



# ANNUAL STATEMENT

## For the Year Ended December 31, 2012

### OF THE CONDITION AND AFFAIRS OF THE

# ALL AMERICA INSURANCE COMPANY

NAIC Group Code	0036 <small>(Current Period)</small>	0036 <small>(Prior Period)</small>	NAIC Company Code	20222	Employer's ID Number	34-0935740
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	OHIO		
Country of Domicile	United States of America					
Incorporated/Organized	04/12/1961		Commenced Business	08/01/1961		
Statutory Home Office	800 SOUTH WASHINGTON STREET <small>(Street and Number)</small>		VAN WERT, OH, US 45891-2357 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	800 SOUTH WASHINGTON STREET <small>(Street and Number)</small>					
	VAN WERT, OH, US 45891-2357 <small>(City or Town, State, Country and Zip Code)</small>			(419)238-1010 <small>(Area Code) (Telephone Number)</small>		
Mail Address	P.O. BOX 351 <small>(Street and Number or P.O. Box)</small>		VAN WERT, OH, US 45891-0351 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	800 SOUTH WASHINGTON STREET <small>(Street and Number)</small>					
	VAN WERT, OH, US 45891-2357 <small>(City or Town, State, Country and Zip Code)</small>			(419)238-1010 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	WWW.CENTRAL-INSURANCE.COM					
Statutory Statement Contact	THAD RYAN EIKENBARY <small>(Name)</small>		(419)238-5551-2437 <small>(Area Code)(Telephone Number)(Extension)</small>			
	TEIKENBARY@CENTRAL-INSURANCE.COM <small>(E-Mail Address)</small>		(419)238-7626 <small>(Fax Number)</small>			

### OFFICERS

Name	Title
FRANCIS WALWORTH PURMORT III	PRESIDENT
EDWARD RAY BUHL	SECRETARY
THAD RYAN EIKENBARY	TREASURER

### OTHERS

JAMES FREDERICK GLASSER, VICE PRESIDENT  
 CYNTHIA MARIE HURLESS, VICE PRESIDENT  
 TIMOTHY LEE RAUCH, VICE PRESIDENT  
 JOHN EWING WHITE, VICE PRESIDENT

MICHAEL PATRICK GUTH, SR. VICE PRESIDENT  
 PATRICK JOHN JACKSON, VICE PRESIDENT  
 JANA LOU RINGWALD, VICE PRESIDENT  
 PAUL CHARLES WOIROL, SR. VICE PRESIDENT

JEFFREY LEE HANSON, CHIEF FINANCIAL OFFICER  
 STEPHEN KEITH MOORE, VICE PRESIDENT  
 JANET LYNN WHITE, VICE PRESIDENT

### DIRECTORS OR TRUSTEES


EDWARD RAY BUHL  
 RONALD JOSEPH KUTELLA  
 EDWARD JOSEPH NOONAN

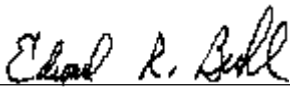
JEFFREY LEE HANSON  
 RODGER SANFORD LAWSON  
 FRANCIS WALWORTH PURMORT III

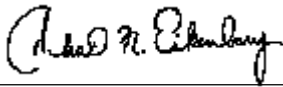
THOMAS B KEARNEY  
 DREW PENNINGTON MACONACHY  
 CHARLES ALLAN RUNSER

State of Ohio  
 County of Van Wert ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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)  
 FRANCIS WALWORTH PURMORT III  
(Printed Name)  
 1.  
 PRESIDENT  
(Title)

  
 \_\_\_\_\_  
(Signature)  
 EDWARD RAY BUHL  
(Printed Name)  
 2.  
 SECRETARY  
(Title)

  
 \_\_\_\_\_  
(Signature)  
 THAD RYAN EIKENBARY  
(Printed Name)  
 3.  
 TREASURER  
(Title)

Subscribed and sworn to before me this  
15th day of February, 2013

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

Yes[X] No [ ]

\_\_\_\_\_  
(Notary Public Signature)

## 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) .....	182,868,957		182,868,957	184,512,171
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	301,672	299,849	1,823	1,708
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....63,704 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....9,626,860 Schedule DA) .....	9,690,564		9,690,564	7,738,669
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	14,065,337		14,065,337	13,647,742
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	206,926,530	299,849	206,626,681	205,900,290
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	2,241,645		2,241,645	2,909,927
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	4,590,792	74,716	4,516,076	5,441,209
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....	18,481,839		18,481,839	18,013,879
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	781,463		781,463	1,264,970
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	960,000		960,000	960,000
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	21,821		21,821	
18.2 Net deferred tax asset .....	11,968,046	6,315,155	5,652,891	4,818,524
19. Guaranty funds receivable or on deposit .....	30,081		30,081	91,282
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	722,048		722,048	
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	277,989		277,989	337,413
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	247,002,254	6,689,720	240,312,534	239,737,494
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	247,002,254	6,689,720	240,312,534	239,737,494
<b>DETAILS OF WRITE-INS</b>				
1101. 0 .....				
1102. 0 .....				
1103. 0 .....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. EQUITIES & DEPOSITS IN POOLS & ASSOCIATIONS .....	277,989		277,989	337,413
2502. 0 .....				
2503. 0 .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	277,989		277,989	337,413

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	56,013,544	62,748,293
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) .....	22,643,949	23,319,368
4. Commissions payable, contingent commissions and other similar charges .....	1,626,337	1,488,313
5. Other expenses (excluding taxes, licenses and fees) .....	2,716,678	2,262,039
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	673,280	622,873
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
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 \$.....14,767,105 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act) .....	39,681,715	39,508,233
10. Advance premiums .....	487,924	645,355
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....	63,791	141,742
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	1,546,535	620,368
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 .....	721,205	721,308
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8) .....		11,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		233,496
20. Derivatives .....		
21. Payable for securities .....	500,000	
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 .....	113,786	151,495
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25) .....	126,788,745	132,473,884
27. Protected cell liabilities .....		
28. TOTAL Liabilities (Lines 26 and 27) .....	126,788,745	132,473,884
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	5,250,000	5,250,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	9,302,000	9,302,000
35. Unassigned funds (surplus) .....	98,971,785	92,711,618
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 31 \$.....0) .....		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39) .....	113,523,785	107,263,618
38. TOTALS (Page 2, Line 28, Column 3) .....	240,312,530	239,737,502
<b>DETAILS OF WRITE-INS</b>		
2501. Reserve for Escheats .....	113,786	151,495
2502. 0 .....		
2503. 0 .....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	113,786	151,495
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above) .....		

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	70,276,047	74,927,682
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7)	43,519,828	54,914,266
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	6,143,058	4,503,768
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	23,114,153	22,908,122
5. Aggregate write-ins for underwriting deductions		(59,686)
6. TOTAL Underwriting Deductions (Lines 2 through 5)	72,777,039	82,266,470
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(2,500,992)	(7,338,788)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,310,846	8,040,247
10. Net realized capital gains (losses) less capital gains tax of \$.....5,084 (Exhibit of Capital Gains (Losses))	9,442	(37,924)
11. Net investment gain or (loss) (Lines 9 + 10)	7,320,288	8,002,323
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....161,673)	(161,673)	(186,141)
13. Finance and service charges not included in premiums	476,055	529,926
14. Aggregate write-ins for miscellaneous income	(27,561)	569
15. TOTAL Other Income (Lines 12 through 14)	286,822	344,354
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,106,117	1,007,889
17. Dividends to policyholders	42,831	333,006
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)	5,063,286	674,883
19. Federal and foreign income taxes incurred	70,919	20,421
20. Net income (Line 18 minus Line 19) (to Line 22)	4,992,367	654,462
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	107,263,538	97,691,900
22. Net income (from Line 20)	4,992,367	654,462
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....146,789	272,607	277,051
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(1,062,777)	5,073,414
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	(2,661,651)	(4,423,066)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	11,000	(10,223)
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles	4,708,620	
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		8,000,000
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,260,166	9,571,638
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	113,523,705	107,263,538
<b>DETAILS OF WRITE-INS</b>		
0501. North Carolina Auto Escrow Expense		(59,686)
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		(59,686)
1401. Miscellaneous Income	(27,561)	569
1402. 0		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(27,561)	569
3701. 0		
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	71,683,075	73,013,540
2.	Net investment income .....	8,861,517	8,721,483
3.	Miscellaneous income .....	286,822	344,354
4.	Total (Lines 1 through 3) .....	80,831,414	82,079,377
5.	Benefit and loss related payments .....	49,771,069	61,447,078
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	29,228,359	29,334,642
8.	Dividends paid to policyholders .....	120,782	317,503
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	97,824	
10.	Total (Lines 5 through 9) .....	79,218,034	91,099,223
11.	Net cash from operations (Line 4 minus Line 10) .....	1,613,380	(9,019,846)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	25,360,329	21,277,687
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	500,000	
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	25,860,329	21,277,687
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	24,584,966	15,460,519
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	24,584,966	15,460,519
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	1,275,363	5,817,168
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		8,000,000
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(936,844)	50,670
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(936,844)	8,050,670
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	1,951,899	4,847,992
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	7,738,664	2,890,672
19.2	End of year (Line 18 plus Line 19.1) .....	9,690,563	7,738,664

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

20.0001			
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## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire .....	1,181,825	698,531	724,865	1,155,491
2. Allied lines .....	1,308,833	767,916	801,292	1,275,457
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....	17,319,357	10,174,386	10,594,916	16,898,827
5. Commercial multiple peril .....	12,522,925	7,211,020	7,299,729	12,434,216
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....	1,397,798	788,170	804,026	1,381,942
10. Financial guaranty .....				
11.1 Medical professional liability - occurrence .....				
11.2 Medical professional liability - claims-made .....				
12. Earthquake .....	189,637	108,669	117,590	180,716
13. Group accident and health .....				
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....				
16. Workers' compensation .....	1,702,907	1,101,466	874,993	1,929,379
17.1 Other liability - occurrence .....	2,952,823	1,888,084	1,897,113	2,943,794
17.2 Other liability - claims-made .....				
17.3 Excess Workers' Compensation .....				
18.1 Products liability - occurrence .....	2,047,299	1,097,371	1,068,803	2,075,866
18.2 Products liability - claims-made .....				
19.1 19.2 Private passenger auto liability .....	14,702,062	7,598,719	7,597,521	14,703,260
19.3 19.4 Commercial auto liability .....	3,223,787	1,951,394	1,788,690	3,386,491
21. Auto physical damage .....	11,892,750	6,118,348	6,107,893	11,903,205
22. Aircraft (all perils) .....				
23. Fidelity .....	5,065	3,127	2,913	5,278
24. Surety .....	252	98	109	241
26. Burglary and theft .....	2,231	974	1,284	1,921
27. Boiler and machinery .....	(21)	(38)	(21)	(38)
28. Credit .....				
29. International .....				
30. Warranty .....				
31. Reinsurance-Nonproportional Assumed Property .....				
32. Reinsurance-Nonproportional Assumed Liability .....				
33. Reinsurance-Nonproportional Assumed Financial Lines .....				
34. Aggregate write-ins for other lines of business .....				
35. TOTALS .....	70,449,527	39,508,235	39,681,715	70,276,047
<b>DETAILS OF WRITE-INS</b>				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....				

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3  Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire .....	724,865				724,865
2. Allied lines .....	801,292				801,292
3. Farmowners multiple peril .....					
4. Homeowners multiple peril .....	10,594,916				10,594,916
5. Commercial multiple peril .....	7,299,729				7,299,729
6. Mortgage guaranty .....					
8. Ocean marine .....					
9. Inland marine .....	804,026				804,026
10. Financial guaranty .....					
11.1 Medical professional liability - occurrence .....					
11.2 Medical professional liability - claims-made .....					
12. Earthquake .....	117,590				117,590
13. Group accident and health .....					
14. Credit accident and health (group and individual) .....					
15. Other accident and health .....					
16. Workers' compensation .....	874,993				874,993
17.1 Other liability - occurrence .....	1,897,113				1,897,113
17.2 Other liability - claims-made .....					
17.3 Excess Workers' Compensation .....					
18.1 Products liability - occurrence .....	1,068,803				1,068,803
18.2 Products liability - claims-made .....					
19.1 19.2 Private passenger auto liability .....	7,597,521				7,597,521
19.3 19.4 Commercial auto liability .....	1,788,690				1,788,690
21. Auto physical damage .....	6,107,893				6,107,893
22. Aircraft (all perils) .....					
23. Fidelity .....	2,913				2,913
24. Surety .....	109				109
26. Burglary and theft .....	1,284				1,284
27. Boiler and machinery .....	(21)				(21)
28. Credit .....					
29. International .....					
30. Warranty .....					
31. Reinsurance-Nonproportional Assumed Property .....					
32. Reinsurance-Nonproportional Assumed Liability .....					
33. Reinsurance-Nonproportional Assumed Financial Lines .....					
34. Aggregate write-ins for other lines of business .....					
35. TOTALS .....	39,681,715				39,681,715
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					0
38. Balance (Line 35 through Line 37) .....					39,681,715
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Summary of remaining write-ins for Line 34 from overflow page .....					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....					

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....	172,077	1,181,825		135,922	36,155	1,181,825
2. Allied lines .....	241,521	1,308,833		238,041	3,480	1,308,833
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....		17,319,357				17,319,357
5. Commercial multiple peril .....	17,110,772	12,522,925		15,565,914	1,544,858	12,522,925
6. Mortgage guaranty .....						
8. Ocean marine .....						
9. Inland marine .....	35,363	1,397,798		35,363		1,397,798
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	17,912	189,637		17,912		189,637
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....	2,415,366	1,702,907		2,415,366		1,702,907
17.1 Other liability - occurrence .....	23,943	2,952,823		23,493	450	2,952,823
17.2 Other liability - claims-made .....						
17.3 Excess Workers' Compensation .....						
18.1 Products liability - occurrence .....	2,344,080	2,047,299		2,344,080		2,047,299
18.2 Products liability - claims-made .....						
19.1 19.2 Private passenger auto liability .....		14,702,062				14,702,062
19.3 19.4 Commercial auto liability .....	6,549,720	3,223,787		6,544,704	5,016	3,223,787
21. Auto physical damage .....	2,394,679	11,892,750		2,382,587	12,092	11,892,750
22. Aircraft (all perils) .....						
23. Fidelity .....	5,743	5,065		5,743		5,065
24. Surety .....		252				252
26. Burglary and theft .....	88	2,231		88		2,231
27. Boiler and machinery .....	106,884	(21)			106,884	(21)
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance-Nonproportional Assumed Property .....	X X X					
32. Reinsurance-Nonproportional Assumed Liability .....	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS .....	31,418,148	70,449,528		29,709,213	1,708,935	70,449,527
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes  No   
 If yes, (1) The amount of such installment premiums \$.....0.  
 (2) Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	160,131	682,313	160,130	682,314	12,677	(86,116)	781,107	67.60
2. Allied lines	72,926	868,283	72,925	868,284	193,700	199,729	862,255	67.60
3. Farmowners multiple peril								
4. Homeowners multiple peril	(1,092)	15,473,993	(1,092)	15,473,993	3,537,670	4,242,724	14,768,938	87.40
5. Commercial multiple peril	13,266,445	8,773,817	13,266,447	8,773,816	12,927,539	16,313,972	5,387,382	43.33
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	40,959	717,574	40,959	717,574	(194,266)	(456,459)	979,766	70.90
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake					0		0	0.00
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	3,558,667	2,372,790	3,558,666	2,372,791	12,249,495	13,488,594	1,133,692	58.76
17.1 Other liability - occurrence	6,474	924,076	6,474	924,076	3,665,830	3,985,572	604,334	20.53
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence	892,446	746,955	892,446	746,955	7,752,674	7,704,798	794,831	38.29
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	(18,073)	10,015,318	(18,074)	10,015,319	11,038,263	10,973,628	10,079,954	68.56
19.3 19.4 Commercial auto liability	4,017,661	2,324,326	4,017,663	2,324,324	5,147,618	6,550,730	921,213	27.20
21. Auto physical damage	2,572,177	7,355,129	2,572,176	7,355,130	(317,656)	(168,880)	7,206,354	60.54
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft		1		1			1	0.05
27. Boiler and machinery	21,596		21,596	0	1	1	0	(0.68)
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	24,590,317	50,254,576	24,590,316	50,254,577	56,013,544	62,748,293	43,519,828	61.93
<b>DETAILS OF WRITE-INS</b>								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

## 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 (Columns 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 (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire .....		87,160		87,160	(20,619)	(74,483)	(20,619)	12,677	24,284
2. Allied Lines .....		103,204		103,204	21,730	90,496	21,730	193,700	66,456
3. Farmowners multiple peril .....									
4. Homeowners multiple peril .....		1,843,473		1,843,473		1,694,196		3,537,670	1,190,597
5. Commercial multiple peril .....	10,105,307	5,234,951	10,105,369	5,234,889	13,332,992	7,692,650	13,332,992	12,927,539	7,418,101
6. Mortgage guaranty .....									
8. Ocean marine .....									
9. Inland marine .....		30,663		30,663	(6,177)	(224,929)	(6,177)	(194,266)	244,756
10. Financial guaranty .....									
11.1 Medical professional liability - occurrence .....									
11.2 Medical professional liability - claims-made .....									
12. Earthquake .....						0		0	
13. Group accident & health .....								(a)	
14. Credit accident & health (group & individual) .....								(a)	
15. Other accident & health .....									
16. Workers' compensation .....	14,258,668	8,852,570	14,258,668	8,852,570	7,755,571	3,396,925	7,755,571	12,249,495	2,101,656
17.1 Other liability - occurrence .....	26,775	860,030	26,775	860,030	507,863	2,805,800	507,863	3,665,830	1,323,105
17.2 Other liability - claims-made .....									
17.3 Excess Workers' Compensation .....									
18.1 Products liability - occurrence .....	3,740,314	1,676,500	3,740,314	1,676,500	9,384,394	6,076,174	9,384,394	7,752,674	6,620,912
18.2 Products liability - claims-made .....									
19.1 19.2 Private passenger auto liability .....		7,216,343		7,216,343		3,821,920		11,038,263	1,911,155
19.3 19.4 Commercial auto liability .....	3,082,298	2,364,214	3,082,298	2,364,214	5,093,298	2,783,404	5,093,298	5,147,618	1,615,171
21. Auto physical damage .....	137,713	339,330	137,713	339,330	(264,965)	(656,986)	(264,965)	(317,656)	127,696
22. Aircraft (all perils) .....									
23. Fidelity .....									
24. Surety .....									
26. Burglary and theft .....									
27. Boiler and machinery .....					2	1	2	1	60
28. Credit .....									
29. International .....									
30. Warranty .....									
31. Reinsurance-Nonproportional Assumed Property .....	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability .....	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X				X X X				
34. Aggregate write-ins for other lines of business .....									
35. TOTALS .....	31,351,076	28,608,438	31,351,138	28,608,376	35,804,089	27,405,168	35,804,089	56,013,544	22,643,949
<b>DETAILS OF WRITE-INS</b>									
3401. ....									
3402. ....									
3403. ....									
3498. Summary of remaining write-ins for Line 34 from overflow page .....									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	869,278			869,278
1.2 Reinsurance assumed .....	3,202,828			3,202,828
1.3 Reinsurance ceded .....	976,321			976,321
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	3,095,785			3,095,785
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		4,794,112		4,794,112
2.2 Reinsurance assumed, excluding contingent .....		12,195,662		12,195,662
2.3 Reinsurance ceded, excluding contingent .....		4,794,112		4,794,112
2.4 Contingent - direct .....		264,722		264,722
2.5 Contingent - reinsurance assumed .....		695,112		695,112
2.6 Contingent - reinsurance ceded .....		264,722		264,722
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		12,890,774		12,890,774
3. Allowances to manager and agents .....		97,801		97,801
4. Advertising .....		2,486		2,486
5. Boards, bureaus and associations .....	124,197	445,418		569,615
6. Surveys and underwriting reports .....		747,822		747,822
7. Audit of assureds' records .....		41,283		41,283
8. Salary and related items:				
8.1 Salaries .....	1,511,266	3,408,095	143,793	5,063,154
8.2 Payroll taxes .....	110,361	234,751	10,086	355,198
9. Employee relations and welfare .....	645,069	1,533,055	62,611	2,240,735
10. Insurance .....	11,320	25,882	1,080	38,281
11. Directors' fees .....	6,160	14,084	587	20,832
12. Travel and travel items .....	70,691	257,239	1,455	329,384
13. Rent and rent items .....	164,724	370,295	24,692	559,712
14. Equipment .....	183,488	514,643	19,597	717,728
15. Cost or depreciation of EDP equipment and software .....	69,187	158,192	6,598	233,978
16. Printing and stationery .....	18,814	75,982	2,538	97,334
17. Postage, telephone and telegraph, exchange and express .....	95,777	340,334	17,746	453,857
18. Legal and auditing .....	14,873	49,762	1,300	65,935
19. TOTALS (Lines 3 to 18) .....	3,025,926	8,317,123	292,084	11,635,133
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0 .....		2,067,658		2,067,658
20.2 Insurance department licenses and fees .....		162,777		162,777
20.3 Gross guaranty association assessments .....		(21,007)		(21,007)
20.4 All other (excluding federal and foreign income and real estate) .....		1,094		1,094
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		2,210,521		2,210,521
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	21,346	(304,265)	2,042	(280,877)
25. TOTAL expenses incurred .....	6,143,058	23,114,153	294,126	(a) 29,551,337
26. Less unpaid expenses - current year .....	22,643,949	5,016,295		27,660,244
27. Add unpaid expenses - prior year .....	23,319,368	4,373,225		27,692,593
28. Amounts receivable relating to uninsured plans, prior year .....				
29. Amounts receivable relating to uninsured plans, current year .....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....	6,818,477	22,471,083	294,126	29,583,686
<b>DETAILS OF WRITE-INS</b>				
2401. Miscellaneous Expenses .....	21,346	(322,338)	2,042	(298,950)
2402. Donations .....		18,074		18,074
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	21,346	(304,265)	2,042	(280,877)

(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) 247,994	187,190
1.1	Bonds exempt from U.S. tax	(a) 5,783,241	4,799,440
1.2	Other bonds (unaffiliated)	(a) 2,504,931	2,498,986
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates	600,000	100,000
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 19,476	19,356
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	9,155,642	7,604,972
11.	Investment expenses		(g) 294,126
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		294,126
17.	Net Investment income (Line 10 minus Line 16)		7,310,846

**DETAILS OF WRITE-INS**

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

- (a) Includes \$.....20,176 accrual of discount less \$.....902,563 amortization of premium and less \$.....68,128 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 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					
1.1	Bonds exempt from U.S. tax	14,325		14,325		
1.2	Other bonds (unaffiliated)	201		201		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)				115	
2.21	Common stocks of affiliates				1,685	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets				417,594	
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	14,526		14,526	419,395	

**DETAILS OF WRITE-INS**

0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)				

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....	299,849	298,163	(1,686)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	299,849	298,163	(1,686)
13. Title plants (for Title insurers only) .....			
14. Invested income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	74,716	79,438	4,722
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	
15.3 Accrued retrospective premiums .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....	6,315,155	8,359,088	2,043,933
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	6,689,720	8,736,689	2,046,969
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	6,689,720	8,736,689	2,046,969
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			

# Notes to Financial Statements

## 1. Summary of Significant Accounting Policies

### A. Accounting Practices

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

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual - Version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Commissioner of Insurance has the right to permit 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 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 insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

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

In addition, All America Insurance 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) Common stocks are stated at market value except investments in stocks of uncombined subsidiaries and affiliates in which All America Insurance Company has an interest of 20% or more are carried on the equity basis.
- (4) All America Insurance Company owns no preferred stocks.
- (5) All America Insurance Company holds no mortgage loans on real estate.
- (6) Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed bonds and structured securities are obtained from dealer surveys. These assumptions are consistent with the current interest rate and economic environment. The prospective adjustment method is used to value these securities.
- (7) All America Insurance Company owns 100% of the common stock of Central Insurex Agency, Inc., a surplus and excess lines insurance agency. All America Insurance Company owns 100% of the common stock of CAFCO, Inc., an inactive premium finance company. Stocks held in all subsidiaries are carried at their Admitted Asset Equivalent.
- (8) All America Insurance Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) All America Insurance Company owns no derivatives.
- (10) All America Insurance Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) There was no change in the capitalization policy or the resultant predefined thresholds from the prior period.
- (13) All America Insurance Company has no pharmaceutical rebate receivables.

## 2. Accounting Changes and Correction of Errors

Changes in accounting principle and/or correction of errors - NONE

## 3. Business Combinations and Goodwill

All America Insurance Company has not purchased or merged with another entity during the prior two years. No goodwill is recorded in the company's assets.

## 4. Discontinued Operations

No operations were discontinued that required reporting.

## 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - NONE
- B. Debt Restructuring - NONE
- C. Reverse Mortgages - NONE
- D. Loan-Backed Securities - NONE
- E. Repurchase Agreements and/or Securities Lending Transactions - NONE
- F. Real Estate - NO TRANSACTIONS TO REPORT
- G. Investments in low-income housing tax credits (LIHTC) - NONE

## Notes to Financial Statements

### 6. Joint Ventures, Partnerships and Limited Liability Companies

All America Insurance Company has no investments in Joint Ventures, Partnerships or Limited Liability companies that exceed 10% of admitted assets.

### 7. Investment Income

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

All income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. No amount was excluded.

### 8. Derivative Instruments

All America Insurance Company owns no derivative instruments.

### 9. Income Taxes

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

1.	December 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	12,069,582	0	12,069,582	13,311,702	0	13,311,702	(1,242,120)	0	(1,242,120)
(b) Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted gross deferred tax assets (a1 - 1b)	12,069,582	0	12,069,582	13,311,702	0	13,311,702	(1,242,120)	0	(1,242,120)
(d) Deferred Tax Assets Nonadmitted	6,315,155	0	6,315,155	8,359,086	0	8,359,086	(2,043,931)	0	(2,043,931)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	5,754,427	0	5,754,427	4,952,616	0	4,952,616	801,811	0	801,811
(f) Deferred Tax Liabilities	92,485	9,050	101,536	120,339	13,753	134,092	(27,854)	(4,703)	(32,556)
(g) Net admitted deferred tax asset/(Net Deferred Tax Liability) (1e - 1f)	5,661,942	(9,050)	5,652,891	4,832,278	(13,753)	4,818,525	829,664	4,703	834,367

2.	December 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>									
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	0	0	0	0	0	0	0	0	0
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	5,652,891	0	5,652,891	4,818,524	0	4,818,524	834,367	0	834,367
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	5,652,891	0	5,652,891	4,818,524	0	4,818,524	834,367	0	834,367
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	xxx	xxx	16,180,634	xxx	xxx	16,180,634	xxx	xxx	0
(c) Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	6,416,691	0	6,416,691	8,493,178	0	8,493,178	(2,076,487)	0	(2,076,487)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	12,069,582	0	12,069,582	13,311,702	0	13,311,702	(1,242,120)	0	(1,242,120)

3.	2012	2011
	Percentage	Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	1185%	1126%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	107,870,894	102,445,094

4.	December 31, 2012			December 31, 2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(c) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No	X						

B. Unrecognized DTLs  
Not applicable

## Notes to Financial Statements

C. Current Tax and Change in Deferred Tax			
1. Current income tax			
	2012	2011	Change
(a) Federal	76,003	20,421	55,582
(b) Foreign	0	0	0
(c) Subtotal	76,003	20,421	55,582
(d) Federal income tax on net capital gains	0	(20,421)	20,421
(e) Utilization of capital loss carryforward	0	0	0
(f) Other	0	0	0
Federal and foreign income taxes incurred	76,003	0	20,421
2. Deferred income tax			
	2012	2011	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	2,446,252	3,093,206	(646,954)
(2) Unearned premium reserve	2,811,875	2,810,751	1,124
(3) Non-Qualifying Pension	0	305,165	(305,165)
(4) SPP Equalization Plan	0	103,582	(103,582)
(5) Post Retirement Expenses	1,565,360	1,354,417	210,943
(6) Charitable Contribution Deduction Carryforward	0	0	0
(7)			0
(8)			0
(9) Net operating loss carry-forward	5,219,945	5,616,778	(396,833)
(10) Tax credit carry-forward			0
(11) Other (including items <5% of total ordinary tax assets)			0
(12) Other assets – nonadmitted	26,151	27,803	(1,652)
(99) Subtotal	12,069,583	13,311,702	(1,242,119)
(b) Statutory valuation allowance adjustment			0
(c) Nonadmitted			0
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	12,069,583	13,311,702	(1,242,119)
(e) Capital			
(1) Investments - Other than temporary impairments (OTTI)	0	0	0
(2) Net capital loss carry-forward			0
(3) Real estate			0
(4) Other (including items <5% of total capital tax assets)			0
(99) Subtotal	0	0	0
(f) Statutory valuation allowance adjustment			0
(g) Nonadmitted			0
(h) Admitted capital deferred tax assets (2e99-2f-2g)	0	0	0
(i) Admitted deferred tax assets (2d+2h)	12,069,583	13,311,702	(1,242,119)
3. Deferred tax liabilities:			
	2012	2011	Change
(a) Ordinary:			
(1) Employee Benefit Trust Fund	0	0	0
(2) Discount on Salvage and Subrogation	60,038	77,421	(17,383)
(3) Acquisition Expense - Advanced Premiums	32,447	42,918	(10,471)
(4) Tax/Book Depreciation	0	0	0
(5)			0
(6)			0
(7)			0
(99) Subtotal	92,485	120,339	(27,854)
(b) Capital			
(1) Investments - Unrealized capital gains - net	9,050	13,753	(4,703)
(2)			0
(3)			0
(99) Subtotal	9,050	13,753	(4,703)
(c) Deferred tax liabilities (3a99+3b99)	101,535	134,092	(32,557)
4. Net deferred tax assets/liabilities (2i-3c)			
	11,968,048	13,177,610	(1,209,562)

D. The more significant reconciling items that created a difference between the sum of the Company's income taxes incurred and the change in its DTAs and DTLs and the result obtained by applying the federal statutory rate to its pretax net income are the tax exempt income deduction net of the proration of tax exempt investment income (-28.1%) and the dividends received deduction (-4.1%).

## Notes to Financial Statements

E. Operating Loss and Tax Credit Carryforwards									
(1) At December 31, 2012, the Company had \$14,914,127 in unused operating loss carryforwards available to offset against future taxable income.									
(2) The following is income tax expense for 2012 and 2011 that is available for recoupment in the event of future net losses:									
	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td style="text-align: right;">\$76,003</td> </tr> <tr> <td>2011</td> <td style="text-align: right;">\$0</td> </tr> </tbody> </table>	Year	Amount	2012	\$76,003	2011	\$0		
Year	Amount								
2012	\$76,003								
2011	\$0								
(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.									
F. Consolidated Federal Income Tax Return									
(1) The Company's federal income tax return is consolidated with the following entities:									
Central Mutual Insurance Company (Parent)									
CMI Lloyds									
CAFCO, Inc.									
Central Insurex Agency									
Security Central									
(2) The method of allocation among companies is subject to a written agreement, approved by the Board of Directors. It is agreed among the companies that the tax liability of the subsidiaries shall be determined as if each was filing an individual tax return and the amount of tax so determined, if any, shall be paid to Central Mutual Insurance Company, which, in turn, shall be responsible for payment of the total tax liability calculated in the consolidated return. It is further agreed between the companies that any available tax exemption credits will be allocated first to CMI Lloyds, and any remaining balance to Central Mutual. In the event the subsidiary produces a tax loss, which is utilized by Central Mutual in the consolidated return to reduce its tax liability, Central Mutual shall pay to the subsidiary the tax cash benefit so utilized in the consolidated tax return.									
G. Federal or Foreign Federal Income Tax Loss Contingencies									
The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.									

### 10. Information Concerning Parent, Subsidiaries and Affiliates

- A., B, & C. There were no transactions with affiliated companies other than reinsurance transactions and cost allocation transactions that are based on generally accepted accounting principles.
- D. At December 31, 2012. All America Insurance Company reported \$722,048 as amounts receivable from its parent Central Mutual Insurance Company. The terms of the settlement require that this amount be settled within 30 days.
- E. No guarantees or undertakings have been taken for the benefit of an affiliate or related party that result in a material contingent exposure for All America Insurance Company.
- F. All America Insurance Company has an intercompany pooling agreement with its parent Central Mutual Insurance Company whereby premiums, losses, underwriting and claims expenses are shared 16%/84% respectively in accordance with the pooling arrangement between the two entities. Investment expenses are allocated based on number of securities held in each company.
- G. All America Insurance Company is owned 100% by Central Mutual Insurance Company which is domiciled in the State of Ohio. All America Insurance Company controls CMI Lloyds which is domiciled in Texas through a trust agreement with twelve underwriters.
- H. All America Insurance Company owns no shares of an upstream company.
- I. All America Insurance Company has no Subsidiary, Controlled or Affiliate companies whose carrying value is equal to or exceeds 10% of admitted assets.
- J. All America Insurance Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated companies during the statement period.
- K. All America Insurance Company has no investment in foreign insurance subsidiaries.
- L. All America Insurance Company does not utilize the look-through approach for the valuation of downstream non-insurance entities. Such entities are non-admitted assets.

### 11. Debt

All America Insurance Company has no debt obligations.

## Notes to Financial Statements

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

#### A. Defined Benefit Plan

**Qualified Pension Plan** – All America Insurance Company's parent company, Central Mutual Insurance Company, sponsors a non-contributory defined benefit pension plan covering substantially all of its employees as well as a separate post-retirement medical plan. The details of these plans are fully disclosed within Central Mutual's financial statements.

**Non-Qualified Pension Plan** – All America Insurance Company does share in a non-qualified pension plan to pay benefits to certain employees whose pension benefits under the qualified plan are limited by Sections 415 and 401(a)(17) of the Internal Revenue Code. The non-qualified plan is unfunded and will pay the difference of (1) the benefit determined by the qualified plan formula with no IRC limits applied less (2) the benefit determined by the qualified plan formula after the IRC limits are applied. All America's share of this liability as of December 31, 2012 is \$848,099.

#### B. Defined Contribution Plan

(1) **Qualified Defined-Contribution Plan** – All America Insurance Company has a qualified Savings and Profit Sharing Plan (SPP) for which substantially all employees are eligible. Up to 5% of each employee's savings is matched at 20% by contributions by the company each year. Additionally, 5% of the combined insurance companies' net income before federal income taxes is contributed to the plan each year. All America Insurance Company's contribution for the plan was \$0.270 million for 2012 and \$0.055 million for 2011, respectively. At December 31, 2012, the fair value of plan assets was \$ 91.9 million.

(2) **Non-Qualified Defined-Contribution Plan** – All America Insurance Company also has a non-qualified Savings and Profit Participation Equalization Plan (Plan), which coordinates with the benefits available under the Central Employees' Savings and Profit Participation Plan (SPP), to provide a supplemental savings program for key executive employees who are limited by Sections 401(a)(17), 415, and 402(g) of the Internal Revenue Code. The non-qualified Plan is unfunded and a participant is eligible to defer compensation under the non-qualified Plan only if he has made the maximum elective contributions which are permitted under the qualified SPP Plan. All America's share of this liability as of December 31, 2012 is \$381,496.

#### C. Multiemployer Plans - NONE

D. Consolidated / Holding Company Plans – All America participates in Central Mutual Insurance Company's (its parent company) defined benefit, defined contribution, and various other employee benefit plans.

E. Postemployment Benefits and Compensated Absences – The company participates in Central Mutual Insurance Company's (its parent company) postemployment health care benefit plan.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – NOT APPLICABLE

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

(1) All America Insurance Company has 15,000 shares authorized, issued and outstanding.

(2) All America Insurance Company has no preferred stock outstanding.

(3) All America Insurance Company has no restrictions on dividends paid to shareholders.

(4) No ordinary or extraordinary dividends were paid.

(5) All America Insurance Company has no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.

(6) There are no restrictions placed on All America Insurance Company's surplus.

(7) There are no advances on surplus.

(8) There is no stock of affiliated companies held for special purposes.

(9) There are no balances held in special surplus funds.

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

(a) Unrealized gains and losses:	\$	14,059,972
(b) Nonadmitted asset values	\$	6,689,720
(c) Provision for reinsurance	\$	0

(11) No surplus debentures or similar obligations exist.

(12) & (13) No quasi-reorganization has taken place.

### 14. Contingencies

#### A. Contingent Commitments - NONE

B. Assessments - It is expected that various insolvencies will result in guaranty fund assessments against the company of (\$21,007) and have been charged to operations in 2012. A net reduction in premium tax credit of \$61,202 was incurred in 2012 to offset premium taxes in multiple states over the next ten years. Various other smaller insolvency assessments are accrued for by the company.

#### C. Gain Contingencies - NONE

## Notes to Financial Statements

### D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$0.00

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

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

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

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

E. Product Warranties – THE COMPANY DOES NOT OFFER ANY PRODUCT WARRANTIES

F. All Other Contingencies - NONE

### 15. Leases

#### A. Lessee Operating Lease

(1) a. All America Insurance Company leases office space under various noncancelable operating lease agreements that expire through December, 2013. All America Insurance company's share of this rental expense for 2012, and 2011 was approximately \$154,338, and \$151,149, respectively.

b. All America Insurance Company leases computer hardware and software under various noncancelable operating lease agreements that expire through December, 2016. All America's share of this rental expense for 2012, and 2011, was approximately \$136,160 and \$110,720, respectively.

c. All America Insurance Company leases automobiles under various noncancelable operating lease agreements that expire through December, 2012. All America's share of this rental expense for 2012 and 2011 was approximately \$ 50,650 and \$ 73,962, respectively.

(2) a. At January 1, 2013, All America Insurance Company's share of the minimum aggregate rental commitments are as follows:

(Dollars in thousands)	
Year ending December 31	Operating Leases
1. 2013	\$ 127,840
2. 2014	\$ 128,640
3. 2015	\$ 129,120
4. 2016	\$ 129,600
Total	\$ 515,200

b. None of the property included above is subleased.

(3) All America Insurance Company is not involved in any material sales - leaseback transactions.

B. (1) Lessor Leases - NONE

(2) Leveraged Leases - NONE

### 16. Information about Financial Instruments with Concentration of Credit Risk

NONE

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

A. Transfers of Receivables Reported as Sales - NONE

B. Transfer of Servicing of Financial Assets - NONE

C. Wash Sales - NONE

### 18. Gain or Loss from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans

The gain from operations from uninsured accident and health plans and the uninsured portion of partially insured plans was as follows during 2011:

<u>UNINSURED PORTION OF PARTIALLY INSURED PLAN</u>	
Net reimbursement for administrative expenses	
over (under) actual expenses	0
Other income	\$(792,940)
Net gain (loss) from operations:	\$(792,940)

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

All America Insurance Company does not write business through managing general agents or third party administrators.

## Notes to Financial Statements

### 20. Fair Value Measurements

#### A. Assets and Liabilities Measured at Fair Value

DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>a. Assets at Fair Market Value</b>				
<i>Preferred Stock</i>				
Industrial & Miscellaneous	-	-	-	-
Parent, Subsidiaries	-	-	-	-
Total Preferred Stock	-	-	-	-
<i>Bonds</i>				
US Government	6,677,555	-	-	6,677,555
US States	4,804,970	-	-	4,804,970
US Political Subdivisions	64,163,160	-	-	64,163,160
US Special Revenue	99,850,190	-	-	99,850,190
Industrial & Miscellaneous	22,168,944	-	-	22,168,944
Parent, Subsidiaries	-	-	-	-
Total Bonds	197,664,819	-	-	197,664,819
<i>Common Stocks</i>				
Industrial & Miscellaneous	-	-	1,823	1,823
Parent, Subsidiaries	-	-	299,849	299,849
Total Common Stocks	-	-	301,672	301,672
<i>Derivative Assets</i>				
Warrants	-	-	-	-
Total Derivative Assets	-	-	-	-
Total at Fair Market Value	197,664,819	-	301,672	197,966,491
<b>b. Liabilities at Fair Market Value</b>				
<i>Derivative Liabilities</i>				
	-	-	-	-
Total at Fair Market Value	-	-	-	-

B. NONE

C. NONE

D. NONE

### 21. Other Items

A. Extraordinary Items - NONE

B. Troubled Debt Restructuring: NONE

C. Other Disclosures

1. Assets in the amount of \$3,476,926 and \$3,313,346 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law. No assets were maintained as compensating balances or pledged as collateral for bank loans or other financing agreements.

D. At December 31, 2012 and 2011, the company had admitted assets of \$22,997,915 and \$23,455,088, respectively, in accounts receivable amounts due from agents and insureds. All America Insurance Company routinely assesses the collectibility of these receivables. Based on All America's experience, less than 1% of the balance may become uncollectible and the potential loss is not material to All America's financial condition.

E. Business Interruption Recoveries - NONE

F. State Transferable Tax Credits – NONE

G. Subprime Mortgage Related Risk Exposure

1. Exposures to subprime mortgage related risk in practice

a. Direct investments in subprime mortgage loans: NONE

b. Direct investments in securities with underlying subprime exposure, such as residential mortgage backed securities, commercial mortgage backed securities, collateralized debt obligations, structured securities (including principal protected notes), hedge funds, credit default swaps, and special investment vehicles: NONE

c. Equity investments in subsidiary, controlled or affiliated entities with significant subprime related risk exposure: NONE

d. Underwriting risk on policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage: NONE

## Notes to Financial Statements

### 22. Events Subsequent

No subsequent events took place that are of a nature to require disclosure.

### 23. Reinsurance

#### A. Unsecured Reinsurance Recoverables

All America Insurance Company has the following unsecured reinsurance recoverables in excess of 3% of Policyholders' Surplus.

	NAIC #	FED ID #	Amount
Central Mutual Insurance Co.	20230	34-4202560	\$ 72,241,000

#### B. Reinsurance Recoverable in Dispute

Reinsurance recoverable on losses from any company in dispute do not exceed 5% of All America's Policyholders' Surplus.

#### C. Reinsurance Assumed and Ceded

(1) Maximum amount of return commission which would have been due reinsurers if they or All America had cancelled all of the Company's reinsurance or if All America or a receiver had cancelled all of the company's insurance assumed as of the end of the period covered by this Annual Statement with the return of the unearned premium reserve.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 39,681,708	\$ 7,260,913	\$ 14,005,037	\$ 2,251,891	\$ 25,676,671	\$ 5,009,022
b. All Other	0	0	762,068	231,204	(762,068)	(231,204)
c. Total	\$ 39,681,708	\$ 7,260,913	\$ 14,767,105	\$ 2,483,095	\$ 24,914,603	\$ 4,777,819

d. Direct Unearned Premium Reserve: \$14,767,104

(2) 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 are accrued as follows:

	REINSURANCE					
	Direct	Assumed	Ceded	Net		
a. Contingent Commissions	\$ 264,722	\$ 1,626,337	\$ 264,722	\$ 1,626,337		
b. Sliding Scale Adjustments	0	0	0	0		
c. Other Profit Commission Arrangements	0	0	0	0		
d. TOTAL	\$ 264,722	\$ 1,626,337	\$ 264,722	\$ 1,626,337		

#### D. Uncollectible Reinsurance - NONE

#### E. Commutation of Ceded Reinsurance

All America Insurance Company has not commuted any ceded reinsurance during the year.

#### F. Retroactive Reinsurance - No retroactive reinsurance contracts exist.

#### G. Reinsurance Accounted for as a Deposit - NONE

#### H. Transfer of Property and Casualty Run-off Agreements - NONE

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

All America Insurance Company does not issue policies that are retrospectively rated or subject to redetermination.

### 25. Change to Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$7.7 million from \$86.1 million in 2011 to \$78.4 million (\$56.2 million in total net losses and expenses unpaid and \$22.2 million in total net losses and expenses paid) in 2012. To provide further detail, losses & defense and medical cost containment expenses decreased by \$4.2 million from \$78.3 million in 2011 to \$74.1 million (\$53.8 million in total net losses and defense & medical cost containment expenses unpaid and \$20.3 million in total net losses & defense and medical cost containment expenses paid) in 2012. Adjusting and other expenses decreased by \$3.4 million from \$7.7 million in 2011 to \$4.3 million (\$2.4 million in total net adjusting and other expenses unpaid and \$1.9 million in total net adjusting and other expenses paid) in 2012. Included in this change, All America Insurance Company experienced \$0.0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. Thus, there was no impact to surplus as a result.

### 26. Intercompany Pooling Arrangements

An intercompany pooling agreement exists between the following companies to share in premiums, losses, expenses and accounts receivable balances according to the percentages shown:

Lead Company:	Central Mutual Insurance Company	20230	84%
Affiliate:	All America Insurance Company	20222	16%

All lines of business are pooled. Each company can make facultative cessions to non-affiliated reinsurers prior to pooling. All treaty cessions are processed through the lead company after cessions are made from the affiliate. Both companies though, have contract rights under all non-affiliated treaty reinsurance contracts.

## Notes to Financial Statements

### 27. Structured Settlements

All America Insurance Company has purchased several annuities on which claimants are payees in settlement of claims under the company's policies. The company has obtained releases from the respective claimants acknowledging that receipt of the structured settlement under each annuity is full payment of the claim. All America has no contingent liability for these annuities since ownership has been transferred to another insurance company.

### 28. Health Care Receivables - NONE

### 29. Participating Policies - NONE

### 30. Premium Deficiency Reserves –

1. Liability carried for premium deficiency reserves	\$0.00
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes

### 31. High Deductibles

All America Insurance Company does not issue policies subject to high deductibles on claims.

### 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

All America Insurance Company does not discount the liabilities for unpaid losses or unpaid loss adjustment expenses.

### 33. Asbestos / Environmental Reserves

A. & D. Does All America Insurance Company have on the books, or has it ever written an insured for which it has been identified as having a potential for the existence of, a liability due to asbestos losses?

Yes(X) No( )

Does All America Insurance Company have on the books, or has it ever written an insured for which it has been identified as having a potential for the existence of, a liability due to environmental losses?

Yes(X) No( )

All America's exposure arises primarily from the sale of general liability insurance, including the general liability portion of commercial package policies. However, smaller exposure also exists for these lines of insurance: workers' compensation, homeowners, and commercial property.

All America tries to estimate the full impact of the environmental and asbestos exposure by establishing full case basis reserves on all known losses and computing incurred but not reported loss reserves and allocated loss adjustment reserves based on previous experience.

The previous experience is combined with the other Company experience and analyzed in a combined manner as part of the regular loss reserve analysis.

All America's systems do not separate environmental and asbestos-related claims. Therefore, only combined environmental and asbestos-related loss data is available for presentation. Environmental claims represent the majority of the exposure included in the following numbers.

All America's environmental and asbestos-related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:

#### (1) Gross of Reinsurance Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 3,506,726	\$ 3,705,858	\$ 2,797,564	\$ 2,376,099	\$ 2,677,972
b. Incurred losses and loss adjustment expense:	486,541	-645,892	-125,378	368,172	879,787
c. Calendar year payments for losses and loss adjustment expenses:	287,409	262,402	296,087	66,299	135,942
d. Ending reserves:	\$ 3,705,858	\$ 2,797,564	\$ 2,376,099	\$ 2,677,972	\$ 3,421,817

#### (2) Net of Reinsurance Basis:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 3,309,885	\$ 3,595,221	\$ 2,677,229	\$ 2,232,709	\$ 2,493,002
b. Incurred losses and loss adjustment expense:	554,301	-655,982	-172,518	331,672	770,076
c. Calendar year payments for losses and loss adjustment expenses:	268,965	262,010	272,002	71,379	137,167
d. Ending reserves:	\$ 3,595,221	\$ 2,677,229	\$ 2,232,709	\$ 2,493,002	\$ 3,125,911

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

1. Gross of Reinsurance Basis:	\$ 1,557,209
2. Net of Reinsurance Basis	\$ 1,367,339

## Notes to Financial Statements

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

1. Gross of Reinsurance Basis:	\$	912,323
2. Net of Reinsurance Basis	\$	806,344

34. **Subscriber Savings Accounts** - NONE

35. **Multiple Peril Crop Insurance** – NONE

36. **Financial Guaranty Insurance** – All America does not write Financial Guaranty insurance.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? OHIO
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2011
- 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. ..... 12/31/2008
- 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). ..... 12/18/2009
- 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[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. Yes[ ] No[X]

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, ..... 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....	.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (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
.....	.....	... Yes[ ] No[X] ...	... Yes[ ] No[X] ...	... Yes[ ] No[X] ...	... Yes[ ] No[X] ...

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PLANTE & MORAN, PLLC 2601 CAMBRIDGE COURT, SUITE 500 AUBURN HILLS, MI 48326-2572
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
JEFFREY L. HANSON, FCAS, MAAA, CHIEF FINANCIAL OFFICER All America Insurance Company Van Wert, OH 45891
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[X] No[ ]

## GENERAL INTERROGATORIES (Continued)

- 12.11 Name of real estate holding company  
SIMON PROPERTY GROUP, FEDERAL REALTY, TANGER FACTORY OUTLETS, HCP INC
- 12.12 Number of parcels involved 4
- 12.13 Total book/adjusted carrying value \$ 1,990,754
- 12.2 If yes, provide explanation  
REITS ARE HELD AS INCOME PRODUCING BOND INVESTMENTS
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[ ] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]
- 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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001	.....	.....	.....	.....

### 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[ ]

### 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 end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ ..... 0
- 20.22 To stockholders not officers \$ ..... 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ ..... 0
- 21.22 Borrowed from others \$ ..... 0
- 21.23 Leased from others \$ ..... 0
- 21.24 Other \$ ..... 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ ..... 0
- 22.22 Amount paid as expenses \$ ..... 0
- 22.23 Other amounts paid \$ ..... 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 722,048

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
- 24.02 If no, give full and complete information, relating thereto
- 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. \$ ..... 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]

## GENERAL INTERROGATORIES (Continued)

- 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. \$ ..... 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
- 24.103 Total payable for securities lending reported on the liability page. \$ ..... 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[ ] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ ..... 0
- 25.22 Subject to reverse repurchase agreements \$ ..... 0
- 25.23 Subject to dollar repurchase agreements \$ ..... 0
- 25.24 Subject to reverse dollar repurchase agreements \$ ..... 0
- 25.25 Pledged as collateral \$ ..... 0
- 25.26 Placed under option agreements \$ ..... 0
- 25.27 Letter stock or securities restricted as to sale \$ ..... 0
- 25.28 On deposit with state or other regulatory body \$ ..... 0
- 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. \$ ..... 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, 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
JP MORGAN CHASE BANK .....	100 E BROAD ST, COLUMBUS, OH 43271 .....

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total .....		

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

## GENERAL INTERROGATORIES (Continued)

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

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

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	182,868,953	197,325,305	14,456,352
30.2 Preferred stocks .....			
30.3 Totals .....	182,868,953	197,325,305	14,456,352

30.4 Describe the sources or methods utilized in determining the fair values  
ALL BONDS ARE PRICED INDEPENDENTLY THROUGH INTERACTIVE DATA CORP

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 [ ] N/A [X]  
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 EITHER NAIC OR INTERACTIVE DATA CORP PRICES WERE USED

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:

### OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 292,195  
 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE .....	248,191

34.1 Amount of payments for legal expenses, if any? \$ ..... 19,391  
 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 12,380  
 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA .....	9,986

## GENERAL INTERROGATORIES (Continued)

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- |   |   |   |
|---|---|---|
| 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |   |
| 1.2 If yes, indicate premium earned on U.S. business only.  | \$ .....  | 0 |
| 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?             | \$ .....  | 0 |
| 1.31 Reason for excluding:  |   |   |
| 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. | \$ .....  | 0 |
| 1.5 Indicate total incurred claims on all Medicare Supplement insurance.  | \$ .....  | 0 |
| 1.6 Individual policies   |   |   |
| Most current three years:   |   |   |
| 1.61 Total premium earned   | \$ .....  | 0 |
| 1.62 Total incurred claims  | \$ .....  | 0 |
| 1.63 Number of covered lives  |   | 0 |
| All years prior to most current three years:  |   |   |
| 1.64 Total premium earned   | \$ .....  | 0 |
| 1.65 Total incurred claims  | \$ .....  | 0 |
| 1.66 Number of covered lives  |   | 0 |
| 1.7 Group policies  |   |   |
| Most current three years:   |   |   |
| 1.71 Total premium earned   | \$ .....  | 0 |
| 1.72 Total incurred claims  | \$ .....  | 0 |
| 1.73 Number of covered lives  |   | 0 |
| All years prior to most current three years:  |   |   |
| 1.74 Total premium earned   | \$ .....  | 0 |
| 1.75 Total incurred claims  | \$ .....  | 0 |
| 1.76 Number of covered lives  |   | 0 |

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....		
2.2 Premium Denominator .....	70,276,047	74,927,682
2.3 Premium Ratio (2.1 / 2.2) .....		
2.4 Reserve Numerator .....		
2.5 Reserve Denominator .....	118,339,209	125,575,896
2.6 Reserve Ratio (2.4 / 2.5) .....		

- |  |  |    |
|--|--|----|
| 3.1 Does the reporting entity issue both participating and non-participating policies?   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                              |    |
| 3.2 If yes, state the amount of calendar year premiums written on:   |  |    |
| 3.21 Participating policies  | \$ .....   | 0  |
| 3.22 Non-participating policies  | \$ .....   | 0  |
| 4. For Mutual reporting entities and Reciprocal Exchanges only:  |  |    |
| 4.1 Does the reporting entity issue assessable policies?   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/> |    |
| 4.2 Does the reporting entity issue non-assessable policies?   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |    |
| 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?  |  | 0% |
| 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.  | \$ .....   | 0  |
| 5. For Reciprocal Exchanges Only:  |  |    |
| 5.1 Does the exchange appoint local agents?  | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |    |
| 5.2 If yes, is the commission paid:  |  |    |
| 5.21 Out of Attorney's-in-fact compensation  | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |    |
| 5.22 As a direct expense of the exchange   | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |    |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |    |
| 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:<br>THE COMPANY HAS A CASUALTY EXCESS REINSURANCE PROGRAM   |  |    |
| 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:<br>THE CATALYST CATASTROPHE RISK ANALYSIS AND IRAS HURRICANE MODELS ARE RUN ANNUALLY   |  |    |
| 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:<br>THE COMPANY HAS PURCHASED CATASTROPHE REINSURANCE COVERAGE  |  |    |
| 6.4 Does the reporting entity carry catastrophic 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 <input checked="" type="checkbox"/> No <input type="checkbox"/>                              |    |
| 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss  |  |    |
| 7.1 Has 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>                              |    |
| 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.   |  | 0  |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |    |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>                              |    |
| 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:<br>(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; |  |    |

## GENERAL INTERROGATORIES (Continued)

- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 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 reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ ..... 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[X] N/A [ ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From ..... 0.000%
- 12.42 To ..... 0.000%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ ..... 0
- 12.62 Collateral and other funds \$ ..... 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ ..... 1,500,000
- 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. ..... 10
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ] N/A[X]
- 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 [ ] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [ ] No[X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [ ] No[X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption.
- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 \$ ..... 0
- 17.12 Unfunded portion of Interrogatory 17.11 \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ .....	0
17.14 Case reserves portion of Interrogatory 17.11	\$ .....	0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ .....	0
17.16 Unearned premium portion of Interrogatory 17.11	\$ .....	0
17.17 Contingent commission portion of Interrogatory 17.11	\$ .....	0
Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.		
17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ .....	0
17.19 Unfunded portion of Interrogatory 17.18	\$ .....	0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ .....	0
17.21 Case reserves portion of Interrogatory 17.18	\$ .....	0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ .....	0
17.23 Unearned premium portion of Interrogatory 17.18	\$ .....	0
17.24 Contingent commission portion of Interrogatory 17.18	\$ .....	0
18.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]	
18.2 If yes, please provide the amount of custodial funds held as of the reporting date:	\$ .....	0
18.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]	
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	\$ .....	0

## FIVE - YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 &amp; 3)</b>					
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)	35,961,987	38,256,186	49,697,068	60,574,872	62,474,818
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	18,834,713	19,194,556	21,533,792	23,134,512	22,134,354
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	47,059,917	50,135,658	63,281,891	67,034,121	64,399,000
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	11,059	11,272	6,353	7,200	9,198
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	101,867,676	107,597,672	134,519,104	150,750,705	149,017,370
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
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)	24,628,878	25,302,728	29,229,214	33,973,323	36,034,915
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	15,973,073	16,092,237	16,958,642	18,216,184	17,820,334
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	29,842,261	30,204,471	32,483,832	34,782,298	33,802,533
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,316	5,152	3,385	3,686	4,282
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	70,449,527	71,604,588	78,675,073	86,975,491	87,662,064
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8)	(2,500,992)	(7,338,788)	(13,978,666)	(6,695,944)	(10,146,583)
14. Net investment gain or (loss) (Line 11)	7,320,288	8,002,323	8,504,396	7,106,504	7,166,985
15. TOTAL other income (Line 15)	286,822	344,354	411,475	128,022	278,713
16. Dividends to policyholders (Line 17)	42,831	333,006	386,999	687,251	725,777
17. Federal and foreign income taxes incurred (Line 19)	70,919	20,421	251,654	(1,641,095)	(2,837,486)
18. Net income (Line 20)	4,992,367	654,462	(5,701,448)	1,492,426	(589,176)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	240,312,534	239,737,494	243,090,616	249,092,523	243,792,254
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	4,516,076	5,441,209	5,639,027	5,945,274	5,191,593
20.2 Deferred and not yet due (Line 15.2)	18,481,839	18,013,879	19,665,047	22,787,173	23,841,128
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	126,788,745	132,473,884	145,398,714	145,960,936	142,718,028
22. Losses (Page 3, Line 1)	56,013,544	62,748,293	69,743,352	65,281,664	64,823,279
23. Loss adjustment expenses (Page 3, Line 3)	22,643,949	23,319,368	25,948,816	25,421,793	23,864,149
24. Unearned premiums (Page 3, Line 9)	39,681,715	39,508,233	42,975,329	46,944,776	46,437,930
25. Capital paid up (Page 3, Lines 30 & 31)	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
26. Surplus as regards policyholders (Page 3, Line 37)	113,523,785	107,263,618	97,691,902	103,131,589	101,074,218
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	1,613,380	(9,019,846)	(1,312,335)	5,328,605	9,187,112
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital	113,523,785	107,263,618	97,691,902	103,131,589	101,074,218
29. Authorized control level risk-based capital	8,726,999	9,099,583	10,088,061	9,483,141	8,835,988
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)</b>					
<b>(Item divided by Page 2, Line 12, Column 3) x 100.0</b>					
30. Bonds (Line 1)	88.5	89.6	92.2	92.7	92.9
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	4.7	3.8	1.4	1.2	0.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				X X X	X X X
37. Other invested assets (Line 8)	6.8	6.6	6.4	6.2	6.3
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)				X X X	X X X
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	299,849	298,164	520,698	684,362	674,666
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	14,065,337	13,647,743	13,226,103	12,818,406	12,416,395
48. TOTAL of above Lines 42 to 47	14,365,186	13,945,907	13,746,801	13,502,768	13,091,061
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, Column 1, Line 37 x 100.0)	12.7	13.0	14.1	13.1	13.0

## FIVE - YEAR HISTORICAL DATA (Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains or (Losses) (Line 24) .....	272,607	277,051	301,380	428,678	391,126
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	6,260,166	9,571,638	(5,439,689)	2,057,370	2,186,733
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
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) .....	24,840,641	30,825,173	36,237,764	32,818,963	30,955,003
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	12,469,493	12,843,427	13,173,566	12,512,814	11,860,523
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....	37,534,759	50,878,182	43,556,627	38,290,419	41,795,571
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....			(20)		1,200
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. TOTAL (Line 35) .....	74,844,893	94,546,782	92,967,937	83,622,196	84,612,297
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
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) .....	16,383,465	17,827,879	20,237,115	19,986,661	18,252,946
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	9,623,303	10,700,829	10,454,789	10,281,788	9,896,946
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....	24,247,809	33,380,617	28,688,582	24,494,389	20,505,202
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) .....			(20)		1,200
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. TOTAL (Line 35) .....	50,254,577	61,909,325	59,380,466	54,762,838	48,656,294
<b>Operating Percentages (Page 4)</b>					
<b>(Item divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	61.9	73.3	77.4	64.0	65.2
68. Loss expenses incurred (Line 3) .....	8.7	6.0	9.2	10.7	14.2
69. Other underwriting expenses incurred (Line 4) .....	32.9	30.6	30.6	32.8	32.2
70. Net underwriting gain (loss) (Line 8) .....	(3.6)	(9.8)	(16.9)	(7.8)	(11.7)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) .....	32.4	31.4	31.4	32.6	31.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	70.7	79.3	86.5	74.8	79.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0) .....	62.1	66.8	80.5	84.3	86.7
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(4,260)	(8,949)	1,088	(2,312)	2,424
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, Column 1 x 100.0) .....	(4.0)	(9.2)	1.1	(2.3)	2.5
<b>Two Year Loss Development (000 omitted)</b>					
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, Column 12) .....	(12,220)	(6,396)	(3,101)	395	(1,389)
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, Column 2 x 100.0) .....	(12.5)	(6.2)	(3.1)	0.4	(1.6)

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

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						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	342	74	82	0	88		46	438	X X X
2. 2003	71,084	5,597	65,487	37,475	1,011	2,630	44	3,318		1,718	42,368	X X X
3. 2004	81,447	4,069	77,378	34,016	325	2,439		3,786		1,708	39,916	X X X
4. 2005	87,119	4,299	82,820	43,304	5,571	2,608	3	4,238		2,210	44,577	X X X
5. 2006	91,569	4,948	86,621	41,569	1,176	2,806	34	4,678		1,810	47,842	X X X
6. 2007	93,746	5,438	88,308	45,868	4,561	2,594	25	4,745		2,055	48,621	X X X
7. 2008	93,865	6,839	87,026	67,442	17,168	2,321	31	4,883		2,143	57,448	X X X
8. 2009	94,037	7,809	86,228	53,077	1,459	1,573	1	4,461		2,413	57,650	X X X
9. 2010	92,091	9,568	82,523	56,962	4,470	1,114	0	4,117		2,180	57,723	X X X
10. 2011	83,659	8,733	74,926	56,413	5,404	381	0	3,575		1,803	54,965	X X X
11. 2012	80,177	9,901	70,276	32,983	520	101		2,286		1,014	34,850	X X X
12. Totals	X X X	X X X	X X X	469,451	41,739	18,649	138	40,175		19,100	486,398	X X X

	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	3,327	1,488	3,037	392			1,280	99	37			5,702	X X X
2. 2003	1,385	619	764	94			247	24	8			1,666	X X X
3. 2004	964	288	666	93			272	23	8			1,506	X X X
4. 2005	2,640	1,529	1,477	214			729	74	25			3,053	X X X
5. 2006	1,669	289	1,521	249			738	67	37			3,360	X X X
6. 2007	2,219	874	1,932	339			1,137	88	32			4,019	X X X
7. 2008	2,236		2,744	575			1,678	207	87			5,963	X X X
8. 2009	2,718	24	4,603	962			2,074	307	222			8,324	X X X
9. 2010	4,905	682	2,504	380			2,928	116	611		188	9,770	X X X
10. 2011	7,874	692	2,007	430			2,824	131	1,343		377	12,796	X X X
11. 2012	12,017	219	4,309	1,073			2,757	270	4,977		3,196	22,498	X X X
12. Totals	41,953	6,704	25,565	4,801			16,662	1,405	7,387		3,762	78,657	X X X

	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	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,484	1,218
2. 2003	45,826	1,791	44,034	64.5	32.0	67.2			16.0	1,435	231
3. 2004	42,151	729	41,422	51.8	17.9	53.5			16.0	1,249	257
4. 2005	55,020	7,391	47,630	63.2	171.9	57.5			16.0	2,373	680
5. 2006	53,018	1,816	51,202	57.9	36.7	59.1			16.0	2,653	707
6. 2007	58,527	5,887	52,640	62.4	108.3	59.6			16.0	2,939	1,080
7. 2008	81,391	17,981	63,410	86.7	262.9	72.9			16.0	4,405	1,558
8. 2009	68,727	2,753	65,974	73.1	35.3	76.5			16.0	6,335	1,989
9. 2010	73,141	5,648	67,493	79.4	59.0	81.8			16.0	6,347	3,423
10. 2011	74,419	6,657	67,762	89.0	76.2	90.4			16.0	8,759	4,037
11. 2012	59,431	2,083	57,348	74.1	21.0	81.6			16.0	15,034	7,464
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	56,014	22,644

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	25,971	28,833	31,553	29,970	31,520	30,109	29,024	28,671	28,441	28,962	520	290
2. 2003	38,952	40,977	40,847	41,749	40,489	40,893	40,426	40,767	40,605	40,709	104	(58)
3. 2004	X X X	41,823	41,508	39,728	40,512	38,666	37,978	37,745	37,549	37,628	78	(118)
4. 2005	X X X	X X X	45,481	44,513	43,710	45,876	43,812	43,211	42,405	43,366	961	155
5. 2006	X X X	X X X	X X X	47,425	46,394	46,453	49,843	48,173	46,735	46,487	(248)	(1,686)
6. 2007	X X X	X X X	X X X	X X X	50,499	50,857	49,740	52,010	48,881	47,863	(1,018)	(4,147)
7. 2008	X X X	X X X	X X X	X X X	X X X	60,773	60,492	59,944	61,204	58,440	(2,764)	(1,504)
8. 2009	X X X	X X X	X X X	X X X	X X X	X X X	61,733	63,611	60,827	61,292	464	(2,320)
9. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	65,598	64,134	62,765	(1,369)	(2,833)
10. 2011	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	63,833	62,843	(990)	X X X
11. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	50,085	X X X	X X X
12. TOTALS											(4,260)	(12,220)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	000	7,737	14,473	17,839	19,319	20,958	21,810	22,683	22,946	23,296	X X X	X X X
2. 2003	22,460	29,093	32,152	34,672	36,367	37,496	38,348	38,675	38,865	39,050	X X X	X X X
3. 2004	X X X	20,197	27,643	30,713	33,079	34,721	35,306	35,848	35,975	36,130	X X X	X X X
4. 2005	X X X	X X X	21,605	30,454	34,121	36,736	38,712	39,497	40,010	40,339	X X X	X X X
5. 2006	X X X	X X X	X X X	24,364	32,565	36,867	40,119	41,753	42,508	43,164	X X X	X X X
6. 2007	X X X	X X X	X X X	X X X	24,953	33,816	38,278	41,322	42,946	43,875	X X X	X X X
7. 2008	X X X	X X X	X X X	X X X	X X X	31,611	42,677	47,964	51,323	52,564	X X X	X X X
8. 2009	X X X	X X X	X X X	X X X	X X X	X X X	34,685	46,539	50,865	53,189	X X X	X X X
9. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	37,587	49,250	53,606	X X X	X X X
10. 2011	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	41,600	51,390	X X X	X X X
11. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	32,564	X X X	X X X

**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	9,872	7,734	7,755	5,384	4,211	4,411	3,248	3,579	3,146	3,827
2. 2003	7,818	4,328	2,042	2,928	1,603	1,381	796	988	903	893
3. 2004	X X X	9,823	5,657	3,123	3,676	2,187	1,369	956	941	821
4. 2005	X X X	X X X	11,889	6,522	4,506	5,184	3,035	2,024	1,156	1,916
5. 2006	X X X	X X X	X X X	11,523	6,939	4,203	6,227	3,808	2,182	1,943
6. 2007	X X X	X X X	X X X	X X X	14,038	8,972	4,972	6,091	3,107	2,642
7. 2008	X X X	X X X	X X X	X X X	X X X	16,769	9,626	5,742	5,329	3,640
8. 2009	X X X	X X X	X X X	X X X	X X X	X X X	15,260	9,654	4,920	5,408
9. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	14,688	6,918	4,937
10. 2011	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,210	4,271
11. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,722

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	L	1,024,561	1,277,417		515,061	65,924	2,665,098	5,443	
4. Arkansas (AR)	N								
5. California (CA)	L					(90,851)	200,399		
6. Colorado (CO)	N								
7. Connecticut (CT)	L	1,390,286	1,453,421	67,596	1,711,510	522,611	3,423,196	6,304	
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N				(485)	3,338	65,937		
11. Georgia (GA)	L	4,256,510	4,516,536	120,510	3,221,789	1,682,017	2,699,658	13,720	
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	L	887,112	1,308,698	8,912	894,148	518,364	7,439,390	3,048	
15. Indiana (IN)	L	1,953,578	2,322,615		2,558,948	(314,374)	1,653,982	4,728	
16. Iowa (IA)	L								
17. Kansas (KS)	N								
18. Kentucky (KY)	L	2,133	18,679		376	(11,641)	(269)		
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	L	2,452,349	2,879,892	183,625	3,171,958	2,606,384	15,735,206	11,166	
23. Michigan (MI)	L	1,103,765	1,146,844		486,631	(787,900)	154,435	5,756	
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	L								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	L	(528)	(453)		759,905	(310,528)	8,220,171		
32. New Mexico (NM)	N								
33. New York (NY)	L	3,061,068	3,193,401	24,542	1,086,622	(92,930)	7,646,795	10,989	
34. North Carolina (NC)	L	3,109,225	3,366,521	42,892	1,411,159	305,993	2,556,019	10,834	
35. North Dakota (ND)	N								
36. Ohio (OH)	L	5,701,779	6,316,159		4,072,063	2,521,494	4,394,801	15,429	
37. Oklahoma (OK)	L	906,144	785,951	50	1,508,147	75,183	60,858	1,392	
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	L	1,189,922	1,160,379	68,876	589,771	(85,259)	1,989,508	2,656	
42. South Dakota (SD)	N								
43. Tennessee (TN)	L	1,842,302	1,884,034	15,515	1,191,879	1,280,208	2,536,836	6,136	
44. Texas (TX)	L	296,817	279,148		258,283	75,931	1,471,135	192	
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	L	2,241,125	2,431,385	70,575	1,152,554	1,856,390	4,242,009	9,048	
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	L								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. TOTALS	(a) 21	31,418,148	34,340,627	603,093	24,590,319	9,820,354	67,155,164	106,842	

**DETAILS OF WRITE-INS**

5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

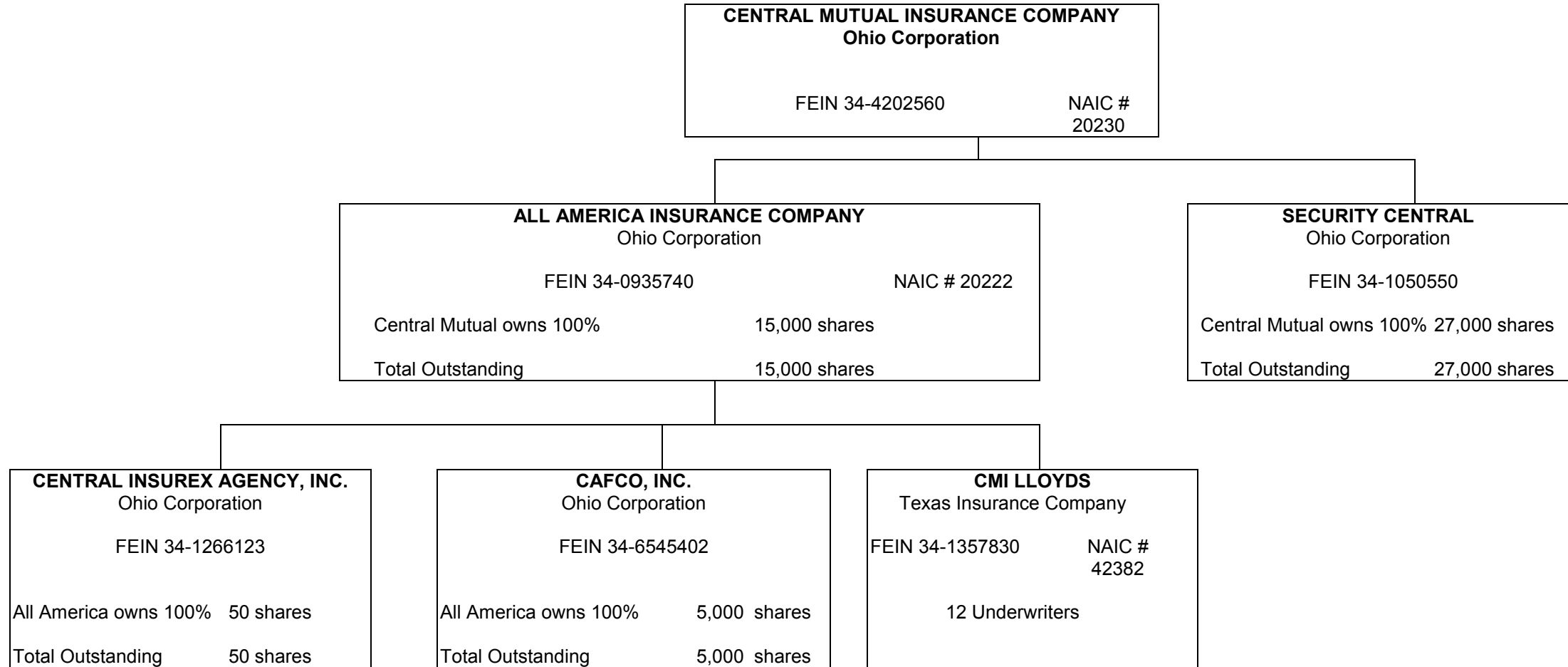
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Explanation of basis of allocation of premiums by states, etc.: PREMIUMS ARE ALLOCATED ACCORDING TO THE FOLLOWING: WORKERS' COMPENSATION-THE LOCATIONS OF THE INSURED'S OPERATIONS; AUTOMOBILE LIABILITY AND AUTOMOBILE PHYSICAL DAMAGE-THE LOCATION OF THE PRINCIPAL GARAGE; GROUP ACCIDENT AND HEALTH AND OTHER ACCIDENT AND HEALTH-THE ADDRESS OF THE INSURED'S RESIDENCE; FIDELITY-THE LOCATION OF THE EMPLOYER OR INSURED; SURETY-THE PRINCIPAL, THE COURT, THE OBLIGEE, OR WORK. ALL OTHER PREMIUMS-THE LOCATIONS OF THE RISK.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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