



ANNUAL STATEMENT

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

National Interstate Insurance Company

NAIC Group Code.....84, 84 (Current Period) (Prior Period)	NAIC Company Code..... 32620	Employer's ID Number..... 34-1607395
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... February 10, 1989	Commenced Business..... March 28, 1989	
Statutory Home Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State, Country and Zip Code)	800-929-1500 (Area Code) (Telephone Number)
Mail Address	3250 Interstate Drive..... Richfield OH 44286 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	3250 Interstate Drive..... Richfield OH 44286 (Street and Number) (City or Town, State, Country and Zip Code)	800-929-1500 (Area Code) (Telephone Number)
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Robert Paul Brooks (Name) rob.brooks@nationalinterstate.com (E-Mail Address)	330-659-8900 -1204 (Area Code) (Telephone Number) (Extension) 330-659-8904 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David Warner Michelson	President	2. Arthur Jeffrey Gonzales	VP, General Counsel & Secretary
3. Julie Ann McGraw	VP, CFO & Treasurer	4. Terry Eugene Phillips	Senior Vice President

OTHER

Gary Norman Monda	VP, CIO & Assistant Treasurer	James Allan Parks	Vice President
Anthony Joseph Mercurio	Vice President	John Lloyd Woods	Vice President
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Ray Frederick Wise, Jr. #	Vice President		

DIRECTORS OR TRUSTEES

Alan Robert Spachman	Gary Norman Monda	David Warner Michelson	Michelle Ann Silvestro
Terry Eugene Phillips	Ronald George Steiger, Jr.	Edward Jeffrey Masch	James Allan Parks
Anthony Joseph Mercurio	Terri Kaye Johnson	Bradford Lee Scofield	Julie Ann McGraw
John Lloyd Woods	Arthur Jeffrey Gonzales	Pamela Lee McDermid	Tanya Marie Inama
George Olaf Skuggen	Dale Alan Willis	Stephen Edward Winborn	

State of..... Ohio
County of..... Summit

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

(Signature) David Warner Michelson	(Signature) Arthur Jeffrey Gonzales	(Signature) Julie Ann McGraw
1. (Printed Name) President	2. (Printed Name) VP, General Counsel & Secretary	3. (Printed Name) VP, CFO & Treasurer
(Title)	(Title)	(Title)
Subscribed and sworn to before me This 15th day of February 2013	a. Is this an original filing? b. If no	Yes [X] No [] 1. State the amendment number 2. Date filed 3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	595,283,232		595,283,232	598,711,004
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	5,094,761		5,094,761	5,499,245
2.2 Common stocks.....	180,146,071	199,503	179,946,568	193,495,658
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	15,693,715		15,693,715	15,628,007
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(4,904,711), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....23,562,906, Schedule DA).....	18,658,195		18,658,195	3,873,645
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	21,713,639		21,713,639	13,164,908
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	836,589,613	199,503	836,390,110	830,372,467
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,981,039		5,981,039	6,053,228
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	10,530,410	549,542	9,980,869	10,501,071
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	131,498,010	129,447	131,368,564	97,323,756
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	6,119,909		6,119,909	15,919,902
16.2 Funds held by or deposited with reinsured companies.....	913,076		913,076	806,234
16.3 Other amounts receivable under reinsurance contracts.....			0	27,651
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	479,053		479,053	6,612,251
18.2 Net deferred tax asset.....	22,384,833	352,179	22,032,654	22,225,333
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	924,343		924,343	1,352,789
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,205,481		1,205,481	483,271
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	3,069,400	993,802	2,075,598	3,032,976
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,019,695,165	2,224,472	1,017,470,693	994,710,927
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	1,019,695,165	2,224,472	1,017,470,693	994,710,927

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Receivable from insureds for deductible payments.....	822,815	201,058	621,757	1,150,703
2502. Prepaid expenses.....	792,643	792,643	0	
2503. Miscellaneous receivable.....	105,642		105,642	351,745
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,348,301	101	1,348,199	1,530,528
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,069,400	993,802	2,075,598	3,032,976

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	266,206,397	268,627,377
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	60,883,895	63,564,039
4. Commissions payable, contingent commissions and other similar charges.....	8,820,793	7,773,249
5. Other expenses (excluding taxes, licenses and fees).....	7,143,330	7,487,785
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,590,814	4,421,816
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....130,761,922 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	121,869,462	112,076,281
10. Advance premium.....	592,016	612,339
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	12,084,169	16,380,025
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	215,733,550	186,322,065
14. Amounts withheld or retained by company for account of others.....	16,436,377	16,057,553
15. Remittances and items not allocated.....	1,459,305	471,725
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	2,102,665	302,585
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	16,419,446	13,756,215
20. Derivatives.....		
21. Payable for securities.....	37,139	16,262
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	12,395,396	3,227,908
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	747,774,754	701,097,223
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	747,774,754	701,097,223
29. Aggregate write-ins for special surplus funds.....	0	3,078,125
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	32,108,779	32,108,779
35. Unassigned funds (surplus).....	234,587,160	255,426,800
36. Less treasury stock, at cost:		
36.1 0.000 shares common (value included in Line 30 \$.....0).....		
36.2 0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	269,695,939	293,613,704
38. TOTALS (Page 2, Line 28, Col. 3).....	1,017,470,693	994,710,927

DETAILS OF WRITE-INS

2501. Unearned rental income.....	33,512	33,528
2502. Payable for balance sheet guaranty.....	12,361,885	3,194,380
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	12,395,396	3,227,908
2901. Implementation of SSAP 10R.....		3,078,125
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	3,078,125
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

National Interstate Insurance Company
STATEMENT OF INCOME

UNDERWRITING INCOME			1	2
			Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....		250,921,330	245,570,924
DEDUCTIONS				
2.	Losses incurred (Part 2, Line 35, Column 7).....		128,470,861	128,479,640
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		27,722,954	27,757,765
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		75,587,908	75,535,416
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		231,781,724	231,772,821
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		19,139,606	13,798,103
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		45,645,613	33,487,486
10.	Net realized capital gains (losses) less capital gains tax of \$.....2,044,882 (Exhibit of Capital Gains (Losses)).....		2,887,720	513,366
11.	Net investment gain (loss) (Lines 9 + 10).....		48,533,333	34,000,852
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....		0	
13.	Finance and service charges not included in premiums.....		410,977	499,548
14.	Aggregate write-ins for miscellaneous income.....		(3,749,379)	(3,194,099)
15.	Total other income (Lines 12 through 14).....		(3,338,402)	(2,694,551)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		64,334,537	45,104,404
17.	Dividends to policyholders.....			
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....		64,334,537	45,104,404
19.	Federal and foreign income taxes incurred.....		11,454,575	14,135,853
20.	Net income (Line 18 minus Line 19) (to Line 22).....		52,879,962	30,968,551
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		293,613,704	273,646,860
22.	Net income (from Line 20).....		52,879,962	30,968,551
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,933,001.....		(16,468,838)	(2,305,577)
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		(1,040,340)	3,213,493
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		2,511,531	(5,385,178)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		(1,800,080)	1,019,672
29.	Change in surplus notes.....			
30.	Surplus (contributed to) withdrawn from protected cells.....			
31.	Cumulative effect of changes in accounting principles.....			
32.	Capital changes:			
32.1	Paid in.....			
32.2	Transferred from surplus (Stock Dividend).....			
32.3	Transferred to surplus.....			
33.	Surplus adjustments:			
33.1	Paid in.....			(0)
33.2	Transferred to capital (Stock Dividend).....			
33.3.	Transferred from capital.....			
34.	Net remittances from or (to) Home Office.....			
35.	Dividends to stockholders.....		(60,000,000)	(10,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....			
37.	Aggregate write-ins for gains and losses in surplus.....		0	2,455,884
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		(23,917,765)	19,966,844
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		269,695,939	293,613,704
DETAILS OF WRITE-INS				
0501.	.....			
0502.	.....			
0503.	.....			
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....		0	0
1401.	Other.....		1,235,541	1,029,279
1402.	Interest on funds held.....		(4,984,920)	(4,223,378)
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....		(3,749,379)	(3,194,099)
3701.	Implementation of SSAP 10R.....			2,455,884
3702.	.....			
3703.	.....			
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....		0	2,455,884

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	223,149,212	252,059,277
2.	Net investment income.....	51,174,949	35,829,656
3.	Miscellaneous income.....	(3,338,402)	(2,694,551)
4.	Total (Lines 1 through 3).....	270,985,759	285,194,382
5.	Benefit and loss related payments.....	121,171,039	19,056,703
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	104,124,919	90,117,294
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....2,044,882 tax on capital gains (losses).....	7,366,259	17,654,791
10.	Total (Lines 5 through 9).....	232,662,217	126,828,788
11.	Net cash from operations (Line 4 minus Line 10).....	38,323,542	158,365,594
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	176,737,985	219,853,223
12.2	Stocks.....	21,533,809	12,139,768
12.3	Mortgage loans.....		
12.4	Real estate.....		
12.5	Other invested assets.....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7	Miscellaneous proceeds.....	20,877	16,262
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	198,292,671	232,009,253
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	172,035,845	412,342,507
13.2	Stocks.....	23,821,801	34,089,206
13.3	Mortgage loans.....		
13.4	Real estate.....	542,098	216,277
13.5	Other invested assets.....	8,359,028	
13.6	Miscellaneous applications.....		
13.7	Total investments acquired (Lines 13.1 to 13.6).....	204,758,771	446,647,991
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(6,466,100)	(214,638,738)
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.....		(0)
16.3	Borrowed funds.....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....	60,000,000	10,000,000
16.6	Other cash provided (applied).....	42,927,109	62,793,706
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(17,072,891)	52,793,706
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	14,784,550	(3,479,438)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	3,873,645	7,353,082
19.2	End of year (Line 18 plus Line 19.1).....	18,658,195	3,873,645

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	40,479	13,294	24,211	29,562
2.	Allied lines.....	76,944	58,820	65,533	70,230
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....				0
5.	Commercial multiple peril.....	1,344,134	573,315	636,577	1,280,872
6.	Mortgage guaranty.....				0
8.	Ocean marine.....	34,598			34,598
9.	Inland marine.....	3,107,319	1,472,935	1,546,882	3,033,371
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....	8,808	3,080	4,608	7,280
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....	526,197	129,699	172,591	483,305
16.	Workers' compensation.....	65,064,429	20,934,846	29,530,434	56,468,841
17.1	Other liability - occurrence.....	13,101,567	7,272,529	6,661,895	13,712,201
17.2	Other liability - claims-made.....	327,295	119,530	130,669	316,156
17.3	Excess workers' compensation.....				0
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	4,117,575	2,182,011	1,946,142	4,353,444
19.3, 19.4	Commercial auto liability.....	124,667,391	55,893,684	58,940,096	121,620,979
21.	Auto physical damage.....	48,214,102	23,384,028	22,155,698	49,442,432
22.	Aircraft (all perils).....				0
23.	Fidelity.....	1,461	10,237	8,295	3,403
24.	Surety.....	49,629	30,126	31,412	48,343
26.	Burglary and theft.....	31,802	6,765	14,235	24,331
27.	Boiler and machinery.....	784	(8,618)	184	(8,018)
28.	Credit.....				0
29.	International.....				0
30.	Warranty.....				0
31.	Reinsurance - nonproportional assumed property.....				0
32.	Reinsurance - nonproportional assumed liability.....				0
33.	Reinsurance - nonproportional assumed financial lines.....				0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	260,714,511	112,076,281	121,869,462	250,921,330

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	24,211				24,211
2.	Allied lines.....	65,533				65,533
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....	636,577				636,577
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	1,546,882				1,546,882
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....	4,608				4,608
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....	172,591				172,591
16.	Workers' compensation.....	29,530,434				29,530,434
17.1	Other liability - occurrence.....	6,661,895				6,661,895
17.2	Other liability - claims-made.....	130,669				130,669
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	1,946,142				1,946,142
19.3, 19.4	Commercial auto liability.....	58,940,096				58,940,096
21.	Auto physical damage.....	22,155,698				22,155,698
22.	Aircraft (all perils).....					0
23.	Fidelity.....	8,295				8,295
24.	Surety.....	31,412				31,412
26.	Burglary and theft.....	14,235				14,235
27.	Boiler and machinery.....	184				184
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	121,869,462	0	0	0	121,869,462
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					121,869,462

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire.....		57,827		17,348		40,479
2.	Allied lines.....	2,657,340	109,920		32,976	2,657,340	76,944
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....	1,367,810	1,313,959		609,899	727,735	1,344,134
6.	Mortgage guaranty.....						0
8.	Ocean marine.....		49,426		14,828		34,598
9.	Inland marine.....	5,900,507	679,177		2,701,770	770,595	3,107,319
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....						0
11.2	Medical professional liability - claims-made.....						0
12.	Earthquake.....	25,595	603		5,564	11,826	8,808
13.	Group accident and health.....						0
14.	Credit accident and health (group and individual).....						0
15.	Other accident and health.....	1,062,487			536,290		526,197
16.	Workers' compensation.....	100,819,183	50,540,910	1,563,052	73,397,239	14,461,478	65,064,429
17.1	Other liability - occurrence.....	30,819,047	7,533,771		7,533,269	17,717,982	13,101,567
17.2	Other liability - claims-made.....	597,469	9,095		184,336	94,933	327,295
17.3	Excess workers' compensation.....	10,889				10,889	0
18.1	Products liability - occurrence.....						0
18.2	Products liability - claims-made.....						0
19.1, 19.2	Private passenger auto liability.....	4,338,184	1,925,547		1,764,675	381,481	4,117,575
19.3, 19.4	Commercial auto liability.....	213,530,583	36,344,821	2,716,865	105,245,323	22,679,555	124,667,391
21.	Auto physical damage.....	57,990,869	21,276,171	135,755	26,884,271	4,304,422	48,214,102
22.	Aircraft (all perils).....						0
23.	Fidelity.....		2,087		626		1,461
24.	Surety.....	70,971			21,269	73	49,629
26.	Burglary and theft.....	37,673	10,678		16,549		31,802
27.	Boiler and machinery.....	24,971	46,489		336	70,341	784
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	419,253,577	119,900,478	4,415,672	218,966,566	63,888,650	260,714,511

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire.....				0	350		350	1.2
2.	Allied lines.....	2,684,173		2,684,173	0			0	
3.	Farmowners multiple peril.....				0			0	
4.	Homeowners multiple peril.....				0			0	
5.	Commercial multiple peril.....	291,986	486,110	353,713	424,383	615,375	714,441	325,317	25.4
6.	Mortgage guaranty.....				0			0	
8.	Ocean marine.....			8,461	(8,461)	65,462	131,400	(74,399)	(215.0)
9.	Inland marine.....	2,098,975	61,452	1,367,798	792,629	1,708,659	1,533,729	967,559	31.9
10.	Financial guaranty.....				0			0	
11.1	Medical professional liability - occurrence.....				0			0	
11.2	Medical professional liability - claims-made.....				0			0	
12.	Earthquake.....				0	1,355	303	1,052	14.5
13.	Group accident and health.....				0			0	
14.	Credit accident and health (group and individual).....				0			0	
15.	Other accident and health.....	14,367		9,339	5,029	331,506	222,917	113,618	23.5
16.	Workers' compensation.....	36,076,465	32,749,887	40,670,928	28,155,424	92,701,942	91,184,408	29,672,957	52.5
17.1	Other liability - occurrence.....	6,330,989	3,263,140	5,404,849	4,189,281	11,312,201	11,310,356	4,191,126	30.6
17.2	Other liability - claims-made.....	2,039,622		2,069,168	(29,545)	360,786	512,584	(181,343)	(57.4)
17.3	Excess workers' compensation.....				0			0	
18.1	Products liability - occurrence.....				0			0	
18.2	Products liability - claims-made.....				0			0	
19.1, 19.2	Private passenger auto liability.....	4,419,608	1,542,252	2,023,581	3,938,278	3,531,535	4,040,918	3,428,896	78.8
19.3, 19.4	Commercial auto liability.....	99,766,396	37,953,488	75,796,020	61,923,865	147,340,373	150,573,122	58,691,116	48.3
21.	Auto physical damage.....	36,885,055	15,588,974	20,973,070	31,500,959	8,231,543	8,402,241	31,330,261	63.4
22.	Aircraft (all perils).....				0			0	
23.	Fidelity.....				0			0	
24.	Surety.....				0			0	
26.	Burglary and theft.....				0	5,309	957	4,352	17.9
27.	Boiler and machinery.....				0			0	
28.	Credit.....				0			0	
29.	International.....				0			0	
30.	Warranty.....				0			0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
35.	TOTALS.....	190,607,637	91,645,302	151,361,099	130,891,841	266,206,397	268,627,377	128,470,861	51.2
DETAILS OF WRITE-INS									
3401.	.....				0			0	
3402.	.....				0			0	
3403.	.....				0			0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding 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.....		500	150	350				350	
2.	Allied lines.....	1,415,029		1,415,029	.0	193,629		193,629	.0	
3.	Farmowners multiple peril.....				.0				.0	
4.	Homeowners multiple peril.....				.0				.0	
5.	Commercial multiple peril.....	251,049	122,641	220,922	152,768	202,270	555,747	295,410	615,375	182,421
6.	Mortgage guaranty.....				.0				.0	
8.	Ocean marine.....		(31)	(9)	(22)	30,368	66,255	31,140	65,462	7,786
9.	Inland marine.....	1,177,304	15,787	559,316	633,774	5,812,529	143,746	4,881,390	1,708,659	392,252
10.	Financial guaranty.....				.0				.0	
11.1	Medical professional liability - occurrence.....				.0				.0	
11.2	Medical professional liability - claims-made.....				.0				.0	
12.	Earthquake.....				.0	4,009	(133)	2,521	1,355	331
13.	Group accident and health.....				.0				(a).....0	
14.	Credit accident and health (group and individual).....				.0				.0	
15.	Other accident and health.....	7,516		4,885	2,631	1,121,799		792,924	(a).....331,506	132,978
16.	Workers' compensation.....	37,367,146	32,267,953	38,707,535	30,927,564	73,966,345	57,105,268	69,297,235	92,701,942	16,548,162
17.1	Other liability - occurrence.....	4,908,217	2,518,054	4,080,223	3,346,048	10,103,130	5,224,790	7,361,767	11,312,201	3,238,803
17.2	Other liability - claims-made.....	370,004	5,001	235,353	139,652	358,647	19,025	156,538	360,786	101,022
17.3	Excess workers' compensation.....				.0				.0	
18.1	Products liability - occurrence.....				.0				.0	
18.2	Products liability - claims-made.....				.0				.0	
19.1, 19.2	Private passenger auto liability.....	2,419,970	464,535	980,907	1,903,598	2,123,533	202,063	697,659	3,531,535	849,145
19.3, 19.4	Commercial auto liability.....	106,772,941	37,923,151	77,802,576	66,893,516	183,765,581	46,247,252	149,565,976	147,340,373	37,408,719
21.	Auto physical damage.....	6,874,710	2,371,451	3,930,659	5,315,503	8,039,976	450,852	5,574,788	8,231,543	2,021,217
22.	Aircraft (all perils).....				.0				.0	
23.	Fidelity.....				.0				.0	
24.	Surety.....				.0				.0	
26.	Burglary and theft.....		500	150	350	9,149	770	4,960	5,309	1,058
27.	Boiler and machinery.....				.0				.0	
28.	Credit.....				.0				.0	
29.	International.....				.0				.0	
30.	Warranty.....				.0				.0	
31.	Reinsurance - nonproportional assumed property.....	XXX			.0	XXX			.0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			.0	XXX			.0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	161,563,886	75,689,542	127,937,696	109,315,732	285,730,965	110,015,636	238,855,936	266,206,397	60,883,895
DETAILS OF WRITE-INS										
3401.	.....				.0				.0	
3402.	.....				.0				.0	
3403.	.....				.0				.0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	38,351,504			38,351,504
1.2 Reinsurance assumed.....	5,994,873			5,994,873
1.3 Reinsurance ceded.....	26,630,940			26,630,940
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	17,715,436	0	0	17,715,436
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		36,642,475		36,642,475
2.2 Reinsurance assumed, excluding contingent.....		11,638,167		11,638,167
2.3 Reinsurance ceded, excluding contingent.....		19,921,068		19,921,068
2.4 Contingent - direct.....		42,108		42,108
2.5 Contingent - reinsurance assumed.....		757,177		757,177
2.6 Contingent - reinsurance ceded.....		480,862		480,862
2.7 Policy and membership fees.....		859		859
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	28,678,856	0	28,678,856
3. Allowances to manager and agents.....	535	18,876		19,411
4. Advertising.....	3,793	242,384	839	247,016
5. Boards, bureaus and associations.....	100,180	1,741,513		1,841,693
6. Surveys and underwriting reports.....	10,270	987,283	331	997,884
7. Audit of assureds' records.....		395,989		395,989
8. Salary and related items:				
8.1 Salaries.....	7,103,043	17,298,706	302,848	24,704,598
8.2 Payroll taxes.....	520,051	1,217,493	23,838	1,761,382
9. Employee relations and welfare.....	784,573	2,179,315	26,323	2,990,211
10. Insurance.....	20,953	184,083		205,036
11. Directors' fees.....	4	4,561		4,565
12. Travel and travel items.....	31,441	1,376,525	7,539	1,415,505
13. Rent and rent items.....	72,132	909,662	9,732	991,526
14. Equipment.....	394	14,126	359	14,879
15. Cost or depreciation of EDP equipment and software.....	143,983	3,255,079	33,140	3,432,202
16. Printing and stationery.....	90,848	520,629	2,003	613,481
17. Postage, telephone and telegraph, exchange and express.....	50,332	552,774	1,810	604,915
18. Legal and auditing.....	135,659	2,102,853	722,783	2,961,295
19. Totals (Lines 3 to 18).....	9,068,191	33,001,850	1,131,546	43,201,587
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....42,952.....	175	8,521,905		8,522,080
20.2 Insurance department licenses and fees.....	49,860	298,101	944	348,905
20.3 Gross guaranty association assessments.....	13,447	2,890,145		2,903,592
20.4 All other (excluding federal and foreign income and real estate).....	23,689	464,803		488,493
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	87,172	12,174,954	944	12,263,070
21. Real estate expenses.....	773,651	1,091,032	786,047	2,650,731
22. Real estate taxes.....			305,291	305,291
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	78,504	641,216	344	720,065
25. Total expenses incurred.....	27,722,954	75,587,908	2,224,172	(a).....105,535,035
26. Less unpaid expenses - current year.....	60,883,895	21,246,537	308,400	82,438,832
27. Add unpaid expenses - prior year.....	63,564,039	19,380,451	302,400	83,246,890
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	30,403,099	73,721,822	2,218,172	106,343,093

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	78,504	304,815	344	383,664
2402. Interest expense on balance sheet guarantee payable.....		336,401		336,401
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	78,504	641,216	344	720,065

(a) Includes management fees of \$.....13,953,106 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....420,121	444,514
1.1 Bonds exempt from U.S. tax.....	(a).....6,372,596	8,769,544
1.2 Other bonds (unaffiliated).....	(a).....16,889,120	14,393,707
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....285,885	306,747
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	714,919	695,803
2.21 Common stocks of affiliates.....	20,700,000	20,700,000
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....3,006,649	3,006,649
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....4,393	4,529
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	24,682	24,682
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	48,418,365	48,346,175
11. Investment expenses.....		(g).....2,223,228
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....944
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....476,389
15. Aggregate write-ins for deductions from investment income.....		0
16. Total deductions (Lines 11 through 15).....		2,700,562
17. Net investment income (Line 10 minus Line 16).....		45,645,614

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		0
(a) Includes \$.....1,464,847 accrual of discount less \$.....6,412,882 amortization of premium and less \$.....695,020 paid for accrued interest on purchases.		
(b) Includes \$.....4,142 accrual of discount less \$.....30,864 amortization of premium and less \$.....0 paid for accrued dividends on purchases.		
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(d) Includes \$.....2,585,208 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.		
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.		
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.		
(i) Includes \$.....476,389 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	166,998	.....	.....166,998	(25)	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	158,747	.....
1.2 Other bonds (unaffiliated).....	3,615,845	(34,434)	3,581,411	2,335,464	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	3,345	(395,499)	(392,154)	76,300	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	2,056,332	(479,987)	1,576,345	2,952,360	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	(20,248,386)	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	189,703	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	5,842,520	(909,920)	4,932,600	(14,535,837)	0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....	199,503		(199,503)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	199,503	0	(199,503)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	549,542	721,020	171,478
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	129,447	233,455	104,009
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	352,179	3,132,841	2,780,662
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	993,802	648,687	(345,116)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,224,472	4,736,003	2,511,531
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	2,224,472	4,736,003	2,511,531

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Receivable from insureds for deductible payments.....	201,058	12,579	(188,478)
2502. Prepaid expenses.....	792,643	636,107	(156,536)
2503. Miscellaneous receivable.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	101	0	(101)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	993,802	648,687	(345,116)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Annual Statement of National Interstate Insurance Company (Company) has been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in these financial statements as shown below:

	State of		
	Domicile	2012	2011
1. Net income state basis	Ohio	\$ 52,879,962	\$ 30,968,551
2. Effect of state prescribed practices		-	-
3. Effect of state permitted practices		-	-
4. Net income, NAIC SAP		<u>\$ 52,879,962</u>	<u>\$ 30,968,551</u>
5. Statutory surplus state basis	Ohio	\$ 269,695,939	\$ 293,613,704
6. Effect of state prescribed practices		-	-
7. Effect of state permitted practices		-	-
8. Statutory surplus, NAIC SAP		<u>\$ 269,695,939</u>	<u>\$ 293,613,704</u>

B. Use of Estimates

The preparation of financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* requires management to make estimates and assumptions that affect amounts reported in these financial statements and notes. Actual results could differ from the estimates and assumptions used.

C. Accounting Policies

Premiums that are written, assumed and ceded under the Company's insurance policies and reinsurance contracts are earned over the terms of the related policies and contracts on a pro rata basis. Unearned reserves are liabilities established on the portion of premiums written that have not yet been earned.

Unlike the recognition of premium revenue, expenses incurred while producing new insurance business such as commissions and premium taxes are charged to operations as incurred and ceding allowances received or receivable are credited to operations through reductions in expenses incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Investment grade bonds are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of three through six are stated at the lower of amortized value or fair value.
3. All other common stocks other than those in Item 7 are carried at market.
4. Redeemable preferred stocks with an NAIC designation of 1 or 2 are carried at amortized cost. Perpetual preferred stocks with an NAIC designation of 1 or 2 are carried at market. All other preferred stocks are carried at the lower of cost, amortized cost, or fair value.
5. Not applicable as the Company investment portfolio does not include any mortgage loans.
6. Investment grade loan-backed securities are stated at amortized value. The prospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.

NOTES TO FINANCIAL STATEMENTS

7. Investments in subsidiary and affiliated companies are stated as follows:
- Two wholly owned insurance subsidiaries, National Interstate Insurance Company of Hawaii, Inc. (NIHI) and Triumphe Casualty Company (TCC) are stated at statutory equity value. A third wholly owned subsidiary, Vanliner Group, Inc. is accounted for using the statutory purchase method. The three affiliates of Vanliner Group, Inc. are Vanliner Insurance Company (VIC), which is stated at statutory equity, Vanliner Reinsurance Limited and TransProtection Service Company, which are both stated at GAAP equity value. The value of Vanliner Group, Inc. is based on the underlying value of the three affiliates. Goodwill arising from the acquisition of Vanliner Group, Inc. is amortized over a period of ten years and is described further in Note 3A. Common stock in National Interstate Corporation (the Corporation) is valued at \$0.
8. Investments in limited partnerships are stated at the underlying audited GAAP equity value.
9. Not applicable as the Company does not invest in derivative instruments.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses include an amount determined using individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates and the ultimate liability may be in excess of or less than the amounts provided, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are reflected in the period determined.
12. The Company has a capitalization policy for prepaid expenses and purchases of items such as office equipment, software/hardware, furniture, vehicles, and other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. Not applicable as the Company is a property and casualty insurance company only and does not write major medical and/or prescription drug coverage.

Note 2 – Accounting Changes and Correction of Errors

A. Accounting Changes Other than Codification and Correction of Errors

Effective January 1, 2012, the Company adopted Statement of Statutory Accounting Principles No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10 (SSAP 101). SSAP 101 amends the deferred tax asset admittance test set forth in SSAP 10R, by limiting the admissibility thresholds based on current period risk-based capital levels and modifying the disclosure requirements. The adoption of SSAP 101 did not have an impact on the Company's financial statements.

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

1. The Company purchased a 100% interest in Vanliner Group, Inc. on July 1, 2010. The affiliates of Vanliner Group, Inc. include Vanliner Insurance Company, a Missouri domiciled insurance company licensed in all 50 states whose primary business is providing insurance for the moving and storage industry, Vanliner Reinsurance Limited, a Bermuda domiciled reinsurance company and TransProtection Service Company, an insurance agency.
2. The transaction was accounted for as a statutory purchase.
3. The cost of the Vanliner Group, Inc. acquisition was \$120,529,625, resulting in \$22,328,870 of positive goodwill of which \$16,746,652 is unamortized.
4. Goodwill is amortized over ten years. Goodwill amortization relating to the purchase of Vanliner Group, Inc. was \$2,232,887 for the year ending December 31, 2012. Goodwill is recorded as a component of the change in unrealized gains (losses).

B. Statutory Mergers

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Impairment Loss

Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reversed Mortgages

Not applicable

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.
3. The following table shows each loan-backed security with an other-than-temporary (“OTTI”) impairment recognized in 2012.

CUSIP	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	OTTI Recognized	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date Reported
46629EAC7	\$ 1,551,367	\$ 1,527,252	\$ 24,115	\$ 1,527,252	\$ 1,284,766	12/31/2012

4. The following table shows all loan-backed securities with an unrealized loss:
- a. The aggregate amount of unrealized losses:

1. Less than 12 months

2. 12 months or longer

\$ (75,703)

(1,401,827)
- b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months

2. 12 months or longer

\$12,177,878

7,601,128
5. Based on cash flow projections received from external sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at December 31, 2012. The Company has the ability to hold such securities until they recover in value or mature.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Write-down's for Impairments of Real Estate, Real Estate Sales, Retail Land Sales, Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

B. Write-down’s for Impairment of Joint Ventures, Partnerships and LLCs

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not applicable as the Company’s due and accrued investment income is current and therefore, none is excluded.

Note 8 – Derivative Instruments

A - F. Not applicable as the Company does not invest in derivative instruments.

Note 9 – Income Taxes

A. Deferred Tax Asset/(Liability)

1. Components of Net Deferred Tax Assets (Liability)

	2012			2011			Change		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	21,500,297	4,178,342	25,678,639	19,785,992	6,694,564	26,480,556	1,714,305	(2,516,222)	(801,917)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	21,500,297	4,178,342	25,678,639	19,785,992	6,694,564	26,480,556	1,714,305	(2,516,222)	(801,917)
(d) Deferred Tax Assets Nonadmitted	352,179	-	352,179	2,693,458	439,383	3,132,841	(2,341,279)	(439,383)	(2,780,662)
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	21,148,118	4,178,342	25,326,460	17,092,534	6,255,181	23,347,715	4,055,584	(2,076,839)	1,978,745
(f) Deferred Tax Liabilities	332,812	2,960,994	3,293,806	382,967	739,415	1,112,382	(50,155)	2,221,579	2,171,424
(g) Net Admitted Deferred Tax Assets (1e-1f)	20,815,306	1,217,348	22,032,654	16,709,567	5,515,766	22,225,333	4,105,739	(4,298,418)	(192,679)

2. Admission Calculation Components:

	2012			2011			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	Col 7+8) Total
A. Federal income taxes paid in prior years recoverable through loss carrybacks	16,164,125	877,328	17,041,453	13,633,143	2,515,919	16,149,062	2,530,982	(1,638,591)	892,391
B. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	2,000,599	2,990,602	4,991,201	3,076,424	2,999,847	6,076,271	(1,075,825)	(9,245)	(1,085,070)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,000,599	2,990,602	4,991,201	3,076,424	2,999,847	6,076,271	(1,075,825)	(9,245)	(1,085,070)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	34,498,844	XXX	XXX	35,719,108	XXX	XXX	(1,220,264)
C. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	2,983,394	310,412	3,293,806	382,967	739,415	1,122,382	2,600,427	(429,003)	2,171,424
D. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	21,148,118	4,178,342	25,326,460	17,092,534	6,255,181	23,347,715	4,055,584	(2,076,839)	1,978,745

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria:

	2012	2011
a. Ratio percentage used to determine recovery period and threshold limitation amount	597%	607%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 247,663,285	\$ 251,056,043

4. Impact of Tax Planning Strategies

	2012			2011			Change		
	Ordinary	Capital	Total %	Ordinary	Capital	Total %	Ordinary	Capital	Total %
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	11.0%	11.0%	0.0%	10.8%	10.8%	0.0%	0.2%	0.2%
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	12.9%	12.9%	0.0%	24.7%	24.7%	0.0%	(11.8)%	(11.8)%

c. Does the company's tax-planning strategies include the use of reinsurance? Yes [☐] No [X]

B. Unrecognized Deferred Tax Liabilities

Not Applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

	(1) 2012	(2) 2011	(3) (Col 1-2) Change
(a) Federal	11,454,575	14,135,853	(2,681,278)
(b) Foreign	-	-	-
(c) Subtotal	11,454,575	14,135,853	(2,681,278)
(d) Federal income tax on net capital gains	2,044,882	1,382,710	662,172
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	13,499,457	15,518,563	(2,019,106)

NOTES TO FINANCIAL STATEMENTS

2.

Deferred Tax Assets:		(1)	(2)	(3)
		2012	2011	(Col 1-2) Change
(a)	Ordinary:			
(1)	Discounting of unpaid losses	11,118,578	10,254,749	863,829
(2)	Unearned premium reserve	8,572,304	7,888,203	684,100
(3)	Policyholder reserves	-	-	-
(4)	Investments	-	-	-
(5)	Deferred acquisition costs	-	-	-
(6)	Policyholder dividends accrual	-	-	-
(7)	Fixed assets	-	-	-
(8)	Compensation and benefits accrual	571,617	504,018	67,599
(9)	Pension accrual	-	-	-
(10)	Receivables - nonadmitted	-	-	-
(11)	Net operating loss carry-forward	-	-	-
(12)	Tax credit carry-forward	-	-	-
(13)	Other (including items <5% of total ordinary tax assets)	1,237,799	1,139,022	98,777
(14)	Other assets – nonadmitted	-	-	-
(99)	Subtotal	21,500,297	19,785,992	1,714,305
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Nonadmitted	352,179	2,693,458	(2,341,279)
(d)	Admitted ordinary deferred tax assets (2a99-2b-2c)	21,148,118	17,092,534	4,055,584
(e)	Capital:			
(1)	Investments	4,178,342	6,694,564	(2,516,222)
(2)	Net capital loss carry-forward	-	-	-
(3)	Real estate	-	-	-
(4)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	4,178,342	6,694,564	(2,516,222)
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Nonadmitted	-	439,383	(439,383)
(h)	Admitted capital deferred tax assets (2e99-2f-2g)	4,178,342	6,255,181	(2,076,839)
(i)	Admitted deferred tax assets (2d+2h)	25,326,460	23,347,715	1,978,745

3.

Deferred Tax Liabilities:		2012	2011	Change
(a)	Ordinary:			
(1)	Investments	-	9,149	(9,149)
(2)	Fixed assets	332,812	373,818	(41,006)
(3)	Deferred and uncollected premium	-	-	-
(4)	Policyholder reserves	-	-	-
(5)	Other (including items <5% of total ordinary tax assets)	-	-	-
(6)	Additional acquisition costs-installment premiums	-	-	-
(7)	Discount of accrued salvage and subrogation	-	-	-
(8)	Guaranty funds receivable	-	-	-
(99)	Subtotal	332,812	382,967	(50,156)
(b)	Capital:			
(1)	Investments	2,960,711	739,415	2,221,296
(2)	Real estate			
(3)	Other (including items <5% of total capital tax assets)			
(99)	Subtotal	2,960,711	739,415	2,221,296
(c)	Deferred tax liabilities (3a99+3b99)	3,293,522	1,122,382	2,171,141

4. Net Deferred Tax Assets/Liabilities (2i-3c)\$ 22,032,654 \$ 22,225,333 \$ (192,679)

NOTES TO FINANCIAL STATEMENTS

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	2012	
	Amount In Thousands	Effective Tax Rate (%)
Provision computed at statutory rate	16,021,390	35.0
Tax exempt income deduction	(1,990,814)	(4.3)
Unearned premiums	684,100	1.5
Discount on unpaid losses and LAE	(163,542)	(0.4)
Equity investment in partnership	(13,339)	(0.0)
Impairment loss on investments	(1,521,235)	(3.3)
Other	482,897	1.1
Totals	13,499,457	29.5
Federal and foreign income taxes incurred	11,454,575	25.0
Realized capital gains (losses) tax	2,044,882	4.5
Total statutory income taxes	13,499,457	29.5

E. Operating Loss and Tax Credit Carryforwards

- At December 31, 2012, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The amount of federal income taxes incurred and available for recoupment in the event of future net losses:

Year	Amount
2012	12,667,149
2011	15,379,091
2010	1,212,221

- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- The Company's federal income tax return is consolidated with the Corporation (see Note 10) and the Corporation's other wholly owned subsidiaries.
- The method of allocation among companies is subject to a written agreement approved by the Board of Directors, whereby allocation of income taxes to companies in the group is based on taxable income or loss.

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.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a wholly owned subsidiary of the Corporation, a publicly traded (NASDAQ: NATL) insurance holding company. The Company also owns 100% of TCC, NIHI and VIC. Other subsidiaries of the Corporation include Hudson Indemnity Ltd. (HIL), National Interstate Insurance Agency, Inc. (NIIA), Explorer RV Insurance Agency, Inc., American Highways Insurance Agency, Inc., Safety, Claims and Litigation Services, LLC, Hudson Management Group, Ltd, TransProtection Service Company, Vanliner Group, Inc. and Vanliner Reinsurance Ltd..

As of December 31, 2012, Great American Insurance Company (GAIC), a wholly owned subsidiary of American Financial Group, Inc. (NYSE, Nasdaq: AFG), owned 51.9% of the outstanding shares of the Corporation.

NOTES TO FINANCIAL STATEMENTS

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

The Company paid the following dividend to its parent National Interstate Corporation during 2012:

Date	Amount	Type
11/27/2012	\$ 20,968,551	Ordinary
12/27/2012	\$ 39,031,449	Extraordinary

The Company received the following dividend from VIC during 2012:

Date	Amount	Type
12/20/2012	\$ 18,000,000	Ordinary

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company had the following inter-company receivables and (payables) at December 31,

	2012	2011
National Interstate Corporation	\$ (297,158)	\$ (442,361)
National Interstate Insurance Agency, Inc.	22,331	(169,862)
National Interstate Insurance of Hawaii, Inc.	1,154,438	(1,539,039)
Triumphe Casualty Company	(1,333,786)	(1,954,499)
American Highways Insurance Agency, Inc.	13,488	71,258
Explorer RV Insurance Agency, Inc.	3,179	(93)
Hudson Indemnity, Ltd.	(2,133,407)	(535,637)
Hudson Management Group, Ltd.	(155,187)	581,875
TransProtection Service Company	10,744	-
Vanliner Holding Company	(115,627)	-
Vanliner Insurance Company	(12,384,281)	(9,284,586)
Vanliner Reinsurance Ltd.	1,302	-
Total	\$ (15,213,964)	\$ (13,272,944)

These arrangements are subject to written agreements which require that intercompany balances be settled quarterly.

E. Guarantees or Undertakings for Related Parties

Not applicable (see Note 14A)

F. Management, Service Contracts, Cost Sharing Arrangements

The Company is party with some of its affiliate companies to a Cash Management Agreement dated September 1, 2000 under which the Company manages all cash accounts for the other parties to the Agreement. Expenses incurred and fees charged to the participants are allocated among the parties at cost.

The Company has a cost sharing agreement with some of its affiliates under which costs are allocated between companies to reflect the actual costs incurred to operate each company. Allocated costs for 2012 were \$13,953,106.

G. Nature of Relationships that Could Affect Operations

The Company is a wholly owned subsidiary of the Corporation (See Note 10A).

H. Amount Deducted for Investment in Upstream Company

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

The Company owns a 100% interest in Vanliner Insurance Company (“VIC”) whose carrying value is equal to or exceeds 10% of the net admitted assets of the Company. The Company carries VIC at its statutory equity value of \$127,600,232 which includes unamortized goodwill of \$16,746,652. These amounts are gross of any nonadmitted goodwill attributable to VIC. See Note 3A. Goodwill is amortized on a straight-line basis over a ten year period.

Summarized statutory information for VIC follows.

Description	Amount
Admitted Assets	\$302,709,883
Liabilities	\$191,856,303
Policyholders' Surplus	\$110,853,580
Net Income	\$ 13,198,709

J. Write-down's for Impairment of Investments in Affiliates

Not applicable

K. Foreign Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable.

Note 11 – Debt

A. Not applicable as the Company has no debt.

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

Not applicable.

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

A – F. Not applicable

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

A. Outstanding Shares

The Company has 3,000 Common shares with a par value of \$1,000 a share, authorized, issued and outstanding at December 31, 2012.

B. Dividend Rate of Preferred Stock

Not applicable as no preferred shares are authorized.

C, D, E and F. Dividends

The payment of dividends by Ohio domiciled insurance companies, without the prior approval of the Superintendent of Insurance, is limited to the greater of 10% of statutory surplus as of the most recent year end or the net income for the prior year. The Ohio Insurance Holding Company law requires an insurance company's surplus to be reasonable in relation to its liabilities and adequate for its financial needs following any dividend that it may pay to its parent. The maximum dividend payment that may be made without prior approval in 2013 is \$52,879,962.

An ordinary dividend in the amount of \$20,968,551 was paid by the Company on November 27, 2012 and an extraordinary dividend in the amount of \$39,031,449 was paid by the Company on December 17, 2012.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

NOTES TO FINANCIAL STATEMENTS

I. Changes in Special Surplus Funds

Changes in balances special surplus funds from the prior year are due to the implementation of SSAP 101, "Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10."

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$145,267 after deducting applicable deferred taxes of 947,491.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

Note 14 – Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of its affiliates or on indebtedness of others.

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 the insolvencies. Other assessments should be accrued either at the time the assessments are levied or in the case of premium-based assessments, at the time the premiums are written, or, in the case of loss-based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty fund and other assessments of \$3,834,073 and \$3,364,454, for the current and prior year, respectively. The liability is included in the taxes, licenses and fees liability. The amounts represent management's best estimates based on information received from the states in which the pooled group (refer to Note 26) writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies

Not applicable

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

Not applicable

E. Product Warranties

Not applicable

F. Other Contingencies and Write-down's for Impairment

Lawsuits arise against the Company in the normal course of business. Contingent liabilities from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

During the current year, the Company recognized other than temporary impairment charges of \$34,434, \$395,199 and \$479,985 relating to bonds, unaffiliated preferred stocks and unaffiliated common stocks, respectively. Considerations the Company used in the impairment evaluation process included, but were not limited to, whether the issuer is experiencing significant financial difficulties, the economic stability of an entire industry sector or subsection, and the extent to which the unrealized gain is credit-driven or a result of changes in market interest rates.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under a non-cancelable operating lease that expires through July 2013. Rental expense for the current year and the prior year was \$375,970 and \$354,175, respectively. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions and there have been no early terminations of existing leases.

NOTES TO FINANCIAL STATEMENTS

2. Future minimum rental payments are as follows:

Year	Amount
2013	\$ 103,383
2014	-
2015	-
2016	-
2017	-
Thereafter	-
Total	\$ 103,383

3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

- a. The Company leases space at its Richfield, Ohio campus to unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation. The typical lease period is 5 years and some leases contain renewal options. The Company is responsible for the payment of property taxes, insurance and maintenance costs related to the leased spaced.
- b. Rental income for the current and the prior year was approximately \$421,441 and \$398,928 current and prior year, respectively.
- c. Future minimum lease payments receivables under noncancellable leasing arrangements are as follows:

Year	Amount
2013	\$ 394,744
2014	401,669
2015	405,132
2016	371,371
2017	-
Thereafter	-
Total	\$ 1,572,916

- d. The lease agreements contain no provision for contingent rental payments.

2. Leveraged Leases

Not applicable

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

A – D. Not applicable as the Company does not invest in these types of financial instruments.

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

Not applicable

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

NOTES TO FINANCIAL STATEMENTS

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

A. The Company does not use managing general agents or third party administrators to write or administer their insurance products.

Note 20 – Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured at Fair Value

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

Under fair value accounting, the Company must determine the appropriate level in the fair value hierarchy for each fair value measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair values for our investment portfolio are reviewed by company personnel using data from nationally recognized pricing services as well as non-binding broker quotes.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices (unadjusted) in active markets for identical securities that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides information as of December 31, 2012 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and Misc	\$ -	\$ 5,853,591	\$ -	\$ 5,853,591
Residential Mortgage Backed	-	2,055,859	-	2,055,859
Total Bonds	\$ -	\$ 7,909,450	\$ -	\$ 7,909,450
Perpetual Preferred Stock				
Industrial and Misc	\$ 103,361	\$ -	\$ -	\$ 103,361
Total Perpetual Preferred Stock	\$ 103,361	\$ -	\$ -	\$ 103,361
Common Stock				
Industrial and Misc	\$21,023,523	\$ 755,000	\$ -	\$21,788,523
Mutual funds	3,180,107	-	-	3,180,107
Total Common Stocks	\$24,203,630	\$ 755,000	\$ -	\$24,958,630
Totals	\$24,306,991	\$ 8,664,450	\$ -	\$32,971,441

NOTES TO FINANCIAL STATEMENTS

The following table provides information as of December 31, 2011 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and Local Government	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	14,015,309	-	14,015,309
Residential Mortgage-Backed Securities	-	1,714,567	-	1,714,567
Trust preferred securities	-	1,911,136	-	1,911,136
Total Bonds	\$ -	\$ 17,641,012	\$ -	\$ 17,641,012
Perpetual Preferred Stock				
Industrial and Misc	\$ -	\$ 191,944	\$ 471,650	\$ 663,594
Total Perpetual Preferred Stock	\$ -	\$ 191,944	\$ 471,650	\$ 663,594
Common Stock				
Industrial and Misc	\$18,001,130	\$ 14	\$ -	\$18,001,144
Mutual funds	12,306,136	-	-	12,306,136
Total Common Stocks	\$30,307,266	\$ 14	\$ -	\$30,307,280
Totals	\$30,307,226	\$ 17,832,970	\$ 471,650	\$48,611,846

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no significant transfers between Level 1 and Level 2 during the year ended December 31, 2012.

2. Rollforward of Level 3 Items

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2012.

	Beginning Balance at 1/1/2012	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Industrial and Misc Bonds(a)	\$ -	\$ 2,985,900	\$ (3,000,000)	\$ -	\$ 14,100	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc Stocks(a)	471,650	-	(500,000)	-	28,350	-	-	-	-	-
Total	\$ 471,650	\$ 2,985,900	\$ (3,500,000)	\$ -	\$ 42,450	\$ -	\$ -	\$ -	\$ -	\$ -

(a) Security is no longer measured and reported at fair value due to the security having an investment grade rating during the quarter ending December 31, 2012.

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2011.

	Beginning Balance at 1/1/2011	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2011
Industrial and Misc Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc Stocks	2,429,350	-	-	-	42,300	-	-	(2,000,000)	-	467,650
Total	\$ 2,429,350	\$ -	\$ -	\$ -	\$ 42,300	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ 467,650

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

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

The pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including, delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and values obtained from brokers and independent financial institutions are reviewed by company personnel who are familiar with the securities being priced and the markets in which they trade to ensure that the fair value determination is representative of an exit price, as defined by accounting standards.

Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and includes preferred stock, certain publicly traded unaffiliated common stocks, affiliated common stocks, which are priced primarily based on the statutory surplus of the insurance company, corporate obligations, and mortgage backed securities that are not actively traded. Level 3 consists of financial instruments that are not traded in an active market, whose fair value is estimated by management based on inputs from independent financial institutions, which include non-binding broker quotes, for which the Company believes reflects fair value, but are unable to verify inputs to the valuation methodology. The Company obtained one quote or price per instrument from our brokers and pricing services and did not adjust any quotes or prices that were obtained. Management reviews these broker quotes using information such as the market prices of similar investments. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

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

Not applicable.

D. Financial Instruments for which not Practicable to Determine Fair Values

Not applicable.

Note 21 – Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Investments carried at \$53,723,519 and \$37,523,798 at the end of December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premiums Receivable

At the end of the current and prior year, the Company had admitted assets of \$141,349,433 and \$107,824,827 respectively in premiums due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectable premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amounts totaling \$678,989 and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial position.

NOTES TO FINANCIAL STATEMENTS

E. Business Interruption Insurance Recoveries

Not applicable

F. State Tax Credits

Not applicable

G. Subprime Mortgage Related Risk Exposure

1. Subprime Mortgage Exposures

The Company invests in mortgage-backed securities that could potentially be adversely affected by subprime mortgage exposure. The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. Conservative investment practices limit the Company's exposure to such losses.

2. Direct Exposure – Mortgage Loans

None

3. Direct Exposure – Other Investment Classes

Direct exposure to subprime mortgage risk through other investments in the following securities:

Investment Category	Actual Cost	Carrying Value	Fair Value	Impairments
				Recognized
Residential mortgage-backed securities	\$ 17,766,643	\$ 15,816,502	\$ 15,689,193	\$ -
Totals	\$ 17,766,643	\$ 15,816,502	\$ 15,689,193	\$ -

4. Underwriting Exposure

Not applicable

Note 22 – Events Subsequent

None

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has the following unsecured aggregate reinsurance recoverable for paid and unpaid losses, including IBNR, loss adjustment expenses and unearned premiums from an individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
21172	86-0114294	Vanliner Insurance Company	\$ 166,877,462
25364	13-1675535	Swiss Reinsurance America Corp	15,112,516
11051	99-0345306	National Interstate Insurance Co of Hawaii	12,836,728
41106	95-3623282	Triumphe Casualty Corp	12,836,728
30058	75-1444207	Scor Reinsurance Corp	10,758,699

B. Reinsurance Recoverables in Dispute

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

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded and Protected Cells

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$55,957,977	\$4,723,491	\$ 105,554,897	\$5,794,088	\$(49,596,920)	\$(1,070,597)
All Other	2,031,931	697,353	25,207,024	3,420,435	(23,175,093)	(2,723,082)
Total	<u>\$57,989,908</u>	<u>\$5,420,844</u>	<u>\$130,761,921</u>	<u>\$9,214,523</u>	<u>\$(72,772,013)</u>	<u>\$(3,793,679)</u>

Direct Unearned Premium Reserve \$194,641,475

2. Amounts accrued at the end of the current year for additional or return on commission resulting from existing contractual arrangements are as follows:

	Direct	Assumed	Ceded	Net
Contingent Commission	\$ 485,044	\$ 862,618	\$ 3,082	\$ 1,344,580
Sliding Scale Adjustments	-	-	-	-
Other Profit Commission Arrangements	-	-	-	-
TOTAL	<u>\$ 485,044</u>	<u>\$ 862,618</u>	<u>\$ 3,082</u>	<u>\$ 1,344,580</u>

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

D. Uncollectible Reinsurance

The Company has no reinsurance in dispute or nor does it deem any of its reinsurance recoverables to be uncollectible.

E. Commutation of Ceded Reinsurance

During 2012 the Company commuted its treaty with a captive reinsurer, Trax Insurance, Ltd, for the 2008-2009 underwriting year. The Company recognized the amounts received from the reinsurer, of \$387,870, as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The Company also increased its loss and loss adjustment expense reserves by the same amount (thereby increasing losses and loss adjustment expense incurred) to recognize the effect of releasing the reinsurer from its obligation under the treaty. The communication had no net effect.

F. Retroactive Reinsurance

Not applicable as the Company does not have any retroactive reinsurance agreements.

G. Reinsurance Accounted for as a Deposit

Not applicable as the Company does not have any reinsurance contracts that are accounted for as a deposit.

H. Run-off Agreements

Not applicable as the Company did not have any run-off agreements in the current year.

I. Certified Reinsurance Downgraded or Status Subject to Revocation

Not Applicable

Note 24 – Retrospectively Rated Contracts & Contracts Subject to Redetermination

A - E. Not applicable as the Company has not entered any contracts that are retrospectively rated or subject to redetermination.

NOTES TO FINANCIAL STATEMENTS

Note 25 –Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending balances for outstanding losses and loss adjustment expenses (LAE), net of reinsurance recoverables for 2012 and 2011:

	Year Ended December 31	
	2012	2011
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 332,191,416	\$ 195,244,665
Effect of initial reserve establishment for pooling	-	147,054,266
Add provision for claims, net of reinsurance, occurring in:		
Current year	167,866,000	164,936,000
Prior years	(11,672,185)	(8,698,595)
Net incurred losses during the current year	156,193,815	156,237,405
Deduct payments for claims, net of reinsurance occurring in:		
Current year	53,557,000	63,694,000
Prior years	107,737,939	102,650,920
Net claim payments during the current year	161,294,939	166,344,920
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	\$ 327,090,292	\$ 332,191,416

The foregoing reconciliation shows that an \$11,672,185 favorable development in the December 31, 2011 balances emerged in 2012 and an \$8,698,595 favorable development in the December 31, 2010 balances emerged in 2011. The favorable development in 2012 and 2011 resulted from the combination of settling cases and adjusting current estimates of case and incurred but not reported losses (IBNR) for amounts less than the case and IBNR estimates carried at the end of the prior year. During 2011, the effect of the initial reserve establishment for pooling of \$147,054,266 represents the net amount received by the Company from VIC for the assumption of the initial reserves effective with the amended intercompany reinsurance pooling arrangement with the Company and its subsidiaries. Management of the Company evaluates case and IBNR estimates based on data from a variety of sources including the Company's historical experience, knowledge of various factors, and industry data extrapolated from other insurers writing similar lines of business.

Note 26 – Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended intercompany reinsurance pooling agreement with its subsidiaries, NIHI, TCC and VIC. The effect is to transfer all net retained insurance liabilities of the subsidiaries to NIIC and to cede specified percentages of the net underwriting results of the group to the participating companies as follows:

Name of Insurer	NAIC Code	% Participation
Triumphe Casualty Company	41106	2%
National Interstate Insurance Company of Hawaii, Inc.	11051	2%
Vanliner Insurance Company	21172	26%
National Interstate Insurance Company (Lead)	32620	70%

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of December 31, 2012 the Company, the lead entity for pooling activity, has payables of \$116,147, \$1,564,589 and \$5,437,110 due to NIHI, TCC and VIC, respectively. These amounts are settled on a quarterly basis.

Note 27 – Structured Settlements

A. Reserves Released Due to Purchase of Annuities

During the current year, the Company has purchased ten structured settlements from unaffiliated life insurance companies with the claimants as payee. The loss and LAE reserves for these claims are no longer included in the balance sheet as a liability for losses and loss adjustment expenses.

Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 1,603,046	\$ -

NOTES TO FINANCIAL STATEMENTS

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders’ Surplus

None.

Note 28 – Health Care Receivables

A - B. Not applicable as the Company does not write pharmaceutical or risk shared health insurance coverage.

Note 29 – Participating Policies

A. Not applicable as the Company does not have participating policies.

Note 30 – Premium Deficiency Reserves

As of December 31, 2012, the Company does not have any premium deficiency reserves.

Liability carried for premium deficiency reserves	\$	-
Date of the most recent evaluation of this liability		1/26/2013
Was anticipated investment income utilized in the calculation?	Yes []	No [X]

Note 31 – High Deductibles

A. Not applicable as the Company does not have high deductibles.

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

A - C. The Company does not discount its liabilities for unpaid loss and loss adjustment expenses.

Note 33 – Asbestos/Environmental Reserves

A - F. Not applicable as the Company does not have on the books, nor has it ever written an insured for which it has identified a potential for the existence of a liability due to asbestos or environmental losses.

Note 34 – Subscriber Savings Accounts

A. Not applicable.

Note 35 – Multiple Peril Crop Insurance

A. Not applicable.

Note 36 – Financial Guaranty Insurance

A. Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X]

No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X]

No []

N/A []

1.3

State regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes []

No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010

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.

12/31/2010

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).

10/18/2011

3.4

By what department or departments?

Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes []

No []

N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes []

No []

N/A [X]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes []

No [X]

4.12

renewals?

Yes []

No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes []

No [X]

4.22

renewals?

Yes []

No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes []

No [X]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes []

No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes []

No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes []

No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes []

No [X]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young LLP 1300 Huntington Building, 925 Euclid Ave, Cleveland, OH 44115-1405

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes []

No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes []

No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X]

No []

N/A []

10.6

If the answer to 10.5 is no or n/a, please explain.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

John Doelman, VP and Actuary- Great American Insurance Company 301 East 4th Street, Cincinnati, Ohio 45202

GENERAL INTERROGATORIES

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes []

No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

12.2

If yes, provide explanation.

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes []

No []

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes []

No []

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes []

No []

N/A []

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X]

No []

a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes []

No [X]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes []

No [X]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

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 ☐
- 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
322270796	ALASKA USA FEDERAL CREDIT UNION	Non Payment of Policy Premiums	87,564
071925046	AMERICAN CHARTERED BANK	Non Payment of Policy Premiums	26,255
031101266	BANKNORTH, N.A.	Non Payment of Policy Premiums	1,275,000
071111397	BANKORION	Non Payment of Policy Premiums	100,000
065103654	BANKTRUST	Non Payment of Policy Premiums	9,730
121143781	BAY COMMERCIAL BANK	Non Payment of Policy Premiums	22,469
051402482	BENCHMARK COMMUNITY BANK	Non Payment of Policy Premiums	30,000
053112482	CABARRUS BANK AND TRUST COMPAN	Non Payment of Policy Premiums	21,000
062206295	CADENCE BANK, N.A.	Non Payment of Policy Premiums	56,896
062102386	CAMDEN NATIONAL BANK	Non Payment of Policy Premiums	73,979
031315269	CENTRAL BANK	Non Payment of Policy Premiums	12,000
064108524	COMMUNITY BANK & TRUST	Non Payment of Policy Premiums	5,000
243074385	DOLLAR BANK	Non Payment of Policy Premiums	13,310
031902041	EAGLE NATIONAL BANK	Non Payment of Policy Premiums	25,000
031306278	ERIE BANK	Non Payment of Policy Premiums	36,939
041208421	FARMERS STATE BANK	Non Payment of Policy Premiums	33,332
243073632	FIDELITY BANK	Non Payment of Policy Premiums	70,000
053906041	FIRST CITIZENS BANK	Non Payment of Policy Premiums	31,465
031309589	FIRST CITIZENS COMMUNITY BANK	Non Payment of Policy Premiums	15,000
053112097	FIRST NATIONAL BANK	Non Payment of Policy Premiums	140,871
043318092	FIRST NATIONAL BANK OF PENNSYLVAN	Non Payment of Policy Premiums	156,896
103101110	FIRST NATIONAL BANK OF VINITA	Non Payment of Policy Premiums	75,894
064202828	FIRST PEOPLES BANK OF TENNESSEE	Non Payment of Policy Premiums	15,611
111921777	FIRST STATE BANK	Non Payment of Policy Premiums	75,650
111905612	GILMER NATIONAL BANK	Non Payment of Policy Premiums	19,000
031207856	HARVEST COMMUNITY BANK	Non Payment of Policy Premiums	11,604
044210063	KINGSTON NATIONAL BANK	Non Payment of Policy Premiums	24,286
081500862	LANDMARK BANK	Non Payment of Policy Premiums	35,490
242272227	NATIONAL COOPERATIVE BANK	Non Payment of Policy Premiums	7,500
062203942	PEOPLES INDEPENDENT BANK	Non Payment of Policy Premiums	25,080
064008637	PINNACLE NATIONAL BANK	Non Payment of Policy Premiums	1,000,000
104102309	PLATTE VALLEY BANK	Non Payment of Policy Premiums	88,244
071924458	POPULAR COMMUNITY BANK	Non Payment of Policy Premiums	36,705
031100636	PREMIER BANK	Non Payment of Policy Premiums	12,500
053111577	RANDOLPH BANK & TRUST COMPANY	Non Payment of Policy Premiums	70,408
053112097	SOUTHERN COMMUNITY BANK AND TRU	Non Payment of Policy Premiums	305,555
083909445	SPRINGS VALLEY BANK & TRUST COMP	Non Payment of Policy Premiums	15,681
251480301	ST. MATTHEW'S FEDERAL CREDIT UNIO	Non Payment of Policy Premiums	66,312
071115966	STATE BANK OF SPEER	Non Payment of Policy Premiums	50,000
051402220	STELLARONE	Non Payment of Policy Premiums	67,500
061100606	SUNSOUTH BANK	Non Payment of Policy Premiums	8,625
111922611	TEXAS BANK AND TRUST	Non Payment of Policy Premiums	102,919
113121135	TEXAS STATE BANK	Non Payment of Policy Premiums	18,844
081903867	THE BANK OF MISSOURI	Non Payment of Policy Premiums	46,576
081211300	THE FIRST NATIONAL BANK OF ALLEND	Non Payment of Policy Premiums	11,289
031100636	THE FIRST NATIONAL BANK OF WYOMIN	Non Payment of Policy Premiums	15,285
083974412	THE MURRAY BANK	Non Payment of Policy Premiums	25,355
044101305	THE PARK NATIONAL BANK	Non Payment of Policy Premiums	9,701
071006486	THE PRIVATE BANK	Non Payment of Policy Premiums	135,000
062101031	TROY BANK & TRUST	Non Payment of Policy Premiums	23,758
043400036	WESBANCO BANK, INC.	Non Payment of Policy Premiums	25,311

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes ☐ 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 ☐ No ☐
18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☐ No ☐

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$.....0
- 20.12

To stockholders not officers

\$.....0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$.....0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21

To directors or other officers

\$.....0
- 20.22

To stockholders not officers

\$.....0
- 20.23

Trustees, supreme or grand (Fraternal only)

\$.....0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ☐ No ☒
- 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

.....

National Interstate Insurance Company

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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 [☒]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

.....

22.22

Amount paid as expenses

.....

22.23

Other amounts paid

.....

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☒]No [☐]

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount.

\$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [☒]No [☐]

24.02

If no, give full and complete information relating thereto.

.....

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

.....

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [☐]No [☐]N/A [☒]

24.05

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

.....

24.06

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

.....

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐]No [☐]N/A [☒]

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐]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 [☐]No [☐]N/A [☒]

24.10

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

24.101

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

.....

24.102

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

.....

24.103

Total payable for securities lending reported on the liability page.

.....

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes [☒]No [☐]

25.2

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

25.21

Subject to repurchase agreements

\$.....0

25.22

Subject to reverse repurchase agreements

\$.....0

25.23

Subject to dollar repurchase agreements

\$.....0

25.24

Subject to reverse dollar repurchase agreements

\$.....0

25.25

Pledged as collateral

\$.....0

25.26

Placed under option agreements

\$.....0

25.27

Letter stock or securities restricted as to sale

\$.....0

25.28

On deposit with state or other regulatory body

\$.....53,723,519

25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☐]No [☒]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [☐]No [☐]N/A [☒]

26.2

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	2
Name of Custodian(s)	Custodian's Address
Key Bank	PO Box 6717 Cleveland, OH 44101

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

28.05

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

1	2	3
Central Registration Depository Number(s)	Name	Address
161853	American Money Management Corporation	301 East Fourth Street, Cincinnati OH 45202
8099	Fort Washington Investment Advisors, Inc.	303 Broadway, Suite 1200 Cincinnati, OH 45202
137797	Ellessar Investment Management	1111 Superior Ave., Suite 1310 Cleveland, OH 44115
16076	Ancora Advisors LLC	2000 Auburn Drive, Suite 300 Cleveland, OH 44115

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 [☐]

National Interstate Insurance Company

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adj. Carrying Value
464287 46 5	ISHARES MSCI EAFE INDEX FUND	424,403
561911 10 8	MANAGED HIGH YIELD PLUS FUND INC	21,400
73935X 10 4	POWERSHARES DYNAMIC MKT PORTFOLIO	1,287,353
73935X 30 2	POWERSHARES HIGH YIELD EQUITY DIVIDEND	281,801
761396 30 8	REVENUESHARES SMALL CAP FUND	132,837
29.2999. TOTAL		2,147,794

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
ISHARES MSCI EAFE INDEX FUND	NESTLE S.A.	8,149	12/31/2012
ISHARES MSCI EAFE INDEX FUND	HSBC HOLDINGS PLC	7,427	12/31/2012
ISHARES MSCI EAFE INDEX FUND	NOVARTIS AG-REG	5,602	12/31/2012
ISHARES MSCI EAFE INDEX FUND	ROCHE HOLDING AG-GENUSSCHEIN	5,475	12/31/2012
ISHARES MSCI EAFE INDEX FUND	BP PLC	5,093	12/31/2012
MANAGED HIGH YIELD PLUS FUND END	SQUARETWO FINANCIAL CORP.	278	12/31/2012
MANAGED HIGH YIELD PLUS FUND END	INTERNATIONAL LEASE FINANCIAL CORP	257	12/31/2012
MANAGED HIGH YIELD PLUS FUND END	NRG ENERGY INC.	257	12/31/2012
MANAGED HIGH YIELD PLUS FUND END	ALLY FINANCIAL CORP	235	12/31/2012
MANAGED HIGH YIELD PLUS FUND END	DISH DBS CORP	235	12/31/2012
POWERSHARES DYNAMIC MKT PORTFOLIO	VALERO ENERGY CORP.	53,168	12/31/2012
POWERSHARES DYNAMIC MKT PORTFOLIO	PHILLIPS 66	50,979	12/31/2012
POWERSHARES DYNAMIC MKT PORTFOLIO	WALGREEN CO	48,791	12/31/2012
POWERSHARES DYNAMIC MKT PORTFOLIO	COLGATE-PALMOLIVE	43,126	12/31/2012
POWERSHARES DYNAMIC MKT PORTFOLIO	WESTERN DIGITAL CORP	42,483	12/31/2012
POWERSHARES HIGH YIELD EQUITY DIVIDEND	VECTOR GROUP	11,667	12/31/2012
POWERSHARES HIGH YIELD EQUITY DIVIDEND	PITNEY BOWES, INC.	10,821	12/31/2012
POWERSHARES HIGH YIELD EQUITY DIVIDEND	OLD REPUBLIC INTERNATIONAL CORP	10,793	12/31/2012
POWERSHARES HIGH YIELD EQUITY DIVIDEND	MERCURY GENERAL CORP.	8,341	12/31/2012
POWERSHARES HIGH YIELD EQUITY DIVIDEND	AVON PRODUCTS INC	7,073	12/31/2012
REVENUESHARES SMALL CAP FUND	SYNNEX CORP.	2,404	12/31/2012
REVENUESHARES SMALL CAP FUND	SONIC AUTOMOTIVE, INC.	1,966	12/31/2012
REVENUESHARES SMALL CAP FUND	CENTENE CORP.	1,807	12/31/2012
REVENUESHARES SMALL CAP FUND	GROUP 1 ALTERNATIVE	1,660	12/31/2012
REVENUESHARES SMALL CAP FUND	OFFICEMAX INC.	1,607	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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	618,846,138	648,497,677	29,651,539
30.2 Preferred stocks.....	5,094,761	5,404,981	310,219
30.3 Totals.....	623,940,900	653,902,658	29,961,758

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

The source used to determine the fair value is primarily from pricing services and to a lesser extent broker quotes when necessary.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. The Investment Portfolio manager will utilize Bloomberg and current bid and ask marks of similar securities to assist in pricing for these limited number of securities.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

\$.....466,887

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

1	2
Name	Amount Paid
INSURANCE SERVICES OFFICE	286,689

34.1 Amount of payments for legal expenses, if any?

\$.....433,588

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

1	2
Name	Amount Paid
THOMPSON HINE LLP	149,718
THOMPSON COE	116,367

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

\$.....0

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

1	2
Name	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 [☒]
- 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	2
	Current Year	Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....250,921,330	\$.....245,570,924
2.3 Premium Ratio (2.1/2.2).....	0.0	0.0
2.4 Reserve Numerator.....	\$.....637,075	\$.....441,925
2.5 Reserve Denominator.....	\$.....448,959,754	\$.....444,267,697
2.6 Reserve Ratio (2.4/2.5).....	0.1	0.1

- 3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [☐]

No [☒]
- 3.2

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

3.21

Participating policies

.....

3.22

Non-participating policies

.....

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
- 4.1

Does the reporting entity issue assessable policies?

Yes [☐]

No [☐]
- 4.2

Does the reporting entity issue non-assessable policies?

Yes [☐]

No [☐]
- 4.3

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

.....%
- 4.4

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

.....

5.

FOR RECIPROCAL EXCHANGES ONLY:
- 5.1

Does the exchange appoint local agents?

Yes [☐]

No [☐]
- 5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [☐]

No [☐]

N/A [☒]

5.22

As a direct expense of the exchange

Yes [☐]

No [☐]

N/A [☒]
- 5.3

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

.....

- 5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [☐]

No [☐]
- 5.5

If yes, give full information:

.....

- 6.1

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

The Company is a party to intercompany pooling agreements where it retains no more than \$3,290,000 per occurrence. In addition, the pool purchases up to 20M per person WC coverage & up to 30M multiple person WC coverage subject to a 10M maximum any one life.
- 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 uses Intrat Analysis from Guy Carpenter using RMS Risklink model to identify locations and concentrations. It also limits its writing of property insurance and reinsures under catastrophic reinsurance losses in excess of \$500,000 in Hawaii and select property from products on the mainland and \$750,000 elsewhere.
- 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 has a 5%/95% Property quota share agreement for risks up to 5M and purchased a 9.5M x 500K excess of loss for catastrophe. The CAT retention will vary depending on the product.
- 6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [☒]

No [☐]
- 6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:

.....

- 7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes [☒]

No [☐]
- 7.2

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

.....46
- 7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [☒]

No [☐]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes []

No [X]

8.2

If yes, give full information:

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [X]

No []

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes []

No [X]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes []

No [X]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(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
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes []

No [X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [X]

No []

N/A []

11.1

Has this reporting entity guaranteed policies issued by any other reporting entity and now in force?

Yes []

No [X]

11.2

If yes, give full information:

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses
12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....0

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:

\$.....0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes []

No [X]

N/A []

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From
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 current year:
12.61 Letters of credit
12.62 Collateral and other funds

\$.....2,157,896

\$.....2,759,396

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$.....3,290,000

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X]

No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
The allocation would be based on the percentage of the individual company's claim to the total of all claims.

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [X]

No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes []

No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes []

No [X]

15.2

If yes, give full information:

16.1

Does the reporting entity write any warranty business?

Yes []

No [X]

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

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

* Disclose type of coverage:

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?
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:

Yes []

No [X]

17.11

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

17.12

Unfunded portion of Interrogatory 17.11

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14

Case reserves portion of Interrogatory 17.11

17.15

Incurred but not reported portion of Interrogatory 17.11

17.16

Unearned premium portion of Interrogatory 17.11

17.17

Contingent commission portion of Interrogatory 17.11

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

17.18

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

17.19

Unfunded portion of Interrogatory 17.18

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21

Case reserves portion of Interrogatory 17.18

17.22

Incurred but not reported portion of Interrogatory 17.18

17.23

Unearned premium portion of Interrogatory 17.18

17.24

Contingent commission portion of Interrogatory 17.18

18.1

Do you act as a custodian for health savings account?

Yes []

No [X]

18.2

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

18.3

Do you act as an administrator for health savings accounts?

Yes []

No [X]

18.4

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

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	450,749,415	449,957,204	296,434,272	258,459,350	283,674,744
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	88,882,113	97,843,967	84,186,092	82,589,673	96,155,475
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,802,654	2,988,911	968,260	1,267,286	2,102,268
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,135,545	772,899	493,215	563,721	9,939
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	543,569,727	551,562,981	382,081,839	342,880,030	381,942,425
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).....	207,278,256	200,780,158	163,490,632	139,838,196	143,666,668
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	51,479,453	48,764,663	66,071,690	64,434,870	72,971,521
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,379,516	1,617,115	417,415	581,709	1,287,738
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	577,286	342,327	347,126	386,732	9,420
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	260,714,511	251,504,263	230,326,863	205,241,507	217,935,347
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	19,139,606	13,798,103	13,201,038	32,990,392	26,231,543
14. Net investment gain (loss) (Line 11).....	48,533,333	34,000,852	19,634,483	16,620,279	(206,488)
15. Total other income (Line 15).....	(3,338,402)	(2,694,551)	(2,184,861)	(2,453,030)	(3,355,686)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	11,454,575	14,135,853	10,793,157	13,999,307	15,058,332
18. Net income (Line 20).....	52,879,962	30,968,551	19,857,503	33,158,334	7,611,037
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	1,017,470,693	994,710,927	799,563,212	696,273,294	730,057,838
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	9,980,869	10,501,071	13,354,505	8,742,465	9,675,760
20.2 Deferred and not yet due (Line 15.2).....	131,368,564	97,323,756	88,454,948	80,887,560	79,684,425
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	747,774,754	701,097,223	525,916,353	457,882,999	539,924,332
22. Losses (Page 3, Line 1).....	266,206,397	268,627,377	148,644,616	127,130,593	125,434,164
23. Loss adjustment expenses (Page 3, Line 3).....	60,883,895	63,564,039	46,600,049	43,001,580	42,826,022
24. Unearned premiums (Page 3, Line 9).....	121,869,462	112,076,281	106,142,942	93,917,657	96,938,733
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	269,695,939	293,613,704	273,646,860	238,390,295	190,133,506
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	38,323,542	158,365,594	52,668,834	36,177,149	47,380,404
Risk-Based Capital Analysis					
28. Total adjusted capital.....	269,695,939	293,613,704	273,646,860	238,390,295	190,133,506
29. Authorized control level risk-based capital.....	41,486,288	44,160,301	43,126,588	21,342,829	20,951,243
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	71.2	72.1	65.4	84.6	64.6
31. Stocks (Lines 2.1 & 2.2).....	22.1	24.0	28.6	9.8	9.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	1.9	1.9	2.5	2.9	2.7
34. Cash, cash equivalents and short-term investments (Line 5).....	2.2	0.5	1.2	0.4	7.6
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....				XXX	XXX
37. Other invested assets (Line 8).....	2.6	1.6	2.2	2.3	1.5
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....				XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					13.6
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	155,187,444	163,188,377	156,762,904	27,272,253	25,103,635
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	155,187,444	163,188,377	156,762,904	27,272,253	25,103,635
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).....	57.5	55.6	57.3	11.4	13.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(16,468,838)	(2,305,577)	12,372,269	8,483,314	(633,296)
52. Dividends to stockholders (Line 35).....	(60,000,000)	(10,000,000)			
53. Change in surplus as regards policyholders for the year (Line 38).....	(23,917,765)	19,966,844	35,256,565	48,256,789	7,831,905
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).....	224,141,848	(10,345,746)	124,360,442	119,815,536	93,772,445
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	57,318,629	64,164,865	45,463,760	48,717,223	50,648,831
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	778,096	(691,511)	603,954	518,250	1,513,581
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	14,367	46,392	37,290		
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	282,252,940	53,174,000	170,465,446	169,051,009	145,934,857
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).....	98,177,302	(30,267,944)	51,587,900	51,923,733	44,596,101
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	32,293,588	39,159,106	36,597,469	38,060,120	37,365,717
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	415,922	(462,950)	79,716	302,969	1,250,517
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	5,029	68,667	17,899		
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	130,891,841	8,496,879	88,282,984	90,286,821	83,212,335
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	51.2	52.3	50.3	44.2	48.5
68. Loss expenses incurred (Line 3).....	11.0	11.3	10.3	8.9	10.8
69. Other underwriting expenses incurred (Line 4).....	30.1	30.8	33.3	31.1	28.5
70. Net underwriting gain (loss) (Line 8).....	7.6	5.6	6.1	15.8	12.2
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).....	30.3	31.1	32.5	32.7	29.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	62.2	63.6	60.6	53.1	59.3
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).....	96.7	85.7	84.2	86.1	114.6
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).....	(7,963)	(6,228)	(4,510)	(65)	(622)
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).....	(2.7)	(2.3)	(1.9)	(0.0)	(0.3)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(21,346)	(21,147)	(7,181)	(1,979)	(5,383)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(7.8)	(8.9)	(3.8)	(1.1)	(3.6)

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

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		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.....	545	2	227	(20)	71	.....	.....	.....861	XXX.....
2. 2003.....	215,758	56,389	159,369	113,900	35,365	13,182	4,718	8,805	.....	.....2,660	95,804	XXX.....
3. 2004.....	267,922	80,719	187,203	130,000	38,009	18,322	6,022	9,987	.....	.....3,448	114,278	XXX.....
4. 2005.....	303,617	92,073	211,544	151,611	50,081	19,168	6,740	11,965	.....	.....3,512	125,923	XXX.....
5. 2006.....	332,646	101,449	231,197	158,404	55,514	20,871	8,676	13,801	.....	.....4,177	128,886	XXX.....
6. 2007.....	368,825	126,300	242,525	172,621	60,696	26,611	12,115	14,134	.....	.....4,543	140,555	XXX.....
7. 2008.....	405,254	143,951	261,303	238,149	107,086	32,157	16,751	16,052	.....	.....4,476	162,521	XXX.....
8. 2009.....	391,667	133,572	258,095	162,175	51,439	20,541	9,232	16,085	.....	.....3,558	138,130	XXX.....
9. 2010.....	388,397	134,176	254,221	176,841	68,737	19,133	9,443	14,791	.....	.....3,810	132,585	XXX.....
10. 2011.....	392,230	146,659	245,571	150,754	64,954	13,437	7,834	12,295	.....	.....3,161	103,698	XXX.....
11. 2012.....	405,272	154,351	250,921	78,658	33,612	5,277	3,342	6,576	.....	.....1,424	53,557	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	..1,533,658	565,495	188,926	84,853	124,562	0	34,769	1,196,798	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,994	113	2,495	.....	.....125	7	50	.....	.....10	.....	.....	.....4,554	XXX.....
2. 2003.....	520	76	1,552	13	46	12	96	1	96	.....	.....	.....2,208	XXX.....
3. 2004.....	1,028	224	2,106	20	134	8	165	1	251	.....	.....	.....3,431	XXX.....
4. 2005.....	2,910	1,003	1,738	134	100	30	227	1	304	.....	.....	.....4,111	XXX.....
5. 2006.....	3,064	957	3,234	681	163	48	363	18	338	.....	.....	.....5,458	XXX.....
6. 2007.....	7,894	3,537	3,853	763	489	186	1,036	172	553	.....	.....3	9,167	XXX.....
7. 2008.....	11,485	3,836	9,480	2,652	1,158	459	1,059	144	869	.....	.....79	16,960	XXX.....
8. 2009.....	19,362	6,069	28,748	13,404	2,210	761	2,869	543	1,875	1	673	34,286	XXX.....
9. 2010.....	40,432	17,587	47,732	19,641	4,217	1,573	5,409	1,016	3,543	1	718	61,515	XXX.....
10. 2011.....	48,364	22,565	66,337	36,574	4,382	2,137	8,332	1,697	6,650	1	1,170	71,091	XXX.....
11. 2012.....	53,400	25,173	161,236	97,737	3,971	2,063	17,232	3,695	7,141	3	2,076	114,309	XXX.....
12. Totals...	190,453	81,140	328,511	171,619	16,995	7,284	36,838	7,288	21,630	6	4,719	327,090	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	4,376	178
2. 2003.	138,197	40,185	98,012	64.1	71.3	61.5			70.00	1,983	225
3. 2004.	161,993	44,284	117,709	60.5	54.9	62.9			70.00	2,890	541
4. 2005.	188,023	57,989	130,034	61.9	63.0	61.5			70.00	3,511	600
5. 2006.	200,238	65,894	134,344	60.2	65.0	58.1			70.00	4,660	798
6. 2007.	227,191	77,469	149,722	61.6	61.3	61.7			70.00	7,447	1,720
7. 2008.	310,409	130,928	179,481	76.6	91.0	68.7			70.00	14,477	2,483
8. 2009.	253,865	81,449	172,416	64.8	61.0	66.8			70.00	28,637	5,649
9. 2010.	312,098	117,998	194,100	80.4	87.9	76.4			70.00	50,936	10,579
10. 2011.	310,551	135,762	174,789	79.2	92.6	71.2			70.00	55,562	15,529
11. 2012.	333,491	165,625	167,866	82.3	107.3	66.9			70.00	91,726	22,583
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	266,205	60,885

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior.....	73,969	80,215	79,043	80,710	80,165	80,222	79,597	76,480	76,606	76,651	45	171
2. 2003.....	97,890	94,998	95,629	92,979	92,535	91,192	89,097	89,298	89,107	89,111	4	(187)
3. 2004.....	XXX	121,276	117,818	114,999	113,448	110,878	109,432	107,716	107,453	107,471	18	(245)
4. 2005.....	XXX	XXX	142,394	135,811	129,527	124,906	121,539	120,257	119,858	117,765	(2,093)	(2,492)
5. 2006.....	XXX	XXX	XXX	155,337	141,509	131,342	125,840	123,866	123,411	120,205	(3,206)	(3,661)
6. 2007.....	XXX	XXX	XXX	XXX	161,305	145,207	138,599	136,979	138,469	135,035	(3,434)	(1,944)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	179,538	172,110	166,802	165,553	162,560	(2,993)	(4,242)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	169,091	165,950	163,701	154,457	(9,244)	(11,493)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	173,020	169,982	175,767	5,785	2,747
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	148,690	155,845	7,155	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154,152	XXX	XXX
12. Totals.....											(7,963)	(21,346)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior.....	000	28,874	48,673	58,067	64,758	67,080	70,060	70,717	71,317	72,107	XXX	XXX
2. 2003.....	30,664	53,474	67,740	76,448	81,489	84,074	85,616	86,185	86,586	86,999	XXX	XXX
3. 2004.....	XXX	35,853	61,726	79,761	91,710	98,051	100,719	102,374	103,131	104,291	XXX	XXX
4. 2005.....	XXX	XXX	37,243	70,375	88,578	100,549	107,757	111,117	113,023	113,958	XXX	XXX
5. 2006.....	XXX	XXX	XXX	41,887	70,742	88,397	100,276	108,403	112,119	115,085	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	45,875	77,745	96,658	112,177	120,584	126,421	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	53,005	93,281	117,567	136,433	146,469	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	48,290	83,203	104,726	122,045	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,151	92,613	117,794	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,278	91,403	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,981	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior.....	27,939	15,826	9,751	7,196	6,616	6,753	4,947	2,550	2,650	2,545
2. 2003.....	43,249	21,164	12,334	6,249	5,352	3,925	1,992	1,898	1,639	1,634
3. 2004.....	XXX	56,867	30,072	16,684	11,395	7,264	4,540	3,121	2,648	2,250
4. 2005.....	XXX	XXX	68,547	41,258	23,183	12,910	6,484	4,539	4,315	1,830
5. 2006.....	XXX	XXX	XXX	77,802	44,591	21,788	11,183	8,168	6,819	2,898
6. 2007.....	XXX	XXX	XXX	XXX	82,882	41,178	20,673	11,155	9,639	3,954
7. 2008.....	XXX	XXX	XXX	XXX	XXX	81,992	42,204	23,859	15,271	7,743
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	80,434	52,634	38,338	17,670
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	80,927	50,242	32,484
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	63,180	36,398
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,036

National Interstate Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			2	3						
States, Etc.		Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama.....AL	...L.....	5,430,440	4,295,691		2,291,544	1,034,420	3,880,223	1,534	439,783
2.	Alaska.....AK	...L.....	4,888,959	4,461,915		1,100,858	2,086,730	3,610,445	257	129,272
3.	Arizona.....AZ	...L.....	4,521,145	4,375,926		4,329,918	3,338,450	4,750,664	7,532	134,113
4.	Arkansas.....AR	...L.....	4,325,802	3,649,899		1,657,983	2,729,910	2,201,268	3,630	183,473
5.	California.....CA	...L.....	66,099,471	61,209,822		29,639,605	39,454,002	74,173,436	32,971	2,760,158
6.	Colorado.....CO	...L.....	3,229,602	2,704,679		1,344,940	1,956,125	3,194,595	5,110	329,471
7.	Connecticut.....CT	...L.....	8,106,153	8,620,953		3,159,566	4,134,959	11,333,494	2,008	2,706,049
8.	Delaware.....DE	...L.....	9,545,538	8,497,888		2,629,264	4,362,896	9,235,428		21,387
9.	District of Columbia.....DC	...L.....	249	249			(7,008)	22		
10.	Florida.....FL	...L.....	18,070,529	17,190,018		10,920,161	11,162,311	16,947,397	24,724	4,595,393
11.	Georgia.....GA	...L.....	7,382,572	6,063,828		6,763,486	5,585,554	5,695,365	23,948	1,580,954
12.	Hawaii.....HI	...L.....	13,366,624	13,817,711		4,664,790	7,357,587	19,023,975	1,200	65,820
13.	Idaho.....ID	...L.....	4,239,906	3,903,311		1,082,755	2,938,998	4,252,288	682	471,390
14.	Illinois.....IL	...L.....	15,447,905	13,289,500		5,942,415	7,421,802	13,838,615	5,300	1,484,117
15.	Indiana.....IN	...L.....	6,704,393	6,874,464		1,846,409	2,233,686	5,993,578	2,660	943,357
16.	Iowa.....IA	...L.....	9,710,034	8,930,724		1,977,976	5,206,011	9,342,251	830	227,045
17.	Kansas.....KS	...L.....	4,055,931	4,761,757		1,492,131	2,678,096	4,990,220	635	291,699
18.	Kentucky.....KY	...L.....	2,697,787	1,911,064		592,118	1,739,185	2,604,279		278,391
19.	Louisiana.....LA	...L.....	4,212,472	3,732,085		5,992,812	4,746,628	2,909,290	12,872	387,203
20.	Maine.....ME	...L.....	360,662	438,781		96,333	123,470	524,342	430	48,491
21.	Maryland.....MD	...L.....	4,099,565	3,502,705		928,910	1,340,874	3,356,483	204	459,085
22.	Massachusetts.....MA	...L.....	13,452,549	15,773,159		7,780,826	10,480,199	19,391,793	125	5,071,353
23.	Michigan.....MI	...L.....	41,875	28,566			2,872	1,682		
24.	Minnesota.....MN	...L.....	4,407,647	4,283,975		1,136,220	1,592,437	3,834,698	3,048	1,790,915
25.	Mississippi.....MS	...L.....	2,290,716	2,451,979		1,751,099	1,682,572	2,631,668		815,466
26.	Missouri.....MO	...L.....	9,500,108	7,953,855		4,358,862	3,746,482	9,030,731	2,700	1,717,937
27.	Montana.....MT	...L.....	5,313,328	5,307,198		4,088,201	2,233,236	2,771,735	23,580	205,667
28.	Nebraska.....NE	...L.....	3,364,180	3,175,489		2,281,858	1,889,662	3,760,047	235	125,078
29.	Nevada.....NV	...L.....	3,848,867	3,739,491		2,460,412	3,596,192	5,925,107	5,470	702,348
30.	New Hampshire.....NH	...L.....	2,385,798	2,503,965		1,562,956	1,596,662	2,672,459	1,220	16,278
31.	New Jersey.....NJ	...L.....	88,589	85,740		662,715	1,389,194	1,043,354		
32.	New Mexico.....NM	...L.....	1,058,765	997,819		503,050	451,856	781,928	4,015	122,282
33.	New York.....NY	...L.....	25,578,500	27,715,244		10,478,804	17,996,805	36,009,534	1,560	2,184,144
34.	North Carolina.....NC	...L.....	26,489,191	22,089,173		12,316,713	17,934,416	26,856,098	14,520	483,447
35.	North Dakota.....ND	...L.....	665,339	616,711		2,011,347	323,439	349,186	750	428,856
36.	Ohio.....OH	...L.....	11,111,066	11,612,005		4,916,378	7,367,458	14,428,786	3,240	2,692,913
37.	Oklahoma.....OK	...L.....	4,463,555	4,201,116		1,894,240	1,709,524	3,558,569	3,960	585,998
38.	Oregon.....OR	...L.....	1,511,053	1,566,222		1,088,081	1,131,186	2,036,191	4,105	346,531
39.	Pennsylvania.....PA	...L.....	21,192,684	20,145,275		8,562,879	14,300,136	25,184,199	13,895	919,054
40.	Rhode Island.....RI	...L.....	1,170,751	1,170,853		591,114	767,708	971,111		33,074
41.	South Carolina.....SC	...L.....	6,778,273	2,956,994		762,560	1,391,425	2,648,604	3,257	432,900
42.	South Dakota.....SD	...L.....	1,414,063	1,458,239		763,814	477,139	693,992	12,030	147,989
43.	Tennessee.....TN	...L.....	14,691,885	13,258,060		3,558,479	6,968,139	10,652,703	6,357	1,417,855
44.	Texas.....TX	...L.....	36,630,091	35,304,628		19,481,248	21,515,195	48,331,441	165,934	2,480,872
45.	Utah.....UT	...L.....	4,996,019	4,742,874		1,726,317	2,054,247	4,910,879	795	328,879
46.	Vermont.....VT	...L.....	1,012,468	914,556		591,053	515,029	1,462,097	25	237,886
47.	Virginia.....VA	...L.....	9,333,483	8,327,443		3,720,659	5,168,833	6,768,258	5,832	284,937
48.	Washington.....WA	...L.....	2,377,180	2,366,468		749,280	479,591	1,863,271	5,762	48,860
49.	West Virginia.....WV	...L.....	781,688	823,480		156,719	378,887	559,235		40,472
50.	Wisconsin.....WI	...L.....	6,553,226	6,173,432		2,115,256	1,528,398	6,158,456	1,135	344,634
51.	Wyoming.....WY	...L.....	254,901	252,822		82,525	(19,978)	149,384	900	149,677
52.	American Samoa.....AS	...N.....								
53.	Guam.....GU	...N.....								
54.	Puerto Rico.....PR	...N.....								
55.	US Virgin Islands.....VI	...N.....								
56.	Northern Mariana Islands...MP	...N.....								
57.	Canada.....CAN	...N.....								
58.	Aggregate Other Alien.....OT	...XXX.....	0	0	0	0	0	0	0	0
59.	Totals.....	(a) ...51	419,253,577	394,229,800	0	190,607,637	242,273,626	447,294,853	410,977	41,692,953

DETAILS OF WRITE-INS

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

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

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

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

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

Allied Lines - Location of Property

Commercial multiperil - Location of Property

Inland Marine - Location of Property

Other Accident and Health - Individual, by personal residence

Workers' Compensation - Location of risk

Other Liability - Location of risk

Auto Liability - Location of primay garage

Auto Physical - Location of primary garage

Surety - location of contractor

Boiler and machinery - Location of property

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
American Financial Capital Trust II	DE	31-6549738	
American Financial Capital Trust III	DE	16-6543606	
American Financial Capital Trust IV	DE	16-6543609	
American Financial Enterprises, Inc.	CT	31-0996797	
American Money Management Corporation	OH	31-0828578	
American Real Estate Capital Company, LLC (80%)	OH	27-1577326	
MidMarket Capital Partners, LLC (65%)	DE	27-2829629	
APU Holding Company	OH	41-2112001	
American Premier Underwriters, Inc.	PA	23-6000765	
The Associates of the Jersey Company	NJ	23-6297584	
Cal Coal, Inc.	IL	37-1094159	
Great Southwest Corporation	DE	95-2802826	
The Indianapolis Union Railway Company	IN	35-6001691	
Lehigh Valley Railroad Company	PA	13-6400464	
Pennsylvania Lehigh Oil & Gas Holdings LLC	PA	46-1665396	
Magnolia Alabama Holdings, Inc.	DE	20-1548213	
Magnolia Alabama Holdings LLC	AL	20-1574094	
Michigan Oil & Gas Holdings, LLC	MI	46-1852532	
Ohio Oil & Gas Holdings, LLC	OH	46-1480078	
The Owasco River Railway, Inc.	NY	13-6021353	
PCC Real Estate, Inc.	NY	31-1236926	
PCC Technical Industries, Inc.	DE	76-0080537	
PCC Maryland Realty Corp.	MD	31-1388401	
Penn Central Energy Management Company	DE	06-1209709	
Penn Towers, Inc.	PA	23-1537928	
Pennsylvania-Reading Seashore Lines (66.67%)	NJ	23-6000766	
Pittsburgh and Cross Creek Railroad Company (83%)	PA	23-6207599	
Terminal Realty Penn Co.	DC	23-1707450	
Waynesburg Southern Railroad Company	PA	23-1675796	
GAI Insurance Company, Ltd. *	BMU		
Hangar Acquisition Corp.	OH	31-1446308	
Lease & Loan Insurance Services Limited	GBR		
Premier Lease & Loan Services Insurance Agency, Inc.	WA	91-1242743	
Premier Lease & Loan Services of Canada, Inc.	WA	91-1508644	
Republic Indemnity Company of America *	CA	95-2801326	22179
Republic Indemnity Company of California *	CA	31-1054123	43753
Risico Management Corporation	DE	31-1262960	
Dixie Terminal Corporation	OH	31-0823725	
Flextech Holding Co., Inc.	OH	31-1733037	
GAI Holding Bermuda Ltd.	BMU	98-0606803	
GAI Indemnity, Ltd. #	GBR	98-0556144	
Marketform Group Limited	GBR		
Marketform Holdings Limited	GBR		
Caduceus Underwriting Limited	GBR		
Lavenham Underwriting Limited #	GBR	98-0412245	
Marketform Limited	GBR		
Gabinete Marketform SL	ESP		
Marketform Australia Pty Limited	AUS		
Studio Marketform SRL	ITA		
Marketform Management Services Limited	GBR		
Marketform Managing Agency Limited	GBR		
Sampford Underwriting Limited #	GBR	98-0431601	
Marketform Trust Company Limited	GBR		

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Financial Resources, Inc. ^	DE	06-1356481	
AAG Holding Company, Inc.	OH	31-1475936	
Great American Financial Statutory Trust IV	CT	58-646032	
Great American Life Insurance Company *	OH	13-1935920	63312
Aerielle IP Holdings, LLC ^	OH	45-2969767	
Aerielle, LLC ^	DE	26-4391696	
Annuity Investors Life Insurance Company *	OH	31-1021738	93661
Bay Bridge Marina Hemingway's Restaurant, LLC (85%)	MD	27-4078277	
Bay Bridge Marina Management, LLC (85%)	MD	27-0513333	
Brothers Management, LLC (99%)	FL	20-1246122	
FT Liquidation, LLC	OH	45-3988240	
GALIC - Bay Bridge Marina, LLC	MD	20-4604276	
GALIC - Sorrento, LLC ^	FL		
GALIC - Stoneleigh, LLC	FL	45-3829557	
GALIC Brothers, Inc. (80%)	OH	31-1391777	
GALIC Pointe, LLC ^	FL	45-1144095	
Manhattan National Holding Corporation	OH	26-3260520	
Manhattan National Life Insurance Company *	IL	45-0252531	67083
Skipjack Marina Corp.	MD	52-2179330	
United Teacher Associates, Ltd. ^	TX	74-2180806	
United Teacher Associates Insurance Company *	TX	58-0869673	63479
AAG Insurance Agency, Inc.	KY	31-1422717	
Ceres Group, Inc.	DE	34-1017531	
Ceres Administrators, L.L.C.	DE	34-1880408	
Ceres Sales, LLC	DE	34-1947043	
HealthMark Sales, LLC	DE	34-1920479	
Continental General Corporation	NE	47-0717079	
Continental General Insurance Company *	OH	47-0463747	71404
Continental Print & Photo Co.	NE	47-0562685	
QQAgency of Texas, Inc.	TX	34-1947042	
Great American Advisors, Inc.	OH	31-1395344	
Great American Holding, Inc.	OH	42-1575938	
Agricultural Services, LLC	OH	27-3062314	
United States Commodities Producers, LLC (75%)	MT	45-4110027	
United States Livestock Producers, LLC (75%)	NV	27-2354685	
Livestock Market Enhancement Risk Retention Group * ^	NV	27-4395897	14084
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
GAI Australia Pty Ltd	AUS		
Great American International Insurance Limited *	IRL		
Mid-Continent Casualty Company *	OH	73-0556513	23418
Mid-Continent Assurance Company *	OH	73-1406844	15380
Mid-Continent Excess and Surplus Insurance Company *	DE	38-3803661	13794
Mid-Continent Specialty Insurance Services, Inc.	OK	30-0571535	
Oklahoma Surety Company *	OH	73-0773259	23426
Premier International Insurance Company *	TCA	98-0627464	

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Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Insurance Company *	OH	31-0501234	16691
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation (80%)	OH	59-2840291	
Brothers Le Pavillon, LLC	DE	20-5173494	
Brothers Le Pavillon (SPE), LLC	DE	20-5173589	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
Crescent Centre Apartments ^	OH	20-4498054	
Crop Managers Insurance Agency, Inc.	KS	31-1277904	
Dempsey & Siders Agency, Inc.	OH	31-0589001	
Eden Park Insurance Brokers, Inc.	CA	31-1341668	
El Aguila, Compañia de Seguros, S.A. de C.V. *	MEX		
Financiadora de Primas Condor, S.A. de C.V. (99%)	MEX		
Farmers Crop Insurance Alliance, Inc.	KS	39-1404033	
FCIA Management Company, Inc.	NY	13-3628555	
Foreign Credit Insurance Association @	NY		
GAI Warranty Company	OH	31-1753938	
GAI Warranty Company of Florida	FL	31-1765544	
GAI Warranty Company of Canada Inc.	CAN		
Global Premier Finance Company	OH	61-1329718	
Great American Agency of Texas, Inc.	TX	74-2693636	
Great American Alliance Insurance Company *	OH	95-1542353	26832
Great American Assurance Company *	OH	15-6020948	26344
Great American Casualty Insurance Company *	OH	61-0983091	39896
Great American Claims Services, Inc.	DE	31-1228726	
Great American Contemporary Insurance Company *	OH	36-4079497	10646
Great American E & S Insurance Company *	DE	31-0954439	37532
Great American Fidelity Insurance Company *	DE	31-1036473	41858
Great American Insurance Agency, Inc.	OH	31-1652643	
Great American Insurance Company of New York *	NY	13-5539046	22136
Great American Lloyd's Insurance Company * @	TX	31-0974853	38024
Great American Lloyd's, Inc.	TX	31-1073664	
Great American Management Services, Inc.	OH	31-0856644	
Great American Protection Insurance Company *	OH	31-1288778	38580
Great American Re Inc.	DE	31-0918893	
Great American Security Insurance Company *	OH	31-1209419	31135
Great American Spirit Insurance Company *	OH	31-1237970	33723
Insurance (GB) Limited *	GBR		
Key Largo Group, Inc.	FL	59-1263251	
National Interstate Corporation (51.9%)	OH	34-1607394	
American Highways Insurance Agency, Inc.	OH	34-1899058	
Explorer RV Insurance Agency, Inc.	OH	31-1548235	
Hudson Indemnity, Ltd.	CYM	98-0191335	
Hudson Management Group, Ltd.	VIR	66-0660039	
National Interstate Insurance Agency, Inc.	OH	34-1607396	
Commercial For Hire Transportation Purchasing Group @	SC	36-4670968	
National Interstate Insurance Company *	OH	34-1607395	32620
National Interstate Insurance Company of Hawaii, Inc. *	OH	99-0345306	11051
Triumphe Casualty Company *	OH	95-3623282	41106
Vanliner Group, Inc.	DE	43-1415856	
TransProtection Service Company	MO	43-1254631	
Vanliner Insurance Company *	MO	86-0114294	21172
Vanliner Reinsurance Limited *	BMU		
Safety Claims and Litigation Services, LLC	MT	20-5546054	
Penn Central U.K. Limited	GBR		
Pinecrest Place LLC	FL	27-2226948	
PLLS Canada Insurance Brokers Inc. ^	CAN	871850814	
Professional Risk Brokers, Inc.	IL	31-1293064	
Strategic Comp Holdings, L.L.C.	LA	72-1331800	
Strategic Comp Services, L.L.C.	LA	36-4517754	
Strategic Comp, L.L.C.	LA	32-0050970	
One East Fourth, Inc.	OH	31-0686194	
Pioneer Carpet Mills, Inc.	OH	31-0883227	
Superior NWVN of Ohio, Inc.	OH	31-1737792	
TEJ Holdings, Inc.	OH	31-1119320	
Three East Fourth, Inc.	OH	31-0728327	

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Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

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