



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Nationwide Mutual Insurance Company

NAIC Group Code 0140 (Current) 0140 (Prior) NAIC Company Code 23787 Employer's ID Number 31-4177100

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

Incorporated/Organized 12/06/1925 Commenced Business 04/14/1926

Statutory Home Office One West Nationwide Blvd., Columbus, OH, US 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office One West Nationwide Blvd., Columbus, OH, US 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)
614-249-7111 (Area Code) (Telephone Number)

Mail Address One West Nationwide Blvd., 1-04-701 Columbus, OH, US 43215-2220
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One West Nationwide Blvd., 1-04-701 Columbus, OH, US 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)
614-249-1545 (Area Code) (Telephone Number)

Internet Website Address www.nationwide.com

Statutory Statement Contact Monda S. Caudill, 614-249-1545
(Name) (Area Code) (Telephone Number)
FinRpt@nationwide.com, 866-315-1430
(E-mail Address) (FAX Number)

OFFICERS

President & COO, NW Ins Mark Angelo Pizzi Sr VP & Treasurer David Patrick LaPaul
VP - Corp Gov & Secretary Robert William Horner III

OTHER

Table listing various officers and their titles, including David Gerard Arango, Anne Louise Arvia, Wesley Kim Austen, etc.

DIRECTORS OR TRUSTEES

Table listing directors or trustees, including Lewis Jackson Alphin, James Bernard Bachmann, Arthur Irving Bell, etc.

State of Ohio SS:
County of Franklin

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

Mark Angelo Pizzi, Robert William Horner, III, David Patrick LaPaul
President & COO, Nationwide Ins VP - Corp Governance & Secretary Sr VP & Treasurer
Subscribed and sworn to before me this day of January, 2013
a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	8,327,756,226		8,327,756,226	9,201,635,150
2. Stocks (Schedule D):				
2.1 Preferred stocks	3,006,764		3,006,764	2,962,855
2.2 Common stocks	7,858,549,377		7,858,549,377	7,451,455,524
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	484,873,411		484,873,411	534,909,449
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$15,951,338 encumbrances)	631,842,433		631,842,433	553,916,712
4.2 Properties held for the production of income (less \$ encumbrances)	46,128,603		46,128,603	47,212,058
4.3 Properties held for sale (less \$ encumbrances)				1,695,174
5. Cash (\$(222,334,010) , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$501,797,953 , Schedule DA)	279,463,944		279,463,944	440,621,101
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)	75,163,965		75,163,965	112,595,441
8. Other invested assets (Schedule BA)	3,635,941,490	44,690,068	3,591,251,422	3,159,009,777
9. Receivable for securities	136,944		136,944	219,290
10. Securities lending reinvested collateral assets (Schedule DL)	19,260,665	6,299,302	12,961,363	64,829,650
11. Aggregate write-ins for invested assets	1,152,557,153		1,152,557,153	1,078,256,623
12. Subtotals, cash and invested assets (Lines 1 to 11)	22,514,680,975	50,989,370	22,463,691,605	22,649,318,804
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	118,097,772	120,026	117,977,746	131,370,317
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,724,277,256	55,721,794	1,668,555,462	655,306,773
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	2,335,496,338	12,143,337	2,323,353,001	2,385,065,444
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	306,030,187		306,030,187	241,049,904
16.2 Funds held by or deposited with reinsured companies	3,509,908		3,509,908	3,534,019
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	73,243,255		73,243,255	182,119,654
18.2 Net deferred tax asset	2,049,454,109	614,583,231	1,434,870,878	1,294,801,371
19. Guaranty funds receivable or on deposit	21,725,409		21,725,409	21,647,823
20. Electronic data processing equipment and software	354,339,421	221,628,775	132,710,646	127,337,623
21. Furniture and equipment, including health care delivery assets (\$)	124,163,878	124,163,878		
22. Net adjustment in assets and liabilities due to foreign exchange rates	895		895	
23. Receivables from parent, subsidiaries and affiliates	457,556,317	6,779,109	450,777,208	1,015,001,546
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	835,069,302	279,722,954	555,346,348	454,073,234
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	30,917,645,022	1,365,852,474	29,551,792,548	29,160,626,512
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	30,917,645,022	1,365,852,474	29,551,792,548	29,160,626,512
DETAILS OF WRITE-INS				
1101. Corporate owned investment value of life insurance	1,152,557,153		1,152,557,153	1,078,256,623
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	1,152,557,153		1,152,557,153	1,078,256,623
2501. Agent benefit investment value of life insurance and annuity contracts	157,055,013		157,055,013	160,342,003
2502. Cash surrender value of insurance	1,292,882	1,292,882		
2503. Deposits and prepaid assets	140,558,325	140,558,325		
2598. Summary of remaining write-ins for Line 25 from overflow page	536,163,082	137,871,747	398,291,335	293,731,231
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	835,069,302	279,722,954	555,346,348	454,073,234

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	6,567,908,582	6,876,022,870
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	724,944,381	714,670,017
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,418,095,919	1,486,267,498
4. Commissions payable, contingent commissions and other similar charges	269,169,901	325,437,326
5. Other expenses (excluding taxes, licenses and fees)	87,088,183	87,751,455
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	81,861,733	84,250,229
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$37,601,627 and interest thereon \$289,912	37,891,540	5,027,912
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$1,958,812,282 and including warranty reserves of \$24,142,537 and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	4,922,676,348	4,835,071,131
10. Advance premium	104,326,641	99,262,167
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	5,808,831	5,675,374
12. Ceded reinsurance premiums payable (net of ceding commissions)	843,811,014	640,091,501
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	1,642,927	1,666,243
14. Amounts withheld or retained by company for account of others	783,459,669	689,816,331
15. Remittances and items not allocated	120,615,983	149,634,916
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	21,064,694	20,410,663
17. Net adjustments in assets and liabilities due to foreign exchange rates		2,021
18. Drafts outstanding	18,370	2,156
19. Payable to parent, subsidiaries and affiliates	379,255,332	114,075,428
20. Derivatives	154,461,094	149,202,810
21. Payable for securities	89,458,257	7,127,054
22. Payable for securities lending	26,078,123	81,208,594
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	1,568,156,839	1,493,249,072
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	18,207,794,359	17,865,922,768
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	18,207,794,359	17,865,922,768
29. Aggregate write-ins for special surplus funds		2,250,000
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		444,947,946
33. Surplus notes	2,142,621,071	2,200,000,000
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	9,201,377,118	8,647,505,798
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	11,343,998,189	11,294,703,744
38. TOTALS (Page 2, Line 28, Col. 3)	29,551,792,548	29,160,626,512
DETAILS OF WRITE-INS		
2501. Accrued derivative liability	9,235,606	
2502. Accrued interest payable on surplus notes		32,812,500
2503. Agent's security fund reserves	1,155,071,343	1,144,736,514
2598. Summary of remaining write-ins for Line 25 from overflow page	403,849,890	315,700,058
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,568,156,839	1,493,249,072
2901. Capital fund required by Colorado statute		1,250,000
2902. Capital fund required by Minnesota statute		1,000,000
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		2,250,000
3201. Amortized discount of surplus notes		(78,372,635)
3202. SSAP 10 DTA		523,320,581
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		444,947,946

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	12,405,018,019	12,217,835,801
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	7,545,922,846	8,032,737,677
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	1,374,949,701	1,393,613,648
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	4,357,302,358	4,159,072,125
5. Aggregate write-ins for underwriting deductions.....	455,572	110,549
6. Total underwriting deductions (Lines 2 through 5).....	13,278,630,477	13,585,533,999
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(873,612,458)	(1,367,698,198)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	806,794,340	300,596,085
10. Net realized capital gains or (losses) less capital gains tax of \$(13,649,776) (Exhibit of Capital Gains (Losses)).....	(20,861,250)	(80,015,284)
11. Net investment gain (loss) (Lines 9 + 10).....	785,933,090	220,580,801
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$1,222,532 amount charged off \$(59,720,519)).....	(59,043,793)	(53,445,640)
13. Finance and service charges not included in premiums.....	140,724,061	146,155,418
14. Aggregate write-ins for miscellaneous income.....	(7,899,251)	52,610,948
15. Total other income (Lines 12 through 14).....	73,781,017	145,320,726
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(13,898,350)	(1,001,796,671)
17. Dividends to policyholders.....	7,398,646	7,020,594
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).....	(21,296,996)	(1,008,817,265)
19. Federal and foreign income taxes incurred.....	(42,947,318)	(114,286,969)
20. Net income (Line 18 minus Line 19)(to Line 22).....	21,650,322	(894,530,296)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	11,294,703,744	11,490,538,015
22. Net income (from Line 20).....	21,650,322	(894,530,296)
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$83,481,594.....	(360,554,102)	105,453,348
25. Change in net unrealized foreign exchange capital gain (loss).....	274,978	(727,399)
26. Change in net deferred income tax.....	183,288,261	393,883,197
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	611,838,035	(159,201,116)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(654,031)	4,748,898
29. Change in surplus notes.....	20,993,705	
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....	23,508,926	(432,864)
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3 Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	(451,051,649)	354,971,961
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	49,294,445	(195,834,271)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	11,343,998,189	11,294,703,744
DETAILS OF WRITE-INS		
0501. Loss based assessment payables.....	455,572	110,549
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....	455,572	110,549
1401. Change in contingent suit liabilities.....	(1,467,235)	2,221,422
1402. Merger related expenses.....	(34,764,818)	(5,287,246)
1403. Miscellaneous accrued expense.....		137,120
1498. Summary of remaining write-ins for Line 14 from overflow page.....	28,332,802	55,539,652
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	(7,899,251)	52,610,948
3701. Amortized discount of surplus notes.....		19,682,871
3702. Change in surplus - SRP additional minimum liabilities.....	(27,287,322)	179,536,897
3703. Goodwill amortization.....	(864,264)	(4,020,115)
3798. Summary of remaining write-ins for Line 37 from overflow page.....	(422,900,063)	159,772,308
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	(451,051,649)	354,971,961

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	11,784,908,776	13,036,813,357
2. Net investment income	815,217,685	373,796,445
3. Miscellaneous income	119,559,039	95,789,991
4. Total (Lines 1 through 3)	12,719,685,500	13,506,399,793
5. Benefit and loss related payments	7,908,742,897	8,198,925,439
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,826,410,635	5,518,132,242
8. Dividends paid to policyholders	7,265,191	5,794,809
9. Federal and foreign income taxes paid (recovered) net of \$ (10,676,620) tax on capital gains (losses)	(165,473,496)	(42,161,107)
10. Total (Lines 5 through 9)	13,576,945,227	13,680,691,383
11. Net cash from operations (Line 4 minus Line 10)	(857,259,727)	(174,291,590)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,796,919,634	2,686,860,205
12.2 Stocks	199,772,280	288,343,477
12.3 Mortgage loans	199,749,511	216,554,164
12.4 Real estate	2,490,284	10,166,250
12.5 Other invested assets	396,605,994	436,508,625
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(2,180)	(1,906)
12.7 Miscellaneous proceeds		243,983,584
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,595,535,523	3,882,414,399
13. Cost of investments acquired (long-term only):		
13.1 Bonds	814,323,722	1,006,482,946
13.2 Stocks	1,047,527,296	39,633,495
13.3 Mortgage loans	128,214,157	69,592,478
13.4 Real estate	111,808,689	119,501,366
13.5 Other invested assets	784,853,899	1,066,842,686
13.6 Miscellaneous applications	58,104,821	52,894,200
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,944,832,584	2,354,947,171
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)	(349,297,061)	1,527,467,228
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	32,863,628	59,143
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	1,012,536,003	(1,188,024,969)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,045,399,631	(1,187,965,826)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(161,157,157)	165,209,812
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	440,621,101	275,411,289
19.2 End of period (Line 18 plus Line 19.1)	279,463,944	440,621,101

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

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	157,267,372	76,158,277	81,478,657	151,946,992
2.	Allied lines	202,862,364	93,045,350	102,666,178	193,241,536
3.	Farmowners multiple peril	265,206,520	113,196,186	128,610,416	249,792,290
4.	Homeowners multiple peril	2,231,709,601	1,180,699,008	1,197,102,277	2,215,306,332
5.	Commercial multiple peril	1,278,043,489	616,674,099	629,051,474	1,265,666,114
6.	Mortgage guaranty				
8.	Ocean marine	22,261,139	9,072,360	8,782,456	22,551,043
9.	Inland marine	137,190,796	67,105,220	64,788,162	139,507,854
10.	Financial guaranty				
11.1	Medical professional liability - occurrence	739,841	257,759	343,103	654,497
11.2	Medical professional liability - claims-made	2,236,114	483,858	723,870	1,996,102
12.	Earthquake	34,003,971	18,925,989	17,502,215	35,427,745
13.	Group accident and health	132,819,669	222,651	226,128	132,816,192
14.	Credit accident and health (group and individual)				
15.	Other accident and health	1,165,762	267,223	230,285	1,202,700
16.	Workers' compensation	211,177,313	139,504,755	103,218,884	247,463,184
17.1	Other liability - occurrence	801,386,209	342,887,076	362,389,165	781,884,120
17.2	Other liability - claims-made	205,790,133	77,755,711	94,354,463	189,191,381
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	67,440,058	32,594,057	32,658,942	67,375,173
18.2	Products liability - claims-made	324,173	144,844	117,824	351,193
19.1, 19.2	Private passenger auto liability	3,495,720,758	991,588,286	1,004,776,869	3,482,532,175
19.3, 19.4	Commercial auto liability	726,065,050	308,314,017	326,486,853	707,892,214
21.	Auto physical damage	2,476,908,936	715,436,982	736,929,183	2,455,416,735
22.	Aircraft (all perils)				
23.	Fidelity	2,149,546	1,023,814	1,375,795	1,797,565
24.	Surety	13,370,754	4,869,811	5,038,254	13,202,311
26.	Burglary and theft	3,344,663	1,847,745	1,598,312	3,594,096
27.	Boiler and machinery	207,505	(1,941,906)	(2,111,041)	376,640
28.	Credit	103,443	576,010	374,070	305,383
29.	International	55	16,657	16,708	4
30.	Warranty	19,949,844	37,601,830	24,142,537	33,409,137
31.	Reinsurance - nonproportional assumed property	3,161,515	6,917,405	(38,465)	10,117,385
32.	Reinsurance - nonproportional assumed liability	(143)	(16,855)	(16,924)	(74)
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	12,492,606,450	4,835,228,219	4,922,816,650	12,405,018,019
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	81,160,644	318,013			81,478,657
2.	Allied lines	102,247,091	419,087			102,666,178
3.	Farmowners multiple peril	128,610,416				128,610,416
4.	Homeowners multiple peril	1,185,116,121	11,986,156			1,197,102,277
5.	Commercial multiple peril	628,377,337	674,137			629,051,474
6.	Mortgage guaranty					
8.	Ocean marine	8,395,195	387,261			8,782,456
9.	Inland marine	64,309,758	478,404			64,788,162
10.	Financial guaranty					
11.1	Medical professional liability - occurrence	343,103				343,103
11.2	Medical professional liability - claims-made	723,870				723,870
12.	Earthquake	17,454,177	48,038			17,502,215
13.	Group accident and health	226,128				226,128
14.	Credit accident and health (group and individual)					
15.	Other accident and health	128,598			101,687	230,285
16.	Workers' compensation	103,214,184	4,700			103,218,884
17.1	Other liability - occurrence	348,554,092	13,796,456		38,617	362,389,165
17.2	Other liability - claims-made	88,097,153	6,257,310			94,354,463
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	32,006,458	652,484			32,658,942
18.2	Products liability - claims-made	117,824				117,824
19.1, 19.2	Private passenger auto liability	1,004,764,076	12,793			1,004,776,869
19.3, 19.4	Commercial auto liability	321,071,695	5,415,158			326,486,853
21.	Auto physical damage	736,823,418	105,765			736,929,183
22.	Aircraft (all perils)					
23.	Fidelity	823,865	551,930			1,375,795
24.	Surety	3,750,761	1,287,493			5,038,254
26.	Burglary and theft	1,598,313	(1)			1,598,312
27.	Boiler and machinery	(2,111,271)	230			(2,111,041)
28.	Credit	16	374,054			374,070
29.	International	16,708				16,708
30.	Warranty	(749,498)	24,892,035			24,142,537
31.	Reinsurance - nonproportional assumed property	(38,465)				(38,465)
32.	Reinsurance - nonproportional assumed liability	(16,924)				(16,924)
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	4,855,014,843	67,661,503		140,304	4,922,816,650
36.	Accrued retrospective premiums based on experience					(140,304)
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					4,922,676,346
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case See Notes to Financial Statements 1 (C)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	16,001,707	192,676,916	3,888,440	48,957,673	6,342,018	157,267,372
2. Allied lines	98,376,718	243,263,011	1,213,446	59,679,971	80,310,840	202,862,364
3. Farmowners multiple peril	192,741,102	126,441,761		51,647,148	2,329,195	265,206,520
4. Homeowners multiple peril	235,095,857	2,663,781,184	2,188,629	562,767,485	106,588,584	2,231,709,601
5. Commercial multiple peril	308,061,733	1,776,047,853		764,949,203	41,116,894	1,278,043,489
6. Mortgage guaranty						
8. Ocean marine		55,611,258	584	33,327,049	23,654	22,261,139
9. Inland marine	64,775,572	320,634,740	35	243,823,885	4,395,666	137,190,796
10. Financial guaranty						
11.1 Medical professional liability - occurrence	80,595	806,358		144,079	3,033	739,841
11.2 Medical professional liability - claims-made		2,689,201		453,087		2,236,114
12. Earthquake	3,508,182	39,281,215		8,754,118	31,308	34,003,971
13. Group accident and health	3,778,982	155,052,296	1,113,591	25,865,718	1,259,482	132,819,669
14. Credit accident and health (group and individual)						
15. Other accident and health	218,478	1,174,308	762	227,567	219	1,165,762
16. Workers' compensation	92,761,701	289,244,994	9,124,016	176,420,216	3,533,182	211,177,313
17.1 Other liability - occurrence	161,712,386	953,108,145	(2,134)	298,062,047	15,370,141	801,386,209
17.2 Other liability - claims-made	1,796,740	278,672,830		74,553,870	125,567	205,790,133
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	7,551,571	73,710,868		13,787,096	35,285	67,440,058
18.2 Products liability - claims-made		387,304		63,131		324,173
19.1, 19.2 Private passenger auto liability	1,235,344,139	3,035,714,830	94,996,784	760,104,300	110,230,695	3,495,720,758
19.3, 19.4 Commercial auto liability	235,741,911	1,035,265,484	2,917,104	545,485,555	2,373,894	726,065,050
21. Auto physical damage	902,290,349	2,220,680,075	29,899	640,187,380	5,904,007	2,476,908,936
22. Aircraft (all perils)			13	13		
23. Fidelity	1,114,090	1,529,175	(55)	420,363	73,301	2,149,546
24. Surety	10,781,739	5,956,647	(12,717)	2,602,597	752,318	13,370,754
26. Burglary and theft	2,784,529	1,936,206	800	1,319,263	57,609	3,344,663
27. Boiler and machinery	6,854,546	1,574,052	25	1,357,931	6,863,187	207,505
28. Credit		123,588		20,145		103,443
29. International			(534)	31	(620)	55
30. Warranty		59,811,124		39,861,280		19,949,844
31. Reinsurance - nonproportional assumed property	XXX		20,327,223	17,167,218	(1,510)	3,161,515
32. Reinsurance - nonproportional assumed liability	XXX		(186,110)	(114,748)	(71,219)	(143)
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	3,581,372,627	13,535,175,423	135,599,801	4,371,894,671	387,646,730	12,492,606,450
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	4,910,739	65,757,394	15,867,234	54,800,899	20,218,349	16,940,841	58,078,407	38.2
2. Allied lines	47,681,865	165,412,952	72,897,638	140,197,179	41,731,346	29,242,948	152,685,577	79.0
3. Farmowners multiple peril	102,266,895	81,683,521	30,003,074	153,947,342	66,219,134	65,937,898	154,228,578	61.7
4. Homeowners multiple peril	141,655,402	1,701,775,170	364,386,165	1,479,044,407	459,874,114	487,194,522	1,451,723,999	65.5
5. Commercial multiple peril	203,264,033	920,900,726	291,755,106	832,409,653	880,305,699	959,487,066	753,228,286	59.5
6. Mortgage guaranty								
8. Ocean marine		52,383,278	32,801,895	19,581,383	17,126,029	17,632,554	19,074,858	84.6
9. Inland marine	23,723,569	163,577,167	131,592,047	55,708,689	27,395,035	13,310,209	69,793,515	50.0
10. Financial guaranty								
11.1 Medical professional liability - occurrence	2,210	630,464	233,736	398,938	1,611,596	1,587,050	423,484	64.7
11.2 Medical professional liability - claims-made		177,192	103,037	74,155	2,488,513	2,601,758	(39,090)	(2.0)
12. Earthquake	2,260	83,048	(9,114)	94,422	457,998	473,569	78,851	0.2
13. Group accident and health	4,680,530	106,513,179	20,373,852	90,819,857	561,682	488,898	90,892,641	68.4
14. Credit accident and health (group and individual)								
15. Other accident and health	145,634	2,133,996	542,652	1,736,978	2,905,765	3,575,331	1,067,412	88.8
16. Workers' compensation	65,168,425	143,730,575	(52,728,471)	261,627,471	567,022,656	649,070,383	179,579,744	72.6
17.1 Other liability - occurrence	81,580,742	369,402,926	105,768,041	345,215,627	1,142,817,510	1,167,917,029	320,116,108	40.9
17.2 Other liability - claims-made	98,203	59,581,146	20,852,639	38,826,710	103,822,320	81,371,952	61,277,078	32.4
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	3,151,079	39,993,286	8,005,307	35,139,058	122,739,575	131,069,744	26,808,889	39.8
18.2 Products liability - claims-made		134,000	21,842	112,158	176,009	222,725	65,442	18.6
19.1, 19.2 Private passenger auto liability	754,868,833	2,096,301,321	565,862,263	2,285,307,891	2,324,332,025	2,435,550,199	2,174,089,717	62.4
19.3, 19.4 Commercial auto liability	159,767,243	564,350,187	257,742,943	466,374,487	748,883,129	740,231,527	475,026,089	67.1
21. Auto physical damage	505,088,346	1,422,288,911	396,472,624	1,530,904,633	32,788,953	41,429,871	1,522,263,715	62.0
22. Aircraft (all perils)		58,571	58,387	184		184		
23. Fidelity	170,578	17,537	62,894	125,221	89,999	(5,924)	221,144	12.3
24. Surety	860,201	2,166,685	2,419,841	607,045	(165,938)	129,209	311,898	2.4
26. Burglary and theft	620,493	1,472,856	546,748	1,546,601	487,743	821,476	1,212,868	33.7
27. Boiler and machinery	2,549,265	384,014	2,787,967	145,312	450,372	924,884	(329,200)	(87.4)
28. Credit		335,768	54,730	281,038	1,596,160	1,665,629	211,569	69.3
29. International		25,635	25,635					
30. Warranty		67,091,358	37,045,761	30,045,597	1,972,809	1,778,625	30,239,781	90.5
31. Reinsurance - nonproportional assumed property	XXX	17,469,062	(9,771,207)	27,240,269		23,767,197	3,473,072	34.3
32. Reinsurance - nonproportional assumed liability	XXX	6,680,875	4,956,941	1,723,934		1,605,520	118,414	(160,018.9)
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	2,102,256,545	8,052,512,800	2,300,732,207	7,854,037,138	6,567,908,582	6,876,022,874	7,545,922,846	60.8
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498.	Summary of remaining write-ins for Line 34 from overflow page							
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)							

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses			Incurred But Not Reported			8	9	
	1	2	3	4	5	6			7
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	3,769,492	17,067,384	5,256,156	15,580,720	364,242	6,182,370	1,908,983	20,218,349	3,462,596
2. Allied lines	12,919,494	37,062,911	20,030,574	29,951,831	6,731,061	23,329,392	18,280,938	41,731,346	7,502,154
3. Farmowners multiple peril	44,230,986	22,775,294	10,922,118	56,084,162	9,229,736	2,878,840	1,973,604	66,219,134	14,574,940
4. Homeowners multiple peril	30,489,111	432,932,272	95,194,513	368,226,870	11,815,040	125,487,552	45,655,348	459,874,114	73,714,027
5. Commercial multiple peril	203,361,103	845,544,691	401,766,023	647,139,771	136,514,794	543,725,057	447,073,923	880,305,699	325,305,724
6. Mortgage guaranty									
8. Ocean marine		26,385,863	15,467,863	10,918,000		15,441,022	9,232,993	17,126,029	4,636,337
9. Inland marine	4,153,505	48,287,351	29,087,552	23,353,304	4,561,997	20,772,570	21,292,836	27,395,035	1,950,099
10. Financial guaranty									
11.1 Medical professional liability - occurrence	(6,685)	2,125,829	918,331	1,200,813	76,959	413,821	79,997	1,611,596	822,264
11.2 Medical professional liability - claims-made		3,977,560	2,383,050	1,594,510		1,136,357	242,354	2,488,513	827,919
12. Earthquake	5,896	121,259	20,912	106,243		493,518	174,844	457,998	187,385
13. Group accident and health		9,871	9,871		928,218	172,272	538,808	(a) 561,682	55,075
14. Credit accident and health (group and individual)									
15. Other accident and health	797,638	2,189,307	546,110	2,440,835	192,794	362,015	89,879	(a) 2,905,765	144,090
16. Workers' compensation	300,656,804	491,201,852	353,941,522	437,917,134	183,990,591	216,460,178	271,345,247	567,022,656	39,383,204
17.1 Other liability - occurrence	79,237,109	594,080,302	194,934,656	478,382,755	130,532,727	873,206,483	339,304,455	1,142,817,510	340,188,540
17.2 Other liability - claims-made	15,843	66,337,443	21,037,382	45,315,904	1,757,398	80,977,423	24,228,405	103,822,320	103,478,033
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	2,435,706	69,980,785	13,946,813	58,469,678	7,732,255	75,229,346	18,691,704	122,739,575	88,798,880
18.2 Products liability - claims-made		205,000	33,415	171,585	14,790	1,312	11,678	176,009	36,671
19.1, 19.2 Private passenger auto liability	914,163,473	1,826,944,428	929,837,214	1,811,270,687	193,791,187	684,826,072	365,555,921	2,324,332,025	286,270,266
19.3, 19.4 Commercial auto liability	207,336,564	690,544,837	369,756,735	528,124,666	103,314,983	405,880,376	288,436,896	748,883,129	101,635,430
21. Auto physical damage	(33,998,418)	60,483,410	12,373,382	14,111,610	13,092,565	10,807,744	5,222,966	32,788,953	22,403,399
22. Aircraft (all perils)		248,982	248,982			398,934	398,934		
23. Fidelity	2,910	130,334	40,740	92,504	(21,845)	19,643	303	89,999	140,729
24. Surety	492,716	1,998,847	2,305,875	185,688	(201,055)	523,534	674,105	(165,938)	1,703,228
26. Burglary and theft	273,459	314,742	100,218	487,983	40,196	(6,911)	33,525	487,743	42,867
27. Boiler and machinery	306,646	(32,643)	412,638	(138,635)	194,282	591,480	196,755	450,372	831,303
28. Credit						1,907,001	310,841	1,596,160	
29. International		248,755	248,755			369,127	369,127		
30. Warranty		846	846			4,396,556	2,423,747	1,972,809	759
31. Reinsurance - nonproportional assumed property	XXX	8,513,138	8,513,138		XXX	7,593,242	7,593,242		
32. Reinsurance - nonproportional assumed liability	XXX	38,821,424	38,821,424		XXX	103,162,378	103,162,378		
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	1,770,643,352	5,288,502,074	2,528,156,808	4,530,988,618	804,685,996	3,206,738,704	1,974,504,736	6,567,908,582	1,418,095,919
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	89,539,004			89,539,004
1.2 Reinsurance assumed	681,982,242			681,982,242
1.3 Reinsurance ceded	262,582,391			262,582,391
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	508,938,855			508,938,855
2. Commission and brokerage:				
2.1 Direct excluding contingent		449,242,470		449,242,470
2.2 Reinsurance assumed, excluding contingent		1,900,635,460		1,900,635,460
2.3 Reinsurance ceded, excluding contingent		724,216,800		724,216,800
2.4 Contingent - direct		74,296,188		74,296,188
2.5 Contingent - reinsurance assumed		228,256,903		228,256,903
2.6 Contingent - reinsurance ceded		66,426,717		66,426,717
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)		1,861,787,504		1,861,787,504
3. Allowances to managers and agents	387,462	19,930,848	633	20,318,943
4. Advertising	1,254,575	246,694,874	(1,903)	247,947,546
5. Boards, bureaus and associations	11,672,584	6,462,267	133,587	18,268,438
6. Surveys and underwriting reports	2,546,919	82,940,785		85,487,704
7. Audit of assureds' records	2,754	3,073,918		3,076,672
8. Salary and related items:				
8.1 Salaries	498,679,196	836,999,925	15,897,095	1,351,576,216
8.2 Payroll taxes	1,063,004	126,316,513	23,341	127,402,858
9. Employee relations and welfare	109,008,205	100,507,188	2,519,910	212,035,303
10. Insurance	304,390	18,192,057	3,523	18,499,970
11. Directors' fees	6,386	3,082,341	(47,055)	3,041,672
12. Travel and travel items	45,329,211	61,508,673	489,864	107,327,748
13. Rent and rent items	31,968,465	126,370,859	1,167,555	159,506,879
14. Equipment	23,167,088	20,419,763	1,554,171	45,141,022
15. Cost or depreciation of EDP equipment and software	1,444,596	85,768,710	158,991	87,372,297
16. Printing and stationery	6,028,817	44,527,468	13,775	50,570,060
17. Postage, telephone and telegraph, exchange and express	17,585,641	48,489,588	299,004	66,374,233
18. Legal and auditing	30,579,119	197,731,962	992,860	229,303,941
19. Totals (Lines 3 to 18)	781,028,412	2,029,017,739	23,205,351	2,833,251,502
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$0		233,546,934		233,546,934
20.2 Insurance department licenses and fees		25,490,184		25,490,184
20.3 Gross guaranty association assessments		(9,765,423)		(9,765,423)
20.4 All other (excluding federal and foreign income and real estate)	(17)	24,816,822		24,816,805
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	(17)	274,088,517		274,088,500
21. Real estate expenses			77,631,527	77,631,527
22. Real estate taxes		1,001,464	16,922,798	17,924,262
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	84,982,452	191,407,139	68,537	276,458,128
25. Total expenses incurred	1,374,949,702	4,357,302,363	117,828,213	(a) 5,850,080,278
26. Less unpaid expenses - current year	1,418,095,919	395,384,738	21,009,669	1,834,490,326
27. Add unpaid expenses - prior year	1,486,267,498	442,796,523	20,744,834	1,949,808,855
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)	1,443,121,281	4,404,714,148	117,563,378	5,965,398,807
DETAILS OF WRITE-INS				
2401. Donations		13,678		13,678
2402. LAD Buyout Expense		2,933,558		2,933,558
2403. Miscellaneous	61,627	2,328,162	24,418	2,414,207
2498. Summary of remaining write-ins for Line 24 from overflow page	84,920,825	186,131,741	44,119	271,096,685
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	84,982,452	191,407,139	68,537	276,458,128

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 30,015,317	28,448,560
1.1 Bonds exempt from U.S. tax	(a) 137,196,622	134,762,101
1.2 Other bonds (unaffiliated)	(a) 248,895,613	245,322,320
1.3 Bonds of affiliates	(a) .....	.....
2.1 Preferred stocks (unaffiliated)	(b) 19,251	19,251
2.11 Preferred stocks of affiliates	(b) .....	.....
2.2 Common stocks (unaffiliated)	3,232,173	3,186,032
2.21 Common stocks of affiliates	358,500,000	358,500,000
3. Mortgage loans	(c) 44,469,628	43,834,752
4. Real estate	(d) 96,462,741	96,462,741
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments	(e) 4,913,293	5,342,323
7. Derivative instruments	(f) 20,093,255	17,567,902
8. Other invested assets	58,554,795	58,554,795
9. Aggregate write-ins for investment income	74,826,141	74,826,141
10. Total gross investment income	1,077,178,829	1,066,826,918
11. Investment expenses .....	.....	(g) 66,386,123
12. Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) 16,922,798
13. Interest expense .....	.....	(h) 141,204,590
14. Depreciation on real estate and other invested assets .....	.....	(i) 33,916,985
15. Aggregate write-ins for deductions from investment income .....	.....	1,602,082
16. Total deductions (Lines 11 through 15) .....	.....	260,032,578
17. Net investment income (Line 10 minus Line 16) .....	.....	806,794,340
DETAILS OF WRITE-INS		
0901. Change in CSV of life insurance assets	74,300,530	74,300,530
0902. Miscellaneous income/expense	(796,315)	(796,315)
0903. Securities Lending	1,321,926	1,321,926
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	74,826,141	74,826,141
1501. Home purchase expense .....	.....	1,303,191
1502. Mortgage loan service fee .....	.....	298,891
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	1,602,082

- (a) Includes \$ 22,296,091 accrual of discount less \$ 34,343,335 amortization of premium and less \$ 6,030,653 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ 5,317,783 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ 97,640,679 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 139,077,500 interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	55,798,146	.....	55,798,146	12,869,036	.....
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated)	12,681,088	(25,849,696)	(13,168,608)	64,656,780	352,169
1.3 Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	(4,090)	.....
2.11 Preferred stocks of affiliates .....	.....	.....	.....	60,000	.....
2.2 Common stocks (unaffiliated)	8,761,831	.....	8,761,831	3,160,395	.....
2.21 Common stocks of affiliates .....	.....	.....	.....	(452,595,389)	.....
3. Mortgage loans	9,836,567	794,798	10,631,365	5,550,167	.....
4. Real estate	(254,328)	.....	(254,328)	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7. Derivative instruments	(89,985,720)	3,042,272	(86,943,448)	(41,462,329)	(83,766)
8. Other invested assets	987,045	(21,784,216)	(20,797,171)	134,427,891	.....
9. Aggregate write-ins for capital gains (losses)	13,515,893	(2,054,706)	11,461,187	4,860,894	6,575
10. Total capital gains (losses)	11,340,522	(45,851,548)	(34,511,026)	(268,476,646)	274,978
DETAILS OF WRITE-INS					
0901. Capital loss on home sales	(5,340,852)	.....	(5,340,852)	.....	.....
0902. FX Realized on Currency .....	.....	(2,180)	(2,180)	.....	.....
0903. FX Unrealized on Currency .....	.....	.....	.....	.....	6,575
0998. Summary of remaining write-ins for Line 9 from overflow page	18,856,745	(2,052,526)	16,804,219	4,860,894	.....
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	13,515,893	(2,054,706)	11,461,187	4,860,894	6,575

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)	44,690,068	51,446,489	6,756,421
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)	6,299,302	7,712,247	1,412,945
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	50,989,370	59,158,736	8,169,366
13. Title plants (for Title insurers only)			
14. Investment income due and accrued	120,026	114,898	(5,128)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	55,721,794	103,955,474	48,233,680
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	12,143,337	9,794,883	(2,348,454)
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	614,583,231	631,337,141	16,753,910
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	221,628,775	14,194,539	(207,434,236)
21. Furniture and equipment, including health care delivery assets	124,163,878	259,760,664	135,596,786
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	6,779,109	3,073,219	(3,705,890)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	279,722,954	383,827,204	104,104,250
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,365,852,474	1,465,216,758	99,364,284
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,365,852,474	1,465,216,758	99,364,284
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Cash surrender value of insurance	1,292,882	1,219,809	(73,073)
2502. Deposits and prepaid assets	140,558,325	173,405,906	32,847,581
2503. Equities & deposits in pools & associations	96,970	88,044	(8,926)
2598. Summary of remaining write-ins for Line 25 from overflow page	137,774,777	209,113,445	71,338,668
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	279,722,954	383,827,204	104,104,250

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Nationwide Mutual Insurance Company (Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

The Ohio Insurance Department recognizes only statutory accounting practices (SAP) prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Company has no statutory accounting practices that differ from NAIC SAP.

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

The preparation of statutory 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 Policies

Federal Income Taxes. The Company files a consolidated federal income tax return, which includes all eligible U.S. subsidiaries and affiliates and eligible Harleysville Companies as of the Merger Date. In this regard, the included subsidiaries and affiliates pay to the Company the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. The Company pays tax due on a consolidated basis.

Of the two other sister mutual insurance companies, Nationwide Mutual Fire Insurance Company files its own consolidated return with its subsidiaries, and Farmland Mutual Insurance Company files on an individual basis. In addition, Colonial County Mutual Insurance Company, an affiliate, files on an individual basis. Any impact of those tax filings under U.S. tax law have been reflected in the provision for income tax expense and related liabilities.

The Company provides for federal income taxes based on amounts the Company believes it will ultimately owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain items and the realization of certain tax credits. In the event the ultimate deductibility of certain items or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the financial statements which could be significant. Management has used best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation.

In accordance with guidance specified in the NAIC SAP, the Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets (DTA), net of any non-admitted portion and statutory valuation allowance, and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. DTAs and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred taxes, excluding the impact of taxes on unrealized capital gains or losses and nonadmitted deferred taxes, is charged directly to surplus.

Reinsurance Recoverables. The Company cedes insurance to other companies in order to limit potential losses and diversify its exposure. Such agreements do not relieve the Company of its primary obligation to the policyholder in the event the reinsurer is unable to meet the obligations it has assumed. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance agreements regularly in an attempt to minimize its exposure to significant losses from reinsurer insolvencies. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on losses are estimated in a manner consistent with the claim liability associated with the underlying policy. Such reinsurance recoverables and reserved deductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and loss expense reserves in the accompanying statutory statements of admitted assets, liabilities and surplus. There were no contracts using deposit accounting as of December 31, 2012 and 2011.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. These conditional reserves were \$21,064,694 and \$20,410,663 as of December 31, 2012 and 2011, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of investments with maturities of twelve months or less at acquisition and are stated at amortized cost, which approximates fair value.
2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Amortization of premiums and discounts is calculated using the effective yield method.
3. Unaffiliated common stocks are stated at fair value.
4. Redeemable preferred stocks are stated at amortized cost except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Perpetual preferred stocks are stated at fair value except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value.
5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses.
6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost or the lower of amortized cost or fair value in accordance with the provisions of Statement of Statutory Accounting Principles No. 43-Revised and the Purposes and Procedures Manual of the NAIC Securities Valuation Office. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For all other loan-backed securities, the Company uses the prospective adjustment method.

NOTES TO FINANCIAL STATEMENTS

7. Investments in subsidiary and affiliated companies are stated as follows:

With the exception of Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., and Harleysville Group, Inc., the admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying audited statutory surplus adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Investments in subsidiaries formerly traded on a major stock exchange are stated at discounted market. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of subsidiaries or affiliated companies is amortized over a period of ten years. Investments in affiliated companies are generally included in stocks. Unamortized goodwill at December 31, 2012 was \$1.6 billion of which \$717.7 million was nonadmitted because total unamortized goodwill exceeded 10% of adjusted policyholders' surplus as of the end of the prior quarter. Unamortized goodwill at December 31, 2011 was \$1.2 billion of which \$447.9 million was nonadmitted because total unamortized goodwill exceeded 10% of adjusted policyholders' surplus as of the end of the prior quarter.

8. Other invested assets consist primarily of investments in partnerships, limited liability companies and joint ventures. Underlying investments primarily include hedge funds, private equity funds and low income housing tax credits. Except for investments in low income housing tax credit partnerships, interests are reported using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received. Partnership interests in low income housing tax credits are carried at amortized cost with amortization charged to investment income over the period in which the tax benefits, primarily credits, are utilized.

9. Accounting for derivatives

The Company uses derivative instruments to manage risks associated with interest rates, equity markets, foreign currency and credit. These derivative instruments primarily include interest rate swaps, futures contracts, credit default swaps, currency contracts and other traditional swap agreements.

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value and the changes in the fair value are recorded in surplus as unrealized gains or unrealized losses. Derivative instrument cash flows and payment accruals are recorded in net investment income.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2012 and 2011, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.

11. The Company establishes losses and loss expense reserves for reported claims and claims incurred but not yet reported (IBNR). Estimating the liability for losses and loss expense reserves involves significant judgment and multiple assumptions. Management considers the Company's experience with similar claims, historical trends, economic factors and judicial, legislative and regulatory changes in establishing reserves. The Company's losses and loss expense reserves are recorded net of reinsurance and amounts expected to be received from salvage (the amount recovered from property after the Company pays for a total loss) and subrogation (the right to recover payments from third parties).

Assumptions and estimates for losses and loss expense reserves are updated as new information becomes available. Due to the inherent uncertainty in estimating losses and loss expense reserves, the actual cost of settling claims may differ materially from recorded amounts. Changes in losses and loss expense reserve estimates are included in results of operations in the period the estimates are revised.

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The Company has not modified its capitalization policy from the prior period.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

Note 2 - Accounting Changes and Corrections of Errors

- A. Accounting Changes and Corrections of Errors

Adopted Accounting Standards

On January 1, 2012, the Company adopted a new standard, SSAP No. 101, Income Taxes, which supersedes SSAP No. 10R, Income Taxes Revised - A Temporary Replacement of SSAP No. 10. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies, establishes a new framework for determining the admissibility of DTAs and adopts new disclosure requirements. The difference between the recalculated amounts as of January 1, 2012, and the amount actually reported in the prior year financial statements is treated as a change in accounting principle in accordance with SSAP No. 3, Accounting Changes and Corrections of Errors. The cumulative effect of this change in accounting principle resulted in a \$23,508,926 increase in unassigned funds as of January 1, 2012. Refer to Note 9 for the required disclosures.

On December 31, 2011, the Company adopted revisions to SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets* (SSAP No. 5R) which require insurance entities to recognize, at inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The revised guidance does not require liability recognition for guarantees made to or on behalf of direct or indirect wholly-owned insurance and non-insurance subsidiaries or for guarantees considered unlimited. The Company also adopted additional revisions related to disclosure requirements of SSAP No. 25, *Accounting for and Disclosures about Transactions with Affiliated and Other Related Parties* to correspond with SSAP No. 5R. The guidance is effective for all guarantees issued or outstanding as of December 31, 2011, and disclosure of all guarantees must be reported annually. Refer to Note 14 for the required disclosures and financial impact of this guidance.

NOTES TO FINANCIAL STATEMENTS

On January 1, 2011, the Company adopted changes to the definition of loan-backed and structured securities within SSAP No. 43R, *Loan-backed and Structured Securities*. These changes required certain securities to be reclassified into the loan-backed and structured securities classification and resulted in an immaterial impact to the Company upon adoption. Refer to Note 5 for required disclosures and financial impact.

Pending Accounting Standards

On January 1, 2013, the Company adopted SSAP No. 92R, Accounting for Postretirement Benefits Other Than Pensions - A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions - A Replacement of SSAP No. 89. The standards require insurers to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability and include non-vested employees in determining the plan obligations. In addition, a sponsor's fiscal year end will be used as the measurement date for estimating the fair value of postretirement benefit assets and liabilities. The guidance contains a transition provision that gives insurers the option to recognize the initial impact to surplus over 10 years. The Company is currently in the process of determining the impact of adoption of these standards and whether the transition option will be elected.

On January 1, 2013, the Company adopted SSAP No. 103, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The standard establishes accounting for transfers and servicing of financial assets, including asset securitizations and securitizations of policy acquisition costs, extinguishments of liabilities, repurchase agreements, repurchase financing and reverse repurchase agreements, including dollar repurchase and dollar reverse repurchase agreements. The guidance provides criteria to determine whether a transferor has surrendered control over transferred financial assets. It also forbids offsetting for repurchase and reverse repurchase transactions in accordance with master netting agreements. The Company is currently in the process of determining the impact of adoption of this standard.

On December 31, 2013, the Company will adopt revisions to SSAP No. 34, Investment Income Due and Accrued and SSAP No. 37, Mortgage Loans. The revisions enhance required disclosures related to mortgage loans to assist financial statement users in assessing an entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. The adoption will result in increased disclosures only and will have no impact on the Company's financial statements.

On December 31, 2013, the Company will adopt revisions to SSAP No. 35R, Guaranty Fund and Other Assessments. The revisions require disclosure of the nature of fees paid to the federal government by health insurers under the Affordable Care Act and an estimate of their financial impact, including the impact on the Company's risk based capital position. The adoption will result in increased disclosures only and will have no impact on the Company's financial statements.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

1. On May 1, 2012, the Company purchased all of the publicly held shares of common stock of Harleysville Group Inc. (HGI), making HGI a wholly-owned subsidiary of the Company. HGI is a non-insurance holding company that directly owns six insurance subsidiaries.

On January 1, 2009, the Company, along with Nationwide Mutual Fire Insurance Company and Nationwide Corporation, an affiliated company, acquired the remaining 33.5% interest in the Nationwide Financial Services, Inc. (NFS). Upon the closing of the transaction on January 1, 2009, NFS became a wholly owned, privately held subsidiary of Nationwide Corporation through a merger of NFS and NWM Merger Sub, Inc., a wholly owned subsidiary of Nationwide Corporation. On that date, all 100 of NWM Merger Sub's issued and outstanding common stock became the issued and outstanding common stock of NFS and all such shares are held by Nationwide Corporation. On the date of acquisition, statutory surplus decreased \$2.9 billion as a result of the change in valuation methodology under prescribed SAP.

On December 31, 2008, Scottsdale Insurance Company purchased 100% of Atlantic from Traveler's. In September, 2008, Traveler's and Atlantic entered into a transfer and assumption agreement. As a result of the Agreement, Atlantic transferred all of its assets, subject to specific exception of the Retained Assets set forth in the Transfer and Assumption Agreement, and all of its liabilities to and assumed by Travelers as of the date of the sale to Scottsdale Insurance Company. The purchase of Atlantic by Scottsdale Insurance Company included the transfer of investments and premium tax recoverables totaling \$8.7 million. On July 28, 2009, the Ohio Department of Insurance signed the order authorizing the redomestication of Atlantic Insurance Company from Texas to Ohio and changing the name to Freedom Specialty Insurance Company (FSIC).

In July 2008, Scottsdale Insurance Company entered into an agreement with Veterinary Pet Insurance Company (VPI) to acquire the remaining 35% interest in their outstanding shares. Based in Brea, California, VPI is the oldest and largest health insurance provider for pets in the United States offering insurance plans which reimburse eligible veterinary expenses relating to accidents, illnesses and injuries for dogs, cats, birds and exotic pets. The VPI asset acquisition solidifies the Company's position in the pet insurance market, which is available in all 50 states and the District of Columbia. Policies are underwritten by VPI in California, and in all other states by National Casualty Company.

On August 1, 2003, the Company purchased 100% of THI Holdings, Inc. (THI) consisting of seven insurance companies. These companies are Victoria Fire & Casualty Company, Victoria Automobile Insurance Company, Victoria National Insurance Company, Victoria Specialty Insurance Company, Victoria Select Insurance Company, Titan Indemnity Company and Titan Insurance Company. Prior to January 1, 2010, Titan Insurance Company had a 100% quota share agreement with Titan Indemnity Company, who also had a 100% quota share agreement with Victoria Fire & Casualty Company. Victoria Fire and Casualty had a 90% quota share agreement with the Company. Effective January 1, 2010, these contracts were amended to a 100% quota share agreement between each entity and the Company. As of January 1, 2010, Victoria Fire & Casualty Company, Victoria Automobile Insurance Company, Victoria National Insurance Company, Victoria Specialty Insurance Company and Victoria Select Insurance Company were members of a pool in which Victoria Fire & Casualty Company was the lead company with 100% retrocession which was contributed to the Nationwide Pool. Effective January 1, 2011 the Victoria pool was terminated and each of the Victoria companies were added to the pool where the Company retains 83.7% of the results.

In 2002, the Company purchased a greater interest in Nationwide Realty Investors, LLC (Nationwide Realty). The Company's ownership in Nationwide Realty increased to 95%. Nationwide Realty is an Ohio limited liability company engaged in the business of developing, owning and operating real estate investments.

2. The six transactions above were accounted for as statutory purchases.

NOTES TO FINANCIAL STATEMENTS

3. The cost of the HGI acquisition was \$836.8 million, resulting in goodwill of \$588.9 million. The Company, along with Nationwide Mutual Fire Insurance Company and Nationwide Corporation, an affiliated company, acquired the remaining interest in NFS outstanding publicly held Class A common stock in exchange for cash consideration of \$2.4 billion through its subsidiary Nationwide Corporation. The acquisition resulted in goodwill of \$1.77 billion. The cost of the Freedom Specialty acquisition was \$16.0 million, resulting in goodwill of \$7.3 million. The cost of the VPI acquisition was \$29.4 million, resulting in goodwill of \$21.5 million. The cost of the THI acquisition was \$140.0 million, resulting in goodwill of \$5.4 million. The initial cost of the Nationwide Realty acquisition was \$158.9 million resulting in goodwill of \$44.4 million. In 2002, additional portions of Nationwide Realty were purchased at a cost of \$36.5 million generating goodwill of \$17.3 million.
4. Goodwill amortization for the year ended December 31, 2012 related to the purchases of HGI, NFS, FSIC, VPI, THI and Nationwide Realty was \$39.3 million, \$177.5 million, \$725 thousand, \$2.1 million, \$545 thousand and \$864 thousand, respectively.

B. Statutory Merger

1. On May 1, 2012, Harleysville Mutual Insurance Company (Harleysville) merged with and into the Company, with the Company as the surviving entity. The 2011 balances and results of operations reflected in this statement have been restated to reflect the statutory merger. The Company did not change the 2011 admissibility of assets due to the increased surplus value of the merged entities or recompute the admissibility of deferred tax assets due to the combined results of the merged entities. Harleysville, based in Harleysville, Pennsylvania, increases the Company's commercial lines book of business and expands the national, independent agency distribution network.
2. The transaction above was accounted for as a statutory merger.
3. There were no shares of stock issued in the merger transaction.
4. Pre-merger separate company revenue, net income (loss), and other surplus adjustments for the four months ended April 30, 2012 are (in millions):

	Revenue	Net Income	Other Surplus Adjustments
The Company	\$4,018.9	\$510.6	(\$57.5)
Harleysville	\$94.3	(\$36.5)	\$59.8

Of the restated prior year amounts for the year ended December 31, 2011, separate company revenue, net income (loss), and other surplus adjustments are (in millions):

	Revenue	Net Income	Other Surplus Adjustments
The Company	\$11,910.3	(\$910.1)	\$758.9
Harleysville	\$307.6	\$15.6	(\$60.2)

5. No adjustments were recorded directly to surplus for any entity that previously did not prepare statutory statements.

C. Impairment Loss

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

1. The maximum and minimum lending rates for commercial mortgage loans originated during 2012 were 14.0% and 3.375%, respectively.
2. During 2012 the Company reduced interest rates of outstanding mortgage loans as follows:

5%	\$2,547,838, 1
4%	\$7,027,063, 1
2%	\$5,833,482, 2
3. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 89.8%.

	12/31/2012	12/31/2011
4 As of year end, the company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ -	\$ 9,209,615
a. Total interest due on mortgages with interest more than 180 days past due	\$ -	\$ 86,297
5 Taxes, assessments, and any amounts advanced and not included in the mortgage loan total	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

6	Current period impaired loans with a related allowance for credit losses	\$ 14,732,528	\$ 25,823,126
	a. Related allowance for credit losses	\$ 3,498,554	\$ 5,287,507
7	Impaired mortgage loans without an allowance for credit losses	\$ -	\$ -
8	Average recorded investment in impaired loans	\$ 15,884,796	\$ 31,659,179
9	Interest income recognized during the period the loans were impaired	\$ 2,810,996	\$ 5,987,448
10	Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ 2,360,233	\$ 3,013,571
11	Allowance for credit losses:		
	a. Balance at beginning of period	16,297,186	23,700,014
	b. Additions charged to operations	850,974	3,149,494
	c. Direct write-downs charged against the allowances	(5,550,168)	(10,095,406)
	d. Recoveries of amounts previously charged off	(2,639,927)	(456,916)
	e. Balance at end of period	<u>\$ 8,958,065</u>	<u>\$ 16,297,186</u>

12. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.

B. Troubled Debt Restructuring for Creditors

	12/31/2012	12/31/2011
1. The total recorded investment in restructured loans, as of year end	\$ 15,146,879	\$ 38,650,865
2. The realized capital losses related to these loans	\$ 4,599,464	\$ 10,464,417
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$ -	\$ -
4. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.		

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
2. The following table summarizes by quarter other-than-temporary impairments for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	(1) Amortized Cost Basis Before Other-than- Temporary	(2) Other-than- Temporary Impairment Recognized in	(3) Fair Value 1 - 2
OTTI recognized 1 st Quarter			
a. Intent to Sell	\$ 6,545,967	\$ 3,291,878	\$ 3,254,090
Inability or lack of intent to retain the investment in the security for a period of time sufficient to			
recover the amortized cost basis	\$ -	\$ -	\$ -
c. Total 1 st Quarter	\$ 6,545,967	\$ 3,291,878	\$ 3,254,090
OTTI recognized 2 nd Quarter			
d. Intent to Sell	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to			
recover the amortized cost basis	\$ -	\$ -	\$ -
f. Total 2 nd Quarter	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

(1) Amortized Cost Basis Before Other-than- Temporary	(2) Other-than- Temporary Impairment Recognized in	(3) Fair Value 1 - 2
---	--	----------------------------

OTTI recognized 3rd Quarter

g. Intent to Sell	\$	-	\$	-	\$	-
Inability or lack of intent to retain the investment in the security for a period of time sufficient to						
h. recover the amortized cost basis	\$	-	\$	-	\$	-
i. Total 3 rd Quarter	\$	-	\$	-	\$	-

OTTI recognized 4th Quarter

j. Intent to Sell	\$	-	\$	-	\$	-
Inability or lack of intent to retain the investment in the security for a period of time sufficient to						
k. recover the amortized cost basis	\$	-	\$	-	\$	-
l. Total 4 th Quarter	\$	-	\$	-	\$	-

m. Annual Aggregate Total \$ 3,291,878

3. The following table summarizes other-than-temporary impairments for loan-backed securities held at the end of the year based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

(1) CUSIP	(2) Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other-Than-Temporary Impairment	(5) Amortized Cost After Other-Than-Temporary Impairment	(6) Fair Value at time of OTTI	(7) Date of Financial Statement Where Reported
01448YAE3	\$ 759,387	\$ 564,059	\$ 195,328	\$ 564,059	\$ 53,166	Q4'12
02150WAB9	\$ 20,338,464	\$ 19,053,035	\$ 1,285,428	\$ 19,053,035	\$ 14,293,098	Q4'12
35729QAS7	\$ 7,082,940	\$ 3,053,381	\$ 4,029,559	\$ 3,053,381	\$ 770,247	Q4'12
43709JAB8	\$ 1,332,000	\$ 445,723	\$ 886,277	\$ 445,723	\$ 232,434	Q4'12
61749TAA2	\$ 7,325,234	\$ 5,550,756	\$ 1,774,478	\$ 5,550,756	\$ 3,218,418	Q4'12
32052EAA7	\$ 4,881,460	\$ 4,633,413	\$ 248,048	\$ 4,633,413	\$ 3,912,942	Q3'12
93363PAA8	\$ 2,298,041	\$ 2,235,576	\$ 62,465	\$ 2,235,576	\$ 1,932,640	Q3'12
12638PAB5	\$ 5,172,570	\$ 4,507,216	\$ 665,355	\$ 4,507,216	\$ 3,419,176	Q2'12
39539MAA7	\$ 6,162,416	\$ 6,086,522	\$ 75,894	\$ 6,086,522	\$ 3,981,538	Q2'12
761143AD8	\$ 4,248,695	\$ 4,010,019	\$ 238,676	\$ 4,010,019	\$ 3,116,273	Q2'12
93363PAA8	\$ 2,539,600	\$ 2,420,549	\$ 119,052	\$ 2,420,549	\$ 1,820,996	Q2'12
12566UAN4	\$ 4,170,984	\$ 3,745,625	\$ 425,359	\$ 3,745,625	\$ 3,207,254	Q1 '12
12668AYS8	\$ 1,755,313	\$ 1,475,233	\$ 280,080	\$ 1,475,233	\$ 1,240,594	Q1 '12
02150FAA8	\$ 2,147,522	\$ 1,956,089	\$ 191,433	\$ 1,956,089	\$ 1,561,427	Q4'11
74041EAC9	\$ 58,263	\$ 0	\$ 58,263	\$ 0	\$ 0	Q4'11
75903AAD9	\$ 10,032	\$ 0	\$ 10,032	\$ 0	\$ (0)	Q4'11
761143AD8	\$ 4,707,759	\$ 4,451,646	\$ 256,114	\$ 4,451,646	\$ 3,479,950	Q4'11
872227AA1	\$ 6,989,970	\$ 6,654,706	\$ 335,265	\$ 6,654,706	\$ 4,643,261	Q4'11
01448YAE3	\$ 904,102	\$ 629,531	\$ 274,571	\$ 629,531	\$ 285,273	Q3 '11
126694WE4	\$ 7,668,432	\$ 7,173,412	\$ 495,020	\$ 7,173,412	\$ 4,600,079	Q3 '11
32052EAA7	\$ 5,553,827	\$ 5,249,995	\$ 303,831	\$ 5,249,995	\$ 3,803,478	Q3 '11
39539MAA7	\$ 7,060,981	\$ 6,804,884	\$ 256,097	\$ 6,804,884	\$ 4,634,557	Q3 '11
61748HLC3	\$ 11,735,039	\$ 11,321,889	\$ 413,150	\$ 11,321,889	\$ 8,598,886	Q3 '11
75115LAA5	\$ 6,887,687	\$ 6,077,014	\$ 810,673	\$ 6,077,014	\$ 4,269,666	Q3 '11
761143AD8	\$ 4,803,668	\$ 4,738,341	\$ 65,328	\$ 4,738,341	\$ 3,541,803	Q3 '11
872227AA1	\$ 7,729,724	\$ 7,592,911	\$ 136,813	\$ 7,592,911	\$ 5,346,141	Q3 '11
12638PAB5	\$ 5,628,841	\$ 5,476,250	\$ 152,591	\$ 5,476,250	\$ 3,488,058	Q2 '11
126670FB9	\$ 4,124,307	\$ 4,067,928	\$ 56,379	\$ 4,067,928	\$ 3,091,215	Q2 '11
126694WE4	\$ 7,938,159	\$ 7,765,532	\$ 172,627	\$ 7,765,532	\$ 5,369,231	Q2 '11
74041EAC9	\$ 108,213	\$ 24,717	\$ 83,496	\$ 24,717	\$ (0)	Q2 '11
761143AD8	\$ 5,063,187	\$ 4,937,388	\$ 125,799	\$ 4,937,388	\$ 3,783,991	Q2 '11
86363GAJ3	\$ 16,257,217	\$ 15,766,730	\$ 490,487	\$ 15,766,730	\$ 12,338,295	Q2 '11
12638PAB5	\$ 5,819,844	\$ 5,714,622	\$ 105,222	\$ 5,714,622	\$ 4,309,430	Q1 '11
126694WE4	\$ 8,461,849	\$ 8,078,925	\$ 382,924	\$ 8,078,925	\$ 6,021,810	Q1 '11
61748HLC3	\$ 12,757,587	\$ 12,222,473	\$ 535,115	\$ 12,222,473	\$ 10,222,865	Q1 '11
761143AD8	\$ 6,091,061	\$ 5,214,659	\$ 876,401	\$ 5,214,659	\$ 4,079,286	Q1 '11
872227AA1	\$ 8,660,830	\$ 8,073,405	\$ 587,426	\$ 8,073,405	\$ 5,655,022	Q1 '11
93362FAB9	\$ 9,111,617	\$ 8,920,818	\$ 190,799	\$ 8,920,818	\$ 6,747,340	Q1 '11
12638PAB5	\$ 6,100,735	\$ 5,915,194	\$ 185,542	\$ 5,915,194	\$ 4,193,254	Q4 '10
126694WE4	\$ 8,854,248	\$ 8,618,408	\$ 235,841	\$ 8,618,408	\$ 6,013,208	Q4 '10
32052WAC3	\$ 4,884,150	\$ 4,736,780	\$ 147,370	\$ 4,736,780	\$ 4,034,903	Q4 '10
61748HLC3	\$ 13,180,479	\$ 13,021,231	\$ 159,248	\$ 13,021,231	\$ 9,278,388	Q4 '10
74041EAC9	\$ 4,136,810	\$ 74,844	\$ 4,061,965	\$ 74,844	\$ 13,123	Q4 '10
741382AC9	\$ 1,811,237	\$ 1,701,021	\$ 110,216	\$ 1,701,021	\$ 779,000	Q4 '10
93362FAB9	\$ 9,301,315	\$ 9,111,617	\$ 189,698	\$ 9,111,617	\$ 6,545,430	Q4 '10

NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
32052WAC3	\$ 5,174,185	\$ 5,111,048	\$ 63,137	\$ 5,111,048	\$ 4,086,865	Q3 '10
45254NMY0	\$ 5,019,032	\$ 4,887,726	\$ 131,306	\$ 4,887,726	\$ 3,741,829	Q3 '10
74041EAC9	\$ 5,034,032	\$ 4,120,377	\$ 913,655	\$ 4,120,377	\$ 171,548	Q3 '10
75115LAA5	\$ 7,791,416	\$ 7,761,035	\$ 30,381	\$ 7,761,035	\$ 4,426,983	Q3 '10
785778HD6	\$ 2,324,719	\$ 2,252,216	\$ 72,503	\$ 2,252,216	\$ 1,062,539	Q3 '10
872227AA1	\$ 9,757,041	\$ 8,985,229	\$ 771,812	\$ 8,985,229	\$ 4,641,946	Q3 '10
01448YAE3	\$ 1,681,435	\$ 784,802	\$ 896,633	\$ 784,802	\$ 126,687	Q2 '10
126694WE4	\$ 9,268,692	\$ 9,161,019	\$ 107,674	\$ 9,161,019	\$ 6,316,163	Q2 '10
74040XAC8	\$ 13,833,758	\$ 13,668,904	\$ 164,854	\$ 13,668,904	\$ 6,042,624	Q2 '10
01448YAE3	\$ 3,291,254	\$ 1,658,520	\$ 1,632,734	\$ 1,658,520	\$ 126,114	Q1 '10
07388QA2	\$ 13,571,794	\$ 12,204,524	\$ 1,367,270	\$ 12,204,524	\$ 8,038,029	Q1 '10
12638PAB5	\$ 6,752,590	\$ 6,603,412	\$ 149,178	\$ 6,603,412	\$ 4,938,885	Q1 '10
126694WE4	\$ 10,086,750	\$ 9,446,445	\$ 640,305	\$ 9,446,445	\$ 6,476,553	Q1 '10
61748HLC3	\$ 14,528,472	\$ 14,232,317	\$ 296,155	\$ 14,232,317	\$ 10,293,889	Q1 '10
74040XAC8	\$ 15,586,463	\$ 13,773,095	\$ 1,813,368	\$ 13,773,095	\$ 6,151,250	Q1 '10
87246AAG3	\$ 3,686,871	\$ 3,540,949	\$ 145,922	\$ 3,540,949	\$ 1,831,970	Q1 '10
01448YAE3	\$ 3,664,500	\$ 3,246,680	\$ 417,820	\$ 3,246,680	\$ 125,000	Q4 '09
12638PAB5	\$ 7,303,464	\$ 7,155,889	\$ 147,575	\$ 7,155,889	\$ 5,225,329	Q4 '09
741382AC9	\$ 3,240,865	\$ 1,815,111	\$ 1,425,754	\$ 1,815,111	\$ 1,338,500	Q4 '09
74040XAC8	\$ 16,774,503	\$ 15,586,463	\$ 1,188,040	\$ 15,586,463	\$ 5,505,500	Q4 '09
61748HLC3	\$ 15,296,407	\$ 15,170,238	\$ 126,169	\$ 15,170,238	\$ 10,829,054	Q4 '09
86363GAJ3	\$ 22,721,568	\$ 21,154,554	\$ 1,567,014	\$ 21,154,554	\$ 14,154,095	Q4 '09
93362FAB9	\$ 10,025,252	\$ 9,301,315	\$ 723,937	\$ 9,301,315	\$ 7,221,130	Q4 '09
01448YAE3	\$ 3,163,245	\$ 3,664,500	\$ (501,225)	\$ 3,664,500	\$ 836,966	Q3 '09
02149DAJ8	\$ 8,245,442	\$ 7,868,934	\$ 376,508	\$ 7,868,934	\$ 5,766,450	Q3 '09
05948KX79	\$ 16,846,906	\$ 16,600,455	\$ 246,451	\$ 16,600,455	\$ 13,349,284	Q3 '09
741382AC9	\$ 3,221,105	\$ 3,471,909	\$ (250,804)	\$ 3,471,909	\$ 1,818,202	Q3 '09
059512AE3	\$ 39,371,004	\$ 39,253,676	\$ 117,328	\$ 39,253,676	\$ 32,765,040	Q3 '09
07386HMD0	\$ 9,733,305	\$ 9,340,745	\$ 392,560	\$ 9,340,745	\$ 5,478,441	Q3 '09
12638PAB5	\$ 7,978,024	\$ 7,777,766	\$ 200,258	\$ 7,777,766	\$ 5,287,683	Q3 '09
126686AC8	\$ 1,698,091	\$ 2,268,179	\$ (570,088)	\$ 2,268,179	\$ 2,178,721	Q3 '09
126694WE4	\$ 11,119,323	\$ 10,653,516	\$ 465,807	\$ 10,653,516	\$ 5,755,148	Q3 '09
59549RAC8	\$ 6,567,971	\$ 5,523,451	\$ 1,044,520	\$ 5,523,451	\$ 5,337,046	Q3 '09
65536HCQ9	\$ 7,000,874	\$ 6,821,728	\$ 179,145	\$ 6,821,728	\$ 5,355,231	Q3 '09
74040XAC8	\$ 17,336,254	\$ 16,774,503	\$ 561,752	\$ 16,774,503	\$ 5,206,080	Q3 '09
74041CAB5	\$ 7,305,942	\$ 6,694,493	\$ 611,450	\$ 6,694,493	\$ 1,865,002	Q3 '09
74042EAB0	\$ 10,671,731	\$ 9,710,602	\$ 961,129	\$ 9,710,602	\$ 2,612,119	Q3 '09
74042WAB0	\$ 8,600,880	\$ 7,912,026	\$ 688,854	\$ 7,912,026	\$ 3,901,108	Q3 '09
75115LAA5	\$ 8,913,175	\$ 8,863,685	\$ 49,490	\$ 8,863,685	\$ 4,258,491	Q3 '09
87246AAH1	\$ 3,885,140	\$ 3,755,404	\$ 129,736	\$ 3,755,404	\$ 1,024,968	Q3 '09
89234NAB6	\$ 1,216,000	\$ 3,068,465	\$ (1,852,465)	\$ 3,068,465	\$ 1,200,778	Q3 '09
93363PAA8	\$ 7,510,292	\$ 7,454,148	\$ 56,144	\$ 7,454,148	\$ 5,972,936	Q3 '09
Total			\$ 40,441,478			

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
- The aggregate amount of unrealized losses:
 - Less than 12 Months \$ (359,674)
 - 12 Months or Longer \$ (68,390,599)
 - The aggregate related fair value of securities with unrealized losses:
 - Less than 12 Months \$ 22,726,009
 - 12 Months or Longer \$ 258,314,632
5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements and Securities Lending Transactions

1. For repurchase agreements, Company policy requires a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments, and the offsetting collateral liability is included in aggregate write-ins for liabilities. There were no open repurchase agreements as of year-end.

The Company's securities lending agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral.

2. No assets were pledged as collateral as of year-end.

3. Collateral Received

- a. Aggregate Amount Cash Collateral Received

Fair Value

1. Repurchase Agreement

(a) Open	\$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	\$
(g) Securities Received	
(h) Total Collateral Received	\$

2. Securities Lending

(a) Open	\$ 26,078,123
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	\$ 26,078,123
(g) Securities Received	
(h) Total Collateral Received	\$ 26,078,123

3. Dollar Repurchase Agreement

(a) Open	\$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	\$
(g) Securities Received	
(h) Total Collateral Received	\$

- b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral) \$19,134,029.

- c. The reporting entity receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The reporting entity invests the cash collateral (primarily in short-term investments) to earn additional yield.

4. The Company did not have any securities lending activities with an Affiliated agent.

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	<u>Amortized Cost</u>	<u>Fair Value</u>
1. Repurchase Agreement		
(a) Open	\$ _____	\$ _____
(b) 30 Days or Less	_____	_____
(c) 31 to 60 Days	_____	_____
(d) 61 to 90 Days	_____	_____
(e) 91 to 120 Days	_____	_____
(f) 121 to 180 Days	_____	_____
(g) 181 to 365 Days	_____	_____
(h) 1 to 2 years	_____	_____
(i) 2 to 3 years	_____	_____
(j) Greater Than 3 years	_____	_____
(k) Subtotal	\$ _____	\$ _____
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	<u>\$ _____</u>	<u>\$ _____</u>
2. Securities Lending		
(a) Open	\$ _____	\$ _____
(b) 30 Days or Less	4,219,001	4,219,001
(c) 31 to 60 Days	_____	_____
(d) 61 to 90 Days	_____	_____
(e) 91 to 120 Days	5,294,039	5,050,840
(f) 121 to 180 Days	4,907,093	4,780,456
(g) 181 to 365 Days	_____	_____
(h) 1 to 2 years	_____	_____
(i) 2 to 3 years	_____	_____
(j) Greater Than 3 years	7,788,702	5,083,732
(k) Subtotal	\$ 22,208,835	\$ 19,134,029
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	<u>\$ 22,208,835</u>	<u>\$ 19,134,029</u>
3. Dollar Repurchased Agreement		
(a) Open	\$ _____	\$ _____
(b) 30 Days or Less	_____	_____
(c) 31 to 60 Days	_____	_____
(d) 61 to 90 Days	_____	_____
(e) 91 to 120 Days	_____	_____
(f) 121 to 180 Days	_____	_____
(g) 181 to 365 Days	_____	_____
(h) 1 to 2 years	_____	_____
(i) 2 to 3 years	_____	_____
(j) Greater Than 3 years	_____	_____
(k) Subtotal	\$ _____	\$ _____
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	<u>\$ _____</u>	<u>\$ _____</u>

b. Since the borrower or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

F. Real Estate

Not applicable.

NOTES TO FINANCIAL STATEMENTS

G. Low-Income Housing Tax Credits

1. The number of remaining years of unexpired tax credits and required holding period for the Company's LIHTC investments:

Low -Income Housing Tax Credits	Remaining years	Holding Period
Hudson Housing Tax Credit Fund LII LLC	15	2027
Nationwide Affordable Housing Fund 33	5	2017
Nationwide Affordable Housing Fund 35	6	2018
Nationwide Affordable Housing Fund 36	7	2019
Nationwide Affordable Housing Fund 38	7	2019
Nationwide Affordable Housing Fund 46	15	2027
Nationwide Affordable Housing Fund XXIII	4	2016
Nationwide Ohio ARRA Fund	13	2025
Nationwide Tax Credit Partners 2009-G	10	2022
Ohio Equity Fund II LLC	15	2027
Ohio Equity Fund XVIII	7	2019
WNC Institutional Tax Credit Fund 36	15	2027
WNC Institutional Tax Credit Fund XXIV	6	2018
WNC Institutional Tax Credit Fund XXVII	9	2021
Golden Belt	2	2014
NTCIF-2011 LLC	5	2017
WNC Institutional Tax Credit Fund NW 2012 Federal, LLC	15	2027
Mayberry Solar, LLC	5	2017

2. The Company's investments in LIHTC are made up of several property investments which are subject to periodic reviews by HUD (if applicable) and state housing agencies. The Company receives updates from property managers as to the status of any regulatory review and investigates further as needed.
3. Aggregate LIHTC investments do not exceed 10 percent of the total admitted assets.
4. Analysis is done for LIHTC investments to determine if an impairment exists by comparing the book value of the investment with the present value of future tax benefits. The investment is written down if the book value is higher than the present value and the write-down is accounted for as a realized loss. There were no impairments recognized during 2012.
5. There were no write-downs or reclassifications made during the year due to the forfeiture or ineligibility of LIHTC investments.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable.

B. Write-downs for Impairments

During 2012, underlying private equity investments held in 1492 Capital LLC recognized impairments totaling \$15.2 million. These write downs were all credit related where internal modeling was used to determine fair value. Also, an underlying real estate investment held in NW REI, LLC was impaired \$302 thousand due to estimated net sale proceeds causing a shortfall compared to current net book value. Finally, real estate partnership CWN-1, LLC (Phoenix Corporate Towers) had an impairment loss of \$6.3 million. This was written down due to uncertainty surrounding the potential sale of the senior loan by JPMorgan Chase. These write down fair values were determined by internal modeling and analysis of the real estate underlying values.

During 2011, second quarter, 11 tax credit partnerships were impaired by a total of \$29.9 million due to an intent to sell. Fair value was determined by the purchaser's bidding price. These partnerships were sold in third quarter. Also during the second quarter, an underlying real estate property held in the NW REI affiliate was impaired by \$2.4 million. The property was impaired after a third party conducted an evaluation to determine market value.

Note 7 - Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2012 was \$120,026.

Note 8 - Derivative Instruments

- A. The Company is exposed to certain risks relating to its ongoing business operations which are managed using derivative instruments. The primary risks managed by using derivative instruments are foreign currency, interest rate, equity and credit risks. The Company uses cross currency swaps, interest rate swaps, interest rate futures, equity swaps and credit default swaps to hedge these risks. The Company also uses credit default swap contracts to synthetically replicate investment risks and returns.

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. Potential losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, and collateral agreements.

NOTES TO FINANCIAL STATEMENTS

The cash requirements of a derivative will vary by contract. In a cross currency swap, notional amounts are typically exchanged in the respective contracted currencies at both settlement date and at expiration. Interest payments are also exchanged in the contracted currencies, timing and amounts. Interest rate swap payments are based on the notional of the contract; the fixed and floating leg payments are netted and exchanged periodically with the appropriate counterparty. For exchange-traded futures, the broker for the various types of contracts that the Company may employ establishes margin requirements. The margin account is settled daily for movements in market values of open contracts and settlement of closed contracts. The Company uses cash to settle variation margin requirements and either cash or highly liquid securities to settle initial margin requirements. In a credit default swap, where protection is either bought or sold on a single-name entity, periodic payments are paid or received, respectively, by the Company in exchange for promised credit protection on a referenced security. If there is a credit event declared by the International Swap Dealers Association on the referenced security, settlement of the credit default swap would be triggered and cash would be received or paid, respectively, between the Company and the counterparty in the amount of the contract notional less a recovery rate. Equity swaps exchange cash on both a total return leg, referencing a total return index, and a financing leg. Periodic cash flows at specified intervals are netted and paid to or from the appropriate counterparty.

- B. **Equity Market Risk Management.** The Company uses total return swaps to hedge equity market volatility risks that impact the managed portfolio. Equity swaps exchange cash on both a total return leg, referencing a total return index, and a financing leg. Periodic cash flows at specified intervals are netted and paid to or from the appropriate counterparty.

Interest Rate Risk Management. The Company uses interest rate swaps and interest rate futures to reduce and/or alter interest rate exposure arising from mismatches between assets and liabilities. Under the interest rate swap, the Company enters into a contractual agreement with various parties to exchange, at specified intervals, the difference between fixed rate and variable rate interest amounts, calculated on the notional amount of the interest rate swap. Interest rate futures are based off an underlying security that changes in value as interest rates change. As the value of the underlying referenced security changes, the promise to deliver or cash settle in the future at a fixed price through the futures contract also changes to offset interest rate risks the Company faces.

Foreign currency risk management. As part of its regular investing activities, the Company may purchase foreign currency denominated investments. These investments and the associated income expose the Company to volatility associated with movements in foreign exchange rates. In an effort to mitigate this risk, the Company uses cross-currency swaps. As foreign exchange rates change, the increase or decrease in the cash flows of the derivative instrument generally offset the changes in the functional-currency equivalent cash flows of the hedged item.

Credit Risk Management. The Company enters into credit derivative contracts which allow the Company to buy credit protection on a specific creditor or credit index. Credit default swap protection is used on selected debt instruments exposed to short-term credit concerns, or because the combination of the corporate bond and purchased default protection provides sufficient spread and duration targeted by the Company.

Asset replication strategy. The Company enters into credit default swaps to synthetically create investments as a less expensive alternative to the cash markets. The structure includes a highly rated cash instrument together with selling protection on a single-name entity. The strategy gains the Company exposure to a risk-free rate of return plus the credit spread return from the credit protection, synthesizing an otherwise permissible investment in a fixed income corporate bond.

- C. Periodic cash flows and accruals of income/expense are reported in a manner consistent with the hedged item, generally as other investment income. Realized gains and losses on commitment and anticipatory hedges are used to adjust the basis of the hedged item and are therefore amortized into investment income over the remaining life of the hedged item.

Fair value of derivative instruments is determined using various valuation techniques relying predominately on observable market inputs. These inputs include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels. In some cases, the Company will utilize non-binding broker quotes to determine fair value.

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with changes in fair value recorded in surplus as unrealized gains or losses.

- D. No gain or loss recognized in derivative instruments' unrealized gains or losses during the year were excluded from the assessment of hedge effectiveness.
- E. There is also no net gain or loss recognized during the year resulting from derivatives that no longer qualify for hedge accounting.
- F. 1. In addition, no amounts of gains or losses were classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transaction would occur as anticipated.
2. The Company is not currently engaged in written covered options used for income generation or derivatives accounted for as cash flow hedges of a forecasted transaction, other than the payment of variable interest on existing financial instruments.

Note 9 - Income Taxes

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

	12/31/2012		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 2,045,154,436	\$ 84,062,847	\$ 2,129,217,283
(1b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(1c) Adjusted gross deferred tax assets	\$ 2,045,154,436	\$ 84,062,847	\$ 2,129,217,283
(1d) Deferred tax assets nonadmitted	\$ 605,347,126	\$ 9,236,106	614,583,232
(1e) Subtotal net admitted deferred tax asset	\$ 1,439,807,310	\$ 74,826,741	\$ 1,514,634,051
(1f) Deferred tax liabilities	\$ 46,423,594	\$ 33,339,579	\$ 79,763,173
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 1,393,383,716	\$ 41,487,162	\$ 1,434,870,878

NOTES TO FINANCIAL STATEMENTS

	12/31/2011		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 1,935,851,451	\$ 162,241,282	\$ 2,098,092,733
(1b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(1c) Adjusted gross deferred tax assets	\$ 1,935,851,451	\$ 162,241,282	\$ 2,098,092,733
(1d) Deferred tax assets nonadmitted	\$ 637,118,481	\$ 17,727,590	654,846,071
(1e) Subtotal net admitted deferred tax asset	\$ 1,298,732,970	\$ 144,513,692	\$ 1,443,246,662
(1f) Deferred tax liabilities	\$ 50,363,435	\$ 98,081,856	\$ 148,445,291
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 1,248,369,535	\$ 46,431,836	\$ 1,294,801,371

	Change		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 109,302,985	\$ (78,178,435)	\$ 31,124,550
(1b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(1c) Adjusted gross deferred tax assets	\$ 109,302,985	\$ (78,178,435)	\$ 31,124,550
(1d) Deferred tax assets nonadmitted	(31,771,355)	(8,491,484)	(40,262,839)
(1e) Subtotal net admitted deferred tax asset	\$ 141,074,340	\$ (69,686,951)	\$ 71,387,389
(1f) Deferred tax liabilities	\$ (3,939,841)	\$ (64,742,277)	\$ (68,682,118)
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 145,014,181	\$ (4,944,674)	\$ 140,069,507

Admission Calculation Components SSAP No. 101

	12/31/2012		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 1,393,383,715	\$ 41,487,162	\$ 1,434,870,877
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 1,393,383,715	\$ 41,487,162	\$ 1,434,870,877
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	\$ 1,466,462,500
(2c) 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	\$ 46,423,595	\$ 33,339,579	\$ 79,763,174
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101	\$ 1,439,807,310	\$ 74,826,741	\$ 1,514,634,051
Total ((2a) + (2b) + (2c))			

	12/31/2011		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 1,219,601,596	\$ 104,684,605	\$ 1,324,286,201
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 1,243,464,818	\$ 104,684,605	\$ 1,348,149,423
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	\$ 1,324,286,201
(2c) 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	\$ 47,731,887	\$ 39,597,325	\$ 87,329,212
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101	\$ 1,267,333,483	\$ 144,281,930	\$ 1,411,615,413
Total ((2a) + (2b) + (2c))			

	Change		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 173,782,119	\$ (63,197,443)	\$ 110,584,676
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 149,918,897	\$ (63,197,443)	\$ 86,721,454
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	\$ 142,176,299
(2c) 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	\$ (1,308,292)	\$ (6,257,746)	\$ (7,566,038)
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101	\$ 172,473,827	\$ (69,455,189)	\$ 103,018,638
Total ((2a) + (2b) + (2c))			

NOTES TO FINANCIAL STATEMENTS

	12/31/2012	12/31/2011
(3a) Ratio percentage used to determine recovery period and threshold limitation amount	439.458%	551.800%
(3b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	\$ 9,776,416,665	\$ 8,828,574,661

Impact of Tax Planning Strategies

	12/31/2012		
	Ordinary	Capital	Total
(4a) Adjusted Gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(4b) Net admitted adjusted gross DTAs (% of the total net admitted adjusted gross DTAs)	0.00%	2.89%	2.89%

	12/31/2011		
	Ordinary	Capital	Total
(4a) Adjusted Gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(4b) Net admitted adjusted gross DTAs (% of the total net admitted adjusted gross DTAs)	0.00%	6.10%	6.10%

	Change		
	Ordinary	Capital	Total
(4a) Adjusted Gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(4b) Net admitted adjusted gross DTAs (% of the total net admitted adjusted gross DTAs)	0.00%	-3.21%	-3.21%

(4c) Does this Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

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

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

1. Current Income Tax

	12/31/2012	12/31/2011	Change
(a) Federal	\$ (42,851,795)	\$ (113,343,799)	\$ 70,492,004
(b) Foreign	\$ (14,410)	\$ (617)	\$ (13,793)
(c) Subtotal	\$ (42,866,205)	\$ (113,344,416)	\$ 70,478,211
(d) Federal income tax on net capital gains	\$ 8,020,032	\$ 8,608,924	\$ (588,892)
(e) Utilization of capital loss carry-forwards	\$ (21,669,808)	\$ -	\$ (21,669,808)
(f) Other	\$ (81,113)	\$ (942,553)	\$ 861,440
(g) Federal and foreign income taxes incurred	\$ (56,597,094)	\$ (105,678,045)	\$ 49,080,951

2. Deferred Tax Assets

	12/31/2012	12/31/2011	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 204,438,276	\$ 221,056,040	\$ (16,617,764)
(2) Unearned premium reserve	\$ 346,506,208	\$ 340,162,992	\$ 6,343,216
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ 32,107,394	\$ 93,254,202	\$ (61,146,808)
(5) Deferred acquisition costs	\$ 350	\$ 14,776	\$ (14,426)
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed Assets	\$ 50,030,660	\$ 8,098,706	\$ 41,931,954
(8) Compensation benefits accrual	\$ 676,504,374	\$ 670,097,442	\$ 6,406,932
(9) Pension accrual	\$ 10,416,344	\$ 7,505,707	\$ 2,910,637
(10) Receivables - nonadmitted	\$ 37,877,196	\$ 33,330,548	\$ 4,546,648
(11) Net operating loss carry-forward	\$ 207,668,972	\$ 119,443,105	\$ 88,225,867
(12) Tax credit carry-forward	\$ 351,008,200	\$ 272,133,914	\$ 78,874,286
(13) Other (including items <5% of total ordinary tax assets)	\$ 128,596,462	\$ 42,849,279	\$ 85,747,183
(14) Nonadmitted miscellaneous	\$ -	\$ 33,017,266	\$ (33,017,266)
(15) Intangibles	\$ -	\$ 69,248,029	\$ (69,248,029)
(16) Nonadmitted premiums and agent bal	\$ -	\$ 25,639,445	\$ (25,639,445)
(99) Subtotal	\$ 2,045,154,436	\$ 1,935,851,451	\$ 109,302,985

NOTES TO FINANCIAL STATEMENTS

(b) Statutory valuation allowance adjustment	\$	-	\$	-	\$	-
(c) Nonadmitted	\$	605,347,126	\$	637,118,481	\$	(31,771,355)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$	1,439,807,310	\$	1,298,732,970	\$	141,074,340
 (e) Capital:						
(1) Investments	\$	62,317,793	\$	110,923,936	\$	(48,606,143)
(2) Net capital loss carry-forward	\$	21,745,054	\$	51,317,346	\$	(29,572,292)
(3) Real estate	\$	-	\$	-	\$	-
(4) Other (including items <5% of total capital tax assets)	\$	-	\$	-	\$	-
(99) Subtotal	\$	84,062,847	\$	162,241,282	\$	(78,178,435)
 (f) Statutory valuation allowance adjustment						
(g) Nonadmitted	\$	9,236,106	\$	17,727,590	\$	(8,491,484)
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$	74,826,741	\$	144,513,692	\$	(69,686,951)
 (i) Admitted deferred tax assets (2d + 2h)						
	\$	1,514,634,051	\$	1,443,246,662	\$	71,387,389
 3. Deferred Tax Liabilities						
(a) Ordinary:		12/31/2012		12/31/2011		Change
(1) Investments	\$	8,648,517	\$	215,039	\$	8,433,478
(2) Fixed assets	\$	1,465,078	\$	-	\$	1,465,078
(3) Deferred and uncollected premium	\$	-	\$	-	\$	-
(4) Policyholder reserves	\$	-	\$	-	\$	-
(5) Other (including items <5% of total ordinary tax liabilities)	\$	3,796,113	\$	3,026,489	\$	769,624
(6) Compensation and benefit accrual	\$	14,598,094	\$	21,897,141	\$	(7,299,047)
(7) Guaranty assessments	\$	-	\$	2,433,824	\$	(2,433,824)
(8) Other liabilities	\$	2,327,959	\$	6,058,500	\$	(3,730,541)
(9) Surplus note interest accrual	\$	15,587,833	\$	15,587,833	\$	-
(10) Unearned surcharge income	\$	-	\$	1,144,609	\$	(1,144,609)
(99) Subtotal	\$	46,423,594	\$	50,363,435	\$	(3,939,841)
 (b) Capital:						
(1) Investments	\$	33,339,579	\$	98,081,856	\$	(64,742,277)
(2) Real estate	\$	-	\$	-	\$	-
(3) Other (including items <5% of total capital tax liabilities)	\$	-	\$	-	\$	-
(99) Subtotal	\$	33,339,579	\$	98,081,856	\$	(64,742,277)
 (c) Deferred tax liabilities (3a99 + 3b99)						
	\$	79,763,173	\$	148,445,291	\$	(68,682,118)
 4. Net deferred tax asset/(liability) (2i - 3c)						
	\$	1,434,870,878	\$	1,294,801,371	\$	140,069,507

5. The change in deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets are reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	12/31/2012	12/31/2011	Change
(a) Adjusted gross deferred tax assets	\$ 2,129,217,283	\$ 2,098,092,733	\$ 31,124,550
(b) Deferred tax liabilities	79,763,173	148,445,291	(68,682,118)
(c) Net deferred tax assets (liabilities)	\$ 2,049,454,110	\$ 1,949,647,442	\$ 99,806,668
(d) Tax effect of unrealized gains (losses)			(83,481,594)
(e) Change in deferred income tax			\$ 183,288,262

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

	12/31/2012	12/31/2011
(a) Current income taxes incurred	\$ (56,597,094)	\$ (105,678,045)
(b) Change in deferred income tax	\$ (183,288,262)	\$ (393,883,197)
(c) Total income tax reported	\$ (239,885,356)	\$ (499,561,242)
 (d) Income before taxes		
	\$ (34,946,772)	\$ (1,000,208,342)
 (e) Federal statutory tax rate		
	35%	35%
 (f) Expected income tax expense (benefit) at 35% statutory rate		
	\$ (12,231,370)	\$ (350,072,920)
 (1) Tax-exempt income		
	\$ (40,894,692)	\$ (41,744,756)
 (2) Dividends received deduction		
	\$ (119,486,110)	\$ (6,573,902)
 (3) Nondeductible expenses		
	\$ 2,262,886	\$ 4,149,275
 (4) Deferred tax benefit on nonadmitted assets		
	\$ 21,273,493	\$ 109,415
 (5) Change in tax reserves		
	\$ (1,659,723)	\$ (959,887)
 (6) Tax credits		
	\$ (78,829,300)	\$ (99,032,179)
 (7) Other		
	\$ 1,870,969	\$ (5,436,288)
 (8) COLI - change in CSV		
	\$ (26,005,185)	\$ -
 (9) Merger transaction costs		
	\$ 13,813,676	\$ -
(g) Total	\$ (239,885,356)	\$ (499,561,242)

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. As of December 31, operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards	\$ 333,966	2002-2011	2017-2027
Operating loss carryforwards	\$ 419,767,240	2011	2031
Operating loss carryforwards	\$ 173,238,713	2012	2032
Amount of AMT tax credits	\$ 714,894	2009	N/A
Amount of AMT tax credits	\$ 11,851,590	2010	N/A
Amount of AMT tax credits	\$ 2,245,241	2011-2012	N/A
Business credits	\$ 69,363,822	2009	2029
Business credits	\$ 96,459,022	2010	2030
Business credits	\$ 103,613,303	2011	2031
Business credits	\$ 66,760,329	2012	2032

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

2012	\$	-
2011	\$	-

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:

AGMC Reinsurance, Ltd.	Nationwide Insurance Company of Florida
Allied General Agency Company	Nationwide Lloyds
Allied Group, Inc.	Nationwide Mutual Insurance Company
Allied Insurance Company of America	Nationwide Property and Casualty Ins. Company
Allied Property and Casualty Insurance Company	Nationwide Retirement Solutions, Inc.
Allied Texas Agency, Inc.	Nationwide Retirement Solutions, Inc. of Arizona
AMCO Insurance Company	Nationwide Retirement Solutions, Inc. of Ohio
American Marine Underwriters, Inc.	Nationwide Retirement Solutions, Inc. of Texas
Crestbrook Insurance Company	Nationwide Retirement Solutions Insurance Agency, Inc.
Depositors Insurance Company	Nationwide SA Capital Trust
DVM Insurance Agency, Inc.	Nationwide Sales Solutions, Inc.
Freedom Specialty Insurance Company	NFS Distributors, Inc.
Harleysville Group, Inc.	NWD Asset Management Holdings, Inc.
Harleysville Insurance Company	NWD Investment Management, Inc.
Harleysville Insurance Company of New Jersey	NWD Management & Research Trust
Harleysville Insurance Company of New York	Pension Associates, Inc.
Harleysville Lake States Insurance Company	Premier Agency, Inc.
Harleysville Pennland Insurance Company	Provfirfirst America Corporation
Harleysville Preferred Insurance Company	Provident Mutual Holding Company
Harleysville Services, Inc.	Registered Investment Advisors Services, Inc.
Harleysville Worcester Insurance Company	Riverview International Group, Inc.
Insurance Intermediaries, Inc.	Scottsdale Indemnity Company
Lone Star General Agency, Inc.	Scottsdale Insurance Company
National Casualty Company	Scottsdale Surplus Lines Insurance Company
Nationwide Advantage Mortgage Company	THI Holdings (Delaware), Inc.
Nationwide Affinity Insurance Company of America	Titan Auto Insurance of New Mexico, Inc.
Nationwide Agribusiness Insurance Company	Titan Indemnity Company
Nationwide Assurance Company	Titan Insurance Company
Nationwide Bank	Titan Insurance Services, Inc.
Nationwide Cash Management Company	V.P.I. Services, Inc.
Nationwide Corporation	Veterinary Pet Insurance Company
Nationwide Financial General Agency, Inc.	Victoria Automobile Insurance Company
Nationwide Financial Institution Distribution Agency, Inc.	Victoria Fire & Casualty Company
Nationwide Financial Services, Inc.	Victoria National Insurance Company
Nationwide General Insurance Company	Victoria Select Insurance Company
Nationwide Global Holdings, Inc.	Victoria Specialty Insurance Company
Nationwide Global Ventures, Inc.	WI of Florida, Inc.
Nationwide Indemnity Company	Western Heritage Insurance Company
Nationwide Insurance Company of America	Whitehall Holdings, Inc.

2. The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the company being reimbursed for the actual Federal income tax benefit of its net operating losses which are actually used to reduce the taxable income of the other companies in the consolidated return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTES TO FINANCIAL STATEMENTS

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

A. Nature of Relationships

The Company is a mutual entity and, as such, is not directly or indirectly owned or controlled by any other company, corporation, and group of companies, partnership or individual. The Company is operated by and solely in the interest of its policyholders.

Bonds and stocks, if any, owned, acquired or disposed of in any year by the Company, in any subsidiary or affiliate, are set forth in Schedule D of either this statement or those of prior years. Intercompany relationships and specific holdings are detailed in the Nationwide Corporate Organizational Chart, which appears as Schedule Y of this statement.

The Company is a party to various reinsurance agreements including pooling agreements with several affiliated companies. See Note 26.

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCCM) a subsidiary of the Company, under which NCCM acts as a common agent in handling the purchases and sales of short-term investments for the respective accounts of the participants. Amounts on deposit with NCCM were \$334.1 million and \$466.8 million as of December 31, 2012 and 2011, respectively.

Effective August 4, 2010, the Company holds a \$9 million 8.1% surplus debenture from Colonial County Mutual Insurance Company.

Effective December 31, 1998, the Company holds a \$0.5 million surplus debenture from Farmland Mutual Insurance Company.

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

On March 26, 2012, the Company received ordinary dividends of \$6 million from Nationwide Agribusiness Insurance Company, an affiliate, through AGI.

On March 29, 2012, the Company made a capital contribution of \$57 million to Nationwide Realty Investors.

On April 25, 2012, the Company received ordinary dividends of \$6 million from Allied Property & Casualty Insurance Company paid through AGI, \$45 million from AMCO Insurance Company paid through AGI, \$10 million from Crestbrook Insurance Company, \$2.5 million from Nationwide Assurance Company, \$45 million from Scottsdale Insurance Company, and \$6 million from Victoria Fire & Casualty Company through THI Holdings.

On April 27, 2012, the Company received extraordinary dividends of \$25 million from Nationwide Insurance Company of Florida.

On July 12, 2012, the Company extended a loan in the amount of \$46 million to HGI. Interest accrues from the loan origination date until the date of repayment on the outstanding principal balance at a per annum rate equal to U.S. London Interbank Offered Rate (LIBOR) plus 1.25%.

On September 14, 2012, the Company entered into a promissory note receivable in the amount of \$83.2 million from HGI. Interest accrues from the note origination date until the date of repayment on the outstanding principal balance at a per annum rate equal to LIBOR plus 1.25%. The loan was repaid on December 12, 2012.

On September 26, 2012, the Company made a capital contribution of \$20 million to Harleysville Worcester Insurance Company via HGI.

On September 27, 2012, the Company settled its outstanding note payable to the Pennsylvania-domiciled Harleysville insurance companies for \$365 million, which was related to the May 1, 2012 amendment of the intercompany reinsurance pooling agreement.

On October 12, 2012, the Company made a capital contribution of \$4 million to Harleysville Life Insurance Company.

On December 3, 2012, the Company made a capital contribution of \$4 million to Nationwide Realty Investors.

On December 12, 2012, the Company made a capital contribution of \$83 million to Harleysville Group.

On December 17, 2012, the Company received extraordinary dividends of \$110 million from Nationwide Indemnity Company.

On December 26, 2012, the Company made a capital contribution of \$35 million to Nationwide Insurance Company of America.

On January 3, 2011, the Company entered into a repurchase agreement with Nationwide Advantage Mortgage Company (NAMC) for \$175 million. On May 30, 2011, the Company increased the limits on the repurchase agreement with NAMC to \$209 million. There have been principal and interest payments made during the year. The carrying value on the repurchase agreement at December 31, 2011 is \$202.5 million.

On March 29, 2011, the Company made a \$275 million contribution to OYS Fund, LLC, an affiliated company. On June 26, 2011, the Company contributed an additional \$40 million. On December 23, 2011, the Company contributed an additional \$40 million. OYS Fund, LLC is a hedge fund of funds managed by a third party.

On May 31, 2011, the Company loaned NAMC \$5 million in an unsecured promissory note with a maturity date of August 26, 2011. The note was paid off by NAMC on August 11, 2011.

During the year, \$4.75 million capital contributions were made to Nationwide Realty Investors on the following dates: January 21, February 28, May 6, June 17, September 30, and October 28, 2011. On September 1, 2011, a \$1.9 million capital contribution was made to Nationwide Realty Investors, and on September 15, 2011, an additional \$9.5 million capital contribution was made.

On December 16, 2011, the Company received extraordinary dividends of \$60 million from Nationwide Indemnity Company.

On December 29, 2011, the Company contributed a parcel of land worth \$5 million to Nationwide Realty Investors.

Also during 2011, the Company purchased commercial mortgage loans from Nationwide Life Insurance Company, an affiliate, and Nationwide Life and Annuity Insurance Company with a book value of \$35.9 million. The sales were executed at market value for cash.

NOTES TO FINANCIAL STATEMENTS

During 2011, the former Harleysville Mutual Insurance Company made a capital contribution of \$5 million to Harleysville Life Insurance Company.

C. Change in Terms of Intercompany Arrangements

Effective May 1, 2012, the Company changed the reinsurance arrangements under which several affiliated companies cede all their direct and assumed business to the pool. See Note 26 for details.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The gross amounts due from affiliates were \$450.8 million and \$1.0 billion as of December 31, 2012 and 2011, respectively. The gross amounts due to affiliates were \$379.3 million and \$114.1 million as of December 31, 2012 and 2011, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

The Company has no guarantees or contingent commitments to affiliates other than indicated in Note 14 A.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company and various affiliates share a home office, other facilities, equipment, common management and administrative services. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC SAP. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, the number of full-time employees, and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

Name	% Common Ownership	Basis of Valuation Purposes and Procedures Manual of the NAIC SVO
Nationwide Corporation (NC)	95.2%	Part 8, Section 3 (i), (ii C) and (ii D)

The Company owns 95.2% of the common stock of NC. NC is a holding company that owns U.S. Insurance, Foreign Insurance and non-insurance SCA's, and as such values each of its subsidiaries based on their underlying characteristics in accordance with SSAP No. 97, paragraph 8. NC's primary holding is Nationwide Financial Services (NFS).

NFS is carried using the "look-through" approach of an unaudited downstream noninsurance holding company SCA entity. The difference between the amount at which NC is carried and the amount of underlying equity in net assets is \$168.0 million due to the goodwill in NFS being nonadmitted because it exceeds 10% of adjusted surplus.

NC carries Foreign Insurance SCA's based on audited GAAP equity adjusted to statutory and non-insurance SCA's based on audited GAAP equity. Any non-U.S. Insurance Company SCA's that do not receive a U.S. GAAP audit are non-admitted and carried at \$0.

The Company's pro rata share of the carrying value of NC, comprised of NFS, is \$3.7 billion at December 31, 2012. All other assets and liabilities of NC are insignificant.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., and Harleysville Group, Inc., are unaudited, downstream, noninsurance holding companies. In accordance with the "look through" provisions of SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*, valuation of the admitted investments are based on the individual audited SCA entities owned by the holding companies. Additionally, all non-affiliated liabilities, commitments, contingencies, guarantees or obligations of the holding companies are reflected in their respective carrying values. The unaudited assets and the unaudited SCA entities of the holding companies, both of which are immaterial, are non-admitted. The carrying values of the investments in Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., and Harleysville Group, Inc., are \$3.7 billion, \$649.2 million, \$239.7 million, and \$540.0 million, respectively.

Note 11 - Debt

A. All Other Debt

On August 15, 2012, the Company entered into a promissory note payable in the amount of \$20.4 million to Harleysville Insurance Company of New Jersey. Interest accrues from the note origination date until the date of repayment on the outstanding principal balance at a per annum rate equal to LIBOR plus 1.25%. The loan matures on April 15, 2013. The purpose of this note was to settle the Company's intercompany payable to Harleysville Insurance Company of New Jersey related to the portfolio transfer which resulted from the May 1, 2012 change in the Harleysville subsidiaries' intercompany reinsurance pooling agreement. The note was settled on January 31, 2013.

NOTES TO FINANCIAL STATEMENTS

On August 27, 2012, the Company entered into a promissory note payable in the amount of \$12.2 million to Harleysville Lake States Insurance Company (Lake States). Interest accrues from the note origination date until the date of repayment on the outstanding principal balance at a per annum rate equal to LIBOR plus 1.5%. The loan matures on April 15, 2013. The purpose of this note was to settle the Company's intercompany payable to Lake States related to the portfolio transfer which resulted from the May 1, 2012 change in the Harleysville subsidiaries' intercompany reinsurance pooling agreement. The note was settled on January 31, 2013.

In May, 2011, the Company, NFS, and NLIC extended the \$600.0 million revolving variable rate credit facility upon expiration of its existing facility of the same amount. The new facility matures on May 6, 2015, with an option to convert outstanding balances at maturity into a one-year term loan. The credit may be used for general corporate purposes. The Company has the option to draw funds at a variable rate based on the Eurodollar rate. The facility contains financial covenants that require Mutual to maintain a statutory surplus in excess of \$7.9 billion and the debt is not to exceed 35.0% of statutory surplus, both figures determined as of the end of each fiscal quarter. A breach of these and other named covenants will impact the availability of the line for the other borrowers and may accelerate payment. The Company had no amounts outstanding under the new or existing facilities as of December 31, 2012 and 2011, respectively.

On May 31 and June 15, 2011, the Company borrowed two \$50 million short term notes from NFS. Both of these notes were repaid as of September 30, 2011.

B. Funding Agreements with Federal Home Loan Bank (FHLB)

In July 2012, the Company entered into an agreement to extend its ability to borrow with the Federal Home Loan Bank of Cincinnati. This extension, which expires on June 28, 2013, allows the Company access to borrow up to \$600 million, which would be collateralized by pledged securities. The Company had \$2.8 billion and \$3.2 billion in eligible collateral and no amounts outstanding under the agreement as of December 31, 2012 and 2011, respectively.

	Current Year	Prior Year
FHLB stock purchased/owned as part of the agreement	\$25.0 million	\$40.7 million
Collateral pledged to FHLB	\$0	\$0
Borrowing capacity currently available	\$600.0 million	\$600.0 million
Agreement assets and liabilities		
General Account:		
a. Assets	\$25.0 million	\$40.7 million
b. Liabilities	\$0	\$0
Separate Account		
a. Assets	\$0	\$0
b. Liabilities	\$0	\$0

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

A. Defined Benefit Plans

The Company participates in a qualified defined benefit pension plan and a nonqualified defined benefit supplemental executive retirement plan sponsored by the Company. The qualified plan covers all employees of participating companies who have completed at least one year of service. Plan assets are invested in a third party trust and in group annuity contracts issued by Nationwide Life Insurance Company (NLIC). All participants are eligible for benefits based on an account balance feature. Participants hired prior to 2002 who are least 21 years of age are eligible for benefits based on the highest average annual salary of a specified number of consecutive years of the last ten years of service, if such benefits are of greater value than the account balance feature. The Company funds pension costs accrued for direct employees plus an allocation of pension costs accrued for employees of affiliates whose work benefits the Company. The nonqualified plan covers certain executives with at least one year of service.

On November 10, 2009, the Company announced changes to the NRP. Effective January 1, 2010, the Company-paid early retirement enhancement, which is part of the final average pay formula, will be eliminated. Currently this enhancement provides an additional benefit for associates retiring between ages 55 and 65. In addition, pay credits under the account balance formula will stop. These changes affect associates eligible to receive the benefit based on the greater of the final average pay formula or the account balance formula. Affected associates' benefits cannot be less than the NRP benefit they have already received.

On May 1, 2012, the Company merged with Harleysville, which had a qualified defined benefit pension plan. Effective December 31, 2012, the Harleysville pension plan merged with the Company's NRP plan. Plans assets of \$178 million and Projected Benefit Obligations of \$267 million were transferred from the Harleysville pension plan to the NRP Plan.

Pension costs charged to operations by the Company were \$83.1 million and \$54.7 million for the years ended December 31, 2012 and 2011, respectively. The Company recorded a prepaid pension asset of \$193.7 million and \$136.3 million for the years ended December 31, 2012 and 2011, respectively.

The Pension Plan as a whole reported a pension benefit obligation for non-vested employees of \$7.6 million and \$6.0 million for the years ended December 31, 2012 and 2011, respectively.

The Company sponsors life and health care defined benefit plans for qualifying retirees. Postretirement life and health care benefits are contributory and generally available to full time employees, hired prior to June 1, 2000, who have attained age 55 and have accumulated 15 years of service with the Company after reaching age 40. The employee subsidy for the postretirement death benefit was capped beginning in 2007. Postretirement health care benefit contributions are adjusted annually and contain cost-sharing features such as deductibles and coinsurance. In addition, there are caps on the Company's portion of the per-participant cost of the postretirement health care benefits. The Company does not receive a Medicare Part D subsidy from the government. The Company's policy is to fund the cost of health care benefits in amounts determined at the discretion of management. Plan assets are invested in a group annuity contract issued by NLIC and a third party trust. Effective January 1, 2010, all non-highly compensated employees (NHCE) defined by IRC 414 are eligible to receive an annual health care credit up to a maximum of \$1,000 per year, not to exceed a maximum lifetime benefit of \$25,000. The contribution match 33% of the NHCE's otherwise unmatched savings account or 401(a) contributions. No contributions will be made by the Company if the employee does not make eligible contributions.

The Company's net periodic postretirement benefit costs (NPPBC) were \$12.3 million and \$9.5 million for the years ended December 31, 2012 and 2011, respectively. The Company recorded a prepaid postretirement asset of \$33.6 million and \$32.2 million asset for the years ended December 31, 2012 and 2011, respectively.

The Postretirement Plan's benefit obligation for non-vested employees was \$93.3 million and \$107.7 million for the years ended December 31, 2012 and 2011, respectively.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes benefit obligations, the fair value of plan assets, funded status and net periodic benefit cost of the pension plan and postretirement benefit plans as a whole at December 31, 2012 and 2011:

	Pension Benefits		Postretirement Benefits	
	2012	2011	2012	2011
1. Change in benefit obligation:				
a. Benefit obligation at beginning of year ¹	\$4,290,465,405	\$3,467,531,752	\$203,638,090	\$182,423,752
b. Service cost	157,630,384	118,815,384	16,978,266	12,149,034
c. Interest cost	190,603,353	183,334,210	7,772,773	8,945,683
d. Contribution by plan participants	0	0	0	0
e. Actuarial (gain) loss	(46,159,243)	695,679,768	(5,571,462)	16,971,883
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(195,242,396)	(174,895,709)	(16,895,382)	(16,852,262)
h. Plan amendments ¹	0	0	0	0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	262,724,414	0	4,552,098	0
j. Benefit obligation at end of year	\$4,660,021,917	\$4,290,465,405	\$210,474,383	\$203,638,090
2. Change in plan assets				
a. Fair value of plan assets at beginning of year	\$3,926,811,769	\$3,592,854,590	\$162,485,530	\$156,288,728
b. Actual return on plan assets	459,875,800	491,181,502	14,591,024	6,196,802
c. Foreign currency exchange rate changes	0	0	0	0
d. Employer contribution	22,829,469	17,671,386	16,895,382	16,852,262
e. Plan participant's contributions	0	0	0	5,183,175
f. Benefits paid	(195,242,396)	(174,895,709)	(16,895,382)	(22,035,437)
g. Business combinations, divestitures and settlements	175,074,595	0	0	0
h. Fair value of plan assets at end of year	\$4,389,349,237	\$3,926,811,769	\$177,076,554	\$162,485,530
3. Funded status	\$(270,672,680)	\$(363,653,636)	\$(33,397,829)	\$(41,152,560)
a. Unamortized prior service cost	(126,300,554)	(142,763,703)	(5,925,935)	(7,591,982)
b. Unrecognized net (gain) or loss	389,113,095	574,034,585	48,677,519	59,054,183
c. Remaining net obligation or (net asset) at initial date of application	0	(27,793,626)	0	0
d. Prepaid assets or (accrued liabilities)	\$(7,860,139)	\$39,823,620	\$9,353,755	\$10,309,641
e. Intangible asset	0	0	N/A	N/A
4. Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	\$4,153,987,128	\$3,797,507,482	N/A	N/A
5. Benefit obligation for non-vested employees				
a. Projected benefit obligation	\$7,648,275	\$6,004,702	N/A	N/A
b. Accumulated benefit obligation	3,572,936	3,086,304	\$93,327,824	\$107,740,462
6. Components of net periodic benefit cost				
a. Service cost	\$157,630,384	\$118,815,384	\$16,978,266	\$12,149,034
b. Interest cost	190,603,353	183,334,210	7,772,773	8,945,683
c. Expected return on plan assets	(249,249,514)	(218,960,167)	(10,155,346)	(9,766,851)
d. Amortization of unrecognized transition obligation or transition asset	0	(0)	0	0
e. Amount of recognized (gains) and losses	28,556,478	430,772	1,955,244	1,186,384
f. Amount of prior service cost recognized	(16,463,149)	(16,463,149)	(1,666,047)	(1,666,047)
g. Amount of (gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost	\$111,077,552	\$67,157,050	\$14,884,890	\$10,848,203

The Prior Service Cost Base established December 31, 2007 and 2006 reflects the enactment of the Pension Protection Act of 2006 on August 17, 2006. The Act provides for EGTRRA Permanence, the permanent increase in the covered pension compensation for qualified pension plans, and the three year cliff vesting for pension plans with hybrid formula features. The Act has no impact on the projected benefit obligation for the years ended December 31, 2012 and 2011.

7. \$34,061,512 arising from a change in the additional minimum pension liability recognized is included in unassigned funds.

NOTES TO FINANCIAL STATEMENTS

8. Weighted-average assumptions used to determine net periodic benefit cost as of December 31

	Pension Benefits		Postretirement Benefits	
	2012	2011	2012	2011
a. Weighted average discount rate	4.35%	5.50%	4.05%	5.15%
b. Expected long-term rate of return on plan assets	6.25%	6.25%	6.25%	6.25%
c. Rate of compensation increase	Age Graded	Age Graded	Age Graded	Age Graded

Weighted-average assumptions used to determine projected benefit obligations as of December 31,

d. Weighted-average discount rate	4.35%	4.35%	4.00%	4.05%
e. Rate of compensation increase	Aged Graded	Age Graded	Aged Graded	Age Graded

For measurement purposes, an 8.00% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2012. The rate was assumed to decrease gradually to 5.00% for 2025 and remain at that level thereafter.

The Aged Graded rate of increase in future compensation levels was developed in 2012 based on actual experience from 2003 through 2011. The rates range from 10.25% to 4% based on age of the employee.

In determining the discount rate assumptions, the Company matches projected benefit payments to an internally developed hypothetical bond portfolio as of December 31.

The expected long-term rate of return on plan assets assumption is the long-term rate the Company expects to be earned based on the plans' investment strategies. The Company employs a prospective building block approach in determining its assumptions, which may vary by plan and may change when the target investment portfolio changes. In this approach, historical and expected future returns of multiple asset classes were analyzed to develop an expected rate of return, considering expected risk free rates of return and risk premiums. The Company uses the internal Capital Market Expectations (CME) report that is based upon the strategic asset allocation of the plan assets. The long-term rate of return on plan assets that is derived from the CME will be compared to external benchmarks to ensure it is reasonable and then will be rounded to the nearest quarter percent. Given the prospective nature of this calculation, short-term fluctuations in the market do not impact the expected risk premiums and the expected rate of return on plan assets.

9. Nationwide uses December 31 as the measurement date.

10. The following table shows the assumed health care cost trend rates for postretirement benefits other than pension:

	2012	2011
Initial rate	8.25%	8.50%
Ultimate rate	5.00%	5.00%
Declining rate	13 years	14 years

11. Assumed health care cost trend rates have an effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ 4,075	\$ (4,883)
b. Effect on postretirement benefit obligation	\$ 104,736	\$ (125,548)

12. The following table shows the asset allocation and target asset allocation for the pension plan at the end of 2012 and 2011 by asset category:

	2012	2011	Target Allocation
a. Debt Securities	79%	81%	72%
b. Equity Securities	7%	6%	14%
c. Real Estate	0%	0%	0%
d. Other	14%	13%	14%
e. Total	100%	100%	100%

The pension plans employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. Plan language requires investment of a portion of assets in a group annuity contract backed by fixed investments with an interest rate guarantee to match liabilities for specific classes of retirees. On a periodic basis, the portfolio is analyzed to establish the optimal mix of assets given current market conditions and risk tolerance. Derivatives may be utilized for management of market risk exposures when they provide a more efficient alternative to cash market transactions.

The following table shows the asset allocation and target asset allocation for the postretirement benefit plan at the end of 2012 and 2011 by asset category:

	2012	2011	Target Allocation
a. Debt Securities	61%	63%	60%
b. Equity Securities	39%	37%	40%
c. Real Estate	0%	0%	0%
d. Other	0%	0%	0%
e. Total	100%	100%	100%

NOTES TO FINANCIAL STATEMENTS

The postretirement benefit plan employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. Plan investments for retiree life insurance benefits include a retiree life insurance contract issued by NLIC. Plan investments for retiree medical liabilities include both a group annuity contract issued by NLIC, backed by fixed investments with an interest rate guarantee, and a third-party trust. The investment mix is measured and monitored on an ongoing basis through regular investment reviews, annual liability measurements, and periodic asset/liability studies.

13. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Pension Benefits	Postretirement Benefits
a. 2013	\$ 200,605,400	\$ 17,734,839
b. 2014	205,605,468	18,247,680
c. 2015	209,415,817	18,821,020
d. 2016	215,282,935	19,088,027
e. 2017	222,958,140	19,365,079
f. Thereafter Total	1,257,534,002	96,788,116

14. The Company expects to contribute \$14.5 million to the non-qualified pension plan and \$17.7 million to the postretirement benefit plans in 2013. The Company does not have a required minimum funding contribution for the NRP and as of this date, has not determined the amount of any contribution.

15. Plan assets are invested in a trust with Bank of New York as the custodian and trustee and a group annuity contract issued by NLIC.

16. Not applicable.

17. Not applicable.

18. Not applicable.

19. Not applicable.

B. Defined Contribution Plans

The Company, together with other affiliated companies, participates in a defined contribution retirement savings plan (401(k) and PPP) covering substantially all employees. Employees make salary deferral contributions of up to 80%. Salary deferrals of up to 6% are subject to a 50% company match. The Company match is funded on a biweekly basis and the expense of such contributions are allocated to the Company based on employee contributions. For the Company as a whole, the expense was \$58.1 million and \$59.1 million for 2012 and 2011, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) (\$17,000 in 2012 and \$16,500 in 2011). Other limits also apply.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in non-qualified deferred compensation and defined benefit arrangements for certain employees and agents. Expenses are allocated to the Company based on individual participants. Total Plan liabilities for non-qualified deferred compensation plans were \$248.6 million and \$246.8 million on December 31, 2012 and December 31, 2011, respectively. Total Plan liabilities for non-qualified defined benefit plans were \$283.6 million and \$271.4 million on December 31, 2012 and December 31, 2011, respectively. Total expense related to the non-qualified benefit plans was \$18.8 million and \$17.3 million for years ended December 31, 2012 and 2011, respectively.

The ASCP is a non-qualified, unfunded deferred compensation program available to eligible agents. The designated agents covered by the ASCP are not employees of the Company, but they are independent contractors exclusively representing the Company in the sale of insurance and related products. Accordingly, the Company believes it is appropriate to apply the concepts of SSAP No. 89, *Accounting for Pensions, A Replacement of SSAP No. 8*, by analogy to the ASCP.

Total liabilities related to the ASCP were \$1,144.8 million and \$1,134.9 million at December 31, 2012 and 2011, respectively. Total expense recorded for this program was \$81.4 million and \$109.3 million for the years ended December 31, 2012 and 2011, respectively.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

In 2004 the postretirement medical plan was amended to reflect the provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act), which was signed into law on December 8, 2003. The amendment integrates prescription drug benefits with the coverage provisions provided in the Act. The impact of the amendment is reflected in the accumulated postretirement benefit obligations beginning December 31, 2004. The one time expense impact of the Act was a \$2.0 million decrease for 2005.

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

A. Outstanding Shares

Not applicable.

B. Dividend Rate of Preferred Stock

Not applicable.

NOTES TO FINANCIAL STATEMENTS**Note 14 – Contingencies**

A. Contingent Commitments

In accordance with SSAP No. 5R, for all guarantees made to or on behalf of wholly-owned subsidiaries, no initial liability recognition has been made.

On March 28, 2012, the Company guaranteed the indebtedness of an unconsolidated affiliate, COLHOC Limited Partnership (COLHOC), for a \$65 million credit facility that matures on March 28, 2015. Pursuant to the terms of this guarantee, the Company along with another affiliated party would be required to pay JP Morgan Chase Bank in the event of default by COLHOC. The Company's assessed performance risk of the guarantee is low. However, if an action is required, the impact to the Company's statutory financial position would be immaterial.

The Company has guaranteed the timely payment and performance of the obligations of its unconsolidated subsidiary Nationwide Indemnity Company under reinsurance agreements between Indemnity and Employers Insurance of Wausau (EIOW) and certain of its affiliated property and casualty companies. These reinsurance agreements provided for the transfer in 1998 to Nationwide Indemnity Company of loss and loss expense reserves, including reserves for asbestos and environmental claims, from EIOW and certain of its affiliated property and casualty companies. As of December 31, 2012 and 2011, losses and loss expense reserves covered by this guarantee totaled \$1.4 billion, including approximately \$1.2 billion, for asbestos and environmental claims.

The Company has guaranteed loans to its agents with various maturities issued by Nationwide Bank, a subsidiary of the Company, which totaled \$70.7 and \$89.3 million at December 31, 2012 and 2011, respectively. Each guarantee requires the Company to satisfy the outstanding loan amount of any loan in the event of agent default. Such loans are deemed to be in default when the borrower is 90 days or more past due on contractually required payments. Based on historical evidence and agent delinquency rates, the performance risk of this guarantee is possible as of December 31, 2012. However, if action is required, the impact to the Company's statutory financial position would be immaterial.

The Company has guaranteed the indebtedness of its subsidiary Nationwide Life for a term loan for servicing rights to Nationwide Advantage Mortgage Corporation (NAMC). At December 31, 2012 and 2011, the amount of the guarantee was \$17.9 million and \$21.4 million, respectively and matures on November 16, 2017. Pursuant to the terms of this guarantee, the Company would be required to repay Nationwide Life in the event of default by NAMC. As of December 31, 2012, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NAMC's payment history, as NAMC is current in all payments of principal and interest.

The Company has guaranteed the indebtedness of its subsidiary NAMC for a Working Capital Facility. At December 31, 2012 and 2011, the amount of the guarantee was \$17.8 million and \$3.5 million, respectively. Pursuant to the terms of this guarantee, the Company would be required to repay JPM Chase in the event of default by NAMC. The guarantee expired in February 2012 and was renegotiated with Fifth Third Bank and matures on May 6, 2015. As of December 31, 2012, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NAMC'S payment history, as NAMC is current in all payments of principal and interest.

The Company has guaranteed the indebtedness of its subsidiary Nationwide Realty Investors, Ltd. (NRI) for a Working Capital Facility. At December 31, 2012 and 2011, the amount of the guarantee was \$0 and \$49.2 million, respectively, and matures on May 6, 2015. Pursuant to the terms of this guarantee, the Company would be required to repay Huntington National Bank in the event of default by NRI. As of December 31, 2012, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NRI'S payment history, as NRI is current in all payments of principal and interest.

On January 14, 2010, the Company guaranteed the indebtedness of NRI for a Working Capital Facility. At December 31, 2012 and 2011, the amount of the guaranty was \$0.9 million and \$24.2 million, respectively, and matures on May 6, 2015. Pursuant to the terms of this guarantee, the Company would be required to repay Fifth Third Bank in the event of default by NRI. As of December 31, 2012, the Company's assessed performance risk of the guaranty is low. This assessment had been determined in consideration of NRI's payment history, as NRI is current in all payments of principal and interest.

The Company has guaranteed full payment of workers' compensation claims for certain wholly-owned subsidiaries. The guarantee is required by the Ohio State Workers' Compensation Fund to allow smaller subsidiaries to be self insured, and pursuant to the terms of this guarantee, the Company would be required to pay \$2.0 million for each accident or \$2.0 million for each employee disease. Credit risk of external insurance remains with the Company. Based on historical evidence, the performance risk of this guarantee is remote as of December 31, 2012. The maximum amount of the obligation under this guarantee is not determinable.

At December 31, 2012, the Company has unfunded commitments of \$540 million related to its investments in limited partnerships and limited liability companies.

NOTES TO FINANCIAL STATEMENTS

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Guarantee the indebtedness of COLHOC Limited Partnership for a credit facility	No liability recognized *	Expense	\$65M	Performance risk is low
Guarantee timely payment and performance of Nationwide Indemnity Company for A&E claims from Employers Insurance of Wausau (EIOW)	No liability recognized *	Investment in SCA	\$1.4B	Performance risk is low
Guarantee loans to agents issued by Nationwide Bank	No liability recognized *	Expense	\$70.7M	Performance risk is possible.
Guarantee the indebtedness of Nationwide Life Insurance Company for a term loan for servicing rights to NAMC	No liability recognized *	Investment in SCA	\$25M	Performance risk is low based on timely payment history.
Guarantee the indebtedness of NAMC for a Working Capital Facility	No liability recognized *	Investment in SCA	\$35M	Performance risk is low based on timely payment history.
Guarantee the indebtedness of NRI for a Working Capital Facility	No liability recognized *	Investment in SCA	\$25M	Performance risk is low.
Guarantee the indebtedness of NRI for a Working Capital Facility	No liability recognized *	Investment in SCA	\$50M	Performance risk is low.
Guarantee full payment of workers' compensation claims for certain wholly-owned subsidiaries	No liability recognized *	Investment in SCA	Not determinable.	Performance risk is remote.

* No initial liability was recognized because the guarantee was made to or on behalf of a wholly-owned subsidiary.

Aggregate Maximum Potential Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under

a. guarantees. (Should equal total of Column 4 for (2) above.) \$1,670,700,000

b. Current Liability Recognized in F/S:

- 1. Noncontingent Liabilities -
- 2. Contingent Liabilities -

c. Ultimate Financial Statement Impact if action under the guarantee is required.

- 1. Investments in SCA 1,535,000,000
- 2. Joint Venture
- 3. Dividends to Stockholders (capital contribution)
- 4. Expense 135,700,000
- 5. Other
- 6. Total (should equal (3)a.) \$ 1,670,700,000

B. Guaranty Fund and Other Assessments

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

As of December 31, 2012 and 2011, the Company accrued a liability for guaranty fund and other assessments of \$12.6 million and \$21.4 million, respectively, and a related premium tax benefit asset of \$9.1 million and \$10.9 million, respectively. These represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

(1) Description	(2) Amount
a. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges prior year-end	\$ 10,864,656
b. Decreases current year:	
Premium tax offsets applied	\$ 491,461
Change in accrued premium tax offsets	\$ 1,272,593
c. Increases current year:	
d. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges current year-end	\$ 9,100,602

NOTES TO FINANCIAL STATEMENTS

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligations and bad Faith Losses Stemming From Lawsuits

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

Claims related ECO and bad faith losses paid during the reporting period: \$10.8 million

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

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

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

E. Product Warranties

Not applicable.

F. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation were reserved net of anticipated recoveries for \$49.0 million and \$50.4 million at December 31, 2012 and 2011, respectively. The Company is contingently liable under certain structured settlement agreements (See Note 27A).

The Company is also subject to two consolidated class action lawsuits in connection with the transactions with Harleysville and HGI. The parties reached a Memorandum of Understanding to settle the policy holder consolidated lawsuits on July 24, 2012, and the settlement documents were filed with the Court on October 11, 2012. On December 14, 2012, the Court entered a final order approving settlement.

Settlement discussions regarding the shareholder lawsuit are ongoing.

The Company has also purchased annuities to fund workers' compensation indemnity claims where there has been no settlement with the claimant. The Company released its claim reserve, but remains contingently liable for the estimated life expectancy payout of \$17.9 million.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The rental expense for 2012 and 2011 was approximately \$60.0 million and \$69.0 million, respectively.
2. At January 1, 2012, the future minimum rental payments in the aggregate and for each of the five succeeding years are as follows:

Year Ending December 31	Operating Leases
2013	\$57,437,532
2014	\$50,649,383
2015	\$44,906,670
2016	\$34,607,288
2017	\$22,872,625
Thereafter	<u>\$50,318,716</u>
Total	\$260,792,215

3. Sale Leaseback for 2012

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

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

A. The table below summarizes the face amount of the Company's financial instruments with off balance sheet risk.

Description	Assets		Liabilities	
	2012 Notional	2011 Notional	2012 Notional	2011 Notional
a. Swaps	1,250,199,428	1,750,000,000	1,076,357,075	1,629,865,104
b. Futures	575,715,625	18,738,750	981,774,375	193,984,375
c. Options	-	-	-	-
Totals	1,825,915,053	1,768,738,750	2,058,131,450	1,823,849,479

- B. Notional amounts of derivative financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to the Company, including accrued interest receivable due from counterparties, net of collateral received.
- C. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements and other contract provisions.

NOTES TO FINANCIAL STATEMENTS

- D. Collateral requirements for over-the-counter derivative instruments are controlled by the International Swap Dealers Association and Credit Support Annex documents that are negotiated with each counterparty. Generally, these documents outline each party's rights and obligations for receiving and posting collateral. The documents address such issues as calculating collateral due/owed, delivery and return of collateral, uses and substitution for collateral, distributions and interest rights and remedies for both parties, credit thresholds and eligible collateral (typically cash, debt obligations issued by the United States Treasury, or obligations issued by government agencies). The Company monitors their collateral position on a daily basis, adjusting positions as necessary, and in accordance with the terms of these agreements. For future contracts, the broker for the various types of futures contracts that the Company may employ establishes margin requirements. The margin account is settled daily for changes in contracts outstanding and movements in market values of open contracts. The Company uses cash to cover the margin account for future activity.

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

- A. Transfers of Receivables Reported as Sales

Not applicable.

- B. Transfers and Servicing of Financial Assets

1. There were no assets or liabilities obtained in transfers of financial assets where it was not practicable to estimate their fair value.
2. The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

The fair value of loaned securities was \$25,433,330 at December 31, 2012. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2012.

Reinvested collateral assets reported on Schedule DL are excluded from other statutory schedules and disclosures.

See Note 5 E. for additional information concerning securities lending.

3. No servicing assets or liabilities were recognized during the period.
4. There were no assets securitized during the period.
5. There were no retained interests since there were no securitized financial assets.
6. There were no transfers of receivables with recourse.

- C. Wash Sales

Not applicable.

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

- A. Administrative Services Only (ASO) Plans

Not applicable.

- B. Administrative Services Contract (ASC) Plans

Not applicable.

- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

Note 20 - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

The Company categorizes its financial assets and liabilities into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The Company categorizes financial assets and liabilities as follows:

Level 1. Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date and mutual funds where the value per share (unit) is determined and published daily and is the basis for current transactions.

NOTES TO FINANCIAL STATEMENTS

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means. Primary inputs to this valuation technique may include comparative trades, bid/asks, interest rate movements, U.S. Treasury rates, U.S. LIBOR, prime rates, cash flows, maturity dates, call ability, estimated prepayments and/or underlying collateral values.

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Primary inputs to this valuation technique include broker quotes and comparative trades.

The Company reviews its fair value hierarchy classifications for financial assets and liabilities quarterly. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications are reported as transfers at the beginning of the period in which the change occurs.

To determine the fair value of bonds and stocks for which market quotations are available, independent pricing services are most often utilized. For these bonds and stocks, the Company obtains the pricing services' methodologies, inputs and assumptions and classifies the investments accordingly in the fair value hierarchy.

A corporate pricing matrix or an internally developed pricing model is used in valuing certain bonds. The corporate pricing matrix is developed using private spreads for bonds with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a particular bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

Non-binding broker quotes are also utilized to determine the fair value of certain bonds when quotes are not available from independent pricing services, corporate pricing matrix or internal pricing models. These bonds are classified accordingly in the fair value hierarchy as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased. Inputs used in the development of prices are not provided to the Company by the brokers as the brokers often do not provide the necessary transparency into their quotes and methodologies. Broker quotes are subject to validation of price movements that require approval from the Company's management. Management uses its knowledge of the investment and current market conditions to determine if the price is indicative of the investment's fair value.

Fair value of derivative instruments is determined using various valuation techniques relying predominately on observable market inputs. These inputs include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels. In cases where observable inputs are not available, the Company will utilize non-binding broker quotes to determine fair value and these instruments are classified accordingly in the fair value hierarchy.

The following table summarizes financial assets and liabilities measured at fair value as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
U.S. Government bonds	-	-	-	-
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	-	-	-
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	228,640,639	33,551,264	262,191,903
Total Bonds	\$ -	\$ 228,640,639	\$ 33,551,264	\$ 262,191,903
Sec Lending	-	10,134,572	-	10,134,572
Preferred Stocks	-	178,000	88,764	266,764
Common Stocks	67,613,948	-	6,107,715	73,721,663
Loans held for sale	-	-	34,458,795	34,458,795
Separate Account Assets	-	-	-	-
Derivative Assets	-	75,163,965	-	75,163,965
Total Assets at Fair Value	\$ 67,613,948	\$ 314,117,176	\$ 74,206,538	\$ 455,937,662
Liabilities at Fair Value				
Derivative Liabilities	-	151,726,848	-	151,726,848
Total Liabilities at Fair Value	\$ -	\$ 151,726,848	\$ -	\$ 151,726,848

NOTES TO FINANCIAL STATEMENTS

The following table presents the rollforward of Level 3 financial assets and liabilities held at fair value during the twelve months ended December 31, 2012:

	Beginning Balance at 12/31/2011	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Msc.	55,459,055	9,783,595	(27,743,296)	(195,328)	27,578	1,820,796	-	(5,750,649)	149,514	33,551,264
Total Bonds	\$ 55,459,055	\$ 9,783,595	\$ (27,743,296)	\$ (195,328)	\$ 27,578	\$ 1,820,796	\$ -	\$ (5,750,649)	\$ 149,514	\$ 33,551,264
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	270,855	-	(178,000)	-	(4,090)	-	-	-	-	88,764
Common Stocks	45,911,911	-	(41,755,787)	-	1,951,591	-	-	-	-	6,107,715
Loans held for sale	32,681,269	-	-	-	1,645,771	-	-	-	131,755	34,458,795
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	\$ 134,323,090	\$ 9,783,595	\$ (69,677,083)	\$ (195,328)	\$ 3,620,849	\$ 1,820,796	\$ -	\$ (5,750,649)	\$ 281,269	\$ 74,206,538

Liabilities

Derivatives Liabilities

-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The following table presents the rollforward of Level 3 financial assets and liabilities held at fair value during the three months ended December 31, 2012:

	Beginning Balance at 9/30/2012	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Msc.	38,265,107	-	(4,611,488)	(195,328)	1,482,982	38,192	-	(1,428,201)	-	33,551,264
Total Bonds	\$ 38,265,107	\$ -	\$ (4,611,488)	\$ (195,328)	\$ 1,482,982	\$ 38,192	\$ -	\$ (1,428,201)	\$ -	\$ 33,551,264
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	88,764	-	-	-	-	-	-	-	-	88,764
Common Stocks	5,247,382	-	-	-	860,333	-	-	-	-	6,107,715
Loans held for sale	33,355,906	-	-	-	1,039,543	-	-	-	63,347	34,458,795
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	\$ 76,957,158	\$ -	\$ (4,611,488)	\$ (195,328)	\$ 3,382,858	\$ 38,192	\$ -	\$ (1,428,201)	\$ 63,347	\$ 74,206,538

Liabilities

Derivative Liabilities

-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Transfers into and/or out of Level 3 during the periods ending December 31, 2012 are due to either changes resulting from application of the lower of amortized cost or fair value rules based on the security's NAIC rating or changes in sources used to price certain securities.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes aggregate carrying value and fair value, by level, for all financial assets and liabilities, excluding assets and liabilities reported at fair value, as of December 31, 2012:

Type of Financial Instrument	Aggregate Fair					Not Practicable (Carrying Value)
	Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
Assets						
Bonds	\$ 9,030,789,102	\$ 8,065,307,622	\$ 1,584,884,926	\$ 7,140,089,782	\$ 305,814,394	
Stocks	7,787,567,721	7,787,567,721	540,154,708	25,000,000	7,222,413,013	
Mortgage loans	474,810,665	450,414,616	-	-	474,810,665	
Short-term investments	501,797,953	501,797,953	21,934,234	479,863,719	-	
Derivative assets	8,867,122	(0)	-	8,867,122	-	
Policy loans	-	-	-	-	-	
Securities lending collateral assets ¹	9,126,094	9,126,094	-	9,126,094	-	
Total Assets	\$ 17,812,958,657	\$ 16,814,214,006	\$ 2,146,973,868	\$ 7,662,946,717	\$ 8,003,038,072	
Liabilities						
Derivative liabilities	\$ (5,690,313)	\$ (2,734,246)	\$ -	\$ (5,690,313)	\$ -	
Total Liabilities	\$ (5,690,313)	\$ (2,734,246)	\$ -	\$ (5,690,313)	\$ -	

1 - Includes non admitted assets

Note 21 - Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

As of December 31, 2012, the Company has commitments for commercial mortgage loans of \$39.3 million.

In August, 2011, the Company entered into the California Earthquake Authority (CEA). Exposure to certain potential losses from earthquakes in California is limited by the Company's participation in the CEA, which provides insurance for California earthquake losses. The CEA is a privately-financed, publicly-managed state agency created to provide insurance coverage for earthquake damage. Management believes that the Company's exposure to earthquake losses in California will be significantly reduced as a result of its participation in the CEA.

Should losses arising from an earthquake cause a deficit in the CEA, additional funding would be obtained from the proceeds of revenue bonds the CEA may issue, an existing reinsurance layer and finally, if needed, assessments on participating insurance companies, to restore the CEA capital to the statutory minimum-capital level of \$350 million. All future assessments on participating CEA insurers are based on their CEA market share as of December 31 of the preceding year. As the Company did not participate in the prior year, the Company's possible CEA assessment cannot be reasonably estimated as of December 31, 2012.

Additionally, based on the Company's earthquake-insurance risk profile, the Company may be required to pay risk-capital surcharges in addition to its required capital contribution and any required loss assessments. The Company's earthquake-insurance risk profile is determined by the CEA and indicates the likelihood and magnitude of additional CEA losses from insuring the Company's book of business during its first full year of CEA participation. As of December 31, 2012, the Company has not been charged an assessment.

On May 31, 2011, the Catastrophe Bonds issued in June 2008 related to the Company's Caelus Re I, expired. The Company has replaced this coverage through traditional reinsurance layers.

The Company and certain of its affiliates entered into an agreement with Caelus Re II, Cayman Islands Special Purpose Reinsurance Vehicle, for the purpose of securing collateralized, multi-year property catastrophe loss protection through the capital markets. In May 2010, Caelus Re II issued Catastrophe Bonds, which provide reinsurance coverage to the Company for events including hurricanes and earthquakes. The Catastrophe Bonds are indemnity trigger based bonds where the Company recovers losses in excess of a specified level of catastrophic claims, which is reset annually. The Caelus Re II bond had an attachment point of \$1.9 billion and \$2.0 billion as of December 31, 2012 and 2011, respectively. In 2012 and 2011, the Company did not receive any recoveries and paid \$12 million annually to Caelus Re II for this coverage. The agreement expires in May, 2013.

D. Uncollectible Premiums Receivable

Not applicable.

E. Business Interruption Insurance Recoveries

Not applicable.

NOTES TO FINANCIAL STATEMENTS

F. State Transferable and Non-Transferable Tax Credits

1. The below table represents the carrying value of transferable and non-transferable state tax credits by state and in total.

(1) Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
Nationwide Affordable Housing Fund XXIII	OH	\$ 1,111,813	\$ 1,160,580
Golden Belt	NC	\$ 290,335	\$ -
River House Landlord, LLC	OH	\$ 500	\$ -
Mayberry Solar, LLC	NC	\$ 556,748	\$ -
SunAmerica Affordable Housing Partners 138, LI	GA	\$ -	\$ 489,015
Arbor Terrace, a California Limited Partnership	CA	\$ -	\$ 3,759,955
Fifth Ward Elderly East/West Apartments	MO	\$ -	\$ 945,129
Mayfair Mill LLC	SC	\$ -	\$ 209,261
South Carolina State Tax Credit Partners LLC	SC	\$ -	\$ 1,835,762
The Pines at Willowbrook, L.P.	GA	\$ -	\$ 421,770
Wylie Street, L.P.	GA	\$ -	\$ 203,053
Noland State Investor, LLC	VA	\$ -	\$ 2,118,407
CT Infrastructure Credits-ESPN	CT	\$ -	\$ 1,026,066
Patrick Henry Lofts (611 Jefferson SIF, LLC)	VA	\$ -	\$ 78,341
Total		\$ 1,959,396	\$ 12,247,339

2. The Company estimates that the utilization of remaining transferable and non-transferable state tax credits by projecting future premium and taking into account policy growth, while also projecting future tax liability in the relevant jurisdiction.
3. The Company did not recognize any impairment on state tax credits in 2012.
4. The below table represents the state tax credits admitted and nonadmitted as of December 31, 2012.

	Total Admitted	Total Nonadmitted
a. Transferable	\$ 12,862,628	\$ -
b. Non-transferable	\$ -	\$ -

G. Subprime Mortgage Related Risk Exposure

1. The Company evaluates many characteristics when classifying collateral as subprime, including the credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.
2. The Company has no direct exposure through investments in subprime mortgage loans.
3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 97,473,248	\$ 53,451,766	\$ 52,442,422	\$ 22,116,823
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*	\$ 574,359,358	\$ 495,080,160	\$ 475,705,797	\$ 83,287,268
f. Other Assets	\$ 11,930,057	\$ 7,137	\$ 7,137	\$ -
g. Total	\$ 683,762,663	\$ 548,539,064	\$ 528,155,356	\$ 105,404,091

*The Company's subsidiary Nationwide Corporation (through its affiliates) has investments in subprime residential mortgage backed securities, structured securities and joint venture interests. These investments comprise 1.1% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Insurance Company of Florida has investments in subprime residential mortgage backed securities. These investments comprise 7.3% of the subsidiary companies invested assets.

*The Company's subsidiary AMCO Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise .1% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Insurance Company of America has investments in subprime residential mortgage backed securities. These investments comprise .2% of the subsidiary companies invested assets.

*The Company's subsidiary Allied Property & Casualty Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise .5% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Depositors Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise .8% of the subsidiary companies invested assets.

*The Company's subsidiary National Casualty Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 3.5% of the subsidiary companies invested assets.

*The Company's subsidiary Scottsdale Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 0.0% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Indemnity Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 1.0% of the subsidiary companies invested assets.

NOTES TO FINANCIAL STATEMENTS

*The Company's subsidiary Harleysville Pennland Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 3.6% of the subsidiary companies invested assets.

4. The Company has no exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

Note 22 - Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 20, 2013 for the statutory statement issued on February 22, 2013.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 20, 2013 for the statutory statement issued on February 22, 2013.

Effective January 1, 2013, the Company's pooling percentage will change from 83.7% to 83%. A portfolio transfer was completed to redistribute the assets and liabilities of the Company.

As part of the Company's process to streamline its intercompany reinsurance program, all participants in the Harleysville Pool (defined in Note 26) will become zero percent participants in the Nationwide Pool effective January 1, 2013. A portfolio transfer was completed to redistribute the assets and liabilities of the Harleysville Pool companies to the Company, Nationwide Mutual Fire Insurance Company, Scottsdale Insurance Company and Farmland Mutual Insurance Company.

On January 18, 2013, Crestbrook Insurance Company issued 8,000 additional shares of common stock. The stock is owned by the Company.

On February 4, 2013, Allied Insurance Company of America issued 10,000 additional shares of common stock. The stock is owned by the Company.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has unsecured aggregate reinsurance recoverable for paid and unpaid losses, loss adjustment expenses, and unearned premiums from an individual reinsurer that exceeds 3% of policyholders' surplus. The amount is shown below by reinsurer.

NAIC Group	Reinsurer	FEIN #	Unsecured Reinsurance (000's)
0140	HARLEYSVILLE INS CO OF NJ	23-2253669	\$ 634,987
0140	HARLEYSVILLE PENNLAND INS CO	23-2612951	\$ 358,907
0140	HARLEYSVILLE PREFERRED INS CO	23-2384978	\$ 634,987
0140	HARLEYSVILLE WORCESTER INS CO	04-1989660	\$ 717,814
0140	NATIONWIDE MUT FIRE INS CO	31-4177110	\$ 1,829,590
0140	SCOTTSDALE INS CO	31-1024978	\$ 1,704,296
	MICHIGAN CATASTROPHIC CLAIMS ASSN	AA-9991159	\$ 492,661

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded

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

(000's)	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	\$5,591,655	\$881,757	\$1,874,878	\$329,849	\$3,716,777	\$551,908
b. All Others	\$55,942	\$8,879	\$83,934	\$15,123	(\$27,993)	(\$6,244)
c. Totals	\$5,647,596	\$890,636	\$1,958,812	\$344,972	\$3,688,784	\$545,665
d. Direct Unearned Premium Reserve			\$1,233,897			

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2012 are as follows:

(\$000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	\$24,456	\$221,374	\$49,672	\$196,158
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	\$24,456	\$221,374	\$49,672	\$196,158

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

No reinsurance recoverables were written off during 2012.

NOTES TO FINANCIAL STATEMENTS

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation during 2012.

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2012.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2012.

H. There was no transfer of any property and casualty run-off agreements requiring approval of regulators and qualifying under SSAP No. 62R, Property and Casualty Reinsurance, to receive property & casualty run-off accounting treatment.

I. Certified Reinsurer Downgrades or Status Subject to Revocation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

The Company sells accident and health policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contracts to arrive at the best estimates of return or additional premiums.

B. Method Used to Record

The Company records retrospective premium accruals as earned by adjusting unearned premiums. These amounts are not recorded as premiums written until they are billed to the policyholders. Return premiums are recorded as liabilities and additional premiums are recorded as assets.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for the current year on retrospective accident and health policies were \$420 thousand or 0.25% of accident and health premiums written.

D. Medical Loss Ratio Rebates

Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

(000's)	2012 Calendar Year			2012 Loss Year	Shortage	Loss & DCC	Impact of AO
	Losses and LAE Incurred						
Line of Business	Losses Incurred	LAE Incurred	Totals	Losses and LAE Incurred	(Redundancy)	(Redundancy)	on Total Shortage (Redundancy)
Homeowners / Farmowners	\$1,605,953	\$222,292	\$1,828,244	\$1,831,026	(\$2,781)	(\$6,446)	\$3,665
Commercial Multiple Peril	\$753,228	\$170,185	\$923,414	\$915,032	\$8,382	\$9,779	(\$1,397)
Workers' Compensation	\$179,580	\$29,554	\$209,134	\$190,637	\$18,524	\$19,562	(\$1,038)
Other Liability	\$381,394	\$189,792	\$571,186	\$606,539	(\$35,353)	(\$57,974)	\$22,621
Product Liability	\$26,874	\$12,721	\$39,595	\$44,772	(\$5,177)	(\$4,701)	(\$476)
Auto	\$4,171,380	\$708,473	\$4,879,853	\$4,931,776	(\$51,923)	(\$69,823)	\$17,900
All Others	\$427,514	\$41,933	\$469,447	\$465,610	\$3,810	\$1,177	\$2,633
Totals	\$7,545,923	\$1,374,950	\$8,920,873	\$8,985,392	(\$64,519)	(\$108,426)	\$43,907

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$64.5 million (0.8% of prior year reserves) during 2012, as shown in the chart above. The slight redundancy was primarily driven by the standard auto liability line of business. The favorable impacts are primarily due to claims process improvements and the increased adequacy of case reserve levels.

Note 26 - Intercompany Pooling Arrangements

The Company is party to various reinsurance agreements. These agreements include the Nationwide Pool and Harleysville Pool, described below, and 100% quota share reinsurance agreements with certain of its affiliated property and casualty companies.

The Company is the lead company in the Nationwide Pool. Each pool member company contributes 100% of its underwriting results to the Nationwide Pool through the reinsurance pooling agreement. As of December 31, 2012 and 2011, the companies in the Nationwide Pool assuming a proportionate share of the pool are:

	NAIC #	Pool
Nationwide Mutual Insurance Company	23787	83.7%
Nationwide Mutual Fire Insurance Company	23779	11.3%
Scottsdale Insurance Company	41297	4.0%
Farmland Mutual Insurance Company	13838	1.0%

NOTES TO FINANCIAL STATEMENTS

All of the other companies in the Nationwide Pool have a 0% retrocession. The zero percent participants in the Nationwide Pool are: Nationwide General Insurance Company (NAIC # 23760), Nationwide Property and Casualty Insurance Company (NAIC # 37877), Nationwide Affinity Insurance Company of America (NAIC # 26093), Crestbrook Insurance Company (NAIC # 18961), Allied Insurance Company of America (NAIC # 10127), AMCO Insurance Company (NAIC # 19100), Allied Property and Casualty Insurance Company (NAIC # 42579), Depositors Insurance Company (NAIC # 42587), Nationwide Agribusiness Insurance Company (NAIC # 28223), Victoria Fire & Casualty Company (NAIC # 42889), Victoria Automobile Insurance Company (NAIC # 10644), Victoria Specialty Insurance Company (NAIC # 10777), Victoria Select Insurance Company (NAIC # 10105), and Victoria National Insurance Company (NAIC # 10778).

Effective May 1, 2012, the Company (as successor to Harleysville), became the lead company and a zero percent participant in the Harleysville Pool. Each pool member company contributes 100% of its underwriting results to the Harleysville Pool through the reinsurance pooling agreement. As of December 31, 2012 and 2011, the companies in the Harleysville Pool assuming a proportionate share of the pool are:

	NAIC #	2012 POOL	2011 POOL
Harleysville Worcester Insurance Company	26182	26%	23%
Harleysville Insurance Company of New Jersey	42900	23%	21%
Harleysville Preferred Insurance Company	35696	23%	21%
Harleysville Pennland Insurance Company	40983	13%	4%
Harleysville Lake States Insurance Company	14516	9%	9%
Harleysville Insurance Company	23582	4%	4%
Harleysville Insurance Company of New York	10674	2%	2%
Harleysville Mutual Insurance Company	14168	N/A	16%
Nationwide Mutual Insurance Company	23787	0%	N/A

All lines of business are subject to the pooling agreements.

There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.

Amounts due to/from the lead entity and pool participants as of December 31, 2012:

Nationwide Pool:

Name of Insurer	Amounts Receivable	Amounts Payable
Nationwide Mutual Insurance Company (Lead Insurer)	\$ 113,074,931	\$ 94,671,260
Nationwide Mutual Fire Insurance Company	\$ 468,388	\$ 18,316,489
Scottsdale Insurance Company	\$ 13,235,587	\$ 7,787
Farmland Mutual Insurance Company	\$ 35,361,563	\$ 39,682,403
Nationwide General Insurance Company	\$ 68,056	\$ 5,262,070
Nationwide Property & Casualty Insurance Company	\$ 788	\$ 36,519,037
Nationwide Affinity Insurance Company of America	\$ 5,080,787	\$ 12,926,124
Crestbrook Insurance Company	\$ 99,324	\$ 96,903
Allied Insurance Company of America	\$ -	\$ 603
AMCO Insurance Company	\$ 97,035,477	\$ 82,248,770
Allied Property & Casualty Insurance Company	\$ 2,962,695	\$ 1,970,283
Depositors Insurance Company	\$ 3,354,179	\$ 872
Nationwide Agribusiness Insurance Company	\$ 39,929,752	\$ 25,984,424
Victoria Fire & Casualty Insurance Company	\$ 5,783,395	\$ 1,579,036
Victoria Automobile Insurance Company	\$ 668,001	\$ 441,315
Victoria Specialty Insurance Company	\$ 344,954	\$ 919,046
Victoria Select Insurance Company	\$ 1,056,159	\$ 3,261,791
Victoria National Insurance Company	\$ 100	\$ 3,326

Harleysville Pool:

Name of Insurer	Amounts Receivable	Amounts Payable
Harleysville Worcester Insurance Company		\$ 10,003,580
Harleysville Insurance Company of New Jersey		\$ 10,075,280
Harleysville Preferred Insurance Company		\$ 3,006,657
Harleysville Pennland Insurance Company		\$ 2,796,677
Harleysville Lake States Insurance Company		\$ 87,441
Harleysville Insurance Company	\$ 3,391,932	
Harleysville Insurance Company of New York		\$ 2,355,142
Nationwide Mutual Insurance Company		\$ 215,811,247

The following companies are covered under a separate 100% quota share reinsurance agreement with the Company as of and for the years ended December 31, 2012 and 2011: Nationwide Assurance Company, Titan Insurance Company, Titan Indemnity Company, Nationwide Lloyds, Nationwide Insurance Company of America, National Casualty Company, and Colonial County Mutual Insurance Company. The Company then cedes this business into the Nationwide Pool.

The following companies are covered under a separate 100% quota share reinsurance agreement with Scottsdale Insurance Company as of and for the years ended December 31, 2012 and 2011: Scottsdale Surplus Lines Insurance Company, Western Heritage Insurance Company, Scottsdale Indemnity Company and Freedom Specialty Insurance Company. Scottsdale Insurance Company then cedes 100% of this business to the Company.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Structured Settlements

A. Reserves Released due to Purchases of Annuities

The Company has settled certain losses with structured settlement agreements whereby the Company has purchased an annuity with the claimant as the payee. Certain of these annuities are without qualified assignments. The Company is contingently liable under the settlement agreements without qualified assignments if the annuity-issuing company is unable to meet the payment obligations to the Company's claimant under the settlement agreement. The amortized value of the annuities under such agreements for direct losses as of December 31, 2012 and 2011 is \$150.1 million and \$136.4 million, respectively.

Loss Reserves Eliminated by Annuities
\$150.1 million

Unrecorded Loss Contingencies
\$0

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

There were no annuity insurers with balances due greater than 1% of policyholders' surplus in 2012.

Note 28 - Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable.

B. Risk Sharing Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company's liability for premium deficiency reserves as of December 31, 2012 is as follows:

- | | |
|---|-----------------|
| 1. Liability carried for premium deficiency reserves | \$0.00 |
| 2. Date of the most recent evaluation of this liability | January 8, 2013 |
| 3. Was anticipated investment income utilized in the calculation? | Yes |

Note 31 - High Deductibles

Not applicable.

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

The Company discounts the liabilities for unpaid losses and loss expenses for long-term accident and health claims. The Company does not discount IBNR. Different companies service our long-term accident and health unpaid disability claims and supply the reserves and tabular discount; thus, different methodologies have been utilized.

A. Tabular Discounts

- 1987 Commissioner's Group Disability Table (CGDT)
- For the 1987 CGDT, rate used was the maximum interest rate permitted by law in the valuation of a single premium immediate annuity issued on the same date as the claim incurral date, reduced by one hundred basis points (rates used vary from 4.00% to 10.25%).
- The December 31, 2012 liabilities include \$466 thousand of such discounted reserves.

NOTES TO FINANCIAL STATEMENTS

4. The table below represents the amount of tabular discount as of December 31, 2012.

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners		
2. Private Passenger Auto Liability/Medical		
3. Commercial Auto/Truck Liability/Medical		
4. Workers' Compensation		
5. Commercial Multiple Peril		
6. Medical Professional Liability - occurrence		
7. Medical Professional Liability - claims-made		
8. Special Liability		
9. Other Liability - occurrence		
10. Other Liability - claims-made		
11. Special Property		
12. Auto Physical Damage		
13. Fidelity, Surety		
14. Other (including Credit, Accident & Health)	465,580	
15. International		
16. Reinsurance Nonproportional Assumed Property		
17. Reinsurance Nonproportional Assumed Liability		
18. Reinsurance Nonproportional Assumed Financial Lines		
19. Products Liability - occurrence		
20. Products Liability - claims-made		
21. Financial Guaranty/Mortgage Guaranty		
22. Warranty		
23. Total	\$ 465,580	\$ -

* Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-Tabular Discounts

The Company does not have any non-tabular discount.

C. Changes in Discount Assumptions

None.

Note 33 - Asbestos/Environmental Reserves

A. The Company has exposure to asbestos and environmental claims through either the direct issuance of general liability policies or through reinsurance assumptions. The Company estimates the full impact of its asbestos and environmental exposure by establishing case reserves when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposures on both known and unasserted claims, primarily utilizing historical information.

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for each of the five most recent calendar years have been restated to reflect the merger with Harleysville, as disclosed in Note 3, and are as follows:

(1) Asbestos Claims - Direct	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	\$ 47,453,513	\$ 43,356,247	\$ 39,818,911	\$ 40,637,223	\$ 37,634,824
Incurred Loss and Loss Adj. Expense:	\$ 395,995	\$ 1,910,870	\$ 6,544,140	\$ 3,072,107	\$ 1,940,545
Calendar Year Payments:	\$ 4,493,261	\$ 5,448,204	\$ 5,725,827	\$ 6,074,505	\$ 11,986,121
Ending Reserve:	\$ 43,356,247	\$ 39,818,911	\$ 40,637,223	\$ 37,634,824	\$ 27,589,248
(2) Asbestos Claims - Assumed	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	\$ 118,840,961	\$ 124,508,448	\$ 135,143,186	\$ 137,576,551	\$ 136,258,328
Incurred Loss and Loss Adj. Expense:	\$ 13,328,815	\$ 21,071,787	\$ 15,677,256	\$ 1,409,131	\$ (8,513,488)
Calendar Year Payments:	\$ 7,661,328	\$ 10,437,049	\$ 13,243,891	\$ 2,727,355	\$ 7,797,940
Ending Reserve:	\$ 124,508,448	\$ 135,143,186	\$ 137,576,551	\$ 136,258,328	\$ 119,946,900
(3) Asbestos Claims - Net	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Beginning Reserves:	\$ 12,888,592	\$ 11,501,361	\$ 11,000,260	\$ 11,556,819	\$ 12,245,308
Incurred Loss and Loss Adj. Expense:	\$ (140,103)	\$ (99,006)	\$ 1,547,746	\$ 1,815,723	\$ 2,939,168
Calendar Year Payments:	\$ 1,247,128	\$ 402,095	\$ 991,187	\$ 1,127,234	\$ 6,102,736
Ending Reserve:	\$ 11,501,361	\$ 11,000,260	\$ 11,556,819	\$ 12,245,308	\$ 9,081,740

NOTES TO FINANCIAL STATEMENTS

B.	Bulk and IBNR Losses and LAE					
(1)	Direct					\$ 21,628,576
(2)	Assumed					\$ 94,601,463
(3)	Net of Ceded Reinsurance					\$ 5,859,335
C.	Case, Bulk and IBNR LAE					
(1)	Direct					\$ 10,348,237
(2)	Assumed					\$ 645,793
(3)	Net of Ceded Reinsurance					\$ 2,992,275
D.	See A above					
(1)	Environmental Claims - Direct	2008	2009	2010	2011	2012
	Beginning Reserves:	\$ 36,716,883	\$ 34,309,912	\$ 32,646,462	\$ 31,950,985	\$ 30,222,340
	Incurred Loss & Loss Adj. Expense:	\$ 1,235,714	\$ 1,529,954	\$ 1,159,520	\$ 547,588	\$ 741,942
	Calendar Year Payments:	\$ 3,642,685	\$ 3,193,404	\$ 1,854,998	\$ 2,276,233	\$ 9,434,972
	Ending Reserve:	\$ 34,309,912	\$ 32,646,462	\$ 31,950,985	\$ 30,222,340	\$ 21,529,310
(2)	Environmental Claims - Assumed	2008	2009	2010	2011	2012
	Beginning Reserves:	\$ 88,629,253	\$ 101,005,459	\$ 68,042,878	\$ 42,135,010	\$ 38,541,337
	Incurred Loss & Loss Adj. Expense:	\$ 13,730,555	\$ (32,020,258)	\$ (20,958,848)	\$ (2,014,400)	\$ (5,113,142)
	Calendar Year Payments:	\$ 1,354,349	\$ 942,323	\$ 4,949,020	\$ 1,579,273	\$ 1,272,629
	Ending Reserve:	\$ 101,005,459	\$ 68,042,878	\$ 42,135,010	\$ 38,541,337	\$ 32,155,566
(3)	Environmental Claims - Net	2008	2009	2010	2011	2012
	Beginning Reserves:	\$ 31,511,700	\$ 29,482,647	\$ 30,159,869	\$ 29,547,246	\$ 28,109,931
	Incurred Loss and Loss Adj. Expense:	\$ 1,236,024	\$ 3,620,799	\$ 1,198,551	\$ 779,183	\$ 853,678
	Calendar Year Payments:	\$ 3,265,078	\$ 2,943,577	\$ 1,811,175	\$ 2,216,497	\$ 9,732,142
	Ending Reserve:	\$ 29,482,647	\$ 30,159,869	\$ 29,547,246	\$ 28,109,931	\$ 19,231,467
E.	Bulk and IBNR Losses and LAE					
(1)	Direct					\$ 17,547,213
(2)	Assumed					\$ 21,636,234
(3)	Net of Ceded Reinsurance					\$ 15,484,500
F.	Case, Bulk and IBNR LAE					
(1)	Direct					\$ 8,238,170
(2)	Assumed					\$ 381,665
(3)	Net of Ceded Reinsurance					\$ 7,022,430

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? OH
- 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 [X] No []
- 2.2 If yes, date of change: 05/01/2012
- 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. 12/31/2011
- 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). 03/29/2008
- 3.4 By what department or departments?
OH
- 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 [X] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---|------------------------|------------------------|
| Harleysville Mutual Insurance Company | 14168 | PA |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Nationwide Advantage Mortgage Company	Des Moines, IA	NO	NO	NO	NO
Nationwide Bank	Columbus, OH	NO	YES	NO	NO
Nationwide Investment Services Corp	Columbus, OH	NO	NO	NO	YES
Nationwide Fund Distributors, LLC	King of Prussia, PA	NO	NO	NO	YES
Nationwide Securities, LLC	Dublin, OH	NO	NO	NO	YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, 191 W. Nationwide Blvd., Suite 500, Columbus, OH 43215
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
G. Chris Nyce, FCAS, MAAA
Three Radnor Corporate Center
Suite 105
100 Matsonford Road
Radnor, PA 19087-4568
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
- 12.11 Name of real estate holding company Nationwide Realty Investors / NW REI, LLC
- 12.12 Number of parcels involved 98
- 12.13 Total book/adjusted carrying value \$ 641,467,699
- 12.2 If, yes provide explanation:
Nationwide Mutual owns 95% of Nationwide Realty Investors and 100% of NW REI, LLC, both real estate holding companies that invest in individual properties.
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
All topics covered in the previous Code of Conduct have been retained without substantive change. New sample questions and answers have been added. New language has been added to cover social networking, securities laws, political contributions, corporate social responsibility, and vendor relationships.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES**

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|--------------|
| 20.11 To directors or other officers | \$ 1,442,067 |
| 20.12 To stockholders not officers | \$ |
| 20.13 Trustees, supreme or grand (Fraternal Only) | \$ |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|----|
| 20.21 To directors or other officers | \$ |
| 20.22 To stockholders not officers | \$ |
| 20.23 Trustees, supreme or grand (Fraternal Only) | \$ |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------|----|
| 21.21 Rented from others | \$ |
| 21.22 Borrowed from others | \$ |
| 21.23 Leased from others | \$ |
| 21.24 Other | \$ |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- | | |
|--|----|
| 22.21 Amount paid as losses or risk adjustment | \$ |
| 22.22 Amount paid as expenses | \$ |
| 22.23 Other amounts paid | \$ |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
- 24.02 If no, give full and complete information relating thereto
Held on deposit with states posted as collateral with the Federal Home Loan Bank (FHLB). _____
- 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)
Nationwide utilizes a third party to administer its Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on balance sheet. Additionally, Nationwide participates in a Cash Release Program. Nationwide can borrow a limited amount of cash from the program subject to the underwriting of the plan administrator. Nationwide pays 1 month LIBOR on the borrowings, a majority of which comes back to Nationwide as earnings on the securities lending program. As of December 31, 2012, Nationwide had loaned \$25,433,330 to approved counterparties and received collateral amounts of \$26,078,123. _____
- 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 [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 19,260,666
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	19,134,028
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	19,260,665
24.103 Total payable for securities lending reported on the liability page	\$	26,078,123

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

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

25.21 Subject to repurchase agreements	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Pledged as collateral	\$
25.26 Placed under option agreements	\$
25.27 Letter stock or other securities restricted as to sale	\$ 31,985,857
25.28 On deposit with state or other regulatory body	\$ 72,903,772
25.29 Other	\$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
Sale of security is restricted for 7 years from the date of the purchase. After 7 years can only be sold back to issuer.	Massachusetts Dev Fin -three charter schools , New Jersey Econ- the Leaguers and ELH Rev Charter School	6,985,857
The company holds some Federal Home Loan Bank (FHLB) stock that can only be sold back to the FHLB or to another member institution at \$100 per share.	FHLB stock	25,000,000

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286
Royal Trust	77 King St. West, 10th Flr., Toronto, ON M5W 1p9

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution	One Nationwide Blvd., Columbus, OH 43215

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
63867N-17-4	Nationwide Dest 2055-INST CI (Seed)	1,056,700
63867V-21-8	Nationwide Sm Co Growth Fd Inst (Seed)	2,327,803
63868M-44-9	Nationwide Var Ins Tr Income Bond Fund C	1,087,029
29.2999 - Total		4,471,532

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Nationwide Var Ins Tr Income Bond Fund C	NVIT Short Term Bond Fund	334,604	12/31/2012
	NVIT Bond Index Fund	321,449	12/31/2012
	NVIT Core Bond Fund	307,114	12/31/2012
Nationwide Dest 2055-INST CI (Seed)	Vanguard Short Term Bond ETF	124,043	12/31/2012
	Nationwide S&P 500 Index Fund	308,979	12/31/2012
	Nationwide International Index Fund	305,492	12/31/2012
	Nationwide Mid Cap Market Index Fund	159,033	12/31/2012
	Nationwide Small Cap Index Fund	146,776	12/31/2012
Nationwide Sm Co Growth Fd Inst (Seed)	Nationwide Alternatives Allocation Fund	126,381	12/31/2012
	Fidelity Insutational Money Market Fund	114,993	12/31/2012
	Medidata Solutions, Inc.	101,027	12/31/2012
	Tyler Technologies, Inc.	94,509	12/31/2012
	Neogen Corp.	93,112	12/31/2012
	NIC Inc Com NPV	92,647	12/31/2012

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	8,495,153,040	9,460,634,592	965,481,552
30.2 Preferred stocks	3,006,764	3,006,764	
30.3 Totals	8,498,159,804	9,463,641,356	965,481,552

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

For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or "corporate pricing matrix" is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.

- 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
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
 Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No
- 32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$29,123,636

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, Inc	13,023,828
.....

34.1 Amount of payments for legal expenses, if any?\$33,595,854

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

1 Name	2 Amount Paid
.....
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$3,688,302

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

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ _____

1.6 Individual policies:

	Most current three years:
1.61 Total premium earned	\$
1.62 Total incurred claims	\$
1.63 Number of covered lives .....	.....
All years prior to most current three years	
1.64 Total premium earned	\$
1.65 Total incurred claims	\$
1.66 Number of covered lives .....	.....

1.7 Group policies:

	Most current three years:
1.71 Total premium earned	\$
1.72 Total incurred claims	\$
1.73 Number of covered lives .....	.....
All years prior to most current three years	
1.74 Total premium earned	\$
1.75 Total incurred claims	\$
1.76 Number of covered lives .....	.....

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator	12,405,018,019	12,217,835,801
2.3 Premium Ratio (2.1/2.2) .....	.000	.000
2.4 Reserve Numerator	4,021,338	4,615,243
2.5 Reserve Denominator	13,555,757,773	13,315,454,135
2.6 Reserve Ratio (2.4/2.5) .....	.000	.000

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies	\$1,160,900
3.22 Non-participating policies	\$3,580,211,727

4. For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [X] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? Yes [] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....	Yes [] No [] N/A []
5.22 As a direct expense of the exchange.....	Yes [] No [] N/A []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Exposure of the Pooled Companies to a Workers' Compensation catastrophe is protected by a Liability Excess of Loss (Clash) treaty providing \$90 M limit excess of \$10 M per occurrence retention and containing a \$10 M per claimant limit.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Catastrophic risk to the Pool arises primarily from windstorm events in the southeastern United States affecting personal and commercial lines. The company's property exposures are aggregated with the other Nationwide companies and modeled using Applied Insurance Research (AIR) CLASIC/2.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The company's net property-catastrophe exposures, if any, are mitigated through managed coastal growth, purchase of excess of loss reinsurance, policy provisions such as higher deductibles, and enforcement of underwriting guidelines related to building construction, etc.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
.....
- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?..... Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions:
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses\$
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses)\$
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds\$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From %
- 12.42 To %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit\$3,513,771
- 12.62 Collateral and other funds.....\$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$ 19,900,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount:3
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Companies that are not part of the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements receive a fair and equitable allocation of ceded premium and loss. The terms of the Nationwide Pooling and Quota Share Agreements govern the allocation and recording of ceded premium and loss for the participating companies.
- 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 [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 [X]
- 14.5 If the answer to 14.4 is no, please explain:
Written agreements are in place for all multi-cedant reinsurance treaties that cover any company that does not participate in the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements.
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information
.....
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	7,511,624,827	7,323,320,546	6,882,946,128	7,092,725,401	7,355,186,898
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,111,341,840	3,774,847,407	3,585,375,407	3,683,277,744	3,858,811,210
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,368,398,597	5,080,348,960	4,469,481,132	4,490,702,902	4,627,355,712
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	240,641,474	320,152,768	292,987,071	245,198,654	299,600,500
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	20,141,113	52,277,837	72,533	111,242	6,326
6. Total (Line 35)	17,252,147,851	16,550,947,518	15,230,862,271	15,512,015,943	16,140,960,646
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,510,879,649	5,434,673,310	5,273,508,170	5,453,286,380	5,680,086,505
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,011,578,102	2,922,314,385	2,929,480,911	3,013,806,722	3,174,162,607
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,797,428,254	3,690,864,393	3,541,399,045	3,566,171,006	3,715,570,468
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	169,559,073	226,637,177	215,761,891	180,406,930	213,240,154
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	3,161,372	52,269,706	60,136	25,832	109,156
12. Total (Line 35)	12,492,606,450	12,326,758,971	11,960,210,153	12,213,696,870	12,783,168,890
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(873,612,458)	(1,367,698,198)	(130,268,161)	(488,304,040)	(891,799,271)
14. Net investment gain or (loss) (Line 11)	785,933,090	220,580,801	398,612,659	256,084,884	1,033,213,310
15. Total other income (Line 15)	73,781,017	145,320,726	140,333,441	115,593,650	150,435,251
16. Dividends to policyholders (Line 17)	7,398,646	7,020,594	5,449,530	4,402,033	10,446,980
17. Federal and foreign income taxes incurred (Line 19)	(42,947,318)	(114,286,969)	(21,616,615)	(176,262,362)	(274,683,805)
18. Net income (Line 20)	21,650,322	(894,530,296)	424,845,024	55,234,823	556,086,115
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	29,551,792,548	29,149,882,189	28,204,640,921	27,261,995,134	28,835,947,443
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	1,668,555,462	655,306,773	1,520,876,979	1,495,677,787	1,533,587,000
20.2 Deferred and not yet due (Line 15.2)	2,323,353,001	2,385,065,444	2,017,093,666	2,125,888,085	2,219,344,610
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	18,207,794,359	17,855,178,445	17,618,496,282	17,786,951,724	17,956,216,734
22. Losses (Page 3, Line 1)	6,567,908,582	6,876,022,870	6,777,680,705	7,068,375,813	6,978,125,443
23. Loss adjustment expenses (Page 3, Line 3)	1,418,095,919	1,486,267,498	1,419,647,911	1,493,714,925	1,500,405,910
24. Unearned premiums (Page 3, Line 9)	4,922,676,348	4,835,071,131	4,633,460,895	4,757,790,998	4,913,474,951
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	11,343,998,189	11,294,703,744	10,586,144,639	9,475,043,410	10,879,730,709
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(857,259,727)	(174,291,590)	367,758,253	327,637,793	648,893,622
Risk-Based Capital Analysis					
28. Total adjusted capital	11,345,158,539	11,295,590,015	10,586,144,639	9,474,377,493	10,879,730,709
29. Authorized control level risk-based capital	2,255,114,424	2,029,869,911	1,843,237,312	1,917,861,090	1,898,766,894
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	37.1	40.6	44.8	44.2	38.3
31. Stocks (Lines 2.1 & 2.2)	35.0	32.9	30.8	29.8	29.2
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.2	2.4	2.9	3.4	3.3
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.0	2.7	2.3	2.5	2.4
34. Cash, cash equivalents and short-term investments (Line 5)	1.2	1.9	1.2	4.5	10.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)	0.3	0.5	0.6	XXX	XXX
37. Other invested assets (Line 8)	16.0	13.9	11.3	10.2	11.1
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.1	0.3	1.2	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	5.1	4.8	4.7	5.3	4.9
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	2,740,000	2,680,000	3,020,000	2,960,000	2,900,000
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	7,759,827,722	7,368,372,198	6,835,815,813	6,070,130,969	6,216,216,504
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	1,953,248,294	1,258,984,759	874,994,569	1,177,563,995	1,593,166,373
48. Total of above Lines 42 to 47	9,715,816,016	8,630,036,957	7,713,830,382	7,250,654,964	7,812,282,877
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	85.6	76.4	72.9	76.5	71.8

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(360,554,102)	105,453,348	742,307,771	(1,450,435,784)	(1,208,498,430)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	49,294,445	(195,834,271)	1,111,101,230	(1,404,687,299)	(481,726,338)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,338,937,832	4,441,818,450	4,140,555,554	4,183,222,998	4,088,779,632
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,400,619,600	2,327,674,345	1,995,862,757	2,069,772,026	2,152,760,795
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,206,920,875	3,929,782,280	2,743,482,249	2,868,563,711	3,033,413,224
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	184,141,101	240,582,344	247,403,131	203,840,106	227,255,556
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	24,149,937	18,870,936	17,664,659	15,389,036	12,340,665
59. Total (Line 35)	10,154,769,345	10,958,728,355	9,144,968,350	9,340,787,877	9,514,549,872
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,433,076,495	3,225,507,419	3,130,999,024	3,192,248,451	3,106,373,111
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,783,252,423	1,821,492,776	1,642,169,234	1,709,630,820	1,774,854,078
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,485,128,281	3,008,965,751	2,269,262,564	2,376,746,574	2,511,670,944
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	123,615,736	166,625,790	177,018,546	142,383,960	161,330,336
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	28,964,203	14,778,471	10,410,275	9,764,862	11,710,116
65. Total (Line 35)	7,854,037,138	8,237,370,207	7,229,859,643	7,430,774,667	7,565,938,585
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	60.8	65.7	57.4	60.8	63.8
68. Loss expenses incurred (Line 3)	11.1	11.4	10.3	10.6	10.9
69. Other underwriting expenses incurred (Line 4)	35.1	34.0	33.3	32.6	32.3
70. Net underwriting gain (loss) (Line 8)	(7.0)	(11.2)	(1.1)	(3.9)	(7.0)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	34.3	32.6	32.5	32.1	31.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	71.9	77.2	67.8	71.4	74.7
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	110.1	109.1	113.0	128.9	117.5
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(108,426)	919,400	(452,801)	(113,808)	68,959
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(1.0)	8.0	(4.8)	(1.0)	0.6
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(456,648)	461,753	(328,234)	(107,086)	(14,296)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(4.0)		(3.0)	(0.9)	(0.1)

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 [X] No []
 If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid Cols (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	XXX	XXX	XXX	228,262	116,699	34,217	11,616	5,898	1,633	3,428	138,429	XXX
2. 2003	11,600,138	512,566	11,087,572	6,371,029	453,889	346,229	31,614	856,111	4,444	330,540	7,083,423	XXX
3. 2004	12,351,641	724,081	11,627,560	6,635,453	580,214	341,328	35,977	903,238	3,705	333,811	7,260,121	XXX
4. 2005	13,023,397	622,415	12,400,983	7,251,468	795,062	395,155	40,445	981,935	18,407	352,540	7,774,644	XXX
5. 2006	14,178,954	1,076,448	13,102,506	7,056,903	463,479	376,717	32,897	1,284,887	22,612	369,548	8,199,517	XXX
6. 2007	14,233,403	970,671	13,262,732	7,349,506	485,446	368,001	24,348	716,911	9,294	440,057	7,915,329	XXX
7. 2008	14,189,224	1,249,697	12,939,527	8,310,718	510,389	340,897	20,604	1,038,061	16,963	400,266	9,141,721	XXX
8. 2009	13,669,849	1,128,913	12,540,937	7,428,037	466,371	287,127	21,811	930,638	25,610	382,651	8,132,009	XXX
9. 2010	13,422,970	1,152,478	12,270,493	7,005,878	443,342	215,208	17,421	929,391	32,573	391,329	7,657,141	XXX
10. 2011	13,485,258	1,267,422	12,217,836	7,522,380	504,535	150,850	13,234	983,515	34,244	406,593	8,104,732	XXX
11. 2012	13,761,428	1,356,410	12,405,018	5,043,138	369,407	45,465	2,079	789,036	25,541	279,982	5,480,612	XXX
12. Totals	XXX	XXX	XXX	70,202,772	5,188,836	2,901,194	252,047	9,419,620	195,026	3,690,746	76,887,677	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	705,626	383,105	248,983	163,085	28,086	18,380	55,789	22,700	4,691	261	3,882	455,643	XXX
2. 2003	38,604	20,844	9,119	2,796	2,785	381	7,795	1,029	1,025	35	1,081	34,242	XXX
3. 2004	111,337	83,181	17,603	9,185	7,120	2,986	9,570	1,727	1,998	104	1,477	50,447	XXX
4. 2005	91,600	43,793	30,675	16,132	6,189	1,666	17,476	1,089	3,530	189	2,502	86,602	XXX
5. 2006	98,656	35,561	44,332	22,612	7,565	2,038	26,840	1,958	4,422	265	4,703	119,381	XXX
6. 2007	189,479	30,339	62,461	28,914	10,043	1,346	40,395	2,437	4,588	428	7,004	243,502	XXX
7. 2008	262,168	53,124	89,985	36,729	14,494	2,727	61,665	2,930	10,516	863	9,258	342,455	XXX
8. 2009	380,296	39,569	136,875	48,293	22,234	3,764	96,949	5,722	15,093	1,560	17,073	552,540	XXX
9. 2010	631,867	61,342	241,913	83,017	35,071	7,056	162,943	11,248	25,641	2,715	26,218	932,059	XXX
10. 2011	1,110,070	94,765	457,413	129,289	41,417	9,405	270,653	24,887	48,632	5,487	49,985	1,664,352	XXX
11. 2012	1,948,510	191,603	1,492,809	255,197	34,682	7,308	377,220	37,337	154,100	11,095	193,841	3,504,780	XXX
12. Totals	5,568,215	1,037,227	2,832,169	795,249	209,687	57,056	1,127,294	113,063	274,236	23,002	317,023	7,986,004	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred / Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	408,419	47,224
2. 2003	7,632,698	515,033	7,117,665	65.8	100.5	64.2			83.7	24,083	10,160
3. 2004	8,027,646	717,079	7,310,567	65.0	99.0	62.9			83.7	36,574	13,873
4. 2005	8,778,029	916,783	7,861,246	67.4	147.3	63.4			83.7	62,350	24,252
5. 2006	8,900,320	581,423	8,318,898	62.8	54.0	63.5			83.7	84,815	34,566
6. 2007	8,741,384	582,553	8,158,831	61.4	60.0	61.5			83.7	192,687	50,815
7. 2008	10,128,504	644,328	9,484,176	71.4	51.6	73.3			83.7	262,301	80,155
8. 2009	9,297,250	612,701	8,684,549	68.0	54.3	69.2			83.7	429,309	123,230
9. 2010	9,247,914	658,714	8,589,200	68.9	57.2	70.0			83.7	729,422	202,637
10. 2011	10,584,930	815,847	9,769,083	78.5	64.4	80.0			83.7	1,343,430	320,922
11. 2012	9,884,960	899,568	8,985,392	71.8	66.3	72.4			83.7	2,994,519	510,262
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	6,567,908	1,418,095

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior.....	3,650,990	3,831,765	3,957,682	3,898,633	3,931,468	3,993,080	4,020,534	4,042,528	4,058,696	4,044,973	(13,723)	2,445
2. 2003.....	6,543,193	6,367,630	6,353,544	6,302,423	6,286,788	6,281,269	6,272,693	6,272,375	6,266,882	6,265,016	(1,866)	(7,359)
3. 2004.....	XXX	6,644,978	6,577,547	6,496,069	6,496,964	6,461,618	6,434,944	6,419,254	6,411,868	6,409,143	(2,725)	(10,111)
4. 2005.....	XXX	XXX	7,108,863	6,951,606	6,951,003	6,952,873	6,922,003	6,907,902	6,893,576	6,894,425	849	(13,477)
5. 2006.....	XXX	XXX	XXX	7,233,399	7,170,430	7,171,462	7,132,674	7,090,208	7,064,101	7,052,477	(11,624)	(37,731)
6. 2007.....	XXX	XXX	XXX	XXX	7,622,455	7,665,418	7,561,965	7,495,162	7,451,692	7,447,055	(4,637)	(48,107)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	8,573,012	8,635,336	8,535,160	8,456,546	8,453,432	(3,114)	(81,728)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	8,111,351	7,872,574	7,788,987	7,765,991	(22,996)	(106,584)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,823,452	7,712,397	7,669,456	(42,942)	(153,996)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,782,317	8,776,668	(5,649)	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,078,892	XXX	XXX
12. Totals											(108,426)	(456,648)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior.....	.000	1,353,307	2,150,976	2,599,645	2,912,758	3,084,368	3,257,904	3,353,618	3,459,209	3,593,373	XXX	XXX
2. 2003.....	3,665,309	4,943,974	5,445,916	5,794,972	5,994,585	6,106,832	6,158,235	6,192,888	6,212,527	6,231,756	XXX	XXX
3. 2004.....	XXX	3,664,043	5,022,211	5,562,528	5,931,011	6,137,998	6,247,388	6,303,313	6,332,240	6,360,589	XXX	XXX
4. 2005.....	XXX	XXX	3,837,822	5,249,061	5,937,273	6,353,636	6,587,397	6,712,271	6,764,665	6,811,115	XXX	XXX
5. 2006.....	XXX	XXX	XXX	3,926,271	5,468,576	6,125,751	6,515,748	6,747,665	6,868,135	6,937,242	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	4,151,063	5,790,595	6,400,997	6,811,220	7,052,385	7,207,713	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	4,964,839	6,754,427	7,406,297	7,850,427	8,120,622	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	4,537,186	6,119,558	6,785,396	7,226,981	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,520,406	6,095,966	6,760,323	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,376,917	7,155,461	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,717,117	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior.....	1,366,460	877,058	620,317	469,883	389,426	329,939	288,013	274,883	196,315	119,275
2. 2003.....	1,554,347	613,764	353,615	207,197	126,018	81,259	53,727	37,145	25,991	13,096
3. 2004.....	XXX	1,532,286	670,093	386,195	209,424	117,575	78,405	52,245	32,498	16,262
4. 2005.....	XXX	XXX	1,658,117	787,007	425,119	235,441	146,790	92,151	56,710	30,977
5. 2006.....	XXX	XXX	XXX	1,749,208	807,673	447,639	252,529	141,497	85,492	46,614
6. 2007.....	XXX	XXX	XXX	XXX	1,774,891	800,579	464,589	253,403	135,742	71,505
7. 2008.....	XXX	XXX	XXX	XXX	XXX	1,758,191	831,947	442,006	216,735	112,000
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	1,768,856	709,014	358,977	179,813
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,592,797	625,440	310,592
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,550,358	573,890
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,577,494

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama AL	L	14,041,690	14,096,547	1,492	7,161,375	845,802	16,366,106	107,175	459,440
2. Alaska AK	L	195,155	181,705		11,904	80,783	85,852		179,052
3. Arizona AZ	L	14,567,311	14,642,241	2,818	9,751,372	12,426,113	22,248,819	(648)	565,099
4. Arkansas AR	L	54,593,486	56,768,500	1,555	33,728,502	29,854,684	19,576,879	747,321	155,667
5. California CA	L	237,815,357	252,645,056	(588)	111,302,635	115,047,881	169,413,590	53,525	4,460,703
6. Colorado CO	L	21,645,950	20,692,724		11,288,178	10,055,380	16,309,413	4,617	630,870
7. Connecticut CT	L	100,249,014	103,043,482		73,269,750	64,599,272	93,317,941	1,142,942	781,753
8. Delaware DE	L	100,711,414	100,466,271	6,101	64,297,222	64,698,499	73,190,304	1,008,562	139,660
9. District of Columbia DC	L	10,451,251	10,571,092	15,798	4,091,397	4,190,227	5,596,436	76,073	95,214
10. Florida FL	L	28,559,985	30,972,720	21,408	44,039,308	19,985,665	77,314,841	17,073	3,220,006
11. Georgia GA	L	25,713,805	23,961,862		9,111,327	10,357,807	18,941,580	44,242	958,413
12. Hawaii HI	L	411,804	394,381		32,098	25,733	41,426		265,369
13. Idaho ID	L	8,094,806	7,658,151		4,612,590	2,834,049	2,606,029	915	143,953
14. Illinois IL	L	20,083,428	20,019,114	59,560	10,411,991	9,212,651	17,204,350	104,528	1,731,462
15. Indiana IN	L	43,098,143	42,283,176		22,090,455	21,953,086	22,095,737	443,538	3,458,390
16. Iowa IA	L	99,526,144	100,286,993	791,202	55,957,588	56,345,287	58,036,537	2,693	257,315
17. Kansas KS	L	44,805,900	43,534,767	44,572	24,422,517	27,858,823	23,652,879	3,871	234,392
18. Kentucky KY	L	33,420,317	33,793,428	(28,699)	23,053,990	22,115,689	16,886,319	177,048	391,817
19. Louisiana LA	L	3,207,743	3,111,941		1,230,967	1,623,805	1,118,503		782,623
20. Maine ME	L	2,290,144	2,373,031		947,083	394,353	1,357,549	19,227	195,222
21. Maryland MD	L	186,909,445	191,621,221	145,399	101,532,927	88,170,277	135,294,982	1,559,237	793,187
22. Massachusetts MA	L	13,067,195	12,340,566		5,043,051	5,892,608	6,109,326	93,663	1,087,579
23. Michigan MI	L	5,983,074	5,970,328	16,154	4,290,599	2,238,031	19,913,274	43,230	650,857
24. Minnesota MN	L	18,716,652	17,678,525		10,103,661	11,636,392	13,794,814	5,457	440,352
25. Mississippi MS	L	38,165,242	38,405,047	2,684	19,588,220	17,193,877	18,493,007	290,292	310,560
26. Missouri MO	L	32,394,136	31,564,237	37,055	22,493,606	29,758,590	38,800,248	7,795	595,215
27. Montana MT	L	9,334,159	8,690,480		4,464,561	4,998,818	2,477,106		101,719
28. Nebraska NE	L	35,407,836	34,530,859	197,205	21,464,343	24,285,515	24,820,615	1,120	1,249,422
29. Nevada NV	L	14,452,021	14,217,037		11,725,811	8,962,800	12,948,413	(303)	376,430
30. New Hampshire NH	L	12,167,752	12,608,321		6,505,304	6,032,104	7,199,640	123,314	260,999
31. New Jersey NJ	L	9,637,311	9,692,534	76,335	7,633,479	(113,014)	71,835,512	13,120	1,697,223
32. New Mexico NM	L	6,306,726	6,326,499	8,745	5,948,253	4,238,504	5,230,302		207,492
33. New York NY	L	127,249,744	128,665,875	6,013	91,599,064	71,433,132	121,004,203	1,602,165	4,552,771
34. North Carolina NC	L	493,392,519	495,263,547	261,151	272,573,963	247,930,969	190,709,403	4,185,146	985,118
35. North Dakota ND	L	9,089,366	8,541,767		4,774,956	4,792,242	3,331,602	468	41,672
36. Ohio OH	L	348,132,077	350,533,451		196,221,480	200,171,273	119,480,408	4,072,307	1,062,945
37. Oklahoma OK	L	2,531,087	2,377,077		1,335,113	1,326,599	758,543	23,141	293,461
38. Oregon OR	L	13,400,506	13,955,707		6,263,800	5,851,048	7,905,892	(590)	683,894
39. Pennsylvania PA	L	423,445,800	430,424,503	357,820	284,542,334	211,378,663	664,723,970	4,435,589	1,829,739
40. Rhode Island RI	L	47,675,461	48,164,190		34,631,435	27,758,483	24,075,095	513,721	137,158
41. South Carolina SC	L	113,254,073	114,812,645	37,944	59,993,656	50,955,196	63,697,887	1,456,811	396,195
42. South Dakota SD	L	10,586,342	10,234,701	24,141	8,257,771	6,856,192	10,313,820	352	42,053
43. Tennessee TN	L	64,963,581	65,402,099		38,284,937	32,778,725	36,064,898	681,461	810,846
44. Texas TX	L	148,601,670	152,133,051		83,883,294	73,746,376	38,686,968	1,278,678	2,116,073
45. Utah UT	L	8,674,446	8,736,107		4,894,030	2,682,480	5,069,142	2,716	80,490
46. Vermont VT	L	14,603,563	14,898,030		6,635,854	5,483,032	4,824,228	198,024	(10,135)
47. Virginia VA	L	295,734,373	300,425,833	368,138	161,864,179	148,098,173	158,727,043	3,166,886	1,060,787
48. Washington WA	L	17,608,745	16,651,942		9,660,253	7,180,503	10,297,677	(1,006)	699,260
49. West Virginia WV	L	167,915,306	172,148,008		88,355,140	74,202,516	70,808,400	1,565,728	(535,000)
50. Wisconsin WI	L	16,976,109	17,683,590	700,962	9,475,949	13,074,875	25,997,992	1,375	(206,613)
51. Wyoming WY	L	11,513,463	13,939,997		7,403,273	7,235,521	6,573,886	210	(3,325,250)
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	L					3	(10)		
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX								
59. Totals	(a) 52	3,581,372,627	3,630,134,956	3,154,965	2,102,256,545	1,870,736,092	2,575,329,376	29,272,809	37,592,919
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

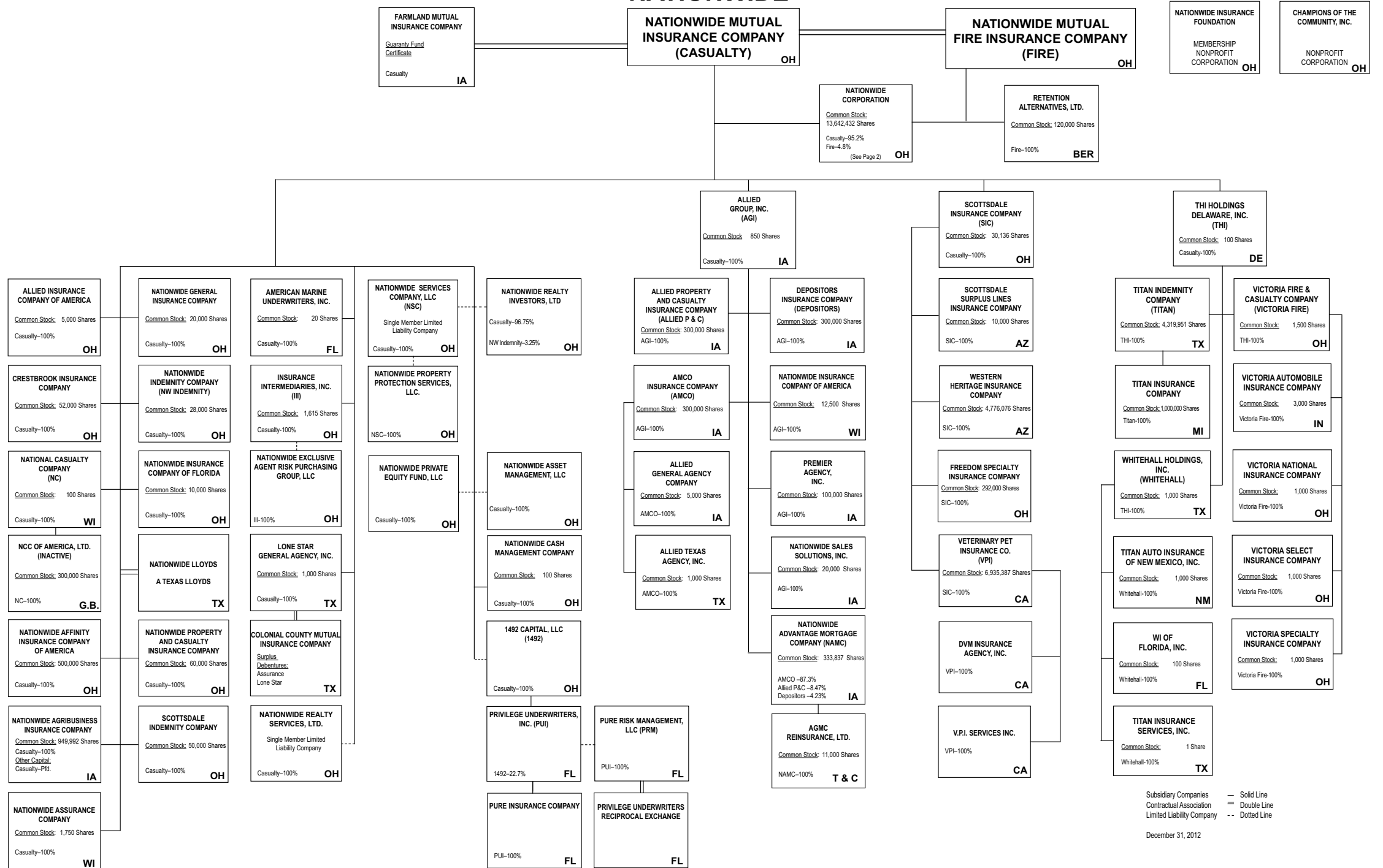
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Explanation of basis of allocation of premiums by states, etc.

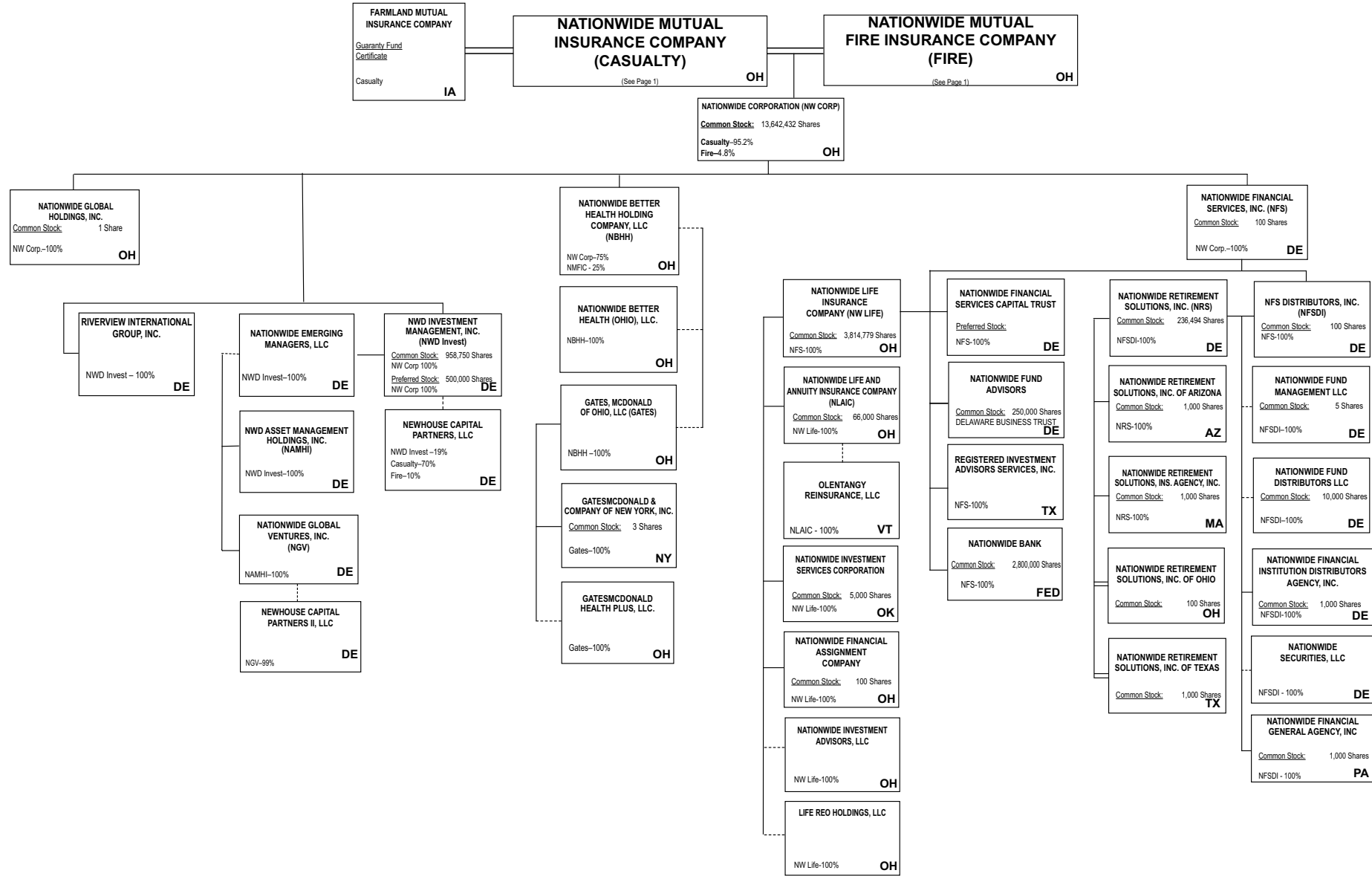
Premiums are allocated to those states where the insured risks are located: principle garage for automobile, physical address for homeowners, commercial multiple peril and other liability and main place of work for workers' compensation. Allocation of premiums for individual and group health insurance is based on the situs of the contract.

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

NATIONWIDE®



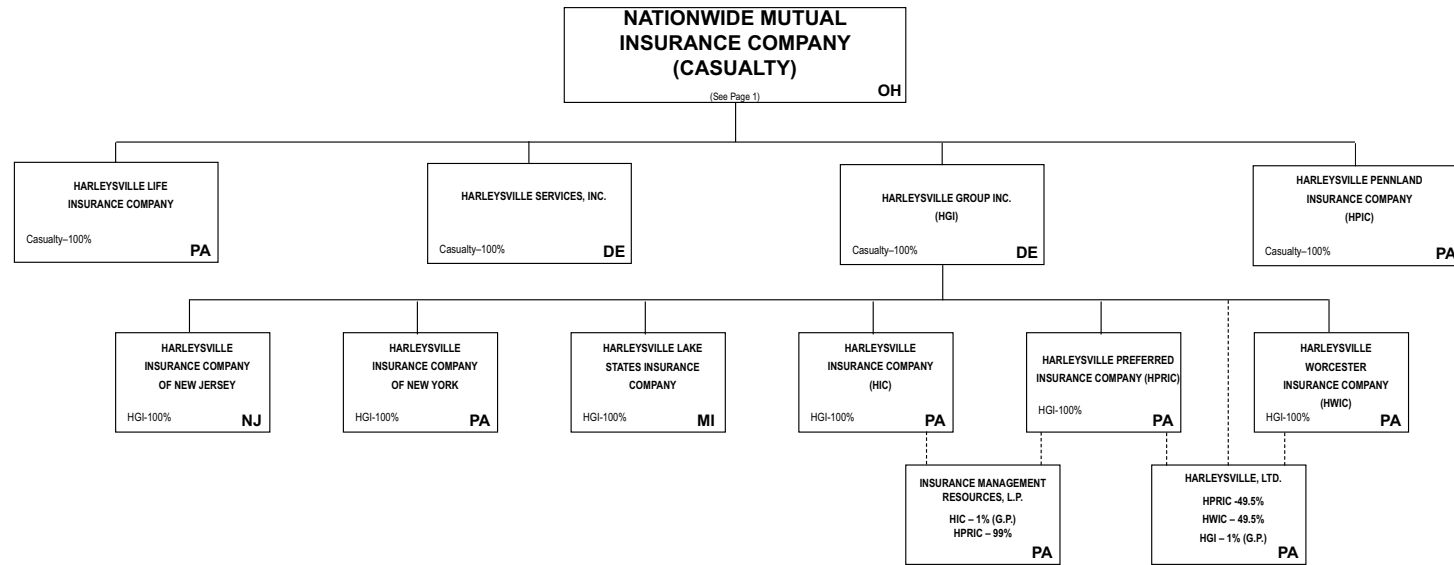
NATIONWIDE®



Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company - - Dotted Line

December 31, 2012

NATIONWIDE®



Subsidiary Companies — Solid Line
 Contractual Association = Double Line
 Limited Liability Company - - Dotted Line

December 31, 2012

NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	13838	IA	42-0618271	Farmland Mutual Insurance Company
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	23582	PA	41-0417250	Harleysville Insurance Company
0140	Nationwide	42900	NJ	23-2253669	Harleysville Insurance Company of New Jersey
0140	Nationwide	10674	PA	23-2864924	Harleysville Insurance Company of New York
0140	Nationwide	14516	MI	38-3198542	Harleysville Lake States Insurance Company
0140	Nationwide	64327	PA	23-1580983	Harleysville Life Insurance Company
0140	Nationwide	40983	PA	23-2612951	Harleysville Pennland Insurance Company
0140	Nationwide	35696	PA	23-2384978	Harleysville Preferred Insurance Company
0140	Nationwide	26182	PA	04-1989660	Harleysville Worcester Insurance Company
0140	Nationwide	11991	WI	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	WI	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	WI	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	13999	VT	27-1712056	Olentangy Reinsurance, LLC
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	13242	TX	74-2286759	Titan Indemnity Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	CA	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	10644	IN	34-1785903	Victoria Automobile Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company
0140	Nationwide	10777	OH	34-1842602	Victoria Specialty Insurance Company
0140	Nationwide	37150	AZ	86-0561941	Western Heritage Insurance Company
4664	PURE	12873	FL	20-8287105	Privilege Underwriters Reciprocal Exchange
4664	PURE	13204	FL	26-3109178	PURE Insurance Company

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE NATIONWIDE MUTUAL INSURANCE COMPANY
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Equities and deposits in pools and associations	139,349,213	96,970	139,252,243	159,528,921
2505. Miscellaneous assets	66,189,911	5,020,174	61,169,737	90,039,735
2506. Other assets nonadmitted	132,754,603	132,754,603		
2507. Over the counter collateral	175,829,000		175,829,000	44,070,275
2508. Recoupment receivables	21,961,002		21,961,002	92,300
2509. Third party administrator receivable	79,353		79,353	
2597. Summary of remaining write-ins for Line 25 from overflow page	536,163,082	137,871,747	398,291,335	293,731,231

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Contingent suit liabilities	10,885,813	8,326,628
2505. Deferred investment income		2,469,533
2506. Escrow liabilities	16,490,025	19,952,168
2507. Loss based assessment payables	9,434,845	8,979,272
2508. Miscellaneous liabilities	113,613,491	66,445,358
2509. Pension liability	(13,077,972)	
2510. Pooling expense payables	183,125,038	137,371,130
2511. Reserve for state escheat payments	41,311,763	43,177,885
2512. SRP - additional minimum liabilities	34,061,512	27,793,626
2513. State surcharge/recoupment payable	8,005,375	1,184,458
2597. Summary of remaining write-ins for Line 25 from overflow page	403,849,890	315,700,058

Additional Write-ins for Statement of Income Line 14

	1 Current Year	2 Prior Year
1404. Miscellaneous accrued income		(137,120)
1405. Other miscellaneous expenses	28,332,802	55,676,772
1497. Summary of remaining write-ins for Line 14 from overflow page	28,332,802	55,539,652

Additional Write-ins for Statement of Income Line 37

	1 Current Year	2 Prior Year
3704. Pension adjustment	100,420,518	
3705. SSAP 10 DTA	(523,320,581)	159,772,308
3797. Summary of remaining write-ins for Line 37 from overflow page	(422,900,063)	159,772,308

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Other expenses	82,527,025	141,082,475	(217,199)	223,392,301
2405. Outside services	394,619	1,104,587	147,691	1,646,897
2406. Outside services and income	1,999,181	29,719,029	113,627	31,831,837
2407. Service fees		14,225,650		14,225,650
2497. Summary of remaining write-ins for Line 24 from overflow page	84,920,825	186,131,741	44,119	271,096,685

Additional Write-ins for Exhibit of Capital Gains and Losses Line 9

	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)
0904. Lehman Impairment		(1,304,600)	(1,304,600)		
0905. Miscellaneous gain	18,856,745		18,856,745		
0906. OCI unrealized deferred gain securities transactions				2,469,533	
0907. Securities Lending		(747,926)	(747,926)	2,391,361	
0997. Summary of remaining write-ins for Line 9 from overflow page	18,856,745	(2,052,526)	16,804,219	4,860,894	

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Miscellaneous assets	5,020,174	94,682,805	89,662,631
2505. Other assets nonadmitted	132,754,603	114,430,640	(18,323,963)
2597. Summary of remaining write-ins for Line 25 from overflow page	137,774,777	209,113,445	71,338,668

Additional Write-ins for Schedule E - Part 3 Line 58

	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
5804. U S Treasury Bd	B	Reinsurance			4,217,857	4,702,178
5805. U S Treasury Bond	B	Reinsurance - hull			5,485,494	6,115,374
5806. U S Treasury Note	B	Reinsurance			2,268,924	2,484,599
5807. U S Treasury Nt	B	Workers compensation			285,226	306,164
5897. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX			12,257,501	13,608,315

OVERFLOW PAGE FOR WRITE-INS

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