360,024</u>	<u>445,993</u>	<u>(85,969)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	1,096,205	1,386,162	(289,957)
(2) Unearned premium reserve	544,407	533,543	10,864
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	98,832	25,169	73,663
(8) Compensation and benefits accrual	128,045	119,638	8,407
(9) Pension accrual	0	0	0
(10) Receivables – nonadmitted	0	0	0
(11) Net operating loss carry-forward	0	0	0
(12) Tax credit carry-forward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	357,617	342,690	14,927
(99) Subtotal	2,225,106	2,407,202	(182,096)
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	456,095	465,757	(9,662)
(d) Admitted ordinary deferred tax assets (2a099-2b-2c)	<u>1,769,011</u>	<u>1,941,445</u>	<u>(172,434)</u>
(e) Capital			
(1) Investments	0	0	0
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	0	0	0
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99-2f-2g)	0	0	0
(i) Admitted deferred tax assets (2d+2h)	<u>1,769,011</u>	<u>1,941,445</u>	<u>(172,434)</u>
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	0	0	0
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax liabilities)	257,506	300,023	(42,517)
(99) Subtotal	<u>257,506</u>	<u>300,023</u>	<u>(42,517)</u>
(b) Capital			
(1) Investments	23,295	26,696	(3,401)
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0

NOTES TO FINANCIAL STATEMENTS

(99) Subtotal	23,295	26,696	(3,401)
(c) Deferred tax liabilities (3a99+3b99)	280,801	326,719	(45,918)
4. Net deferred tax assets / liabilities (2i-3c)	1,488,210	1,614,726	(128,516)
The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):			
	12/31/2012	12/31/2011	Balance Sheet Change
Total deferred tax assets	2,225,106	2,407,202	(182,096)
Total deferred tax liabilities	280,801	326,719	45,918
Net deferred tax assets / liabilities	1,944,305	2,080,483	(136,178)
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets / liabilities after SVA	1,944,305	2,080,483	(136,178)
Tax effect of unrealized gain (losses)			(3,401)
Statutory valuation allowance adjustment allocated to unrealized			0
Other intra-period allocation of deferred tax movement			0
Change in net deferred income tax (charge) / benefit			(139,579)
D. Reconciliation of total statutory income taxes reported to tax at statutory tax rate:			
The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income taxes including realized capital gains / losses. The significant items causing the difference are as follows:			
Description	Amount	Statutory Rate 35% Tax effect	Effective Tax Rate
Income Before Taxes (including all realized capital gains / losses)	1,518,464	531,462	35%
Tax-Exempt Interest	(235,400)	(82,390)	-5%
Proration	35,310	12,359	1%
Meals & Entertainment, Lobbying Expenses, Etc.	17,500	6,125	0%
IRS Audit Adjustment		115,643	8%
2012 IRS Adjustment – Other	(83,213)	(29,125)	-2%
Non Admitted Asset	(121,219)	(42,427)	-3%
Other	(22,037)	(7,713)	-1%
Total	1,109,405	499,603	33%
Federal income taxed incurred (expense / (benefit))		360,024	24%
Change in net deferred income tax (charge / (benefit))		139,579	9%
Total statutory income taxes		499,603	33%
E. At December 31, 2012 the Company did not have any net operating loss carryforwards, capital loss carryforwards or AMT credit carryforwards.			
F. The Company's Federal Income Tax Return is consolidated with the following entities: Utica Mutual Insurance Company, Utica Specialty Risk Insurance Company, Utica Lloyd's, Inc., Utica National Insurance Company of Ohio, Utica National Insurance Company of Texas, Utica National Assurance Company, Utica Lloyd's of Texas, Founders Insurance Company, Founders Insurance Company of Michigan, Uni-Service Operations Co., Uni-Service Risk Management Co., Special Risk Solutions, Inc., Uni-Service Excess Facilities of New England, Utica National Life Insurance Agency, Nationwide Holdings Inc., Pillar Premium Finance Company and Financial American Insurance Management, Inc.			
The method of allocation between the companies is subject to written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Inter-company tax balances are settled within 30 days of the filing of applicable estimated or actual consolidated federal tax return.			
G. At December 31, 2012 the Company did not have any income tax loss contingencies.			

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

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. On December 31, 2012 the Company reported \$666,745 as an amount due to Utica Mutual Insurance Company (Utica Mutual), the parent company. This amount is due for the pooling agreement and settled within a reasonable period, generally within 45 days.
- E. Not applicable
- F. The Company operates under a pooling agreement as identified in Note 26.
- G. All outstanding shares of the Company are owned by Utica Mutual (94%) and Graphic Arts Mutual Insurance Company (6%), insurance companies domiciled in the state of New York.
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable
- L. Not applicable

Note 11 - Debt

NOTES TO FINANCIAL STATEMENTS

The Company does not have any debt or capital notes.

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

- A. The Company does not have a defined benefit plan.
- B. The Company does not have a defined contribution plan.
- C. The Company does not have any multi-employer plans.

D. The Company Consolidated/Holding Company Plans

The Republic-Franklin Insurance Company, a subsidiary of Utica Mutual, participates in the Retirement Income Plan for Employees of Utica Mutual (RIP), which is a non-contributory defined benefit plan and covers substantially a majority of employees. Employees hired after January 1, 2007 are not eligible for the Retirement Income Plan. Plan benefits are based on years of service and the employee's compensation during the highest five consecutive out of the last ten years of employment. The Company also participates in the Supplemental Employee Retirement Plan for certain management Employees of the Utica Mutual (SERP), a non-qualified excess plan for certain officers whose benefits were limited by IRS Code Section 401(a)(17) or IRS Code Section 415(b).

The Republic-Franklin Insurance Company does not have any employees and substantially all of the Utica Mutual employees are covered in the Qualified Employee Profit Sharing and Investment Plan sponsored by Utica Mutual ("Company"). Employees can defer up to 50% of their base pay into the plan, subject to annual IRS elective deferral limitations. The Company will match from 0% to 125% of the first 4% of employee deferrals, depending upon Company earnings. The Company can also make an additional discretionary contribution.

The Deferred Income Plan allows all officers of the Company to defer part of their annual compensation.

In addition to pension benefits, the Republic-Franklin Insurance Company, as a subsidiary of the Utica Mutual, provides certain health care insurance benefits ("post-retirement") for retired employees through a plan sponsored by Utica Mutual. Substantially all employees may become eligible for these benefits if they reach retirement age while working for Utica Mutual. Alternatively, retirees may elect certain prepaid health care benefits plans. During 2010, the Utica Mutual curtailed the life insurance benefits available to future retirees. Existing retiree life insurance benefits were settled through the purchase of a single life premium life insurance policy.

The Republic-Franklin Insurance Company has no legal obligation for benefits under any of these plans. Utica Mutual allocates pension amounts to the Republic-Franklin Insurance Company based on cost allocations and the pooling agreement ratios.

- E. The Company does not have any post employment benefits or compensated absences.
- F. The Company does not have any impact from the Medicare Modernization Act on Postretirement Benefits.

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

- (1) The Company has 1,000,000 shares of stock authorized, 500,000 shares issued and outstanding. The par value is \$7 per share. All shares are Class A common.
- (2) The Company does not have preferred stock outstanding.
- (3) The maximum amount of dividends that can be paid by state of Ohio insurance companies to shareholders without the prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus. Statutory surplus at December 31, 2012 was \$41,669,496. The maximum dividend payout that may be made without approval is \$4,166,950.
- (4) The Company did not have ordinary dividends.
- (5) The Company does not have any surplus restrictions.
- (6) The Company does not have restrictions that have been placed on unassigned surplus.
- (7) The Company did not have any advances to surplus which were not repaid.
- (8) The Company does not have stock held for special purposes.
- (9) The Company does not have any prior period changes to special surplus funds.
- (10) The Company does not have unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses.
- (11) The Company does not have surplus notes.
- (12) The Company does not have any impact from any restatement due to a prior quasi-reorganization.
- (13) The Company has not had any quasi-reorganizations in the prior ten years.

Note 14 - Contingencies

- A. The Company does not have a commitment or contingent commitment to a SCA entity, joint venture, partnership or limited liability company.
- B. The Company has accrued assessments, generally related to guarantee funds. The total liabilities for these assessments were \$1,285,900 and the related asset was \$868,800. These assessments are paid within 30 days of them being made by their respective states. Policy surcharge assessments are expected to be realized over a one-year period, while most premium tax credits are realized within 5 years after the assessment has been paid.
- C. The Company does not have any gain contingencies.

NOTES TO FINANCIAL STATEMENTS

- D. The Company paid the following amounts in 2012 to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits. (These amounts are reported in whole dollars.)

	Direct
Claims related ECO and bad faith losses & LAE paid during the reporting period	\$16,478

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

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

Indicate whether claim count information is disclosed per claim or per claimant.

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

- E. The Company does not have any product warranty liability.
- F. Various lawsuits against the Company have arisen throughout the course of the Company's business. Contingent liabilities arising from litigation and other business matters are not considered to be material in relationship to the financial position of the Company.

Note 15 - Leases

The Company does not have any leasing arrangements.

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

The Company does not have financial instruments with off-balance sheet risk or concentration of credit risk.

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

- A. The Company did not have any transfer of receivables reported as sales.
- B. The Company did not have servicing assets or servicing liabilities.
- C. The Company had no wash sales for the period of this statement.

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

The Company did not have a gain or loss from uninsured plans or the uninsured portion of partially insured plans.

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

The Company did not have direct premium written or produced by managing general agents or third party administrators.

Note 20 – Fair Value Measurements

The Company does not have any assets measured at fair value.

Note 21 – Other Items

- A. On September 28, 2012, the Company entered into a factoring agreement effective January 1, 2012 with National Indemnity Company (NICO) to sell its outstanding reinsurance recoverables that were billed prior to June 30, 2011. The Company received cash for these receivables and took a charge of \$983,990 through miscellaneous income. As part of the deal, NICO has assumed all risks and costs of collecting the outstanding receivables with no recourse to the Company.
- B. The Company does not have any troubled debt restructurings that occurred during the statement periods.
- C. The Company does not have other disclosures to report for the statement period.
- D. The Company has admitted assets totaling \$5,806,839 and \$5,623,817 as of December 31, 2012 and 2011, respectively for premiums receivable from policyholders and agents. The Company assesses the collectibility of these receivables on a regular basis. Any uncollectible premiums as of December 31, 2012, are not expected to exceed the non-admitted amount, which totaled \$58,953. Therefore, the Company does not maintain a provisional amount for uncollectible amounts.
- E. The Company does not have business interruption Insurance recoveries.
- F. The Company did not have any state transferable tax credits.
- G. The Company does not have any sub-prime mortgage related risk exposure.

Note 22 – Events Subsequent

Subsequent events have been considered through February 19, 2013 for the statutory statement issued on February 20, 2013. The Company did not have any events subsequent to report for this annual statement period.

NOTES TO FINANCIAL STATEMENTS**Property & Casualty Specific Notes****Note 23 – Reinsurance**

- A. The Company has the following individual reinsurers that have unsecured aggregate recoverables for losses, paid or unpaid, including IBNR, loss adjustment expenses and unearned premiums that exceed 3% of policyholders' surplus:

Group Code	NAIC Co. Code	FEIN	Company	Amount
0218	20443	36-2114545	Continental Casualty Company	\$3,246,000
0000	42439	13-2918573	Toa Reinsurance Co. of America	\$2,315,000
0000	00000	AA-1340125	Hannover Ruckversicherungs	\$1,848,000
0031	22039	13-2673100	General Reinsurance Corp.	\$1,565,000
0181	25364	13-1675535	Swiss Re America Corp.	\$1,530,000

- B. The Company does not have reinsurance recoverables in dispute which exceeded 5% of policyholders' surplus.

- C. Reinsurance Assumed and Ceded

(1)

	ASSUMED		CEDED		NET	
	REINSURANCE		REINSURANCE			
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
i. Affiliates	\$ 9,051,309	\$ 0	\$ 72,062,212	\$ 0	\$ (63,010,903)	\$ 0
ii. All Other	0	0	1,930,686	176,216	(1,930,686)	(176,216)
iii. Total	\$ 9,051,309	\$ 0	\$ 73,992,898	\$ 176,216	\$ (64,941,589)	\$ (176,216)
Direct Unearned Premium Reserve			<u>\$ 73,992,898</u>			

- (2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is calculated as follows:

REINSURANCE

	Direct	Assumed	Ceded	Net
i. Contingent Commission	\$ 1,886,680	\$ 328,902	\$ 1,886,680	\$ 328,902
ii. Sliding Scale Adjustments	0	0	0	0
iii. Other Profit Commission Arrangements	0	0	0	0
iv. Total	<u>\$ 1,886,680</u>	<u>\$ 328,902</u>	<u>\$ 1,886,680</u>	<u>\$ 328,902</u>

- (3) Not applicable

- D. The Company recognizes \$(1,833,359) of Loss and LAE as uncollectible reinsurance for the statement period. This total is reflected as:

i. Losses incurred	\$ (1,295,343)
ii. Loss adjustment expenses incurred	\$ (538,016)
iii. Premiums earned	\$ -0-
iv. Other	\$ -0-

Company	Amount	Company	Amount	Company	Amount
A.A. Mutual Ins	12	Gan Incendie Accidents	(39)	Parcels & General	(163)
Abeille Assurances I.A.R.D.	562	GE	207	Patria	(36)
Aetna Reins	(124)	Gerling Global Reins. Corp	462	Pearl Assurance	59
AIOI (Chiyoda Fire & Marine)	(178)	Gov't Ins. Office	(215)	Penn Mfrs Assoc	75
ALEA	3,033	Great Lakes	(21)	Philadelphia Reins. Corp.	67
Allianz Via Assurances	(16)	Group. Francais D'Assura	(157)	Phoenix Assurance PLC.	(75)
Allstate	429	Groupe Assurances Nat'l	23	Pine Top Ins Co	517
American Druggists Ins.	528	Groupe Victoire	75	Pohjola Ins Co	92
American Meridian	(44)	GTE	276	Preservatrice Fonciere TIAR	199
American Mutual	(3,086)	Hannover Ruck	425	Protective Insurance Company	(153)
Americana De Reaseguros	(15)	Hansa Marine	32	Protective National Ins. Co.	(229)
Ancon	98	Hartford	51	Providence Washington	(65)
Andrew Weir Ins	4	Hassneh Ins. Co.	312	Provincial	1,473
ANECO Reins	(24)	Heartland Syndicate	620	Prudential Assurance	268
Arion	421	Helvetia	(86)	Quest Consulting	(4)
Assitalia	(17)	Hemisphere M&G	(523)	Real Brasileira	835
Assurances Generales	(247)	Herold Ruck.	(98)	Realex Syndicate	886
Aterforsakrings AB Luap	(84)	Highlands Ins. Co. Ltd.	5	Reaseg Peruana FC	(170)
Atlantic & Pacific Intl.	3,116	Home Ins Co.	(2)	Reliance Ins. Co.	(13)
Atlas	(14)	Hopeman	136	Resolute Reins. Co.	(24)
Australian	(22)	ICS Reinsurance	387	River Thames	(56)
Aviabel CIE Beige	(30)	Imperial Casualty	84	RMCA (Reins Mgmt Corp of Asia)	1,934
AXA	334	Industrial F. & C.	42	Road Transport	29
Belvedere Ins.	1,419	INS Corp Ireland (ICAROM)	54	Rochdale Insurance	(1,146)
Bermuda Fire & Marine Ins.	(249)	Insco	98	Royal RE	176
Bishopgate	91	Instituto Reaseguro Bras	2,341	S.A.S.A.	(22)
Bothnia	1,327	Ins Co of North America	(15)	S.I.S. Assurance	273
British Law Ins. Co.	(101)	Integrity	(1,229)	Samvirke Skadeforsikring A/S	911
British Reserve	(143)	Irema Internationale	(23)	Scan Reins Co	(59)
Bryanston Ins Co	(349)	Iron Trade Mutual	31	Scottish & York	(20)
Caisse Mutuelle	136	Israel Re	686	Seven Provinces	(51)
Caja Nacional De Seguro	(31)	Kansa General	687	Skandia U.K. Ins. Co. Ltd.	(27)
Cambridge Reins Ltd	390	Kansa Reinsurance	4,514	SNL Ins Co	374
Camelback Reins	106	KCC Syndicate	824	Solar Insurance	(45)
CAN	(18)	Kingscroft Ins.	(191)	Sovereign Ins. Co. LTD. (U.K.)	3
Candon Syndicate	173	Korea Automobile Ins	227	Sovereign Marine & General	(27)
Charter Reins Co	(117)	Korea Foreign	(41)	Sphere Drake Ins. Co. Plc.	1,154
Chorley Ins., Ltd	374	La Licorne	(27)	Sphere Ins Co.	2,741

NOTES TO FINANCIAL STATEMENTS

CIE Transcont'l	431	La National Cia Di Assigu	(20)	Stockholm Re (Natl Und)	(7)
CIE. De Reassurances De	193	La Vittoria Riassicurazi	(35)	Storebrand Insurance Co.	23
Cie. Europeenne De Reassur	(832)	Liberty National	143	Storebrand-Norden Re.	3
Cigna Re	168	Lloyd's(Equitus)	22,531	Swiss Re	(495)
City Ins. Co.	(190)	Mastras (Bermuda) Ltd	22	Switzerland Insurance Co.	(93)
Commercial Union	274	Maidstone Ins	257	Tai-Ping	905
Compagne Beige	(27)	Mendakota	(19)	Taisho Marine & Fire Insurance	(21)
Consolidated Mutual	(751)	Mentor Ins Co	3,709	Tapiola General Mutual	45
Constellation Reins	1,788	Mid Far East Int'l Rein. Pool	336	Telect	39
Continental Reins.	(241)	Midland Insurance Co	(2,930)	Toa Re	65
Cornhill Ins.	(140)	Mill Ri Gruppo Riassicurativo	503	Tokio Marine	337
Delta America Rein	713	Millers National Ins	118	Top International	55
Dominion America Ins	(42,665)	Mission Re	(1,179)	Towers Perrin	83
Dowa Fire & Marine	71	Mitsui Sumitomo	(487)	Traders & General Ins.	(40)
Drake Ins Co	16	Mitsui/Bosworth	70	Transatlantic	(123)
Dublin Intl	(28)	Munchener Ruckversicherungs	(32)	Transit Casualty Co	488
Eagle Star	21	Mutelle Generale	(34)	Travellers Indemnity	(64)
Eisen Und Stahl Ruckvers	125	Mutual Fire Marine	6,222	Trent Ins Co	286
El Ocaso	(16)	Mutual Reinsurance Co.	(380)	Trenwick America Reinsurance	(195,752)
Elders Ins. Co.	81	National Re	322	Trinity Insurance Co. LT	(2)
Englis & Scottish	374	Nederlandse	(37)	Unigard Mutual	20
English & American	(520)	Nem Re Ins.	(19,340)	Unione Italiana Di Riassicuraz	46
Everest Re	(77)	New England Re	1,832	Universal Marine Ins	145
Excess Insurance	3,040	Nippon Fire & Marine	(198)	Universale, S.A.	8
FI RE	(26)	North American Fidelity	(54)	US Internationl Re	(5,977)
Finland General	169	North Atlantic	122	Vara-Pooli	2,114
Finnish Industry	(38)	Northwestern Intl. Ins co	327	Victoria Ruck	(84)
Finska	(48)	Ocean Marine Ins.	(28)	Walbrook Ins Co Limited	(610)
First NY Syndicate	1,024	Orion Insurance Co	114	Walton Insurance	765
Folksam Int'l. Ins. Co.	601	Others	(254)	WASA Inter. (UK) Ins.Co.Ltd.	71
Frankona	64	Overseas Partners	(367)	West Africa International	(71)
Fremont Indemnity	5,123	Paladin	171	Willcox	(99)
Fuji	28	Pan Atlantic Syndicate	(67)	Wurtembergische	256
G.E.S.B.	(470)				
				Bulk Reserves (Breakdown by Company not available)	(1,642,500)
				Total Uncollectible Reinsurance	(1,833,359)

- E. The Company did not commute any ceded reinsurance for the statement period.
- F. The Company does not have retroactive reinsurance for the statement periods.
- G. The Company does not have any reinsurance accounted for as a deposit.
- H. (1) On September 28, 2012 Utica Mutual Insurance Company (Utica) entered into a run-off reinsurance agreement, pursuant to SSAP No. 62R, to transfer essentially all of Utica's asbestos exposure to National Indemnity Company (NICO) effective January 1, 2012. The agreement was approved by the New York State Department of Financial Services.
- (2) NICO has agreed to reinsure 100% of Utica's direct asbestos liabilities, subject to a limit, in exchange for consideration of \$241 million Utica ceded net reserves to NICO in the amount of \$236 million.
- I. The Company did not have any of its certified reinsurers downgraded or status subject to revocation.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. See Schedule P – Part 7A.
- D. The Company did not have any medical loss ratio rebates required pursuant to the Public Health Service Act.
- E. The Company did not have any non-admitted retrospective premium.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Loss and loss adjustment expense reserves are stated at the Company's estimate of the ultimate cost of settling all incurred but unpaid claims, net of ceded reinsurance and anticipated salvage and subrogation. Loss and loss adjustment expense reserves are reported on an undiscounted basis, with the exception of workers compensation pension type claims, which have been discounted on a tabular basis. Activity with respect to loss and loss adjustment expense reserves for the past two years is displayed below:

Loss & LAE Reserves		
(amounts in thousands)		
	<u>2012</u>	<u>2011</u>
Unpaid Losses & LAE - January 1	41,071	37,856
Loss & LAE Incurred/Current Accident Year	13,023	14,968
Loss & LAE Incurred/Prior Accident Years	(484)	2,139
Loss & LAE Payments/Current Accident Year	(4,356)	(5,186)
Loss & LAE Payments/Prior Accident Years	<u>(15,749)</u>	<u>(8,706)</u>
Losses & LAE-December 31	33,504	41,071

Provision for incurred loss and loss adjustment expenses attributable to insured events of prior years decreased in 2012 as a result of re-estimation of unpaid losses and loss adjustment expenses for claims. The Company's loss reserves decreased significantly as a result of the run-off agreement described in Note 23(H).

NOTES TO FINANCIAL STATEMENTS

Premium accruals are not material relative to the amount of reserve strengthening, since the base of retrospectively rated policies is negligible.

Note 26 – Intercompany Pooling Arrangements

- A. Utica Mutual, the lead company, operates under a pooling agreement that shares premiums; losses, expenses and other related insurance operations with its other affiliated entities. The agreement states the following percentages of participation:

<u>NAIC Co. Code</u>	<u>Name</u>	<u>Percentage</u>
25976	Utica Mutual Insurance Company	89%
25984	Graphic Arts Mutual Insurance Company	5%
12475	Republic-Franklin Insurance Company	3%
10687	Utica National Assurance Company	2%
43478	Utica National Insurance Company of Texas	1%

- B. The pooling agreement covering the members outlined above and covers premiums, losses and LAE for all lines of business and the majority of operating expenses. The significant insurance operations and related transactions are also subject to this pooling agreement.
- C. The lead company, Utica Mutual, has individual reinsurance contracts to cover casualty, property and catastrophes as well as other reinsurance programs and facultative placements with several reinsurance companies which are with all non-affiliated entities. The cession to those reinsurance companies is prior to the cessions of pooled business within the group.
- D. As indicated above, the lead company, Utica Mutual, has individual reinsurance contracts to cover casualty, property and catastrophes as well as other reinsurance programs and facultative placements with several reinsurance companies which are with all non-affiliated entities. The cession to those reinsurance companies is prior to the cessions of pooled business within the group. Each member of the pooling agreement has a right of direct recovery of reinsurance collectibles from a reinsurance company under the various treaties and/or facultative placements.
- E. There were no discrepancies with the pooling entities on the assumed or ceded transactions between affiliated companies.
- F. The Provisions for Reinsurance (Schedule F, Part 7) is not pooled among the members of the group. Each company prepares Schedule F on a separate basis prior to the pooling. The companies and their respective Provision for Reinsurance are as follows:

<u>NAIC Co. Code</u>	<u>Name</u>	<u>Provision for Reinsurance</u>
25976	Utica Mutual Insurance Company	\$ 4,881,238
25984	Graphic Arts Mutual Insurance Company	185,144
12475	Republic-Franklin Insurance Company	53,949
10687	Utica National Assurance Company	2,650
43478	Utica National Insurance Company of Texas	2,250

The companies within the Utica National Insurance Group (as identified above in item A) do share proportionally according to the pooling agreement, in the handling of uncollectible reinsurance. Uncollectible reinsurance is handled in accordance with SSAP #62, paragraph 58, by processing the amount through the accounts, exhibits and schedules in which they were originally recorded.

- G. The amounts due to/(from) Utica Mutual and its affiliated entities participating in the intercompany pool as of December 31, 2012 are:

Utica Mutual Insurance Company	\$ 6,638,155
Graphic Arts Mutual Insurance Company	(1,014,793)
Republic-Franklin Insurance Company	(666,745)
Utica National Assurance Company	(404,641)
Utica National Insurance Company of Texas	(186,370)
Utica National Insurance Company of Ohio	(528,832)
Utica Specialty Risk Insurance Company	70,811
Utica Lloyd's of Texas	205,208
Founders Insurance Company	(4,112,383)
Founders Insurance Company of Michigan	(409)

Note 27 - Structured Settlements

- A. The Company has eliminated the following in loss reserves because it has purchased annuities, and it is contingently liable for the shown amount in the event the issuers of the annuities fail to perform.

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
\$4,997,249	\$2,957,651

- B. The Company has annuities from the following insurance companies which exceed 1% of policyholders' surplus:

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u> Yes / No	<u>Statement Value (i.e. Present Value) of Annuities</u>
Genworth Financial, Lynchburg, VA	Yes	\$999,965
Metropolitan Life Insurance Co, New York, NY	Yes	\$571,253
Symetra, Seattle, WA	No	\$954,099

Note 28 – Health Care Receivables

The Company does not have any Health Care Receivables.

NOTES TO FINANCIAL STATEMENTS**Note 29 – Participating Policies**

The Company does not have Participating Policies.

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ - 0 -
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes (X) No ()

Note 31 – High Deductibles

As of December 31, 2012 the amount of reserve credit recorded for high deductibles on unpaid claims was zero and the amount billed and recoverable on paid claims was zero.

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

The Company discounts unpaid unallocated loss adjustment expenses pertaining to workers' compensation pension type case reserves on a tabular basis using the mortality table specified by the statistical reporting agencies to each state at rates of interest ranging from 3.0% to 6.0% as specified. Additionally, the assumed IBNR reserves of the National Workers' Compensation Pool have been discounted for pension type cases at a rate of 5.0%, using tabular values provided by the NWC Pool. The total amount of tabular pension discount reflected in the liabilities of this financial statement as of December 31, 2012 is \$480,000.

A. Tabular Discounting Included In Schedule P.

<u>Schedule P Line</u>	<u>(1) Case</u>	<u>(2) IBNR</u>
(4) Workers' Comp.	\$358,000	\$122,000

B. Not applicable

C. Not applicable

Note 33 - Asbestos / Environmental Reserves**Asbestos**

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ()

The Company has exposure to asbestos claims. This exposure arises primarily from the sale of general liability policies to manufacturers and suppliers that may have used/sold products that may have contained asbestos. Claimants have sued these manufacturers/suppliers for damages they allegedly received as a result of claimed exposure to these products.

Aggregate asbestos reserves are established based on a stochastic model valuation. This valuation is recalibrated on a cycle of 3 to 4 years and is produced by an independent consulting actuary. The model provides ultimate direct and net loss estimates and a provision for pure IBNR. The Company reserves to the mid range of ultimate estimates. Thereafter, case reserves are established on the active matters based on these estimates, while IBNR is used for less developed matters.

In 2012, the Company entered into a run-off agreement with NICO, as referenced in Note 23(H), where the Company has reinsured essentially all of its direct asbestos liabilities.

Direct Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	5,180,741	8,181,435	12,984,581	11,480,880	14,151,814
Incurred losses and loss adjustment expense:	4,407,200	6,397,462	93,062	4,873,911	(54,334)
Calendar year payments for losses and loss adjustment expense:	1,406,506	1,594,316	1,596,763	2,202,978	1,541,362
Ending reserves:	8,181,435	12,984,581	11,480,880	14,151,814	12,556,118

Assumed Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	806,833	588,549	569,815	436,929	642,724
Incurred losses and loss adjustment expense:	102,540	179,120	(21,103)	49,343	136,699
Calendar year payments for losses and loss adjustment expense:	320,824	197,854	111,782	(156,452)	67,134
Ending reserves:	588,549	569,815	436,929	642,724	712,289

Net of Reinsurance Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	2,279,849	2,955,839	6,389,344	5,833,042	7,225,584
Incurred losses and loss adjustment expense:	928,064	3,568,427	31,589	2,109,647	118,709
Calendar year payments for losses and loss adjustment expense:	252,074	134,922	587,891	717,105	7,202,723
Ending reserves:	2,955,839	6,389,344	5,833,042	7,225,584	141,571

NOTES TO FINANCIAL STATEMENTS

B. The amount of ending reserves for Bulk + IBNR included in A (Loss & LAE):

Direct Basis	\$ 3,663,050
Assumed Basis	\$ 182,788
Net of Reinsurance Basis	\$ 89,198

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

Direct Basis	\$ 1,555,548
Assumed Basis	\$ 11,826
Net of Reinsurance Basis	\$ 5,841

Environmental

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ().

The Company has exposure to hazardous waste clean up claims. This exposure arises primarily from the sale of general liability policies.

Hazardous waste clean up claims are defined as losses related directly or indirectly to the cost of remediation of a site arising from past operations or waste disposal of hazardous materials or substances.

Hazardous waste clean up claims are reserved by evaluating coverage, liability and damages.

Factors considered in evaluating coverage include whether the facts indicate an "occurrence" has taken place as that term is defined in general liability policies, whether there is a pollution exclusion in the policy, what policies are triggered, whether there is property damage as that term is defined in the policy, whether in the case of property damage the damage is confined to the insured own property, the law of the jurisdiction applicable to the claim, and possibly other factors.

Factors considered, in evaluating liability include whether the insured produced toxic or hazardous products or substances or owns property on which such toxic substances are located, the toxicity of such substances and the quantity attributable to the insured, whether the injuries alleged are causally connected to the substance attributed to the insured, the number and relative liability of other defendants, the probability of other causes and possibly other factors.

Factors considered in evaluating damages in the case of a hazardous waste clean up claim include the cost to remediate the site, monitoring costs, damages to material resources, administrative costs, etc.

The relatively small volume of environmental losses are reserved on a case occurrence basis. IBNR reserves are carried to maintain a reasonable survival ratio in excess of 5 years.

Direct Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	734,513	686,498	660,690	1,015,338	639,403
Incurred losses and loss adjustment expense:	14,908	9,527	403,965	157,454	(3,747)
Calendar year payments for losses and loss adjustment expense:	62,923	35,336	49,316	533,389	11,994
Ending reserves:	686,498	660,690	1,015,338	639,403	623,662

Assumed Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	141,979	146,347	157,534	163,233	144,005
Incurred losses and loss adjustment expense:	20,896	12,351	7,960	8,927	10,196
Calendar year payments for losses and loss adjustment expense:	16,528	1,164	2,261	28,154	4,580
Ending reserves:	146,347	157,534	163,233	144,005	149,622

Net of Reinsurance Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	563,567	562,810	531,801	627,622	489,862
Incurred losses and loss adjustment expense:	54,100	(1,086)	144,246	83,225	(711)
Calendar year payments for losses and loss adjustment expense:	54,856	29,923	48,425	220,985	8,028
Ending reserves:	562,810	531,801	627,622	489,862	481,122

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

Direct Basis	\$274,053
Assumed Basis	\$121,859
Net of Reinsurance Basis	\$231,665

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

Direct Basis	\$183,502
Assumed Basis	\$ 7,884
Net of Reinsurance Basis	\$153,324

NOTES TO FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

The Company does not have subscriber savings accounts.

Note 35 – Multiple Peril Crop Insurance

The Company does not write multiple peril crop insurance.

Note 36 – Financial Guaranty Insurance

The Company does not have any financial guaranty insurance for the financial statement period.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/28/2011
- 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 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

GENERAL INTERROGATORIES

- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLP 125 High Street, Boston, MA 06103
- 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 response 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?
Mark Littman, FCAS, MAAA PricewaterhouseCoopers, LLP 185 Asylum Street, Hartford, CT 06103
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 - 12.11 Name of real estate holding company
 - 12.12 Number of parcels involved
 - 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
GENERAL INTERROGATORIES**

- 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

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 with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$
 - 20.12 To stockholders not officers \$
 - 20.13 Trustees, supreme or grand (Fraternal Only) \$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$
 - 20.22 To stockholders not officers \$
 - 20.23 Trustees, supreme or grand (Fraternal Only) \$
- 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 [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

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 [] No [X]
- 24.02 If no, give full and complete information relating thereto
Securities are held in custodial accounts with The Bank of New York Mellon, New York, NY, except for those on deposit with state or other regulatory bodies.
- 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)
- 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]

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as 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 No

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

25.21 Subject to repurchase agreements \$
 25.22 Subject to reverse repurchase agreements \$
 25.23 Subject to dollar repurchase agreements \$
 25.24 Subject to reverse dollar repurchase agreements \$
 25.25 Pledged as collateral \$
 25.26 Placed under option agreements \$
 25.27 Letter stock or other securities restricted as to sale \$
 25.28 On deposit with state or other regulatory body \$ 3,093,422
 25.29 Other \$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	One Wall Street, New York, NY

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

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

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

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
107423	Conning Asset Management	One Financial Plaza, Hartford, CT

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
GENERAL INTERROGATORIES

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/Adjusted Carrying Value
29.2999 - Total		

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the 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	78,253,026	84,185,567	5,932,541
30.2 Preferred stocks			
30.3 Totals	78,253,026	84,185,567	5,932,541

30.4 Describe the sources or methods utilized in determining the fair values:
 Conning Asset Management utilizes the FT Interactive Data Corporation (IDC) to obtain market values of investments.

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:
 Prices are obtained from the dealers/market makers for these securities. These prices are non-binding, but represent their best estimate of fair value per market conditions.

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:

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only. \$ _____

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		
2.2 Premium Denominator	17,796,261	18,041,270
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator		
2.5 Reserve Denominator	42,555,979	49,974,379
2.6 Reserve Ratio (2.4/2.5)	0.000	0.000

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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 purchases Excess of Loss Reinsurance.
- 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 has reviewed property catastrophe model results provided by its reinsurance intermediary, Holborn Corporation of New York, NY. Holborn reviewed the Company's probable maximum property loss using the RiskLink system of RMS and AIR's Clasic\2. The models indicated that the probable maximum loss would be caused by a hurricane striking Long Island, New York, where the Company has significant exposed homeowners' values.
- 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 purchases Catastrophe Reinsurance.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
.....
- 7.1 Has this 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 ratio 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 common 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 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [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 reinsurances 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 []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other 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 asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses\$
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses)\$
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds\$
- 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 [X] No []
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit\$ 130,339
- 12.62 Collateral and other funds\$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$ 360,000
- 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: 3
- 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:
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 \$
 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 - P art 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 accounts? 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 funds administered as of the reporting date. \$

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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)	92,190,806	90,508,962	85,970,341	81,849,876	89,019,519
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	14,590,845	15,690,029	16,120,750	17,129,072	17,203,037
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	58,849,259	58,962,142	59,018,882	59,990,543	62,621,455
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	62,374	85,477	126,718	131,257	162,384
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4	(82)	31,819	5	5
6. Total (Line 35)	165,693,287	165,246,529	161,268,510	159,100,752	169,006,399
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)	10,925,060	10,701,576	10,262,114	10,032,067	10,319,236
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,569,567	1,601,187	1,499,437	1,431,720	1,438,213
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,391,417	5,513,671	5,693,818	5,901,943	6,297,114
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	57,818	80,921	122,162	126,301	157,058
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4	(82)	31,819	5	5
12. Total (Line 35)	17,943,866	17,897,272	17,609,350	17,492,035	18,211,626
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,516,193)	(5,806,871)	(1,096,707)	(4,485,014)	234,244
14. Net investment gain or (loss) (Line 11)	3,433,935	5,752,942	3,923,149	2,791,285	2,723,739
15. Total other income (Line 15)	(479,869)	474,061	419,926	370,797	431,188
16. Dividends to policyholders (Line 17)	239,643	130,133	216,363	359,596	504,938
17. Federal and foreign income taxes incurred (Line 19)	39,789	(847,769)	567,012	(685,309)	468,440
18. Net income (Line 20)	1,158,440	1,137,767	2,462,993	(997,219)	2,415,793
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	89,615,579	95,947,367	92,121,485	88,586,663	86,198,235
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	5,119,499	4,820,232	4,890,647	4,657,424	4,563,791
20.2 Deferred and not yet due (Line 15.2)	687,340	803,585	928,391	1,020,180	1,288,401
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	47,946,083	55,092,630	51,456,587	50,618,250	49,121,903
22. Losses (Page 3, Line 1)	25,993,203	29,919,336	27,861,918	27,223,488	26,192,982
23. Loss adjustment expenses (Page 3, Line 3)	7,511,174	11,151,340	9,994,204	10,297,579	7,920,167
24. Unearned premiums (Page 3, Line 9)	9,051,309	8,903,704	9,047,701	8,861,740	8,954,693
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	41,669,496	40,854,737	40,664,898	37,968,413	37,076,332
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(4,426,313)	305,722	3,261,791	2,431,118	2,562,929
Risk-Based Capital Analysis					
28. Total adjusted capital	41,669,496	40,854,737	40,664,898	37,968,413	37,076,332
29. Authorized control level risk-based capital	3,214,338	3,833,924	3,559,132	3,610,648	3,278,335
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	86.6	99.8	92.4	88.0	92.7
31. Stocks (Lines 2.1 & 2.2)			5.8	7.4	6.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	13.4	0.2	1.8	4.5	1.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
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 (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
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)					

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	3,401	(999,057)	(55,962)	1,153,186	(1,489,103)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	814,759	189,839	2,696,485	892,081	(1,463,567)
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)	48,268,544	48,070,815	37,209,790	38,483,857	35,218,648
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	8,036,531	11,599,733	7,651,583	8,948,971	8,500,552
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	34,806,792	38,040,014	27,780,270	37,908,244	28,764,295
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	21,114	4,818	45,324	54,293	54,510
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	(80)	0
59. Total (Line 35)	91,132,981	97,715,380	72,686,968	85,395,283	72,538,004
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)	9,389,617	5,737,309	4,552,734	4,946,856	4,585,157
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	926,444	1,035,502	658,078	618,102	659,435
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,203,699	3,608,264	2,534,907	2,818,871	2,554,575
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	21,114	4,818	45,324	54,293	54,510
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	(80)	0
65. Total (Line 35)	13,540,875	10,385,893	7,791,043	8,438,041	7,853,677
Operating Percentages (Page 4) (Line 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)	54.0	69.0	48.4	53.8	43.5
68. Loss expenses incurred (Line 3)	16.4	25.8	19.2	32.7	18.1
69. Other underwriting expenses incurred (Line 4)	38.1	37.4	38.7	38.9	37.1
70. Net underwriting gain (loss) (Line 8)	(8.5)	(32.2)	(6.3)	(25.5)	1.3
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)	40.4	35.0	35.9	37.0	34.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.5	94.8	67.6	86.6	61.7
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)	43.1	43.8	43.3	46.1	49.1
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)	(91)	2,015	(520)	3,229	(352)
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 100.0)	(0.2)	5.0	(1.4)	8.7	(0.9)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	1,970	1,393	3,043	2,864	(829)
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)	4.8	3.7	8.2	7.4	(2.3)

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
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 (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	1,682	(2,576)	664	(2,917)	223	0	4	8,062	XXX
2. 2003	21,147	2,067	19,080	9,889	436	1,460	22	1,355	1	554	12,246	XXX
3. 2004	21,739	1,974	19,765	8,548	500	1,324	15	1,545	111	406	10,792	XXX
4. 2005	21,424	1,954	19,471	7,102	289	1,354	41	1,292	5	346	9,412	XXX
5. 2006	20,624	1,846	18,778	7,170	691	1,178	59	1,266	101	370	8,763	XXX
6. 2007	20,155	1,811	18,344	7,739	414	1,271	15	1,308	22	321	9,867	XXX
7. 2008	19,438	1,209	18,229	6,802	195	1,139	4	1,387	0	324	9,128	XXX
8. 2009	18,484	899	17,585	5,946	97	1,026	1	1,387	3	318	8,258	XXX
9. 2010	18,487	1,064	17,423	6,098	222	761	5	1,255	1	318	7,888	XXX
10. 2011	19,174	1,133	18,041	7,656	1,110	555	10	962	3	343	8,050	XXX
11. 2012	18,980	1,183	17,796	3,555	86	210	1	678	0	192	4,356	XXX
12. Totals	XXX	XXX	XXX	72,189	1,464	10,943	(2,744)	12,658	246	3,496	96,824	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	8,704	5,424	5,339	4,055	3,298	3,153	1,718	1,346	549	382	67	5,248	XXX
2. 2003	242	70	138	18	16	1	39	2	22	0	10	367	XXX
3. 2004	360	0	160	22	24	0	49	2	25		10	592	XXX
4. 2005	376		161	21	33		59	2	27		14	632	XXX
5. 2006	468	21	194	27	37	1	75	3	40	0	20	762	XXX
6. 2007	723	29	331	45	75	4	129	6	54	0	27	1,229	XXX
7. 2008	961	0	652	91	116	2	207	9	82	0	35	1,915	XXX
8. 2009	1,650	96	988	141	169	2	371	15	146	1	59	3,070	XXX
9. 2010	1,899	63	1,569	215	234	2	560	22	218		89	4,177	XXX
10. 2011	2,924	50	2,520	334	275	0	886	36	659		169	6,844	XXX
11. 2012	3,087	98	3,835	467	231	1	1,224	48	905	1	424	8,667	XXX
12. Totals	21,395	5,851	15,885	5,436	4,508	3,166	5,317	1,492	2,728	384	925	33,504	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	4,565	684
2. 2003	13,163	549	12,614	62.2	26.5	66.1			3.0	293	75
3. 2004	12,034	650	11,384	55.4	32.9	57.6			3.0	497	95
4. 2005	10,404	360	10,045	48.6	18.4	51.6			3.0	516	117
5. 2006	10,429	903	9,525	50.6	48.9	50.7			3.0	614	148
6. 2007	11,631	534	11,096	57.7	29.5	60.5			3.0	980	249
7. 2008	11,346	303	11,043	58.4	25.0	60.6			3.0	1,522	393
8. 2009	11,683	355	11,328	63.2	39.5	64.4			3.0	2,401	669
9. 2010	12,594	529	12,065	68.1	49.8	69.2			3.0	3,190	987
10. 2011	16,437	1,543	14,895	85.7	136.2	82.6			3.0	5,059	1,785
11. 2012	13,725	702	13,023	72.3	59.3	73.2			3.0	6,357	2,310
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	25,993	7,511

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.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior	25,983	25,916	26,848	26,872	27,137	27,749	31,485	31,627	33,975	34,309	334	2,682
2. 2003	12,218	12,000	11,811	11,756	11,605	11,447	11,385	11,333	11,291	11,247	(45)	(86)
3. 2004	XXX	10,908	10,664	10,381	10,160	10,094	10,015	9,950	9,937	9,942	5	(8)
4. 2005	XXX	XXX	9,721	9,665	9,324	9,099	8,887	8,836	8,768	8,744	(24)	(92)
5. 2006	XXX	XXX	XXX	9,251	9,068	8,708	8,553	8,420	8,355	8,331	(25)	(89)
6. 2007	XXX	XXX	XXX	XXX	9,862	9,707	9,693	9,757	9,740	9,759	19	2
7. 2008	XXX	XXX	XXX	XXX	XXX	9,924	9,937	9,849	9,724	9,577	(147)	(272)
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	10,278	9,943	9,837	9,801	(36)	(143)
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,619	10,721	10,595	(126)	(24)
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,325	13,278	(47)	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,443	XXX	XXX
12. Totals											(91)	1,970

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	.000	5,104	9,452	12,607	15,142	16,658	18,054	19,362	20,971	28,809	XXX	XXX
2. 2003	4,060	6,287	7,775	9,038	9,702	10,235	10,564	10,696	10,823	10,892	XXX	XXX
3. 2004	XXX	3,252	5,408	6,501	7,532	8,264	8,793	9,125	9,286	9,357	XXX	XXX
4. 2005	XXX	XXX	2,693	4,521	5,673	6,570	7,318	7,714	7,958	8,125	XXX	XXX
5. 2006	XXX	XXX	XXX	2,498	4,353	5,381	6,426	6,976	7,352	7,598	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	2,843	4,798	6,140	7,143	8,007	8,581	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	2,718	4,821	5,954	7,055	7,742	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	2,739	4,518	5,794	6,874	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,054	5,149	6,634	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,457	7,092	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,678	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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior	10,894	8,495	6,784	5,970	3,775	4,708	4,160	3,681	5,519	1,750
2. 2003	4,577	3,002	1,853	1,176	814	477	335	238	203	160
3. 2004	XXX	4,475	2,865	1,790	1,137	717	429	301	248	188
4. 2005	XXX	XXX	4,323	2,804	1,834	1,174	717	422	275	200
5. 2006	XXX	XXX	XXX	4,189	2,501	1,543	962	645	403	243
6. 2007	XXX	XXX	XXX	XXX	4,074	2,353	1,421	952	640	412
7. 2008	XXX	XXX	XXX	XXX	XXX	4,138	2,641	1,793	1,151	761
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	4,763	3,114	1,836	1,205
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,519	2,926	1,893
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,936	3,038
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,546

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	L	18,040,754	19,286,970	106,801	16,715,630	18,051,771	20,722,821	84,467	
8. Delaware DE	L	1,929,410	2,194,060	353	1,142,441	1,688,356	2,696,428	2,498	
9. District of Columbia DC	L	165,896	194,370		6,602	19,585	86,451	537	
10. Florida FL	N								
11. Georgia GA	L	4,898,980	5,120,916	457	2,146,749	3,997,415	5,594,181	19,479	
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	L	2,343,909	2,353,379	35,042	922,114	3,048,950	5,020,547	5,856	
15. Indiana IN	L	287,745	217,037		43,100	176,658	182,850	1,147	
16. Iowa IA	N								
17. Kansas KS	L	33,421	24,420		22,813	46,578	23,786	63	
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	L	3,675,835	4,109,349	1,443	2,140,899	3,222,871	5,405,205	12,320	
22. Massachusetts MA	L	11,685,996	11,159,980	196,977	3,705,410	3,251,544	8,282,576	38,502	
23. Michigan MI	L	1,488,504	1,004,805		1,800	130,733	199,801	2,217	
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	L	15,077	1,126			469	469	51	
31. New Jersey NJ	L	15,537,663	13,452,356	29,378	5,148,703	7,431,831	18,210,781	37,972	
32. New Mexico NM	N								
33. New York NY	L	59,420,231	59,494,437	968,533	30,265,839	31,444,491	80,686,860	231,445	
34. North Carolina NC	L	6,827,416	6,495,220	6,832	5,247,523	6,107,826	6,736,766	23,872	
35. North Dakota ND	N								
36. Ohio OH	L	4,042,640	3,805,916	85,758	715,452	856,532	1,643,845	13,004	
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	L	3,600,014	3,323,863		2,438,072	431,069	4,740,309	7,364	
40. Rhode Island RI	L	228,335	235,993		94,075	156,533	99,336	784	
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	L	3,903,410	3,542,527		2,671,084	2,513,930	1,268,441	20,389	
44. Texas TX	L	3,302,250	3,082,917	38,217	1,058,294	2,892,807	5,075,905	12,526	
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	L	3,261,654	3,572,300	26,635	2,110,557	1,750,331	2,389,697	16,113	
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	L	3,060,284	3,220,913	23,023	984,467	(5,553)	3,598,050	7,037	
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX								
59. Totals	(a) 21	147,749,424	145,892,854	1,519,449	77,581,624	87,214,727	172,665,105	537,643	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

(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.

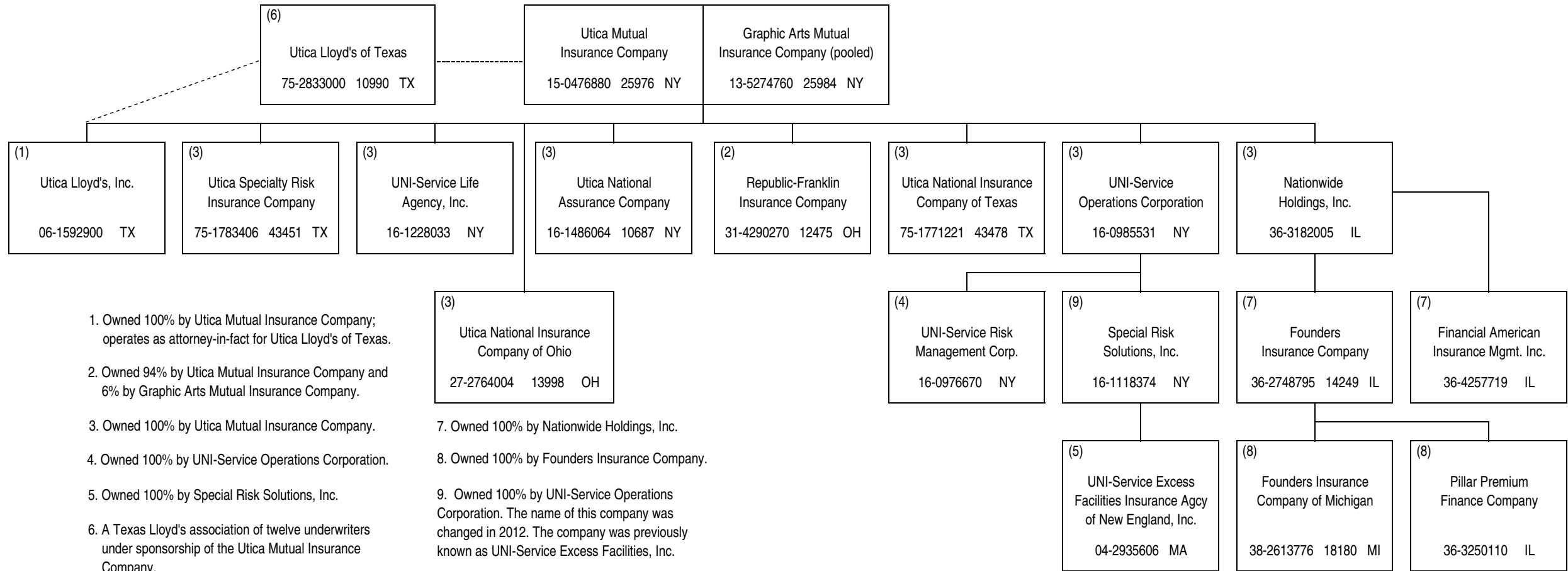
All of the premiums with respect to every kind of insurance are allocated to the state in which the property or insured is located.

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UTICA NATIONAL INSURANCE GROUP ORGANIZATION STRUCTURE DECEMBER 31, 2012



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Miscellaneous Office Equipment	347,068	347,068		
2505. Clearing Accounts	26,175	26,175		
2506. Deposits	400	400		
2597. Summary of remaining write-ins for Line 25 from overflow page	373,642	373,642		

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404. Services Performed	(2,635)	(62,216)	(1,350)	(66,201)
2405. Intercompany Adjustments		(3)		(3)
2406. Interest Expense		126	2,257	2,384
2407. Miscellaneous Expense	(824)	413		(411)
2408. Change in ULAE reserves	14,028			14,028
2497. Summary of remaining write-ins for Line 24 from overflow page	10,569	(61,680)	907	(50,203)

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Equities and Deposits in Pools and Associations	909	359	(550)
2505. Miscellaneous Office Equipment	347,068	197,535	(149,533)
2506. Prepaid Expenses	1,573,224	1,595,510	22,286
2597. Summary of remaining write-ins for Line 25 from overflow page	1,921,201	1,793,405	(127,796)

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)

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