



ANNUAL STATEMENT

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

EVERGREEN NATIONAL INDEMNITY COMPANY

| | | |
|---|--|--|
| NAIC Group Code.....Ohio, Ohio (Current Period) (Prior Period) | NAIC Company Code..... 12750 | Employer's ID Number..... 36-2467238 |
| Organized under the Laws of OH | State of Domicile or Port of Entry OH | Country of Domicile US |
| Incorporated/Organized..... December 30, 1939 | Commenced Business..... January 1, 1940 | |
| Statutory Home Office | 6140 PARKLAND BLVD, STE 321..... MAYFIELD HEIGHTS OH US 44124 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i> | |
| Main Administrative Office | 6140 PARKLAND BLVD, STE 321..... MAYFIELD HEIGHTS OH US..... 44124440-229-3420 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i> | |
| Mail Address | 6140 PARKLAND BLVD, STE 321..... MAYFIELD HEIGHTS OH US 44124 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i> | |
| Primary Location of Books and Records | 6140 PARKLAND BLVD, STE 321..... MAYFIELD HEIGHTS OH US 44124440-229-3403 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i> | |
| Internet Web Site Address | www.evergreen-national.com | |
| Statutory Statement Contact | DAVID ALAN CANZONE <i>(Name)</i> dcanzone@evergreen-national.com <i>(E-Mail Address)</i> | 440-229-3403 <i>(Area Code) (Telephone Number) (Extension)</i> 440-229-3421 <i>(Fax Number)</i> |

OFFICERS

| Name | Title | Name | Title |
|--------------------------|-----------|---------------------------|---------------|
| 1. CHARLES DELL HAMM JR. | PRESIDENT | 2. DAVID ALAN CANZONE | CFO/TREASURER |
| 3. WAN CHEN COLLIER | SECRETARY | 4. EDWARD FARRELL FEIGHAN | COO |

OTHER

| | |
|----------------------|----------------|
| CRAIG LANGJAHR STOUT | VICE PRESIDENT |
|----------------------|----------------|

DIRECTORS OR TRUSTEES

| | | | |
|-----------------------|----------------------|------------------------|--------------------|
| CHARLES DELL HAMM JR. | CRAIG LANGJAHR STOUT | EDWARD FARRELL FEIGHAN | DAVID ALAN CANZONE |
| ROSWELL PAINE ELLIS | | | |

State of..... Ohio
County of..... Cuyahoga

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

| | | |
|---|--|--|
| _____ (Signature) CHARLES DELL HAMM JR. | _____ (Signature) DAVID ALAN CANZONE | _____ (Signature) WAN CHEN COLLIER |
| 1. (Printed Name) PRESIDENT | 2. (Printed Name) CFO/TREASURER | 3. (Printed Name) SECRETARY |
| _____ (Title) | _____ (Title) | _____ (Title) |

Subscribed and sworn to before me
This _____ day of _____ 2013

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

ASSETS

| | Current Year | | | Prior Year |
|--|--------------|----------------------------|--|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D)..... | 20,955,867 | | 20,955,867 | 26,076,441 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks..... | 1,130,756 | | 1,130,756 | 1,545,688 |
| 2.2 Common stocks..... | 654,317 | | 654,317 | 594,076 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens..... | | | 0 | 534,127 |
| 3.2 Other than first liens..... | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances)..... | | | 0 | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances)..... | | | 0 | |
| 4.3 Properties held for sale (less \$.....0 encumbrances)..... | | | 0 | |
| 5. Cash (\$.....12,117,126, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....12,946,475, Schedule DA)..... | 25,063,601 | | 25,063,601 | 19,129,665 |
| 6. Contract loans (including \$.....0 premium notes)..... | | | 0 | |
| 7. Derivatives (Schedule DB)..... | | | 0 | |
| 8. Other invested assets (Schedule BA)..... | | | 0 | |
| 9. Receivables for securities..... | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | | 0 | |
| 11. Aggregate write-ins for invested assets..... | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 47,804,541 | 0 | 47,804,541 | 47,879,998 |
| 13. Title plants less \$.....0 charged off (for Title insurers only)..... | | | 0 | |
| 14. Investment income due and accrued..... | 259,089 | | 259,089 | 288,073 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 1,954,182 | | 1,954,182 | 1,863,537 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)..... | | | 0 | |
| 15.3 Accrued retrospective premiums..... | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers..... | 342,803 | 62,365 | 280,438 | 285,323 |
| 16.2 Funds held by or deposited with reinsured companies..... | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts..... | | | 0 | |
| 17. Amounts receivable relating to uninsured plans..... | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | | | 0 | |
| 18.2 Net deferred tax asset..... | 1,240,555 | 798,393 | 442,162 | 408,961 |
| 19. Guaranty funds receivable or on deposit..... | | | 0 | |
| 20. Electronic data processing equipment and software..... | 45,627 | 24,989 | 20,638 | 33,148 |
| 21. Furniture and equipment, including health care delivery assets (\$.....0)..... | (13,203) | (13,203) | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates..... | | | 0 | |
| 24. Health care (\$.....0) and other amounts receivable..... | | | 0 | |
| 25. Aggregate write-ins for other than invested assets..... | 80,927 | 78,742 | 2,185 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 51,714,521 | 951,286 | 50,763,235 | 50,759,040 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | |
| 28. TOTALS (Lines 26 and 27)..... | 51,714,521 | 951,286 | 50,763,235 | 50,759,040 |

DETAILS OF WRITE-INS

| | | | | |
|--|--------|--------|-------|---|
| 1101..... | | | 0 | |
| 1102..... | | | 0 | |
| 1103..... | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)..... | 0 | 0 | 0 | 0 |
| 2501. Miscellaneous Receivable..... | 2,185 | | 2,185 | |
| 2502. Recoverable on Profit Commission and Rate Adjustments..... | | | 0 | |
| 2503. Automobile..... | 7,095 | 7,095 | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 71,647 | 71,647 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 80,927 | 78,742 | 2,185 | 0 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8)..... | 2,311,041 | 2,521,295 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)..... | | |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9)..... | 1,299,825 | 1,483,882 |
| 4. Commissions payable, contingent commissions and other similar charges..... | 3,650,500 | 3,650,438 |
| 5. Other expenses (excluding taxes, licenses and fees)..... | 357,759 | 432,170 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes)..... | 292,378 | 210,127 |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))..... | 192,927 | 256,798 |
| 7.2 Net deferred tax liability..... | | |
| 8. Borrowed money \$.....0 and interest thereon \$.....0..... | | |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....10,985,261 and including warranty reserves of \$.....105,162 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)..... | 4,486,557 | 4,256,991 |
| 10. Advance premium..... | | |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders..... | | |
| 11.2 Policyholders..... | | |
| 12. Ceded reinsurance premiums payable (net of ceding commissions)..... | 3,659,478 | 3,410,400 |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)..... | | |
| 14. Amounts withheld or retained by company for account of others..... | 1,527 | 830 |
| 15. Remittances and items not allocated..... | | |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8)..... | | |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates..... | | |
| 18. Drafts outstanding..... | | |
| 19. Payable to parent, subsidiaries and affiliates..... | | |
| 20. Derivatives..... | | |
| 21. Payable for securities..... | | 211,083 |
| 22. Payable for securities lending..... | | |
| 23. Liability for amounts held under uninsured plans..... | | |
| 24. Capital notes \$.....0 and interest thereon \$.....0..... | | |
| 25. Aggregate write-ins for liabilities..... | 859,412 | 555,756 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)..... | 17,111,404 | 16,989,770 |
| 27. Protected cell liabilities..... | | |
| 28. Total liabilities (Lines 26 and 27)..... | 17,111,404 | 16,989,770 |
| 29. Aggregate write-ins for special surplus funds..... | 0 | 0 |
| 30. Common capital stock..... | 3,018,004 | 3,018,004 |
| 31. Preferred capital stock..... | | |
| 32. Aggregate write-ins for other than special surplus funds..... | 0 | 0 |
| 33. Surplus notes..... | | |
| 34. Gross paid in and contributed surplus..... | 25,841,820 | 25,841,820 |
| 35. Unassigned funds (surplus)..... | 4,792,007 | 4,909,446 |
| 36. Less treasury stock, at cost: | | |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0)..... | | |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0)..... | | |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)..... | 33,651,831 | 33,769,270 |
| 38. TOTALS (Page 2, Line 28, Col. 3)..... | 50,763,235 | 50,759,040 |

DETAILS OF WRITE-INS

| | | |
|--|---------|---------|
| 2501. Misc Payable..... | | 16,481 |
| 2502. Collateral Account..... | 859,412 | 539,275 |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 859,412 | 555,756 |
| 2901. | | |
| 2902. | | |
| 2903. | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page..... | 0 | 0 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)..... | 0 | 0 |
| 3201. | | |
| 3202. | | |
| 3203. | | |
| 3298. Summary of remaining write-ins for Line 32 from overflow page..... | 0 | 0 |
| 3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)..... | 0 | 0 |

**EVERGREEN NATIONAL INDEMNITY COMPANY
STATEMENT OF INCOME**

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| UNDERWRITING INCOME | | |
| 1. Premiums earned (Part 1, Line 35, Column 4)..... | 11,667,943 | 11,470,632 |
| DEDUCTIONS | | |
| 2. Losses incurred (Part 2, Line 35, Column 7)..... | (209,453) | 39,513 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)..... | (187,000) | (84,337) |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)..... | 9,144,056 | 7,989,272 |
| 5. Aggregate write-ins for underwriting deductions..... | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5)..... | 8,747,603 | 7,944,448 |
| 7. Net income of protected cells..... | | |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)..... | 2,920,340 | 3,526,184 |
| INVESTMENT INCOME | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | 922,857 | 2,006,744 |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))..... | 229,919 | 361,044 |
| 11. Net investment gain (loss) (Lines 9 + 10)..... | 1,152,776 | 2,367,788 |
| OTHER INCOME | | |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)..... | 0 | |
| 13. Finance and service charges not included in premiums..... | | |
| 14. Aggregate write-ins for miscellaneous income..... | 17,674 | 167 |
| 15. Total other income (Lines 12 through 14)..... | 17,674 | 167 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)..... | 4,090,790 | 5,894,139 |
| 17. Dividends to policyholders..... | | |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)..... | 4,090,790 | 5,894,139 |
| 19. Federal and foreign income taxes incurred..... | 1,291,129 | 1,479,666 |
| 20. Net income (Line 18 minus Line 19) (to Line 22)..... | 2,799,661 | 4,414,473 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)..... | 33,769,270 | 32,479,678 |
| 22. Net income (from Line 20)..... | 2,799,661 | 4,414,473 |
| 23. Net transfers (to) from Protected Cell accounts..... | | |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0..... | 94,686 | (1,016,111) |
| 25. Change in net unrealized foreign exchange capital gain (loss)..... | | |
| 26. Change in net deferred income tax..... | (80,510) | (109,812) |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)..... | 168,725 | 251,042 |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)..... | | |
| 29. Change in surplus notes..... | | |
| 30. Surplus (contributed to) withdrawn from protected cells..... | | |
| 31. Cumulative effect of changes in accounting principles..... | | |
| 32. Capital changes: | | |
| 32.1 Paid in..... | | |
| 32.2 Transferred from surplus (Stock Dividend)..... | | |
| 32.3 Transferred to surplus..... | | |
| 33. Surplus adjustments: | | |
| 33.1 Paid in..... | | |
| 33.2 Transferred to capital (Stock Dividend)..... | | |
| 33.3. Transferred from capital..... | | |
| 34. Net remittances from or (to) Home Office..... | | |
| 35. Dividends to stockholders..... | (3,100,000) | (2,250,000) |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)..... | | |
| 37. Aggregate write-ins for gains and losses in surplus..... | 0 | 0 |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37)..... | (117,439) | 1,289,592 |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)..... | 33,651,831 | 33,769,270 |
| DETAILS OF WRITE-INS | | |
| 0501. | | |
| 0502. | | |
| 0503. | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page..... | 0 | 0 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)..... | 0 | 0 |
| 1401. Miscellaneous Expense..... | 17,674 | 167 |
| 1402. | | |
| 1403. | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page..... | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)..... | 17,674 | 167 |
| 3701. | | |
| 3702. | | |
| 3703. | | |
| 3798. Summary of remaining write-ins for Line 37 from overflow page..... | 0 | 0 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)..... | 0 | 0 |

CASH FLOW

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CASH FROM OPERATIONS | | |
| 1. Premiums collected net of reinsurance..... | 12,061,818 | 10,694,256 |
| 2. Net investment income..... | 1,075,891 | 2,104,399 |
| 3. Miscellaneous income..... | 17,674 | 167 |
| 4. Total (Lines 1 through 3)..... | 13,155,383 | 12,798,822 |
| 5. Benefit and loss related payments..... | 1,792 | 20,179 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 9,131,315 | 4,807,204 |
| 8. Dividends paid to policyholders..... | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$..... 0 tax on capital gains (losses)..... | 1,355,000 | 1,489,600 |
| 10. Total (Lines 5 through 9)..... | 10,488,107 | 6,316,983 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 2,667,276 | 6,481,839 |
| CASH FROM INVESTMENTS | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds..... | 7,573,741 | 5,147,342 |
| 12.2 Stocks..... | 1,042,358 | 5,209,835 |
| 12.3 Mortgage loans..... | 553,907 | 15,874 |
| 12.4 Real estate..... | | |
| 12.5 Other invested assets..... | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | | |
| 12.7 Miscellaneous proceeds..... | | 211,083 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 9,170,006 | 10,584,134 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds..... | 2,519,534 | 3,459,979 |
| 13.2 Stocks..... | 442,429 | 661,056 |
| 13.3 Mortgage loans..... | | 550,000 |
| 13.4 Real estate..... | | |
| 13.5 Other invested assets..... | | |
| 13.6 Miscellaneous applications..... | 211,083 | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 3,173,046 | 4,671,035 |
| 14. Net increase (decrease) in contract loans and premium notes..... | | |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)..... | 5,996,960 | 5,913,099 |
| 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..... | 3,100,000 | 2,250,000 |
| 16.6 Other cash provided (applied)..... | 369,699 | (206,814) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (2,730,301) | (2,456,814) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | 5,933,936 | 9,938,124 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | 19,129,665 | 9,191,541 |
| 19.2 End of year (Line 18 plus Line 19.1)..... | 25,063,601 | 19,129,665 |

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

| | | |
|---------------|--|--|
| 20.0001 | | |
|---------------|--|--|

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

| Line of Business | 1 Net Premiums Written per Column 6, Part 1B | 2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1 | 3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A | 4 Premiums Earned During Year (Cols. 1 + 2 - 3) |
|--|--|---|--|---|
| 1. Fire..... | | | | .0 |
| 2. Allied lines..... | | | | .0 |
| 3. Farmowners multiple peril..... | | | | .0 |
| 4. Homeowners multiple peril..... | | | | .0 |
| 5. Commercial multiple peril..... | | | | .0 |
| 6. Mortgage guaranty..... | | | | .0 |
| 8. Ocean marine..... | | | | .0 |
| 9. Inland marine..... | | | | .0 |
| 10. Financial guaranty..... | | | | .0 |
| 11.1 Medical professional liability - occurrence..... | | | | .0 |
| 11.2 Medical professional liability - claims-made..... | | | | .0 |
| 12. Earthquake..... | | | | .0 |
| 13. Group accident and health..... | | | | .0 |
| 14. Credit accident and health (group and individual)..... | | | | .0 |
| 15. Other accident and health..... | | | | .0 |
| 16. Workers' compensation..... | | | | .0 |
| 17.1 Other liability - occurrence..... | | | | .0 |
| 17.2 Other liability - claims-made..... | | | | .0 |
| 17.3 Excess workers' compensation..... | | | | .0 |
| 18.1 Products liability - occurrence..... | | | | .0 |
| 18.2 Products liability - claims-made..... | | | | .0 |
| 19.1, 19.2 Private passenger auto liability..... | | | | .0 |
| 19.3, 19.4 Commercial auto liability..... | | | | .0 |
| 21. Auto physical damage..... | | | | .0 |
| 22. Aircraft (all perils)..... | | | | .0 |
| 23. Fidelity..... | | | | .0 |
| 24. Surety..... | 11,880,064 | 4,132,000 | 4,381,395 | 11,630,669 |
| 26. Burglary and theft..... | | | | .0 |
| 27. Boiler and machinery..... | | | | .0 |
| 28. Credit..... | | | | .0 |
| 29. International..... | | | | .0 |
| 30. Warranty..... | 17,445 | 124,991 | 105,162 | 37,274 |
| 31. Reinsurance - nonproportional assumed property..... | | | | .0 |
| 32. Reinsurance - nonproportional assumed liability..... | | | | .0 |
| 33. Reinsurance - nonproportional assumed financial lines..... | | | | .0 |
| 34. Aggregate write-ins for other lines of business..... | .0 | .0 | .0 | .0 |
| 35. TOTALS..... | 11,897,509 | 4,256,991 | 4,486,557 | 11,667,943 |

DETAILS OF WRITE-INS

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

**EVERGREEN NATIONAL INDEMNITY COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business | | 1 | 2 | 3 | 4 | 5 |
|------------------|--|---|---|--------------------------------|--|--|
| | | Amount Unearned (Running One Year or Less from Date of Policy) (a) | Amount Unearned (Running More Than One Year from Date of Policy) (a) | Earned But Unbilled Premium | Reserve for Rate Credits and Retrospective Adjustments Based on Experience | Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4 |
| 1. | Fire..... | | | | | 0 |
| 2. | Allied lines..... | | | | | 0 |
| 3. | Farmowners multiple peril..... | | | | | 0 |
| 4. | Homeowners multiple peril..... | | | | | 0 |
| 5. | Commercial multiple peril..... | | | | | 0 |
| 6. | Mortgage guaranty..... | | | | | 0 |
| 8. | Ocean marine..... | | | | | 0 |
| 9. | Inland marine..... | | | | | 0 |
| 10. | Financial guaranty..... | | | | | 0 |
| 11.1 | Medical professional liability - occurrence..... | | | | | 0 |
| 11.2 | Medical professional liability - claims-made..... | | | | | 0 |
| 12. | Earthquake..... | | | | | 0 |
| 13. | Group accident and health..... | | | | | 0 |
| 14. | Credit accident and health (group and individual)..... | | | | | 0 |
| 15. | Other accident and health..... | | | | | 0 |
| 16. | Workers' compensation..... | | | | | 0 |
| 17.1 | Other liability - occurrence..... | | | | | 0 |
| 17.2 | Other liability - claims-made..... | | | | | 0 |
| 17.3 | Excess workers' compensation..... | | | | | 0 |
| 18.1 | Products liability - occurrence..... | | | | | 0 |
| 18.2 | Products liability - claims-made..... | | | | | 0 |
| 19.1, 19.2 | Private passenger auto liability..... | | | | | 0 |
| 19.3, 19.4 | Commercial auto liability..... | | | | | 0 |
| 21. | Auto physical damage..... | | | | | 0 |
| 22. | Aircraft (all perils)..... | | | | | 0 |
| 23. | Fidelity..... | | | | | 0 |
| 24. | Surety..... | 4,381,395 | | | | 4,381,395 |
| 26. | Burglary and theft..... | | | | | 0 |
| 27. | Boiler and machinery..... | | | | | 0 |
| 28. | Credit..... | | | | | 0 |
| 29. | International..... | | | | | 0 |
| 30. | Warranty..... | 105,162 | | | | 105,162 |
| 31. | Reinsurance - nonproportional assumed property..... | | | | | 0 |
| 32. | Reinsurance - nonproportional assumed liability..... | | | | | 0 |
| 33. | Reinsurance - nonproportional assumed financial lines..... | | | | | 0 |
| 34. | Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 |
| 35. | TOTALS..... | 4,486,557 | 0 | 0 | 0 | 4,486,557 |
| 36. | Accrued retrospective premiums based on experience..... | | | | | |
| 37. | Earned but unbilled premiums..... | | | | | 0 |
| 38. | Balance (sum of Lines 35 through 37)..... | | | | | 4,486,557 |

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

| Line of Business | 1 Direct Business (a) | Reinsurance Assumed | | Reinsurance Ceded | | 6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5) |
|--|-----------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|--|
| | | 2 From Affiliates | 3 From Non-Affiliates | 4 To Affiliates | 5 To Non-Affiliates | |
| 1. Fire..... | | | | | | .0 |
| 2. Allied lines..... | | | | | | .0 |
| 3. Farmowners multiple peril..... | | | | | | .0 |
| 4. Homeowners multiple peril..... | | | | | | .0 |
| 5. Commercial multiple peril..... | | | | | | .0 |
| 6. Mortgage guaranty..... | | | | | | .0 |
| 8. Ocean marine..... | | | | | | .0 |
| 9. Inland marine..... | | | | | | .0 |
| 10. Financial guaranty..... | | | | | | .0 |
| 11.1 Medical professional liability - occurrence..... | | | | | | .0 |
| 11.2 Medical professional liability - claims-made..... | | | | | | .0 |
| 12. Earthquake..... | | | | | | .0 |
| 13. Group accident and health..... | | | | | | .0 |
| 14. Credit accident and health (group and individual)..... | | | | | | .0 |
| 15. Other accident and health..... | | | | | | .0 |
| 16. Workers' compensation..... | | | | | | .0 |
| 17.1 Other liability - occurrence..... | | | | | | .0 |
| 17.2 Other liability - claims-made..... | | | | | | .0 |
| 17.3 Excess workers' compensation..... | | | | | | .0 |
| 18.1 Products liability - occurrence..... | | | | | | .0 |
| 18.2 Products liability - claims-made..... | | | | | | .0 |
| 19.1, 19.2 Private passenger auto liability..... | | | | | | .0 |
| 19.3, 19.4 Commercial auto liability..... | | | | | | .0 |
| 21. Auto physical damage..... | | | | | | .0 |
| 22. Aircraft (all perils)..... | | | | | | .0 |
| 23. Fidelity..... | | | | | | .0 |
| 24. Surety..... | 32,521,999 | | 4,232,013 | | 24,873,948 | 11,880,064 |
| 26. Burglary and theft..... | | | | | | .0 |
| 27. Boiler and machinery..... | | | | | | .0 |
| 28. Credit..... | | | | | | .0 |
| 29. International..... | | | | | | .0 |
| 30. Warranty..... | 8,920 | | 8,525 | | | 17,445 |
| 31. Reinsurance - nonproportional assumed property..... | .XXX | | | | | .0 |
| 32. Reinsurance - nonproportional assumed liability..... | .XXX | | | | | .0 |
| 33. Reinsurance - nonproportional assumed financial lines..... | .XXX | | | | | .0 |
| 34. Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 | .0 |
| 35. TOTALS..... | 32,530,919 | 0 | 4,240,538 | 0 | 24,873,948 | 11,897,509 |

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

| Line of Business | Losses Paid Less Salvage | | | | 5 Net Losses Unpaid Current Year (Part 2A, Col. 8) | 6 Net Losses Unpaid Prior Year | 7 Losses Incurred Current Year (Cols. 4 + 5 - 6) | 8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
|--|--------------------------|--------------------------|----------------------------|-------------------------------------|---|-----------------------------------|---|---|
| | 1 Direct Business | 2 Reinsurance Assumed | 3 Reinsurance Recovered | 4 Net Payments (Cols. 1 + 2 - 3) | | | | |
| 1. Fire..... | | | | .0 | | | .0 | |
| 2. Allied lines..... | | | | .0 | | | .0 | |
| 3. Farmowners multiple peril..... | | | | .0 | | | .0 | |
| 4. Homeowners multiple peril..... | | | | .0 | | | .0 | |
| 5. Commercial multiple peril..... | | | | .0 | | | .0 | |
| 6. Mortgage guaranty..... | | | | .0 | | | .0 | |
| 8. Ocean marine..... | | | | .0 | | | .0 | |
| 9. Inland marine..... | | | | .0 | | | .0 | |
| 10. Financial guaranty..... | | | | .0 | | | .0 | |
| 11.1 Medical professional liability - occurrence..... | | | | .0 | | | .0 | |
| 11.2 Medical professional liability - claims-made..... | | | | .0 | | | .0 | |
| 12. Earthquake..... | | | | .0 | | | .0 | |
| 13. Group accident and health..... | | | | .0 | | | .0 | |
| 14. Credit accident and health (group and individual)..... | | | | .0 | | | .0 | |
| 15. Other accident and health..... | | | | .0 | | | .0 | |
| 16. Workers' compensation..... | 742,043 | 3,860 | 745,903 | .0 | | | .0 | |
| 17.1 Other liability - occurrence..... | | | | .0 | | 29,138 | (29,138) | |
| 17.2 Other liability - claims-made..... | | | | .0 | | | .0 | |
| 17.3 Excess workers' compensation..... | | | | .0 | | | .0 | |
| 18.1 Products liability - occurrence..... | | | | .0 | | | .0 | |
| 18.2 Products liability - claims-made..... | | | | .0 | | | .0 | |
| 19.1, 19.2 Private passenger auto liability..... | | | | .0 | | | .0 | |
| 19.3, 19.4 Commercial auto liability..... | 67,993 | | 67,993 | .0 | | | .0 | |
| 21. Auto physical damage..... | | | | .0 | | | .0 | |
| 22. Aircraft (all perils)..... | | | | .0 | | | .0 | |
| 23. Fidelity..... | | | | .0 | | | .0 | |
| 24. Surety..... | 3,208 | | 2,406 | 802 | 2,311,041 | 2,492,157 | (180,314) | (1.6) |
| 26. Burglary and theft..... | | | | .0 | | | .0 | |
| 27. Boiler and machinery..... | | | | .0 | | | .0 | |
| 28. Credit..... | | | | .0 | | | .0 | |
| 29. International..... | | | | .0 | | | .0 | |
| 30. Warranty..... | | | | .0 | | | .0 | |
| 31. Reinsurance - nonproportional assumed property..... | .XXX | | | .0 | | | .0 | |
| 32. Reinsurance - nonproportional assumed liability..... | .XXX | | | .0 | | | .0 | |
| 33. Reinsurance - nonproportional assumed financial lines..... | .XXX | | | .0 | | | .0 | |
| 34. Aggregate write-ins for other lines of business..... | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 35. TOTALS..... | 813,244 | 3,860 | 816,302 | 802 | 2,311,041 | 2,521,295 | (209,452) | (1.8) |

DETAILS OF WRITE-INS

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

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

| Line of Business | Reported Losses | | | | Incurred But Not Reported | | | 8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7) | 9 Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|--|---|---------------------------|--------------------------|------------------------|---|--|
| | 1 Direct | 2 Reinsurance Assumed | 3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies | 4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5 Direct | 6 Reinsurance Assumed | 7 Reinsurance Ceded | | |
| 1. Fire..... | | | | 0 | | | | 0 | |
| 2. Allied lines..... | | | | 0 | | | | 0 | |
| 3. Farmowners multiple peril..... | | | | 0 | | | | 0 | |
| 4. Homeowners multiple peril..... | | | | 0 | | | | 0 | |
| 5. Commercial multiple peril..... | | | | 0 | | | | 0 | |
| 6. Mortgage guaranty..... | | | | 0 | | | | 0 | |
| 8. Ocean marine..... | | | | 0 | | | | 0 | |
| 9. Inland marine..... | | | | 0 | | | | 0 | |
| 10. Financial guaranty..... | | | | 0 | | | | 0 | |
| 11.1 Medical professional liability - occurrence..... | | | | 0 | | | | 0 | |
| 11.2 Medical professional liability - claims-made..... | | | | 0 | | | | 0 | |
| 12. Earthquake..... | | | | 0 | | | | 0 | |
| 13. Group accident and health..... | | | | 0 | | | | (a) 0 | |
| 14. Credit accident and health (group and individual)..... | | | | 0 | | | | 0 | |
| 15. Other accident and health..... | | | | 0 | | | | (a) 0 | |
| 16. Workers' compensation..... | 8,312,981 | 24,745 | 8,337,726 | 0 | 3,843,378 | 39,367 | 3,882,745 | 0 | |
| 17.1 Other liability - occurrence..... | | | | 0 | 155,369 | | 155,369 | 0 | |
| 17.2 Other liability - claims-made..... | | | | 0 | | | | 0 | |
| 17.3 Excess workers' compensation..... | | | | 0 | | | | 0 | |
| 18.1 Products liability - occurrence..... | | | | 0 | | | | 0 | |
| 18.2 Products liability - claims-made..... | | | | 0 | | | | 0 | |
| 19.1, 19.2 Private passenger auto liability..... | | | | 0 | | | | 0 | |
| 19.3, 19.4 Commercial auto liability..... | | | | 0 | 70,157 | | 70,157 | 0 | |
| 21. Auto physical damage..... | | | | 0 | | | | 0 | |
| 22. Aircraft (all perils)..... | | | | 0 | | | | 0 | |
| 23. Fidelity..... | | | | 0 | | | | 0 | |
| 24. Surety..... | 84,946 | | 6,709 | 78,237 | 6,794,980 | 1,211,696 | 5,773,872 | 2,311,041 | 1,299,825 |
| 26. Burglary and theft..... | | | | 0 | | | | 0 | |
| 27. Boiler and machinery..... | | | | 0 | | | | 0 | |
| 28. Credit..... | | | | 0 | | | | 0 | |
| 29. International..... | | | | 0 | | | | 0 | |
| 30. Warranty..... | | | | 0 | | | | 0 | |
| 31. Reinsurance - nonproportional assumed property..... | XXX | | | 0 | XXX | | | 0 | |
| 32. Reinsurance - nonproportional assumed liability..... | XXX | | | 0 | XXX | | | 0 | |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX | | | 0 | XXX | | | 0 | |
| 34. Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35. TOTALS..... | 8,397,927 | 24,745 | 8,344,435 | 78,237 | 10,863,884 | 1,251,063 | 9,882,143 | 2,311,041 | 1,299,825 |

DETAILS OF WRITE-INS

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

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

EVERGREEN NATIONAL INDEMNITY 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..... | (487,725) | | | (487,725) |
| 1.2 Reinsurance assumed..... | (21,806) | | | (21,806) |
| 1.3 Reinsurance ceded..... | (322,531) | | | (322,531) |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)..... | (187,000) | .0 | .0 | (187,000) |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent..... | | 15,610,560 | | 15,610,560 |
| 2.2 Reinsurance assumed, excluding contingent..... | | 2,613,787 | | 2,613,787 |
| 2.3 Reinsurance ceded, excluding contingent..... | | 12,327,064 | | 12,327,064 |
| 2.4 Contingent - direct..... | | | | .0 |
| 2.5 Contingent - reinsurance assumed..... | | | | .0 |
| 2.6 Contingent - reinsurance ceded..... | | | | .0 |
| 2.7 Policy and membership fees..... | | | | .0 |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)..... | .0 | 5,897,283 | .0 | 5,897,283 |
| 3. Allowances to manager and agents..... | | | | .0 |
| 4. Advertising..... | | 57,120 | | 57,120 |
| 5. Boards, bureaus and associations..... | | 120,052 | | 120,052 |
| 6. Surveys and underwriting reports..... | | 37 | | 37 |
| 7. Audit of assureds' records..... | | | | .0 |
| 8. Salary and related items: | | | | |
| 8.1 Salaries..... | | 1,028,774 | 15,667 | 1,044,441 |
| 8.2 Payroll taxes..... | | 50,913 | 775 | 51,688 |
| 9. Employee relations and welfare..... | | 141,306 | 2,152 | 143,458 |
| 10. Insurance..... | | 99,892 | | 99,892 |
| 11. Directors' fees..... | | | | .0 |
| 12. Travel and travel items..... | | 292,841 | 4,460 | 297,301 |
| 13. Rent and rent items..... | | 144,410 | 2,199 | 146,609 |
| 14. Equipment..... | | 20,504 | 312 | 20,816 |
| 15. Cost or depreciation of EDP equipment and software..... | | 31,727 | 483 | 32,210 |
| 16. Printing and stationery..... | | 2,700 | 41 | 2,741 |
| 17. Postage, telephone and telegraph, exchange and express..... | | 37,082 | 565 | 37,647 |
| 18. Legal and auditing..... | | 196,156 | 2,987 | 199,143 |
| 19. Totals (Lines 3 to 18)..... | .0 | 2,223,514 | 29,641 | 2,253,155 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$.....0..... | | 650,688 | | 650,688 |
| 20.2 Insurance department licenses and fees..... | | 175,384 | | 175,384 |
| 20.3 Gross guaranty association assessments..... | | | | .0 |
| 20.4 All other (excluding federal and foreign income and real estate)..... | | 17,344 | | 17,344 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)..... | .0 | 843,416 | .0 | 843,416 |
| 21. Real estate expenses..... | | | | .0 |
| 22. Real estate taxes..... | | | | .0 |
| 23. Reimbursements by uninsured plans..... | | | | .0 |
| 24. Aggregate write-ins for miscellaneous expenses..... | .0 | 179,843 | 113,761 | 293,604 |
| 25. Total expenses incurred..... | (187,000) | 9,144,056 | 143,402 | (a).....9,100,458 |
| 26. Less unpaid expenses - current year..... | 1,299,825 | 4,284,783 | 14,604 | 5,599,212 |
| 27. Add unpaid expenses - prior year..... | 1,483,882 | 4,276,235 | 16,500 | 5,776,617 |
| 28. Amounts receivable relating to uninsured plans, prior year..... | | | | .0 |
| 29. Amounts receivable relating to uninsured plans, current year..... | | | | .0 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)..... | (2,943) | 9,135,508 | 145,298 | 9,277,863 |

DETAILS OF WRITE-INS

| | | | | |
|--|----|---------|---------|---------|
| 2401. Other Outside Services..... | | 92,864 | 113,761 | 206,625 |
| 2402. Data Processing..... | | 69,958 | | 69,958 |
| 2403. Other..... | | 17,021 | | 17,021 |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | .0 | .0 | .0 | .0 |
| 2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)..... | .0 | 179,843 | 113,761 | 293,604 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds..... | (a).....237,118 |228,801 |
| 1.1 Bonds exempt from U.S. tax..... | (a).....227,053 |209,067 |
| 1.2 Other bonds (unaffiliated)..... | (a).....435,246 |441,234 |
| 1.3 Bonds of affiliates..... | (a)..... | ..... |
| 2.1 Preferred stocks (unaffiliated)..... | (b).....102,649 |94,806 |
| 2.11 Preferred stocks of affiliates..... | (b)..... | ..... |
| 2.2 Common stocks (unaffiliated)..... |25,024 |24,304 |
| 2.21 Common stocks of affiliates..... | ..... | ..... |
| 3. Mortgage loans..... | (c).....20,882 |20,882 |
| 4. Real estate..... | (d)..... | ..... |
| 5. Contract loans..... | ..... | ..... |
| 6. Cash, cash equivalents and short-term investments..... | (e).....47,274 |47,167 |
| 7. Derivative instruments..... | (f)..... | ..... |
| 8. Other invested assets..... | ..... | ..... |
| 9. Aggregate write-ins for investment income..... |0 |0 |
| 10. Total gross investment income..... |1,095,246 |1,066,261 |
| 11. Investment expenses..... | ..... | (g).....143,404 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | ..... | (g)..... |
| 13. Interest expense..... | ..... | (h)..... |
| 14. Depreciation on real estate and other invested assets..... | ..... | (i).....0 |
| 15. Aggregate write-ins for deductions from investment income..... | ..... | .....0 |
| 16. Total deductions (Lines 11 through 15)..... | ..... | .....143,404 |
| 17. Net investment income (Line 10 minus Line 16)..... | ..... | .....922,857 |

DETAILS OF WRITE-INS

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

- (a) Includes \$.....25,974 accrual of discount less \$.....151,900 amortization of premium and less \$.....23,189 paid for accrued interest on purchases.
- (b) Includes \$.....3 accrual of discount less \$.....31 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....89 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) on Sales or Maturity | 2 Other Realized Adjustments | 3 Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4 Change in Unrealized Capital Gain (Loss) | 5 Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. government bonds..... |43,611 | ..... | .....43,611 | ..... | ..... |
| 1.1 Bonds exempt from U.S. tax..... | ..... | ..... | .....0 | ..... | ..... |
| 1.2 Other bonds (unaffiliated)..... |14,104 | ..... | .....14,104 |1,843 | ..... |
| 1.3 Bonds of affiliates..... | ..... | ..... | .....0 | ..... | ..... |
| 2.1 Preferred stocks (unaffiliated)..... |(16,424) | ..... | .....(16,424) |97,860 | ..... |
| 2.11 Preferred stocks of affiliates..... | ..... | ..... | .....0 | ..... | ..... |
| 2.2 Common stocks (unaffiliated)..... |168,848 | ..... | .....168,848 |(5,018) | ..... |
| 2.21 Common stocks of affiliates..... | ..... | ..... | .....0 | ..... | ..... |
| 3. Mortgage loans..... |19,781 | ..... | .....19,781 | ..... | ..... |
| 4. Real estate..... | ..... | ..... | .....0 | ..... | ..... |
| 5. Contract loans..... | ..... | ..... | .....0 | ..... | ..... |
| 6. Cash, cash equivalents and short-term investments..... | ..... | ..... | .....0 | ..... | ..... |
| 7. Derivative instruments..... | ..... | ..... | .....0 | ..... | ..... |
| 8. Other invested assets..... | ..... | ..... | .....0 | ..... | ..... |
| 9. Aggregate write-ins for capital gains (losses)..... |0 |0 |0 |0 |0 |
| 10. Total capital gains (losses)..... |229,920 |0 |229,920 |94,685 |0 |

DETAILS OF WRITE-INS

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

Annual Statement for the year 2012 of the **EVERGREEN NATIONAL INDEMNITY COMPANY**
EXHIBIT OF NONADMITTED ASSETS

| | 1 Current Year Total Nonadmitted Assets | 2 Prior Year Total Nonadmitted Assets | 3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D)..... | | | .0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks..... | | | .0 |
| 2.2 Common stocks..... | | | .0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens..... | | | .0 |
| 3.2 Other than first liens..... | | | .0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company..... | | | .0 |
| 4.2 Properties held for the production of income..... | | | .0 |
| 4.3 Properties held for sale..... | | | .0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)..... | | | .0 |
| 6. Contract loans..... | | | .0 |
| 7. Derivatives (Schedule DB)..... | | | .0 |
| 8. Other invested assets (Schedule BA)..... | | | .0 |
| 9. Receivables for securities..... | | | .0 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | | .0 |
| 11. Aggregate write-ins for invested assets..... | .0 | .0 | .0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | .0 | .0 | .0 |
| 13. Title plants (for Title insurers only)..... | | | .0 |
| 14. Investment income due and accrued..... | | | .0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | | | .0 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | | | .0 |
| 15.3 Accrued retrospective premiums..... | | | .0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers..... | 62,365 | 62,365 | .0 |
| 16.2 Funds held by or deposited with reinsured companies..... | | | .0 |
| 16.3 Other amounts receivable under reinsurance contracts..... | | | .0 |
| 17. Amounts receivable relating to uninsured plans..... | | | .0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | | | .0 |
| 18.2 Net deferred tax asset..... | 798,393 | 912,104 | 113,711 |
| 19. Guaranty funds receivable or on deposit..... | | | .0 |
| 20. Electronic data processing equipment and software..... | 24,989 | 41,648 | 16,660 |
| 21. Furniture and equipment, including health care delivery assets..... | (13,203) | 17,186 | 30,389 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | | .0 |
| 23. Receivables from parent, subsidiaries and affiliates..... | | | .0 |
| 24. Health care and other amounts receivable..... | | | .0 |
| 25. Aggregate write-ins for other than invested assets..... | 78,742 | 86,706 | 7,964 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)..... | 951,286 | 1,120,010 | 168,724 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | .0 |
| 28. TOTALS (Lines 26 and 27)..... | 951,286 | 1,120,010 | 168,724 |

DETAILS OF WRITE-INS

| | | | |
|--|--------|--------|---------|
| 1101. | | | .0 |
| 1102. | | | .0 |
| 1103. | | | .0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | .0 | .0 | .0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)..... | .0 | .0 | .0 |
| 2501. | | | .0 |
| 2502. Automobile..... | 7,095 | 21,286 | 14,191 |
| 2503. Prepaid Insurance..... | 71,647 | 65,421 | (6,226) |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | .0 | .0 | .0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 78,742 | 86,706 | 7,964 |

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Evergreen National Indemnity Company (Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (Department).

The 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, for determining its solvency under Ohio insurance law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. In addition, the Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

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

The preparation of financial statements in conformity with Statutory Accounting Principles (SAP) requires 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 date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Unaffiliated common stocks are stated at fair market value.
4. Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
5. The mortgage loan on real estate is stated at purchase price less principal payments received.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value such securities.
7. The Company does not have investments in subsidiaries, controlled and affiliated entities.
8. The Company does not invest in joint ventures, partnerships and limited liability companies.
9. The Company does not invest in derivatives.
10. The Company does not have any premium deficiencies.
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 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 is continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from prior period.
13. The Company does not have any pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes and Correction of Errors

Not applicable

Note 3 - Business Combinations and Goodwill

- A. Statutory Purchase Method
Not applicable.
- B. Statutory Mergers
Not applicable.
- C. Impairment Loss
Not applicable.

Note 4 - Discontinued Operations

- A. Not applicable.

Note 5 - Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
 1. The Company purchased one mortgage loan in 2011. This loan was sold in 2012. The nominal annual interest rate was 3.25%.
 2. The Company did not reduce interest rates on outstanding loans during the current year.
 3. The maximum percentage of any one loan to the value of collateral at the time of the loan was 80%.
 4. The Company did not hold mortgages with interest 180 days or more past due.
 5. There were no taxes, assessments or any amounts advanced and not included in the mortgage loan.
 - 6-12. There were no impaired mortgage loans as of December 31, 2012.
- B. Debt Restructuring
Not applicable.
- C. Reverse Mortgages
Not applicable.
- D. Loan-Backed Securities
 1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
 2. Not applicable.
 3. Not applicable.
 4. Not applicable.
 5. Not applicable.
- E. Repurchase Agreements
Not applicable.
- F. Real Estate
Not applicable.
- G. Low-income housing tax credits
Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. Detail for those greater than 10% of Admitted Assets
Not applicable.
- B. Writedowns for Impairments
Not applicable.

Note 7 - Investment Income

A. Accrued Investment Income

The Company non-admits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

At December 31, 2012 and 2011, the Company did not have any investment income amounts due and accrued over 90 days past due.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

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

(1) Total of all DTAs and DTLs by tax character are as follows:

| December 31, 2012 | | | | | |
|---|--------------|--------------------------------|----------------|--------------|------------|
| Description | Gross | Statutory Valuation Adjustment | Adjusted Gross | Non-Admitted | Admitted |
| Gross deferred tax assets | | | | | |
| Unearned premiums | \$ 305,086 | -0- | 305,086 | -0- | \$ 305,086 |
| Loss and loss expense discounting | 50,730 | -0- | 50,730 | 35,510 | 15,220 |
| Depreciation | 130,507 | -0- | 130,507 | -0- | 130,507 |
| Other | 771 | -0- | 771 | -0- | 771 |
| Unrealized Gain Loss - capital | 5,809 | -0- | 5,809 | 5,809 | -0- |
| Capital loss carryforward – capital | 102,947 | -0- | 102,947 | 102,947 | -0- |
| Other Than Temporary Impairment - capital | 654,127 | -0- | 654,127 | 654,127 | -0- |
| Total gross deferred tax assets | 1,249,977 | -0- | 1,249,977 | 798,393 | 451,584 |
| Gross deferred tax liabilities | | | | | |
| Fixed asset basis differential | 3,073 | -0- | 3,073 | -0- | 3,073 |
| Accrual of market discount | 6,349 | -0- | 6,349 | -0- | 6,349 |
| Total gross deferred tax liabilities | 9,422 | -0- | 9,422 | -0- | 9,422 |
| Net deferred tax asset | \$ 1,240,555 | -0- | 1,240,555 | 798,393 | \$ 442,162 |

| December 31, 2011 | | | | | |
|---|--------------|--------------------------------|----------------|--------------|------------|
| Description | Gross | Statutory Valuation Adjustment | Adjusted Gross | Non-Admitted | Admitted |
| Gross deferred tax assets | | | | | |
| Unearned premiums | \$ 289,476 | -0- | 289,476 | -0- | \$ 289,476 |
| Loss and loss expense discounting | 56,403 | -0- | 56,403 | 39,483 | 16,920 |
| Unpaid accrual | 16,490 | -0- | 16,490 | -0- | 16,490 |
| Depreciation | 99,647 | -0- | 99,647 | -0- | 99,647 |
| Other | 771 | -0- | 771 | -0- | 771 |
| Unrealized Gain Loss - capital | 37,375 | -0- | 37,375 | 37,375 | -0- |
| Capital loss carryforward – capital | 152,029 | -0- | 152,029 | 152,029 | -0- |
| Other Than Temporary Impairment - capital | 683,217 | -0- | 683,217 | 683,217 | -0- |
| Total gross deferred tax assets | 1,335,408 | -0- | 1,335,408 | 912,104 | 423,304 |
| Gross deferred tax liabilities | | | | | |
| Fixed asset basis differential | 3,073 | -0- | 3,073 | -0- | 3,073 |
| Accrual of market discount | 11,270 | -0- | 11,270 | -0- | 11,270 |
| Total gross deferred tax liabilities | 14,343 | -0- | 14,343 | -0- | 14,343 |
| Net deferred tax asset | \$ 1,321,065 | -0- | 1,321,065 | 912,104 | \$ 408,961 |

| Description | 2012 | 2011 |
|--|--------------|-------------|
| Increase (decrease) in nonadmitted deferred tax assets | \$ (113,711) | \$ (72,577) |

(2) Admission Calculation Components of SSAP No. 101

| | 2012 | | | 2011 | | | Change | | |
|--|-----------|---------|---------|----------|---------|---------|----------|---------|----------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| (a) Federal Income Taxes paid in prior years recoverable through loss carrybacks | \$451,584 | -0- | 451,584 | 423,304 | -0- | 423,304 | 28,280 | -0- | \$28,280 |
| (b) Adjusted Gross Deferred Tax Assets Expected to be Realized After Application of the Threshold Limitation | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold | XXX | XXX | -0- | XXX | XXX | -0- | XXX | XXX | -0- |
| (c) Adjusted Gross Deferred Tax Assets Offset by Gross Deferred Tax Liabilities | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 | \$451,584 | -0- | 451,584 | 423,304 | -0- | 423,304 | 28,280 | -0- | \$28,280 |

(3)

| | 2012 | 2011 |
|---|--------------|--------------|
| (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount | 1,610% | 1,661% |
| (b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation | \$33,651,831 | \$33,769,270 |

(4) Impact of tax-planning strategies on adjusted gross and net admitted DTAs
Not applicable.

B. Unrecognized DTLs

Not applicable.

C. Current Tax and Change in Deferred Tax

The current provisions for federal and foreign income taxes incurred on earnings were:

| Description | 2012 | 2011 |
|---|--------------|--------------|
| Federal | \$ 1,291,129 | \$ 1,479,666 |
| Foreign | - | - |
| Federal and foreign income taxes incurred | \$ 1,291,129 | \$ 1,479,666 |

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

| | December 31, 2012 | December 31, 2011 |
|---|-------------------|-------------------|
| Deferred tax assets | | |
| Discounting of unpaid losses and LAE | \$ 50,730 | \$ 56,403 |
| Unearned premium reserve adjustment | 305,086 | 289,476 |
| Unpaid accrual | -0- | 16,490 |
| Depreciation | 130,507 | 99,647 |
| Capital loss carryforward – capital | 102,947 | 152,029 |
| Other than temporary impairment – capital | 654,127 | 683,217 |
| Unrealized (gain) loss – capital | 5,809 | 37,375 |
| Other | 771 | 771 |
| Total deferred tax assets | 1,249,977 | 1,335,408 |
| Nonadmitted deferred tax assets | 798,393 | 912,104 |
| Admitted deferred tax assets | 451,584 | 423,304 |
| Deferred tax liabilities | 9,422 | 14,343 |
| Net admitted deferred tax assets | \$ 442,162 | \$ 408,961 |

The change in net deferred income taxes was comprised of the following:

| | December 31, 2012 | December 31, 2011 | Change |
|--------------------------------------|----------------------|----------------------|-----------|
| Total gross deferred tax assets | \$ 451,584 | \$ 423,304 | \$ 28,280 |
| Total gross deferred tax liabilities | 9,422 | 14,343 | (4,921) |
| Net deferred tax asset | \$ 442,162 | \$ 408,961 | \$ 33,201 |

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

The significant items causing a difference between the statutory federal income tax rate and effective income tax rate were as follows:

| | 2012 | Tax Effect at 34% |
|---|--------------|-------------------|
| Income before taxes | \$ 4,090,790 | \$ 1,390,869 |
| Net realized loss on securities | (229,919) | (78,172) |
| Unearned premiums | 45,913 | 15,610 |
| Tax-exempt interest – net | (177,705) | (60,420) |
| Meals & entertainment | 77,146 | 26,229 |
| Dividends received deduction – net | (16,980) | (5,773) |
| Section 846 loss discounting | 10,000 | 3,400 |
| Book depreciation in excess of tax depreciation | 25,000 | 8,500 |
| Other | 7,000 | 2,380 |
| Taxable Income | \$ 3,831,245 | \$ 1,302,623 |
| Provision to return adjustment and other | | (11,494) |
| Current provision | | 1,291,129 |

E. Operating Loss and Tax Carryforwards

- At December 31, 2012, the Company has no net operating loss carry-forward balance.
- The following is income tax expense for 2012 and 2011 that is available for recoupment in the event of future net losses:

| Year | Amount |
|------|--------------|
| 2012 | \$ 1,302,623 |
| 2011 | \$ 1,479,666 |

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

F. Consolidated Federal Income Tax Return

- For the 2011 tax year, the Company filed a consolidated return with Continental. Included in the consolidation was taxable income for Continental from January 1, 2011 to June 30, 2011. Effective July 1, 2011 the consolidated tax agreement was terminated commensurate with the sale of Continental.
- A written consolidated tax agreement had been approved by the Company's Board of Directors. The agreement sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years from Continental in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

Note 10 - Information Concerning Parent, Subsidiaries

A. Nature of Relationships

Approximately 65.06% of the outstanding voting shares are owned by ProAlliance Corporation (ProAlliance).

Total issued stock of the Company is comprised of the following: 30.35% by ProAlliance, a privately owned company incorporated in Ohio; 19.9% by Waste Management Holdings, Inc., a Delaware company; 19.9% Allied Waste North America, a Delaware company; 19.9% by Casella Waste Systems, Inc., a Delaware company; and 9.95% by Waste Connections, Inc., a Delaware company.

Prior to July 1, 2011 the Company was the parent of Continental, a Florida property/casualty insurance company.

B. Detail of Transactions Greater than 1/2% of Admitted Assets

In 2012 and 2011, the Company declared and paid dividends as follows:

- a. Declared March 15, 2012 and paid March 27, 2012 – an ordinary cash dividend of \$1,250,000
- b. Declared August 15, 2012 and paid August 27, 2012 – an ordinary cash dividend of \$1,000,000
- c. Declared November 21, 2012 and paid December 5, 2012 – an ordinary cash dividend of \$850,000
- d. Declared March 3, 2011 and paid March 14, 2011 – an ordinary cash dividend of \$1,250,000
- e. Declared August 29, 2011 and paid September 12, 2011 – an ordinary cash dividend of \$1,000,000

C. Change in Terms of Intercompany Agreements

Effective July 1, 2011, the Cost Sharing Agreement with Continental was terminated. This is commensurate with the sale of Continental.

D. Amounts Due from or to Related Parties

None as of December 31, 2012.

E. Guarantees or Contingencies for Related Parties

Not applicable.

F. Management, Service Contracts, Cost Sharing Agreements

Prior to July 1, 2011, the Company was a party to a Cost Sharing Agreement with Continental, whereby the Company provided certain management and administrative services to Continental. These services were allocated to Continental based on actual costs incurred. Expenses allocated to Continental during 2011 was approximately \$295,000.

G. Nature of Relationships that Could Affect Operations

Approximately 65.06% of outstanding voting shares of the Company are owned by ProAlliance.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

Not applicable.

J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in foreign insurance Subsidiary.

Not applicable.

L. Investment in a downstream non-insurance holding company

Not applicable.

Note 11 - Debt

Not applicable.

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

A. Defined Benefit Plans

Not applicable.

B. Defined Contribution Plans

The Company sponsors a defined contribution savings plan covering substantially all employees of the Company. Contributions were made of 4% of each participating employee's compensation for 2012 and 2011. In addition, the Company made voluntary profit sharing contributions to the plan in both 2012 and 2011. The Company's total contribution to the plan was \$136,052 for 2012 and \$76,394 for 2011. At December 31, 2012, the fair value of plan assets was \$1,128,607.

- C. Multiemployer Plans
Not applicable.
- D. Consolidated/Holding Company Plans
Not applicable.
- E. Postemployment Benefits and Compensated Absences
Not applicable.
- F. Impact of Medicare Modernization Act on Postretirement Benefits
Not Applicable.

Note 13 - Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganization

1. Outstanding Shares

The Company has the following shares authorized, issued and outstanding at December 31, 2012:

A shares (voting), \$500 par; 10,000 authorized; 6,000 issued and outstanding
B shares (non-voting), \$1 par; 25,000 authorized; 18,000 issued and outstanding
C shares (non-voting), \$1 par; 100 authorized; 3.5 issued and outstanding

The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable.

3., 4. and 5. Dividend Restrictions

The maximum dividend which can be paid by Ohio incorporated insurance companies is subject to restrictions relating to the maintenance of minimum assets and capital. For example, no company shall make any distribution of dividends or assets unless the value of assets remaining is at least equal to the aggregate amount of debts and liabilities, including capital. In addition, no company which is part of a holding company system may make a cumulative twelve month distribution which exceeds the greater of ten percent of policyholders surplus as of the prior year or its net income of the previous calendar year. Accordingly, the maximum cumulative dividend payout to shareholders that may be made without prior approval of the Ohio Department of Insurance in 2013 is \$3,365,183, representing 10% of the surplus as regards policyholders as of December 31, 2012.

In 2012 and 2011, the Company declared and paid dividends as follows:

- a. Declared March 15, 2012 and paid March 27, 2012 – an ordinary cash dividend of \$1,250,000
- b. Declared August 15, 2012 and paid August 27, 2012 – an ordinary cash dividend of \$1,000,000
- c. Declared November 21, 2012 and paid December 5, 2012 – an ordinary cash dividend of \$850,000
- d. Declared March 3, 2011 and paid March 14, 2011 – an ordinary cash dividend of \$1,250,000
- e. Declared August 29, 2011 and paid September 12, 2011 – an ordinary cash dividend of \$1,000,000

6. Restrictions placed on the unassigned funds (surplus)

Not applicable.

7. Mutual Surplus Advances

Not applicable.

8. Company Stock Held for Special Purposes

Not applicable.

9. Changes in Special Surplus Funds

Not applicable.

10. Changes in Unassigned Funds

The portion of unassigned funds (surplus) reduced by net cumulative unrealized gains and losses is \$17,085.

11. Surplus Notes

Not applicable.

12. and 13. Quasi-Reorganizations

Not applicable.

Note 14 - Contingencies

A. Contingent Commitments

Not applicable.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred.

The Company is not aware of any such insolvencies and has therefore, not accrued any liability for guaranty fund and other assessments for 2012 and 2011, respectively. This represents management's best estimate based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies

Not applicable.

D. Claims related and bad faith losses stemming from lawsuits

Not applicable.

E. All Other Contingencies

Various lawsuits against the Company may arise in the course of the Company's normal business operations. Contingent liabilities that have arisen from litigation are not considered material to the financial position of the Company. The Company has no asset that it considers impaired.

Note 15 - Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities under various non-cancelable operating leases that expire November 30, 2016. The Company incurred rent expense of \$146,609 and \$119,873 in 2012 and 2011, respectively.
2. Future minimum rental payments are as follows:

| Year | Amount |
|-------|------------|
| 2013 | 162,780 |
| 2014 | 169,283 |
| 2015 | 176,041 |
| 2016 | 167,068 |
| | |
| Total | \$ 675,172 |

3. The Company has not entered into any sales - leaseback arrangements.

B. Lessor Leasing Arrangements

Not applicable.

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

The company has no financial instruments with off-balance sheet risk.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

The Company did not have any wash sales during the current year.

Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Cost Based Reimbursement Contracts

Not applicable.

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

A. Not applicable.

Note 20 – Fair Value Measurements

A. Assets Measured at Fair Value

(1) Fair Value Measurements at Reporting Date:

| December 31, 2012 | | | | |
|--------------------------------|------------|---------|---------|--------------|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Preferred Stocks | -0- | 561,248 | -0- | 561,248 |
| Common Stocks – Non affiliates | 452,953 | 11,870 | 189,494 | 654,317 |
| Total assets at fair value | \$ 452,953 | 573,118 | 189,494 | \$ 1,215,565 |

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

| December 31, 2012 | | | | | | |
|--------------------------------|---------------------|---|---|-------------------------------|---|-----------------------|
| Description | Balance at 1/1/2012 | Realized gains or (losses) including OTTI | Unrealized (losses) included in surplus | Transfers in (out) of Level 3 | Purchases, issuances, (sales) and settlements | Balance at 12/31/2012 |
| Common Stocks - non affiliates | \$ 189,494 | -0- | -0- | -0- | -0- | \$ 189,494 |
| Total | \$ 189,494 | -0- | -0- | -0- | -0- | \$ 189,494 |

(3) Transfers in (out) of Level 3

Not applicable

(4) Level 2 and Level 3 Valuation Techniques

Level 2 fair value assets are obtained from third party valuation providers such as Merrill Lynch indices, Interactive Data Corporation, Reuters, Bloomberg, S&P or Factset.

Level 3 fair value is derived as follows:

Common Stock non-affiliates: Valuation is based on actual cost with quarterly internal analysis based on the following: Current year and history of earnings and EPS of common stock, Book value of common stock, Industry Price Earnings ratio, Industry Price to Book ratio, and general market factors.

(5) Derivative Assets and Liabilities

Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

Note 21 - Other Items

A. Extraordinary Items and Material Events

The following material event occurred:

Effective July 1, 2011, the Company sold Continental to various interested parties.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

Assets in the amount of \$5,013,405 and \$5,107,862 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premiums Receivable

At December 31, 2012 and 2011, the Company had admitted assets of \$1,948,306 and \$1,863,537 respectively in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, none of the receivables are deemed uncollectible as of December 31, 2012.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

Not applicable.

G. Sub-prime Mortgage Related Risk Exposure

1. The Company does not engage in direct sub-prime residential mortgage lending. The Company's exposure to sub-prime is limited to investments within the fixed income investment portfolio which contains securities collateralized by mortgages that have characteristics of sub-prime lending. Such characteristics include an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings (FICO scores), unconventionally high initial loan-to-value ratios, and borrowers with less than conventional documentation of their income and/or net assets.

The Company minimizes risk exposure by holding securities which carry higher credit ratings and by monitoring the underlying collateral performance on an ongoing basis.

2. Direct exposure through investments in sub-prime mortgage loans.

Not applicable.

3. Direct exposure through other investments:

| Type of Investment | Actual Cost | Book adjusted carrying value | Fair value | Any O-T-T impairment losses |
|--------------------|-------------|------------------------------|------------|-----------------------------|
| Residential MBS | 204,235 | 202,652 | 202,652 | - |
| Total | 204,235 | 202,652 | 202,652 | - |

4. Underwriting exposure to sub-prime mortgage risk via Mortgage Guarantee insurance

Not applicable.

Note 22 - Events Subsequent

- A. Type 1 – Recognized Subsequent Events:
There were no subsequent events meriting disclosure through February 25, 2013 for the statutory statements issued on February 26, 2013.
- B. Type 2 – Non-recognized Subsequent Events:
There were no subsequent events meriting disclosure through February 25, 2013 for the statutory statements issued on February 26, 2013.

Note 23- Reinsurance

- A. Unsecured Reinsurance Recoverables

The Company has the following unsecured reinsurance recoverables in excess of 3% of surplus (000's omitted):

| NAIC Code | Federal ID # | Name of Reinsurer | Amount |
|-----------|--------------|---------------------------------|-----------|
| 22039 | 13-2673100 | General Reinsurance Corp. | \$ 12,420 |
| 20370 | 51-0434766 | Axis Reinsurance Co. | \$ 5,122 |
| 21121 | 13-5481330 | Westchester Fire Ins. Co. (Ace) | \$ 4,900 |
| 26565 | 31-0620146 | Ohio Indemnity Insurance Co. | \$ 3,392 |
| 25364 | 13-1675535 | Swiss Reins America Corp. | \$ 1,384 |

- B. Reinsurance Recoverables in Dispute

Not Applicable.

- C. Reinsurance Assumed and Ceded

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

| | Assumed | | Ceded | | Assumed Less Ceded | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | Unearned Premiums | Commission Equity | Unearned Premiums | Commission Equity | Unearned Premiums | Commission Equity |
| a. Affiliates | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| b. All other | 1,319,360 | 691,123 | 10,985,261 | 5,456,364 | (9,665,901) | (4,765,241) |
| c. Totals | \$ 1,319,360 | \$ 691,123 | \$ 10,985,261 | \$ 5,456,364 | \$ (9,665,901) | \$ (4,765,241) |
| d. Direct unearned premium reserve | \$14,152,458 | | | | | |

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 accrued as follows:

Not applicable

3. Risks Attributable to protected cells

Not applicable

- D. Uncollectible Reinsurance

Not applicable.

- E. Commutation of Ceded Reinsurance

Not applicable.

- F. Retroactive Reinsurance

Not applicable.

- G. Reinsurance Accounted for as a Deposit

Not applicable.

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

Not applicable.

I. Certified Reinsurer Downgraded or Status Subject to Revocation

None downgraded.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years decreased by \$2,225,000 from \$4,005,000 in 2011 to \$1,780,000 in 2012 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on the surety line of insurance. This change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

Not Applicable.

Note 27 - Structured Settlements

- A. Reserves Released due to Purchase of Annuities

Not applicable.

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

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserve

As of December 31, 2012, the Company performed an evaluation and determined there was no liability for premium deficiency reserves. The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.

Note 31 - High Deductibles

Not applicable.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expense

Not applicable.

Note 33 - Asbestos and Environmental Reserves

Not applicable.

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 - Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes 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 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
- 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). 02/11/2011
- 3.4 By what department or departments?
OHIO DEPARTMENT OF INSURANCE
-
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 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
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
-
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO SEIDMAN, LLP, 99 MONROE AVE., N.W., SUITE 800, GRAND RAPIDS, MI 49503-2654
-
- 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
- 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
- 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 No N/A
- 10.6 If the answer to 10.5 is no or n/a, please explain.
-
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
TAPIO N. BOLES, FCAS, MAAA, TOWERS WATSON, 345 CALIFORNIA STREET, SUITE 1500, SAN FRANCISCO, CA 94104-2612 ACTUARY/CONSULTANT

GENERAL INTERROGATORIES

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels 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).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

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

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

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

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0

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

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others

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.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.02 If no, give full and complete information relating thereto.

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]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

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

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes [X] No []

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

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

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

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

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

25.25 Pledged as collateral \$.....859,412

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

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

25.28 On deposit with state or other regulatory body \$.....5,013,405

25.29 Other \$.....0

25.3 For category (25.27) provide the following:

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

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

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

If no, attach a description with this statement.

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

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

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|-----------------------------------|
| HUNTINGTON NATIONAL BANK | 7 Easont Oval, Columbus, Oh 43219 |

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 [X]

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

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

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

| 1 Central Registration Depository Number(s) | 2 Name | 3 Address |
|--|---|---------------------------------------|
| SEC FILE #801-22445 | GENERAL RE/NEW ENGLAND ASSET MANAGEMENT | 76 BATTERSON AVE FARMINGTON,CT 06032 |
| SEC FILE #801-9839 | MEEDER ASSET MANAGEMENT | 6125 MEMORIAL DRIVE, DUBLIN, OH 43017 |

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

29.2 If yes, complete the following schedule:

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

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

| | 1 | 2 | 3 |
|----------------------------|----------------------------------|---------------|--|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 30.1 Bonds..... | 33,902,341 | 35,105,133 | 1,202,793 |
| 30.2 Preferred stocks..... | 1,130,756 | 1,150,788 | 20,032 |
| 30.3 Totals..... | 35,033,097 | 36,255,921 | 1,222,825 |

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

THE MARKET VALUE OF BONDS AND PREFERRED STOKS WERE OBTAINED FROM THIRD PARTY VALUATION PROVIDERS SUCH AS MERRILL LYNCH INDICES, INTERACTIVE DATA CORPORATION, REUTERS, BLOOMBERG, S&P OR FACTSET
SHORT TERM AND CASH EQUIVALENTS ARE VALUED AT AMORTIZED COST.

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 [] No [X]

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 []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. THE COMPANY RELIES ON THE PRICING PROCEDURES OF GENERAL RE/NEAM, THE COMPANY'S INVESTMENT ADVISORS. THESE PROCEDURES INCLUDE A COMMITTEE APPROVAL PROCESS FOR INDEPENDENT PRICING SERVICE VENDORS, AS WELL AS ALTERNATE PRICING SOURCES.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....120,052

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 | 2 |
|--|-------------|
| Name | Amount Paid |
| SURETY & FIDELITY ASSOCIATION OF AMERICA | 69,964 |
| A.M. BEST COMPANY | 29,810 |

34.1 Amount of payments for legal expenses, if any? \$.....3,891

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

| 1 | 2 |
|---------------------|-------------|
| Name | Amount Paid |
| RECTOR & ASSOCIATES | 2,246 |
| BAKER HOSTETLER | 1,110 |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....6,504

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

| 1 | 2 |
|---|-------------|
| Name | Amount Paid |
| PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA | 6,504 |

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

2. Health test:

| | 1 Current Year | 2 Prior Year |
|----------------------------------|-------------------|-------------------|
| 2.1 Premium Numerator..... | \$.....0 | \$.....0 |
| 2.2 Premium Denominator..... | \$.....11,667,943 | \$.....11,470,632 |
| 2.3 Premium Ratio (2.1/2.2)..... |0.0 |0.0 |
| 2.4 Reserve Numerator..... | \$.....0 | \$.....0 |
| 2.5 Reserve Denominator..... | \$.....8,097,423 | \$.....8,262,168 |
| 2.6 Reserve Ratio (2.4/2.5)..... |0.0 |0.0 |

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

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

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

5. FOR RECIPROCAL EXCHANGES ONLY:

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

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

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

- 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:

- 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?

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

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:
- The Company does not have any known exposure to catastrophic risk.

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]

- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.

- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information:

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information:

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.11 Unpaid losses \$.....0
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 12.41 From%
 12.42 To%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
 12.61 Letters of credit
 12.62 Collateral and other funds
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....3,377,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
DIRECT WRITTEN PREMIUM

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [X] No []
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []
 14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
 15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [X] No []
 If yes, disclose the following information for each of the following types of warranty coverage:

| | 1 Direct Losses Incurred | 2 Direct Losses Unpaid | 3 Direct Written Premium | 4 Direct Premium Unearned | 5 Direct Premium Earned |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home..... | | | | | |
| 16.12 Products..... | | | | | |
| 16.13 Automobile..... | | | | | |
| 16.14 Other*..... | | | 8,920 | 69,576 | 26,429 |

* Disclose type of coverage: RECREATIONAL VEHICLES

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

18.1 Do you act as a custodian for health savings account? Yes [] No [X]
 18.2 If yes, please provide the amount of custodial funds held as of the reporting date.
 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
 18.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

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

| | 1 2012 | 2 2011 | 3 2010 | 4 2009 | 5 2008 |
|---|------------|------------|------------|------------|------------|
| Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3) | | | | | |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)..... | | 100,000 | 105,245 | 93,303 | 638,413 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | | | | (3,182) | 34,658 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | | | | | |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 36,771,457 | 35,641,317 | 38,185,086 | 35,802,140 | 39,660,202 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | | | | | |
| 6. Total (Line 35)..... | 36,771,457 | 35,741,317 | 38,290,331 | 35,892,261 | 40,333,273 |
| 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)..... | | 100,000 | 100,000 | 100,998 | 210,000 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | | | | | |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | | | | | |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 11,897,509 | 10,709,336 | 11,813,775 | 10,291,360 | 10,982,939 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | | | | | |
| 12. Total (Line 35)..... | 11,897,509 | 10,809,336 | 11,913,775 | 10,392,358 | 11,192,939 |
| Statement of Income (Page 4) | | | | | |
| 13. Net underwriting gain (loss) (Line 8)..... | 2,920,340 | 3,526,184 | 2,893,709 | 2,643,062 | 2,327,854 |
| 14. Net investment gain (loss) (Line 11)..... | 1,152,776 | 2,367,788 | (185,072) | 531,366 | 887,605 |
| 15. Total other income (Line 15)..... | 17,674 | 167 | (21) | 195,256 | 21,686 |
| 16. Dividends to policyholders (Line 17)..... | | | | | |
| 17. Federal and foreign income taxes incurred (Line 19)..... | 1,291,129 | 1,479,666 | 1,397,993 | 1,360,133 | 1,295,568 |
| 18. Net income (Line 20)..... | 2,799,661 | 4,414,473 | 1,310,623 | 2,009,551 | 1,941,577 |
| Balance Sheet Lines (Pages 2 and 3) | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)..... | 50,763,235 | 50,759,040 | 47,510,017 | 48,882,745 | 50,052,086 |
| 20. Premiums and considerations (Page 2, Col. 3): | | | | | |
| 20.1 In course of collection (Line 15.1)..... | 1,954,182 | 1,863,537 | 2,047,712 | 2,134,978 | 2,507,054 |
| 20.2 Deferred and not yet due (Line 15.2)..... | | | | | |
| 20.3 Accrued retrospective premiums (Line 15.3)..... | | | | | |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)..... | 17,111,404 | 16,989,770 | 15,030,339 | 15,988,852 | 18,239,273 |
| 22. Losses (Page 3, Line 1)..... | 2,311,041 | 2,521,295 | 2,480,908 | 2,336,642 | 2,727,485 |
| 23. Loss adjustment expenses (Page 3, Line 3)..... | 1,299,825 | 1,483,882 | 1,575,920 | 1,422,857 | 1,362,066 |
| 24. Unearned premiums (Page 3, Line 9)..... | 4,486,557 | 4,256,991 | 4,918,287 | 4,412,137 | 4,613,285 |
| 25. Capital paid up (Page 3, Lines 30 & 31)..... | 3,018,004 | 3,018,004 | 3,018,004 | 3,018,004 | 3,018,004 |
| 26. Surplus as regards policyholders (Page 3, Line 37)..... | 33,651,831 | 33,769,270 | 32,479,678 | 32,893,893 | 31,812,813 |
| Cash Flow (Page 5) | | | | | |
| 27. Net cash from operations (Line 11)..... | 2,667,276 | 6,481,839 | 2,196,874 | 1,825,820 | 5,786,728 |
| Risk-Based Capital Analysis | | | | | |
| 28. Total adjusted capital..... | 33,651,831 | 33,769,270 | 32,479,678 | 32,893,893 | 31,812,813 |
| 29. Authorized control level risk-based capital..... | 2,090,155 | 2,032,423 | 2,702,946 | 2,861,194 | 2,778,224 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 30. Bonds (Line 1)..... | 43.8 | 54.5 | 62.8 | 61.8 | 60.3 |
| 31. Stocks (Lines 2.1 & 2.2)..... | 3.7 | 4.5 | 16.5 | 18.7 | 17.2 |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2)..... | | 1.1 | | | |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)..... | | | | | |
| 34. Cash, cash equivalents and short-term investments (Line 5)..... | 52.4 | 40.0 | 20.7 | 19.4 | 22.5 |
| 35. Contract loans (Line 6)..... | | | | | |
| 36. Derivatives (Line 7)..... | | | | XXX | XXX |
| 37. Other invested assets (Line 8)..... | | | | | |
| 38. Receivable 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 (Sch. D, Summary, Line 12, Col. 1)..... | | | | | |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)..... | | | | | |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)..... | | | 5,083,473 | 6,179,816 | 6,260,038 |
| 45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)..... | | | | | |
| 46. Affiliated mortgage loans on real estate..... | | | | | |
| 47. All other affiliated..... | | | | | |
| 48. Total of above lines 42 to 47..... | 0 | 0 | 5,083,473 | 6,179,816 | 6,260,038 |
| 49. Total investment in parent included in Lines 42 to 47 above..... | | | | | |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)..... | 0.0 | | 15.7 | 18.8 | 19.7 |

FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 | 2 | 3 | 4 | 5 |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| Capital and Surplus Accounts (Page 4) | | | | | |
| 51. Net unrealized capital gains (losses) (Line 24)..... | 94,686 | (1,016,111) | 392,447 | 888,558 | (400,641) |
| 52. Dividends to stockholders (Line 35)..... | (3,100,000) | (2,250,000) | (2,250,000) | (2,000,000) | (1,250,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38)..... | (117,439) | 1,289,592 | (414,215) | 1,081,080 | 495,194 |
| 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).... | 813,896 | 922,889 | 1,315,141 | 1,530,161 | 1,888,801 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | | | (981) | 10,567 | 60,098 |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | | | | | |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 3,208 | (162) | (53,769) | 695,417 | 147,450 |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | | | | | |
| 59. Total (Line 35)..... | 817,104 | 922,727 | 1,260,391 | 2,236,145 | 2,096,349 |
| 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).... | | | | | (0) |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | | | | | 0 |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | | | | | |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 802 | (875) | (152,836) | 523,909 | 3,681 |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | | | | | |
| 65. Total (Line 35)..... | 802 | (875) | (152,836) | 523,909 | 3,681 |
| Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0 | | | | | |
| 66. Premiums earned (Line 1)..... | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 67. Losses incurred (Line 2)..... | (1.8) | 0.3 | (0.1) | 1.3 | 1.9 |
| 68. Loss expenses incurred (Line 3)..... | (1.6) | (0.7) | 1.4 | 0.6 | 3.7 |
| 69. Other underwriting expenses incurred (Line 4)..... | 78.4 | 69.9 | 73.3 | 73.2 | 72.9 |
| 70. Net underwriting gain (loss) (Line 8)..... | 25.0 | 30.5 | 25.4 | 25.0 | 21.5 |
| Other Percentages | | | | | |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)..... | 76.7 | 74.2 | 70.2 | 72.7 | 70.3 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)..... | (3.4) | (0.4) | 1.3 | 1.9 | 5.6 |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)..... | 35.4 | 32.0 | 36.7 | 31.6 | 35.2 |
| 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)..... | (2,030) | (1,908) | (1,700) | (1,186) | (1,222) |
| 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)..... | (6.0) | (5.9) | (5.2) | (3.7) | (3.9) |
| Two Year Loss Development (000 omitted) | | | | | |
| 76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)..... | (2,387) | (2,146) | (1,919) | (1,085) | (748) |
| 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)..... | (7.3) | (6.5) | (6.0) | (3.5) | (2.4) |

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned | | | Loss and Loss Expense Payments | | | | | | 10 Salvage and Subrogation Received | 11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12 Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
| | 1 Direct and Assumed | 2 Ceded | 3 Net (Cols. 1 - 2) | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | | | |
| | | | | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | | | |
| 1. Prior..... | XXX | XXX | XXX | 746 | 746 | 90 | 85 | 2 | | 4 | 7 | XXX |
| 2. 2003..... | 30,580 | 17,152 | 13,428 | 2,327 | 1,940 | 626 | 423 | 418 | 345 | 628 | 663 | XXX |
| 3. 2004..... | 29,387 | 21,534 | 7,853 | 353 | 295 | 137 | 36 | 81 | 52 | 136 | 188 | XXX |
| 4. 2005..... | 32,442 | 24,463 | 7,979 | 159 | 160 | 58 | 6 | 51 | 32 | 60 | 70 | XXX |
| 5. 2006..... | 33,475 | 24,660 | 8,815 | 920 | 843 | 433 | 232 | 209 | 142 | 310 | 345 | XXX |
| 6. 2007..... | 36,715 | 25,786 | 10,929 | 474 | 429 | 138 | 70 | 80 | 58 | 97 | 135 | XXX |
| 7. 2008..... | 38,469 | 27,646 | 10,823 | 525 | 522 | 33 | 37 | 33 | 34 | 9 | (2) | XXX |
| 8. 2009..... | 37,555 | 26,962 | 10,593 | 212 | 115 | 57 | 20 | 20 | 8 | 144 | 146 | XXX |
| 9. 2010..... | 37,197 | 25,789 | 11,408 | | | 16 | 6 | 5 | 2 | 8 | 13 | XXX |
| 10. 2011..... | 37,435 | 25,964 | 11,471 | | | 13 | 10 | 4 | 3 | | 4 | XXX |
| 11. 2012..... | 36,055 | 24,387 | 11,668 | | | | | | | | 0 | XXX |
| 12. Totals..... | XXX | XXX | XXX | 5,716 | 5,050 | 1,601 | 925 | 903 | 676 | 1,396 | 1,569 | 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..... | 8,414 | 8,338 | 3,906 | 3,906 | 1 | | | | | | | 77 | XXX |
| 2. 2003..... | | | 5 | 5 | | | | | | | | 0 | XXX |
| 3. 2004..... | | | 6 | 6 | | | | | | | | 0 | XXX |
| 4. 2005..... | | | 29 | 29 | | | | | | | | 0 | XXX |
| 5. 2006..... | | | 70 | 57 | 1 | 1 | 51 | 37 | 20 | 13 | | 34 | XXX |
| 6. 2007..... | | | 197 | 154 | | | 185 | 138 | 71 | 46 | | 115 | XXX |
| 7. 2008..... | | | 384 | 304 | 8 | 6 | 335 | 250 | 144 | 98 | | 213 | XXX |
| 8. 2009..... | | | 522 | 401 | | | 525 | 393 | 199 | 131 | | 321 | XXX |
| 9. 2010..... | | | 783 | 588 | 1 | 1 | 841 | 631 | 319 | 210 | | 514 | XXX |
| 10. 2011..... | 9 | 7 | 756 | 567 | 14 | 10 | 815 | 611 | 315 | 208 | | 506 | XXX |
| 11. 2012..... | | | 5,457 | 3,865 | | | 629 | 472 | 238 | 157 | | 1,830 | XXX |
| 12. Totals..... | 8,423 | 8,345 | 12,115 | 9,882 | 25 | 18 | 3,381 | 2,532 | 1,306 | 863 | 0 | 3,610 | 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 | 76 | 1 |
| 2. 2003.. | 3,376 | 2,713 | 663 | 11.0 | 15.8 | 4.9 | | | | 0 | 0 |
| 3. 2004.. | 577 | 389 | 188 | 2.0 | 1.8 | 2.4 | | | | 0 | 0 |
| 4. 2005.. | 297 | 227 | 70 | 0.9 | 0.9 | 0.9 | | | | 0 | 0 |
| 5. 2006.. | 1,704 | 1,325 | 379 | 5.1 | 5.4 | 4.3 | | | | 13 | 21 |
| 6. 2007.. | 1,145 | 895 | 250 | 3.1 | 3.5 | 2.3 | | | | 43 | 72 |
| 7. 2008.. | 1,462 | 1,251 | 211 | 3.8 | 4.5 | 1.9 | | | | 80 | 133 |
| 8. 2009.. | 1,535 | 1,068 | 467 | 4.1 | 4.0 | 4.4 | | | | 121 | 200 |
| 9. 2010.. | 1,965 | 1,438 | 527 | 5.3 | 5.6 | 4.6 | | | | 195 | 319 |
| 10. 2011.. | 1,926 | 1,416 | 510 | 5.1 | 5.5 | 4.4 | | | | 191 | 315 |
| 11. 2012.. | 6,324 | 4,494 | 1,830 | 17.5 | 18.4 | 15.7 | | | | 1,592 | 238 |
| 12. Totals | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 2,311 | 1,299 |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) | | | | | | | | | | DEVELOPMENT | |
|-------------------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | One Year | Two Year |
| 1. Prior..... | 1,795 | 1,890 | 1,125 | 632 | 1,216 | 1,400 | 1,442 | 1,318 | 1,364 | 1,370 | 6 | 52 |
| 2. 2003..... | 379 | 624 | 544 | 498 | 582 | 572 | 602 | 601 | 600 | 590 | (10) | (11) |
| 3. 2004..... | XXX | 1,240 | 332 | 309 | 170 | 169 | 191 | 174 | 180 | 159 | (21) | (15) |
| 4. 2005..... | XXX | XXX | 1,466 | 461 | 254 | 227 | 142 | 75 | 75 | 51 | (24) | (24) |
| 5. 2006..... | XXX | XXX | XXX | 1,593 | 403 | 377 | 498 | 312 | 275 | 305 | 30 | (7) |
| 6. 2007..... | XXX | XXX | XXX | XXX | 1,945 | 603 | 610 | 409 | 253 | 203 | (50) | (206) |
| 7. 2008..... | XXX | XXX | XXX | XXX | XXX | 1,922 | 599 | 462 | 316 | 166 | (150) | (296) |
| 8. 2009..... | XXX | XXX | XXX | XXX | XXX | XXX | 1,641 | 674 | 516 | 387 | (129) | (287) |
| 9. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,008 | 546 | 415 | (131) | (1,593) |
| 10. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,953 | 402 | (1,551) | XXX |
| 11. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,749 | XXX | XXX |
| 12. Totals..... | | | | | | | | | | | (2,030) | (2,387) |

SCHEDULE P - PART 3 - SUMMARY

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) | | | | | | | | | | 11 | 12 |
|-------------------------------------|---|------|------|------|------|------|-------|-------|-------|-------|---|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | | |
| 1. Prior..... | 000 | 180 | 751 | 192 | 509 | 767 | 1,375 | 1,258 | 1,288 | 1,293 | XXX | XXX |
| 2. 2003..... | 19 | 274 | 498 | 475 | 560 | 560 | 587 | 588 | 589 | 590 | XXX | XXX |
| 3. 2004..... | XXX | 61 | 95 | 141 | 158 | 157 | 159 | 159 | 159 | 159 | XXX | XXX |
| 4. 2005..... | XXX | XXX | 3 | 12 | 22 | 49 | 50 | 51 | 51 | 51 | XXX | XXX |
| 5. 2006..... | XXX | XXX | XXX | 3 | 38 | 101 | 173 | 241 | 246 | 278 | XXX | XXX |
| 6. 2007..... | XXX | XXX | XXX | XXX | 1 | 16 | 88 | 97 | 112 | 113 | XXX | XXX |
| 7. 2008..... | XXX | XXX | XXX | XXX | XXX | 2 | 17 | (7) | (3) | (1) | XXX | XXX |
| 8. 2009..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 126 | 134 | 134 | XXX | XXX |
| 9. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1 | 4 | 10 | XXX | XXX |
| 10. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3 | XXX | XXX |
| 11. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |

SCHEDULE P - PART 4 - SUMMARY

| Years in Which Losses Were Incurred | Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) | | | | | | | | | |
|-------------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| 1. Prior..... | 1,241 | 828 | 215 | 178 | 108 | 68 | 30 | 25 | | |
| 2. 2003..... | 343 | 250 | 122 | 39 | 12 | 7 | 15 | 12 | 10 | |
| 3. 2004..... | XXX | 1,170 | 212 | 152 | 7 | 10 | 32 | 15 | 21 | |
| 4. 2005..... | XXX | XXX | 1,457 | 410 | 212 | 177 | 92 | 24 | 24 | |
| 5. 2006..... | XXX | XXX | XXX | 1,593 | 363 | 272 | 316 | 70 | 28 | 27 |
| 6. 2007..... | XXX | XXX | XXX | XXX | 1,925 | 580 | 517 | 310 | 140 | 90 |
| 7. 2008..... | XXX | XXX | XXX | XXX | XXX | 1,920 | 541 | 468 | 319 | 165 |
| 8. 2009..... | XXX | XXX | XXX | XXX | XXX | XXX | 1,635 | 545 | 382 | 253 |
| 9. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,007 | 542 | 405 |
| 10. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,953 | 393 |
| 11. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,749 |

EVERGREEN NATIONAL INDEMNITY COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

| States, Etc. | 1 Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken | | 4 Dividends Paid or Credited to Policyholders on Direct Business | 5 Direct Losses Paid (Deducting Salvage) | 6 Direct Losses Incurred | 7 Direct Losses Unpaid | 8 Finance and Service Charges not Included in Premiums | 9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|--------------------|--|-----------------------------|---|---|-----------------------------|---------------------------|---|--|
| | | 2 Direct Premiums Written | 3 Direct Premiums Earned | | | | | | |
| 1. Alabama.....AL | L | 154,500 | 44,985 | | | 665 | 25,334 | | |
| 2. Alaska.....AK | L | 200 | 200 | | | (20) | 212 | | |
| 3. Arizona.....AZ | L | 71,121 | 72,399 | | | (20,318) | 10,865 | | |
| 4. Arkansas.....AR | L | 401,897 | 328,126 | | | 11,291 | 61,329 | | |
| 5. California.....CA | L | 1,942,363 | 1,880,796 | | | 41,332 | 379,641 | | |
| 6. Colorado.....CO | L | 236,158 | 219,101 | | | (28,914) | 99,476 | | |
| 7. Connecticut.....CT | L | 297,457 | 308,653 | | 124,105 | (43,555) | 874,408 | | |
| 8. Delaware.....DE | L | 316 | 249 | | | (5,510) | 47 | | |
| 9. District of Columbia.....DC | L | 15,666 | 15,551 | | | (17,062) | 5,122 | | |
| 10. Florida.....FL | L | 1,027,346 | 1,030,972 | | | (7,059) | 204,916 | | |
| 11. Georgia.....GA | L | 411,595 | 230,285 | | | (19,656) | 72,214 | | |
| 12. Hawaii.....HI | N | | | | | | | | |
| 13. Idaho.....ID | L | 2,255 | 3,409 | | | (5,308) | 516 | | |
| 14. Illinois.....IL | L | 723,710 | 639,709 | | 31,172 | 72,485 | 860,054 | | |
| 15. Indiana.....IN | L | 1,394,493 | 1,346,130 | | | (93,755) | 225,604 | | |
| 16. Iowa.....IA | L | 194,568 | 188,925 | | 4,490 | (33,065) | 33,595 | | |
| 17. Kansas.....KS | L | 77,556 | 77,491 | | | (48,279) | 19,751 | | |
| 18. Kentucky.....KY | L | 1,314,318 | 1,267,393 | | 487,549 | 615,730 | 9,993,707 | | |
| 19. Louisiana.....LA | L | 949,372 | 907,155 | | | 13,013 | 179,136 | | |
| 20. Maine.....ME | L | 892,119 | 683,762 | | | (28,452) | 178,897 | | |
| 21. Maryland.....MD | L | 119,184 | 150,648 | | | (62,755) | 23,263 | | |
| 22. Massachusetts.....MA | L | 1,301,922 | 1,139,583 | | | 117,979 | 417,231 | | |
| 23. Michigan.....MI | L | 1,481,238 | 1,471,061 | | (534) | (2,574) | 255,319 | | |
| 24. Minnesota.....MN | L | 171,008 | 185,967 | | | 29,338 | 65,078 | | |
| 25. Mississippi.....MS | L | 320,499 | 349,458 | | | (7,237) | 53,421 | | |
| 26. Missouri.....MO | L | 855,335 | 785,990 | | 93,729 | (324,528) | 1,238,846 | | |
| 27. Montana.....MT | L | 110,072 | 62,280 | | | 84,174 | 97,076 | | |
| 28. Nebraska.....NE | L | 164,648 | 162,397 | | | (11,035) | 30,499 | | |
| 29. Nevada.....NV | L | 73,317 | 76,125 | | | (120,700) | 31,830 | | |
| 30. New Hampshire.....NH | L | 581,634 | 541,158 | | | (10,790) | 90,511 | | |
| 31. New Jersey.....NJ | L | 227,938 | 220,075 | | 67,604 | 52,541 | 193,738 | | |
| 32. New Mexico.....NM | L | 101,935 | 104,770 | | | 1,243 | 51,100 | | |
| 33. New York.....NY | L | 2,610,464 | 2,750,997 | | | (117,516) | 493,484 | | |
| 34. North Carolina.....NC | E | | | | | | | | |
| 35. North Dakota.....ND | L | 1,067 | 1,133 | | | (17,608) | 896 | | |
| 36. Ohio.....OH | L | 2,853,155 | 2,845,030 | | | (10,555) | 786,129 | | |
| 37. Oklahoma.....OK | L | 415,482 | 430,898 | | (748) | (11,081) | 66,563 | | |
| 38. Oregon.....OR | L | 315,343 | 338,769 | | | (7,958) | 48,580 | | |
| 39. Pennsylvania.....PA | L | 5,640,013 | 5,893,914 | | | (173,065) | 878,167 | | |
| 40. Rhode Island.....RI | L | 5,530 | 5,380 | | | 4,484 | 4,650 | | |
| 41. South Carolina.....SC | L | 277,367 | 279,087 | | | 45,263 | 84,691 | | |
| 42. South Dakota.....SD | L | 1,700 | 2,147 | | | (181) | 251 | | |
| 43. Tennessee.....TN | L | 539,333 | 537,165 | | 5,877 | (26,668) | 111,842 | | |
| 44. Texas.....TX | L | 1,112,139 | 1,079,537 | | | (178,227) | 305,960 | | |
| 45. Utah.....UT | L | 39,910 | 39,937 | | | (865) | 6,108 | | |
| 46. Vermont.....VT | L | 276,702 | 293,102 | | | (10,568) | 86,716 | | |
| 47. Virginia.....VA | L | 999,198 | 995,886 | | | (29,683) | 167,227 | | |
| 48. Washington.....WA | L | 142,755 | 156,902 | | | (26,513) | 25,239 | | |
| 49. West Virginia.....WV | E | | 19,485 | | | (47,665) | 155,369 | | |
| 50. Wisconsin.....WI | L | 1,679,660 | 1,688,605 | | | (11,372) | 261,943 | | |
| 51. Wyoming.....WY | L | 5,361 | 5,329 | | | 5,260 | 5,260 | | |
| 52. American Samoa.....AS | N | | | | | | | | |
| 53. Guam.....GU | N | | | | | | | | |
| 54. Puerto Rico.....PR | N | | | | | | | | |
| 55. US Virgin Islands.....VI | N | | | | | | | | |
| 56. Northern Mariana Islands.....MP | N | | | | | | | | |
| 57. Canada.....CAN | N | | | | | | | | |
| 58. Aggregate Other Alien.....OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals.....(a) 48 | | 32,530,919 | 31,858,106 | 0 | 813,244 | (465,299) | 19,261,811 | 0 | 0 |

DETAILS OF WRITE-INS

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

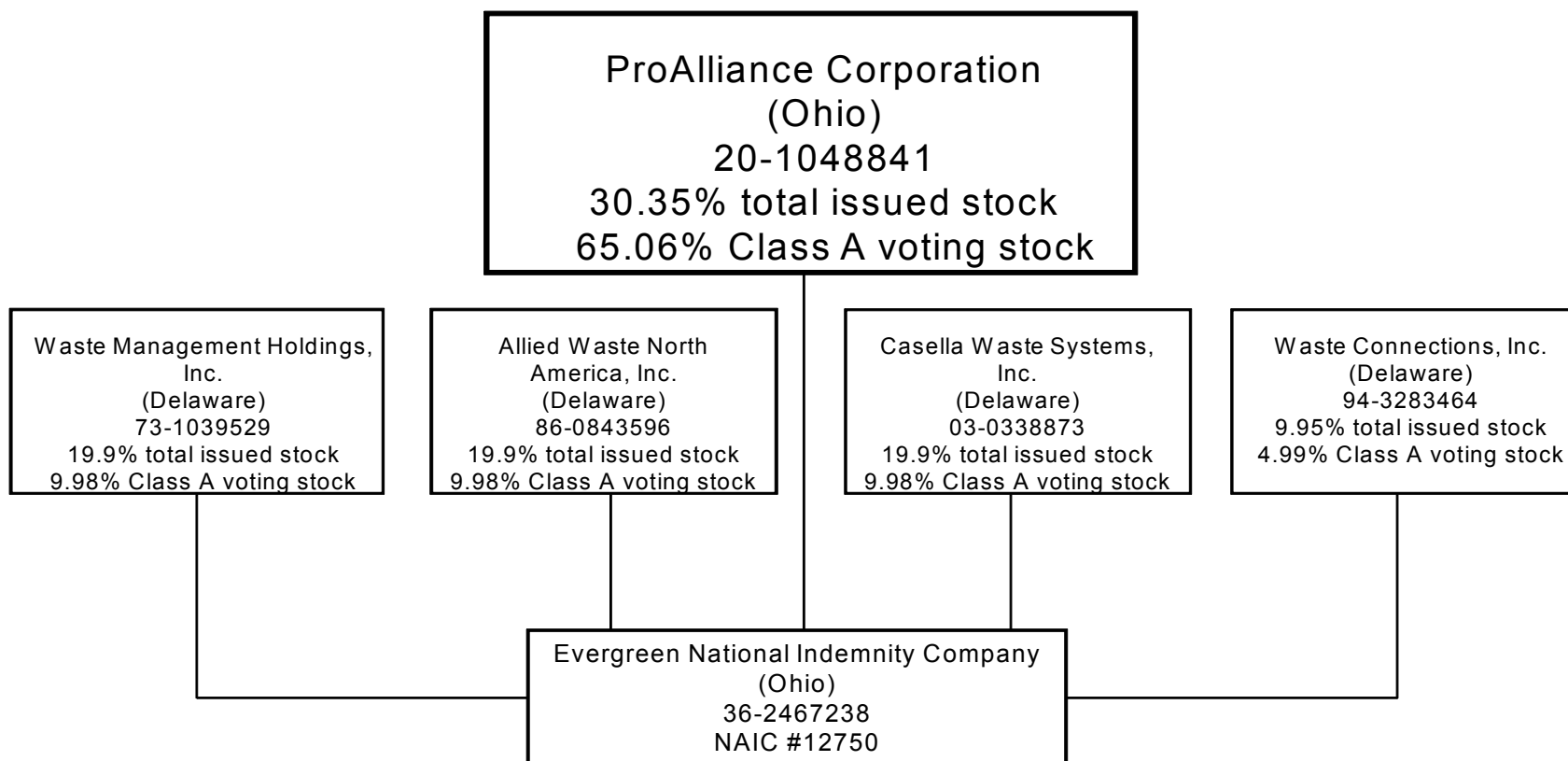
(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART



2012 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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