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PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Nationwide Indemnity Company

NAIC Group Code 0140 (Current) 0140 (Prior) NAIC Company Code 10070 Employer's ID Number 31-1399201

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Incorporated/Organized 02/16/1994 Commenced Business 04/15/1994

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

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

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

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

Internet Website Address www.nationwide.com

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

OFFICERS

President & COO	David Alan Bano	VP & Treasurer	Timothy John Dwyer #
VP & Secretary	Robert William Horner III		

OTHER

Pamela Ann Biesecker Sr VP-Head of Taxation	Harry Hansen Hallowell Sr VP - CIO	Mark Raymond Thresher Exec VP - CFO

DIRECTORS OR TRUSTEES

David Alan Bano	James David Benson	Kevin Thomas Hilyard
Michael Patrick Leach	Duane Lee Meyer	Mark Raymond Thresher

State of Ohio
County of Franklin SS:

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.

David Alan Bano President & COO	Robert William Horner III VP & Secretary	Timothy John Dwyer VP & Treasurer

Subscribed and sworn to before me this
day of January, 2014

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

ASSETS

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	2,989,403,690		2,989,403,690	3,047,839,346
2.	Stocks (Schedule D):				
	2.1 Preferred stocks				
	2.2 Common stocks	2,430,456		2,430,456	1,363,086
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	95,054,802		95,054,802	106,360,442
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)				
	4.2 Properties held for the production of income (less $ .... encumbrances)				
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ (4,851,613) , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 1,074,640 , Schedule DA)	(3,776,973)		(3,776,973)	56,479,948
6.	Contract loans (including $ .... premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)	59,291,375	138,667	59,152,708	58,942,642
9.	Receivable for securities				
10.	Securities lending reinvested collateral assets (Schedule DL)	11,078,983	5,692,419	5,386,564	5,639,350
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	3,153,482,333	5,831,086	3,147,651,247	3,276,624,814
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	35,421,149		35,421,149	36,720,615
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	3,433,925	3,433,925		
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)				
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers				
	16.2 Funds held by or deposited with reinsured companies	7,460,502		7,460,502	9,921,423
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon	21,047,687		21,047,687	
18.2	Net deferred tax asset	40,905,819	9,534,155	31,371,664	26,640,636
19.	Guaranty funds receivable or on deposit				(150)
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($ ....)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates	1,876,109		1,876,109	634,253
23.	Receivables from parent, subsidiaries and affiliates	100		100	8,698
24.	Health care ($ ....) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	16,666,613	9,595,978	7,070,635	6,668,632
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,280,294,237	28,395,144	3,251,899,093	3,357,218,921
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	3,280,294,237	28,395,144	3,251,899,093	3,357,218,921
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501.	Third party administrative receivables	14,539,833	7,650,608	6,889,225	3,918,290
2502.	Deposits and prepaid assets	1,897,152	1,897,152		
2503.	Miscellaneous assets	181,410		181,410	2,750,342
2598.	Summary of remaining write-ins for Line 25 from overflow page	48,218	48,218		
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	16,666,613	9,595,978	7,070,635	6,668,632

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,230,751,457	1,311,832,952
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)	888,973,766	837,496,257
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)		54,713
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		3,125
7.1	Current federal and foreign income taxes (including $ .... on realized capital gains (losses))		17,589,654
7.2	Net deferred tax liability		
8.	Borrowed money $ .... and interest thereon $		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ .... and including warranty reserves of $ .... and accrued accident and health experience rating refunds including $ .... for medical loss ratio rebate per the Public Health Service Act)	49,350	57,271
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	2,275,485	2,115,604
15.	Remittances and items not allocated	178,648	
16.	Provision for reinsurance (including $ .... certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	2,709,142	9,718
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending	17,125,000	19,607,715
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ .... and interest thereon $		
25.	Aggregate write-ins for liabilities	40,472,914	47,821,939
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,182,535,762	2,236,588,948
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	2,182,535,762	2,236,588,948
29.	Aggregate write-ins for special surplus funds	9,984,000	9,619,000
30.	Common capital stock	3,080,000	3,080,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus	1,276,449,000	1,346,449,000
35.	Unassigned funds (surplus)	(220,149,669)	(238,518,027)
36.	Less treasury stock, at cost:		
	36.1 .... shares common (value included in Line 30 $ ....)		
	36.2 .... shares preferred (value included in Line 31 $ ....)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,069,363,331	1,120,629,973
38.	TOTALS (Page 2, Line 28, Col. 3)	3,251,899,093	3,357,218,921
	DETAILS OF WRITE-INS		
2501.	Assumed reinsurance balances payable	40,469,440	47,821,949
2502.	Miscellaneous liabilities	3,474	(10)
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	40,472,914	47,821,939
2901.	EU Solvency 1 Directive	9,984,000	9,619,000
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	9,984,000	9,619,000
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	221,615	1,384,488
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	2,804,687	(57,528,752)
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	149,614,283	180,523,145
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	6,249,797	5,712,499
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	158,668,767	128,706,892
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(158,447,152)	(127,322,404)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	127,993,404	141,562,670
10.	Net realized capital gains or (losses) less capital gains tax of $ 3,995,000 (Exhibit of Capital Gains (Losses))	(2,517,726)	45,716,503
11.	Net investment gain (loss) (Lines 9 + 10)	125,475,678	187,279,173
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $ amount charged off $)		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	(195,193)	(114,118)
15.	Total other income (Lines 12 through 14)	(195,193)	(114,118)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(33,166,667)	59,842,651
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)	(33,166,667)	59,842,651
19.	Federal and foreign income taxes incurred	(24,622,341)	(5,754,163)
20.	Net income (Line 18 minus Line 19)(to Line 22)	(8,544,326)	65,596,814
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,120,629,973	1,123,585,222
22.	Net income (from Line 20)	(8,544,326)	65,596,814
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 6,720,570	11,239,204	160,442
25.	Change in net unrealized foreign exchange capital gain (loss)	1,251,215	100,828
26.	Change in net deferred income tax	3,089,231	(1,464,788)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	11,698,034	27,714,695
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		15,231,042
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	(70,000,000)	(110,000,000)
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		(294,282)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(51,266,642)	(2,955,249)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,069,363,331	1,120,629,973
	DETAILS OF WRITE-INS		
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)		
1401.	Miscellaneous expenses	(195,193)	(114,118)
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(195,193)	(114,118)
3701.	Goodwill write off		(294,282)
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)		(294,282)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	(1,499,699)	1,816,539
2.	Net investment income	132,974,946	148,012,709
3.	Miscellaneous income	2,265,728	(1,784,158)
4.	Total (Lines 1 through 3)	133,740,975	148,045,090
5.	Benefit and loss related payments	83,886,182	112,459,973
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	104,335,132	102,317,137
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ 21,238,175 tax on capital gains (losses)	18,010,000	40,904,688
10.	Total (Lines 5 through 9)	206,231,314	255,681,798
11.	Net cash from operations (Line 4 minus Line 10)	(72,490,339)	(107,636,708)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	196,508,181	412,749,425
	12.2 Stocks	59,962	
	12.3 Mortgage loans	11,081,686	19,900,072
	12.4 Real estate		
	12.5 Other invested assets	5,523,558	12,223,237
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	575	
	12.7 Miscellaneous proceeds		112,769
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	213,173,962	444,985,503
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	127,380,971	172,147,197
	13.2 Stocks	8,234	
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets	158,610	
	13.6 Miscellaneous applications	68,749	1,304,549
	13.7 Total investments acquired (Lines 13.1 to 13.6)	127,616,564	173,451,746
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	85,557,398	271,533,757
	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	(70,000,000)	(110,000,000)
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(3,323,980)	747,926
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(73,323,980)	(109,252,074)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(60,256,921)	54,644,975
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	56,479,948	1,834,973
	19.2 End of period (Line 18 plus Line 19.1)	(3,776,973)	56,479,948

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	(2,875)	135	135	(2,875)
2.	Allied lines	1,558			1,558
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril	36			36
6.	Mortgage guaranty				
8.	Ocean marine	237	22	21	238
9.	Inland marine		460	460	
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	(1,284)			(1,284)
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation	11,461			11,461
17.1	Other liability - occurrence	552,976	265	267	552,974
17.2	Other liability - claims-made				
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	(282,055)			(282,055)
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	1,953	84	84	1,953
19.3, 19.4	Commercial auto liability	(44,974)	6,731		(38,243)
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity	15	808	25	798
24.	Surety	(21,504)	56,370	49,226	(14,360)
26.	Burglary and theft				
27.	Boiler and machinery	32	74	78	28
28.	Credit				
29.	International	34,088	(472)	(471)	34,087
30.	Warranty				
31.	Reinsurance - nonproportional assumed property		(595)	(595)	
32.	Reinsurance - nonproportional assumed liability	(35,973)	(6,611)	120	(42,704)
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	213,691	57,271	49,350	221,612
	DETAILS OF WRITE-INS				
3401.					
3402.					
3403.					
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire		135			135
2.	Allied lines					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril					
6.	Mortgage guaranty					
8.	Ocean marine		21			21
9.	Inland marine		460			460
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake					
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation					
17.1	Other liability - occurrence		267			267
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence					
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability		84			84
19.3, 19.4	Commercial auto liability					
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity		25			25
24.	Surety		49,226			49,226
26.	Burglary and theft					
27.	Boiler and machinery		78			78
28.	Credit					
29.	International		(471)			(471)
30.	Warranty					
31.	Reinsurance - nonproportional assumed property		(595)			(595)
32.	Reinsurance - nonproportional assumed liability		120			120
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS		49,350			49,350
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					49,350
	DETAILS OF WRITE-INS					
3401.						
3402.						
3403.						
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1+2+3-4-5
1.	Fire		(2,875)				(2,875)
2.	Allied lines		1,558				1,558
3.	Farmowners multiple peril						
4.	Homeowners multiple peril						
5.	Commercial multiple peril		36				36
6.	Mortgage guaranty						
8.	Ocean marine		237				237
9.	Inland marine						
10.	Financial guaranty						
11.1	Medical professional liability - occurrence						
11.2	Medical professional liability - claims-made						
12.	Earthquake		(1,284)				(1,284)
13.	Group accident and health						
14.	Credit accident and health (group and individual)						
15.	Other accident and health						
16.	Workers' compensation		11,461				11,461
17.1	Other liability - occurrence		(10,930)	563,906			552,976
17.2	Other liability - claims-made						
17.3	Excess workers' compensation						
18.1	Products liability - occurrence		(282,055)				(282,055)
18.2	Products liability - claims-made						
19.1, 19.2	Private passenger auto liability		1,953				1,953
19.3, 19.4	Commercial auto liability			(44,974)			(44,974)
21.	Auto physical damage						
22.	Aircraft (all perils)						
23.	Fidelity		15				15
24.	Surety		(21,504)				(21,504)
26.	Burglary and theft						
27.	Boiler and machinery		32				32
28.	Credit						
29.	International		34,088				34,088
30.	Warranty						
31.	Reinsurance - nonproportional assumed property	XXX					
32.	Reinsurance - nonproportional assumed liability	XXX		(35,973)			(35,973)
33.	Reinsurance - nonproportional assumed financial lines	XXX					
34.	Aggregate write-ins for other lines of business						
35.	TOTALS		(269,268)	482,959			213,691
	DETAILS OF WRITE-INS						
3401.							
3402.							
3403.							
3498.	Summary of remaining write-ins for Line 34 from overflow page						
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 -3)	5 Net Losses Unpaid Current Year (Part 2A , Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire		172,577		172,577	331,837	257,994	246,420	(8,571.1)
2.	Allied lines		104,291		104,291	1,480,972	3,471,297	(1,886,034)	(121,054.8)
3.	Farmowners multiple peril		800		800	83,030	2,758	81,072	
4.	Homeowners multiple peril		(7,763)		(7,763)	194,687	186,924		
5.	Commercial multiple peril		(735,954)		(735,954)	16,988,129	23,498,130	(7,245,955)	(20,127,652.8)
6.	Mortgage guaranty								
8.	Ocean marine		13,700		13,700	322,352	336,576	(524)	(220.2)
9.	Inland marine		290,864		290,864	2,162	3,618	289,408	
10.	Financial guaranty								
11.1	Medical professional liability - occurrence		(14,730)		(14,730)	(28,224)	(30,976)	(11,978)	
11.2	Medical professional liability - claims-made								
12.	Earthquake		(5,967)		(5,967)	(122,600)	(119,661)	(8,906)	693.6
13.	Group accident and health		(163)		(163)	16,242	9,871	6,208	
14.	Credit accident and health (group and individual)								
15.	Other accident and health		631		631	9,821	10,715	(263)	
16.	Workers' compensation		1,884,758		1,884,758	25,494,318	35,212,178	(7,833,102)	(68,345.7)
17.1	Other liability - occurrence		28,153,994		28,153,994	249,177,784	271,249,919	6,081,859	1,099.8
17.2	Other liability - claims-made		231,220		231,220	(10,641)	(13,002)	233,581	
17.3	Excess workers' compensation								
18.1	Products liability - occurrence		37,304,570		37,304,570	453,688,402	496,880,841	(5,887,869)	2,087.5
18.2	Products liability - claims-made		(26,254)		(26,254)	437,148	35,392	375,502	
19.1, 19.2	Private passenger auto liability		297,096		297,096	1,738,825	2,272,883	(236,962)	(12,133.2)
19.3, 19.4	Commercial auto liability		(60,651)		(60,651)	2,676,072	8,811,691	(6,196,270)	16,202.4
21.	Auto physical damage		(1,000)		(1,000)	5,475	5,476	(1,001)	
22.	Aircraft (all perils)		2,006		2,006	918,480	858,150	62,336	
23.	Fidelity		(3,994)		(3,994)	(8,932)	(6,835)	(6,091)	(763.3)
24.	Surety		(25,881)		(25,881)	1,577,870	1,547,345	4,644	(32.3)
26.	Burglary and theft		25,016		25,016	478	1,186	24,308	
27.	Boiler and machinery		110		110	18,143	10,233	8,020	28,642.9
28.	Credit								
29.	International		96,578		96,578	12,851,796	13,903,891	(955,517)	(2,803.2)
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX	(46,783)		(46,783)	2,362,609	2,362,609	(46,783)	
32.	Reinsurance - nonproportional assumed liability	XXX	16,237,109		16,237,109	460,516,271	451,044,795	25,708,585	(60,201.8)
33.	Reinsurance - nonproportional assumed financial lines	XXX				28,950	28,950		
34.	Aggregate write-ins for other lines of business								
35.	TOTALS		83,886,180		83,886,180	1,230,751,456	1,311,832,948	2,804,688	1,265.6
	DETAILS OF WRITE-INS								
3401.									
3402.									
3403.									
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

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	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire		162,492		162,492		169,345		331,837	312
2.	Allied lines		(843,540)		(843,540)		2,324,512		1,480,972	12,849
3.	Farmowners multiple peril		48,000		48,000		35,030		83,030	24,000
4.	Homeowners multiple peril		194,687		194,687				194,687	1,301
5.	Commercial multiple peril		4,386,526		4,386,526		12,601,603		16,988,129	23,211,161
6.	Mortgage guaranty									
8.	Ocean marine		155,946		155,946		166,406		322,352	318
9.	Inland marine		2,162		2,162				2,162	35
10.	Financial guaranty									
11.1	Medical professional liability - occurrence		(28,224)		(28,224)				(28,224)	(14,679)
11.2	Medical professional liability - claims-made									
12.	Earthquake		(37,200)		(37,200)		(85,400)		(122,600)	2
13.	Group accident and health		10,041		10,041		6,201		(a) 16,242	
14.	Credit accident and health (group and individual)									
15.	Other accident and health		7,406		7,406		2,415		(a) 9,821	
16.	Workers' compensation		12,787,388		12,787,388		12,706,930		25,494,318	3,827,322
17.1	Other liability - occurrence		53,428,809		53,428,809		195,748,975		249,177,784	196,716,416
17.2	Other liability - claims-made		(10,641)		(10,641)				(10,641)	13
17.3	Excess workers' compensation									
18.1	Products liability - occurrence		99,654,330		99,654,330		354,034,072		453,688,402	634,099,394
18.2	Products liability - claims-made		437,148		437,148				437,148	
19.1, 19.2	Private passenger auto liability		1,850,571		1,850,571		(111,746)		1,738,825	(9,145)
19.3, 19.4	Commercial auto liability		2,774,772		2,774,772		(98,700)		2,676,072	51,897
21.	Auto physical damage		5,475		5,475				5,475	1,561
22.	Aircraft (all perils)		317,378		317,378		601,102		918,480	92,785
23.	Fidelity		19,367		19,367		(28,299)		(8,932)	3,750
24.	Surety		1,065,403		1,065,403		512,467		1,577,870	
26.	Burglary and theft		478		478				478	
27.	Boiler and machinery		16,649		16,649		1,494		18,143	
28.	Credit									
29.	International		4,291,353		4,291,353		8,560,443		12,851,796	6
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX	1,477,796		1,477,796	XXX	884,813		2,362,609	
32.	Reinsurance - nonproportional assumed liability	XXX	116,817,593		116,817,593	XXX	343,698,678		460,516,271	30,954,467
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX	28,950		28,950	
34.	Aggregate write-ins for other lines of business									
35.	TOTALS		298,992,165		298,992,165		931,759,291		1,230,751,456	888,973,765
	DETAILS OF WRITE-INS									
3401.										
3402.										
3403.										
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

		1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1.	Claim adjustment services:				
	1.1 Direct				
	1.2 Reinsurance assumed	136,269,548			136,269,548
	1.3 Reinsurance ceded				
	1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	136,269,548			136,269,548
2.	Commission and brokerage:				
	2.1 Direct excluding contingent				
	2.2 Reinsurance assumed, excluding contingent		(18,074)		(18,074)
	2.3 Reinsurance ceded, excluding contingent				
	2.4 Contingent - direct				
	2.5 Contingent - reinsurance assumed		(7,270)		(7,270)
	2.6 Contingent - reinsurance ceded				
	2.7 Policy and membership fees				
	2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		(25,344)		(25,344)
3.	Allowances to managers and agents	315	149	39	503
4.	Advertising	456,798	70,021	262	527,081
5.	Boards, bureaus and associations	194,923	532,507	10,023	737,453
6.	Surveys and underwriting reports	525	1,551	16	2,092
7.	Audit of assureds' records				
8.	Salary and related items:				
	8.1 Salaries	7,784,669	3,308,770	3,132,773	14,226,212
	8.2 Payroll taxes		567,596		567,596
9.	Employee relations and welfare	1,736,102	(487,365)	535,601	1,784,338
10.	Insurance				
11.	Directors' fees				
12.	Travel and travel items	306,683	258,783	76,571	642,037
13.	Rent and rent items	348,117	185,895	119,314	653,326
14.	Equipment	336,413	396,070	454,540	1,187,023
15.	Cost or depreciation of EDP equipment and software	57,684	341,576	1,832	401,092
16.	Printing and stationery	155,247	35,869	1,618	192,734
17.	Postage, telephone and telegraph, exchange and express	83,504	63,010	22,763	169,277
18.	Legal and auditing	351,336	829,186	40,434	1,220,956
19.	Totals (Lines 3 to 18)	11,812,316	6,103,618	4,395,786	22,311,720
20.	Taxes, licenses and fees:				
	20.1 State and local insurance taxes deducting guaranty association credits of $		(2,249)		(2,249)
	20.2 Insurance department licenses and fees		14,077		14,077
	20.3 Gross guaranty association assessments				
	20.4 All other (excluding federal and foreign income and real estate)		41,325		41,325
	20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		53,153		53,153
21.	Real estate expenses				
22.	Real estate taxes				
23.	Reimbursements by uninsured plans				
24.	Aggregate write-ins for miscellaneous expenses	1,532,667	118,119	23,770	1,674,556
25.	Total expenses incurred	149,614,531	6,249,546	4,419,556	(a) 160,283,633
26.	Less unpaid expenses - current year	888,973,765			888,973,765
27.	Add unpaid expenses - prior year	837,496,260	57,988		837,554,248
28.	Amounts receivable relating to uninsured plans, prior year				
29.	Amounts receivable relating to uninsured plans, current year				
30.	TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	98,137,026	6,307,534	4,419,556	108,864,116
	DETAILS OF WRITE-INS				
2401.	Other expenses	425	10,625		11,050
2402.	Outside services and income	1,532,242	107,494	23,770	1,663,506
2403.					
2498.	Summary of remaining write-ins for Line 24 from overflow page				
2499.	Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	1,532,667	118,119	23,770	1,674,556

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 20,346,686	20,400,674
1.1	Bonds exempt from U.S. tax	(a) 47,845,946	47,352,512
1.2	Other bonds (unaffiliated)	(a) 58,208,634	57,405,449
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	30,889	30,889
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 6,456,079	6,399,246
4.	Real estate	(d)	
5	Contract loans		
6	Cash, cash equivalents and short-term investments	(e) 317,985	317,985
7	Derivative instruments	(f)	
8.	Other invested assets	520,567	520,567
9.	Aggregate write-ins for investment income	55,958	55,958
10.	Total gross investment income	133,782,744	132,483,280
11.	Investment expenses		(g) 4,419,556
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		70,321
16.	Total deductions (Lines 11 through 15)		4,489,877
17.	Net investment income (Line 10 minus Line 16)		127,993,403
	DETAILS OF WRITE-INS		
0901.	Misc. Income	37,612	37,612
0902.	Securities Lending	18,346	18,346
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	55,958	55,958
1501.	Misc. Exp		18,642
1502.	Mortgage Service Fees		51,679
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		70,321

(a) Includes $ 7,172,342 accrual of discount less $ 10,851,788 amortization of premium and less $ 548,031 paid for accrued interest on purchases.

(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.

(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.

(e) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(f) Includes $ .... accrual of discount less $ .... amortization of premium.

(g) Includes $ .... investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ .... interest on surplus notes and $ .... interest on capital notes.

(i) Includes $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 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				7,845,707	
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	1,781,631		1,781,631	4,743,662	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	51,605	122	51,727	1,067,370	
2.21	Common stocks of affiliates					
3.	Mortgage loans		(287,911)	(287,911)	63,957	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments		(24,996)	(24,996)		
8.	Other invested assets				3,415,605	
9.	Aggregate write-ins for capital gains (losses)	(43,754)	575	(43,179)	823,468	
10.	Total capital gains (losses)	1,789,482	(312,210)	1,477,272	17,959,769	
	DETAILS OF WRITE-INS					
0901.	Securities Lending				823,468	
0902.	FX Hedged	(43,754)		(43,754)		
0903.	FX on Currency		575	575		
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	(43,754)	575	(43,179)	823,468	

EXHIBIT OF NON-ADMITTED 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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)	138,667	138,667	
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)	5,692,419	6,775,570	1,083,151
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,831,086	6,914,237	1,083,151
13. Title plants (for Title insurers only)			
14. Investment income due and accrued		2,630	2,630
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,433,925	1,720,533	(1,713,392)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	9,534,155	17,896,522	8,362,367
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	9,595,978	13,559,256	3,963,278
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	28,395,144	40,093,178	11,698,034
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	28,395,144	40,093,178	11,698,034
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Third party administrative receivables	7,650,608	11,189,253	3,538,645
2502. Deposit and prepaid assets	1,897,152	1,951,865	54,713
2503. Other assets nonadmitted	48,218	237,515	189,297
2598. Summary of remaining write-ins for Line 25 from overflow page		180,623	180,623
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	9,595,978	13,559,256	3,963,278

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

The preparation of statutory financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Federal Income Taxes. The Company's parent, Nationwide Mutual Insurance Company (Mutual), files a consolidated federal income tax return, which includes all eligible U.S. subsidiaries and affiliates. In this regard, the included subsidiaries and affiliates pay to Mutual the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. Mutual pays tax due on a consolidated basis.

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

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

*Reinsurance Recoverables***.** The Company cedes insurance to other companies in order to limit potential losses and diversify its exposure. Such agreements do not relieve the Company of its primary obligation to the policyholder in the event the reinsurer is unable to meet the obligations it has assumed. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance agreements regularly in an attempt to minimize its exposure to significant losses from reinsurer insolvencies. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on losses are estimated in a manner consistent with the claim liability associated with the underlying policy. Such reinsurance recoverables and reserved deductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and loss expense reserves in the accompanying statutory statements of admitted assets, liabilities and surplus. There were no contracts using deposit accounting as of December 31, 2013 and 2012.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. As of December 31, 2013 and 2012, the Company had no provision related to conditional reinsurance recoverables.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of investments with maturities of twelve months or less at acquisition and are stated at amortized cost, which approximates fair value.

2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Amortization of premiums and discounts is calculated using the effective yield method.

3. Unaffiliated common stocks are stated at fair value.

4. Redeemable preferred stocks are stated at amortized cost except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Perpetual preferred stocks are stated at fair value except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value.

5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses.

6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost or the lower of amortized cost or fair value in accordance with the provisions of Statement of Statutory Accounting Principles No. 43-Revised and the Purposes and Procedures Manual of the NAIC Securities Valuation Office. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For all other loan-backed securities, the Company uses the prospective adjustment method.

NOTES TO FINANCIAL STATEMENTS

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

   The admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying audited statutory surplus adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Investments in affiliated companies are generally included in stocks.

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

9. Accounting for derivatives

   Not applicable.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2013 and 2012, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.

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

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

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

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

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes and Corrections of Errors

Adopted Accounting Standards

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

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

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

On August 24, 2013, the NAIC adopted, effective immediately, revisions to SSAP No. 64, Offsetting and Netting of Assets and Liabilities, SSAP No. 86, Accounting for Derivative Instruments and Hedging, Income Generation, and Replication (Synthetic Asset) Transactions and SSAP No. 103, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The Company adopted the revisions on the effective date. The revisions clarify that derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending transactions can be reported net on the balance sheet when a valid right to offset exists. The revisions also add disclosures to illustrate the netting impact. There was no impact on the Company's financial statements.

On October 4, 2013, the NAIC adopted, effectively immediately, revisions to SSAP No. 1, Disclosure of Accounting Policies, Risks & Uncertainties, and Other Disclosures, SSAP No. 15, Debt and Holding Company Obligations, SSAP No. 30, Investments in Common Stock (excluding investments in common stock of subsidiary, controlled, or affiliated entities), and SSAP No. 52, Deposit-Type Contracts. The revisions improve the reporting of FHLB capital stock and develop additional and enhanced disclosures for FHLB transactions. The Company adopted the revisions on the effective date and resulted in increased disclosures only.

NOTES TO FINANCIAL STATEMENTS

On January 1, 2012, the Company adopted a new standard, SSAP No. 101, Income Taxes, which supersedes SSAP No. 10R, Income Taxes Revised - A Temporary Replacement of SSAP No. 10. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies, establishes a new framework for determining the admissibility of DTAs and adopts new disclosure requirements. The difference between the recalculated amounts as of January 1, 2012, and the amount actually reported in the prior year financial statements is treated as a change in accounting principle in accordance with SSAP No. 3, Accounting Changes and Corrections of Errors. The cumulative effect of this change in accounting principle resulted in a $15,231,042 increase in unassigned funds as of January 1, 2012.

Pending Accounting Standards

On January 1, 2014, the Company will adopt revisions to SSAP No. 35R, Guaranty Fund and Other Assessments. The revisions require full expense recognition on January 1 of the fee year and reclassification from unassigned surplus to special surplus in the data year for the estimated amount payable to the federal government by health insurers under the Affordable Care Act. The Company is currently in the process of determining the impact of adoption of the revisions to this standard.

On January 1, 2014, the Company will adopt revisions to SSAP No. 26, Bonds, excluding Loan-Backed and Structured Securities. The revisions clarify the “yield to worst” concept for bonds with make whole call provisions. The Company is currently in the process of determining the impact of adoption of the revisions to this standard.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

1. There were no new commercial loans originated during 2013. No residential mortgages were loaned during 2013.

2. At December 31, 2013, the maximum percentage of any one loan to the value of the security at the time of the loan is 83.5%.

3. Taxes, assessments and any amounts advanced and not included in mortgage loan total $0.

4. Age analysis of mortgage loans

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 95,444,490	$ -	$ 95,444,490
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 1,748,051	$ -	$ 1,748,051
(b) Number of Loans	-	-	-	-	1	-	1
(c) Percent Reduced	%	%	%	%	1.8%	%	1.8%
Prior Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 106,814,087	$ -	$ 106,814,087
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	%	%	%	%	%	%	%

NOTES TO FINANCIAL STATEMENTS

5. Disclosure for investment in impaired loans aggregated by type

		Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year								
	1. With Allowance for Credit Losses	$ -	$ -	$ -	$ -	$ 3,088,633	$ -	$ 3,088,633
	2. No Allowance for Credit Losses	-	-	-	-	-	-	-
b. Prior Year								
	1. With Allowance for Credit Losses	$ -	$ -	$ -	$ -	$ 3,376,545	$ -	$ 3,376,545
	2. No Allowance for Credit Losses	-	-	-	-	-	-	-

6. Disclosure for impaired loans

		Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year								
	1. Average Recorded Investment	$ -	$ -	$ -	$ -	$ 3,232,589	$ -	$ 3,232,589
	2. Interest Income Recognized	-	-	-	-	218,279	-	-
	3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
	4. Amount of Interest Income Recognized Using a Cash Basis Method of Accounting	-	-	-	-	222,862	-	-
b. Prior Year								
	1. Average Recorded Investment	$ -	$ -	$ -	$ -	$ 3,376,545	$ -	$ 3,376,545
	2. Interest Income Recognized	-	-	-	-	220,823	-	-
	3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
	4. Amount of Interest Income Recognized Using a Cash Basis Method of Accounting	-	-	-	-	220,823	-	-

7. For each period which operations are presented, the activity in the allowance for credit losses account:

Allowance for Credit Losses:	12/31/2013	12/31/2012
(a) Balance at beginning of period	$ 1,588,174	$ 1,631,983
(b) Additions charged to operations	$ 287,911	$ -
(c) Direct write-downs charged against the allowances	$ (63,957)	$ (43,809)
(d) Recoveries of amounts previously charged off	$ -	$ -
(e) Balances at end of period	$ 1,812,128	$ 1,588,174

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

B. Troubled Debt Restructuring for Creditors

	12/31/2013	12/31/2012
1. The total recorded investment in restructured loans, as of year end	$ 3,088,633	$ 3,376,545
2. The realized capital losses related to these loans	$ 1,422,440	$ 1,134,529
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	$ -	$ -

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

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
2. Not applicable.
3. Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

   a. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$	(794,150)
2.	12 Months or Longer	$	(6,299,371)

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

1.	Less than 12 Months	$	50,673,051
2.	12 Months or Longer	$	49,554,396

5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

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

E. Repurchase Agreements and Securities Lending Transactions

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

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

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

3. Collateral Received

   a. Aggregate Amount Cash Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) Open	$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$
(g) Securities Received	
(h) Total Collateral Received	$
2. Securities Lending	
(a) Open	$ 17,125,000
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$ 17,125,000
(g) Securities Received	
(h) Total Collateral Received	$ 17,125,000
3. Dollar Repurchase Agreement	
(a) Open	$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$
(g) Securities Received	
(h) Total Collateral Received	$

NOTES TO FINANCIAL STATEMENTS

b. The fair value as of the date of each statement of financial presentation of that collateral of the portion of that collateral that is has sold or repledged: $11,078,983.

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

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

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

1. Repurchase Agreement

	Amortized Cost	Fair Value
(a) Open	$	$
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater Than 3 years		
(k) Subtotal	$	$
(l) Securities Received		
(m) Total Collateral Reinvested	$	$

2. Securities Lending

	Amortized Cost	Fair Value
(a) Open	$	$
(b) 30 Days or Less	2,542,554	2,542,554
(c) 31 to 60 Days	2,077,872	2,038,916
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years	1,602,299	1,547,762
(i) 2 to 3 years		
(j) Greater Than 3 years	7,060,354	4,949,751
(k) Subtotal	$ 13,283,079	$ 11,078,983
(l) Securities Received		
(m) Total Collateral Reinvested	$ 13,283,079	$ 11,078,983

3. Dollar Repurchased Agreement

	Amortized Cost	Fair Value
(a) Open	$	$
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater Than 3 years		
(k) Subtotal	$	$
(l) Securities Received		
(m) Total Collateral Reinvested	$	$

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

NOTES TO FINANCIAL STATEMENTS

6. The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge.

7. There are no securities lending transactions that extend beyond one year.

F. Real Estate

Not applicable.

G. Low-Income Housing Tax Credits

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

Low -Income Housing Tax Credits	Remaining years	Holding Period
Commons at Grant LLC	0	2013
Ohio Equity Fund XI	4	2017
Ohio Equity Fund XII	2	2015
Ohio Equity Fund XIII	4	2017

2. The Company's investments in LIHTC are made up of several property investments which are subject to periodic reviews by HUD (if applicable) and state housing agencies. The Company receives updates from property managers as to the status of any regulatory review and investigates further as needed.

3. Aggregate LIHTC investments do not exceed 10 percent of the total admitted assets

4. Analysis is done for LIHTC investments to determine if an impairment exists by comparing the book value of the investment with the present value of future tax benefits. The investment is written down if the book value is higher than the present value and the write-down is accounted for as a realized loss. No impairments were recognized during 2013.

5. No write-downs or reclassifications were made due to the forfeiture or ineligibility of LIHTC during 2013.

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a Subject to contractual obligation for which liability is not shown										
b Collateral held under security lending agreements	$11,078,983				$11,078,983	$12,414,920	($1,335,937)	$11,078,983	0.34%	0.34%
c Subject to repurchase agreements										
d Subject to reverse repurchase agreements										
e Subject to dollar repurchase agreements										
f Subject to dollar reverse repurchase agreements										
g Placed under option contracts										
h Letter stock or securities restricted as to sale										
I On deposit with states	$716,529				$716,529	$721,607	($5,078)	$716,529	0.02%	0.02%
j On deposit with other regulatory bodies										
k Pledged as collateral not captured in other categories										
l Other restricted assets	$22,465,554				$22,465,554	$15,768,109	$6,697,445	22,465,554	0.68%	0.69%
m Total restricted assets	**$34,261,066**	**$0**	**$0**	**$0**	**$34,261,066**	**$28,904,636**	**$5,356,430**	**$34,261,066**	**1.04%**	**1.05%**

2. Detail of Asset Pledged as Collateral Not Captured in Other Categories

Not applicable.

3. Detail of Other Restricted Assets

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Description of Assts	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Loaned to others under conforming securiteis lending program	$22,465,554				$22,465,554	$15,768,109	$6,697,445	$22,465,554	0.68%	0.69%
Total	**$22,465,554**	**$0**	**$0**	**$0**	**$22,465,554**	**$15,768,109**	**$6,697,445**	**$22,465,554**	**0.68%**	**0.69%**

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable.

B. Write-downs for Impairments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2013 was $0.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

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

	12/31/2013 Ordinary	12/31/2013 Capital	12/31/2013 Total
(1a) Gross deferred tax assets	$ 38,665,073	$ 28,569,866	$ 67,234,939
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 38,665,073	$ 28,569,866	$ 67,234,939
(1d) Deferred tax assets nonadmitted	$ 9,534,155	$ -	$ 9,534,155
(1e) Subtotal net admitted deferred tax asset	$ 29,130,918	$ 28,569,866	$ 57,700,784
(1f) Deferred tax liabilities	$ 980,481	$ 25,348,639	$ 26,329,120
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 28,150,437	$ 3,221,227	$ 31,371,664

	12/31/2012 Ordinary	12/31/2012 Capital	12/31/2012 Total
(1a) Gross deferred tax assets	$ 38,915,621	$ 26,383,494	$ 65,299,115
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 38,915,621	$ 26,383,494	$ 65,299,115
(1d) Deferred tax assets nonadmitted	$ 17,896,522	$ -	$ 17,896,522
(1e) Subtotal net admitted deferred tax asset	$ 21,019,099	$ 26,383,494	$ 47,402,593
(1f) Deferred tax liabilities	$ 345,343	$ 20,416,614	$ 20,761,957
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 20,673,756	$ 5,966,880	$ 26,640,636

	Change Ordinary	Change Capital	Change Total
(1a) Gross deferred tax assets	$ (250,548)	$ 2,186,372	$ 1,935,824
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ (250,548)	$ 2,186,372	$ 1,935,824
(1d) Deferred tax assets nonadmitted	$ (8,362,367)	$ -	$ (8,362,367)
(1e) Subtotal net admitted deferred tax asset	$ 8,111,819	$ 2,186,372	$ 10,298,191
(1f) Deferred tax liabilities	$ 635,138	$ 4,932,025	$ 5,567,163
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 7,476,681	$ (2,745,653)	$ 4,731,028

Admission Calculation Components SSAP No. 101

	12/31/2013 Ordinary	12/31/2013 Capital	12/31/2013 Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 20,143,947	$ 11,227,717	$ 31,371,664
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 20,143,947	$ 11,227,717	$ 31,371,664
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 155,698,750
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	$ 8,986,971	$ 17,342,149	$ 26,329,120
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 29,130,918	$ 28,569,866	$ 57,700,784

	12/31/2012 Ordinary	12/31/2012 Capital	12/31/2012 Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 17,224,667	$ 9,415,969	$ 26,640,636
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 17,224,667	$ 9,415,969	$ 26,640,636
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 164,098,401
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	$ 3,794,432	$ 16,967,525	$ 20,761,957
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 21,019,099	$ 26,383,494	$ 47,402,593

NOTES TO FINANCIAL STATEMENTS

	Change Ordinary	Change Capital	Change Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 2,919,280	$ 1,811,748	$ 4,731,028
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 2,919,280	$ 1,811,748	$ 4,731,028
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ (8,399,651)
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	$ 5,192,539	$ 374,624	$ 5,567,163
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 8,111,819	$ 2,186,372	$ 10,298,191

	12/31/2013	12/31/2012
(3a) Ratio percentage used to determine recovery period and threshold limitation amount	304.051%	346.539%
(3b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	$ 1,037,991,667	$ 1,093,989,337

Impact of Tax Planning Strategies

12/31/2013	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 38,665,073	$ 28,569,866	$ 67,234,939
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 29,130,918	$ 28,569,866	$ 57,700,784
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	14.80%	35.79%	50.59%

12/31/2012	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 38,915,621	$ 26,383,494	$ 65,299,115
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 21,019,099	$ 26,383,494	$ 47,402,593
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	35.34%	35.34%

Change	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ (250,548)	$ 2,186,372	$ 1,935,824
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 8,111,819	$ 2,186,372	$ 10,298,191
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	14.80%	0.45%	15.25%

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

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

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

	12/31/2013	12/31/2012	Change
1. Current Income Tax			
(a) Federal	$ (24,622,341)	$ (5,754,163)	$ (18,868,178)
(b) Foreign	$ -	$ -	$ -
(c) Subtotal	$ (24,622,341)	$ (5,754,163)	$ (18,868,178)
(d) Federal income tax on net capital gains	$ 3,995,000	$ 19,061,576	$ (15,066,576)
(e) Utilization of capital loss carry-forwards	$ -	$ (192,190)	$ 192,190
(f) Other	$ -	$ -	$ -
(g) Federal and foreign income taxes incurred	$ (20,627,341)	$ 13,115,223	$ (33,742,564)

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets	12/31/2013	12/31/2012	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 22,339,678	$ 22,724,688	$ (385,010)
(2) Unearned premium reserve	$ 3,456	$ 4,009	$ (553)
(3) Policyholder reserves	$ -	$ -	$ -
(4) Investments	$ 2,436,213	$ 2,397,340	$ 38,873
(5) Deferred acquisition costs	$ -	$ -	$ -
(6) Policyholder dividends accrual	$ -	$ -	$ -
(7) Fixed Assets	$ -	$ -	$ -
(8) Compensation benefits accrual	$ -	$ -	$ -
(9) Pension accrual	$ -	$ 317,341	$ (317,341)
(10) Receivables - nonadmitted	$ 16,876	$ 4,028,692	$ (4,011,816)
(11) Net operating loss carry-forward	$ 3,590,634	$ 3,685,216	$ (94,582)
(12) Tax credit carry-forward	$ 5,734,626	$ 5,121,334	$ 613,292
(13) Other (including items <5% of total ordinary tax assets)	$ 1,865,877	$ 637,001	$ 1,228,876
(14) Nonadmitted miscellaneous	$ 2,677,713	$ -	$ 2,677,713
(99) Subtotal	$ 38,665,073	$ 38,915,621	$ (250,548)
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ 9,534,155	$ 17,896,522	$ (8,362,367)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 29,130,918	$ 21,019,099	$ 8,111,819
(e) Capital:			
(1) Investments	$ 28,569,866	$ 26,383,494	$ 2,186,372
(2) Net capital loss carry-forward	$ -	$ -	$ -
(3) Real estate	$ -	$ -	$ -
(4) Other (including items <5% of total capital tax assets)	$ -	$ -	$ -
(99) Subtotal	$ 28,569,866	$ 26,383,494	$ 2,186,372
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ -	$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 28,569,866	$ 26,383,494	$ 2,186,372
(i) Admitted deferred tax assets (2d + 2h)	$ 57,700,784	$ 47,402,593	$ 10,298,191

3. Deferred Tax Liabilities

(a) Ordinary:	12/31/2013	12/31/2012	Change
(1) Investments	$ -	$ 123,355	$ (123,355)
(2) Fixed assets	$ -	$ -	$ -
(3) Deferred and uncollected premium	$ -	$ -	$ -
(4) Policyholder reserves	$ -	$ -	$ -
(5) Other (including items <5% of total ordinary tax liabilities)	$ -	$ -	$ -
(6) Unrealized miscellaneous	$ 656,638	$ 221,988	$ 434,650
(7) Pension accrual	$ 323,843	$ -	$ 323,843
(99) Subtotal	$ 980,481	$ 345,343	$ 635,138
(b) Capital:			
(1) Investments	$ 25,348,639	$ 20,416,614	$ 4,932,025
(2) Real estate	$ -	$ -	$ -
(3) Other (including items <5% of total capital tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ 25,348,639	$ 20,416,614	$ 4,932,025
(c) Deferred tax liabilities (3a99 + 3b99)	$ 26,329,120	$ 20,761,957	$ 5,567,163
4. Net deferred tax asset/(liability) (2i - 3c)	$ 31,371,664	$ 26,640,636	$ 4,731,028

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

	12/31/2013	12/31/2012	Change
(a) Adjusted gross deferred tax assets	$ 67,234,939	$ 65,299,115	$ 1,935,824
(b) Deferred tax liabilities	26,329,120	20,761,957	5,567,163
(c) Net deferred tax assets (liabilities)	$ 40,905,819	$ 44,537,158	$ (3,631,339)
(d) Tax effect of unrealized gains (losses)			(6,720,570)
(e) Change in deferred income tax			$ 3,089,231

NOTES TO FINANCIAL STATEMENTS

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

	12/31/2013	12/31/2012
(a) Current income taxes incurred	$ (20,627,341)	$ 13,115,223
(b) Change in deferred income tax	$ (3,089,231)	$ 1,464,788
(c) Total income tax reported	$ (23,716,572)	$ 14,580,011
(d) Income before taxes	$ (29,171,667)	$ 78,712,037
(e) Federal statutory tax rate	35%	35%
(f) Expected income tax expense (benefit) at 35% statutory rate	$ (10,210,083)	$ 27,549,213
(1) Tax-exempt income	$ (14,255,008)	$ (15,090,073)
(2) Dividends received deduction	$ (212)	$ (1,589)
(3) Nondeductible expenses	$ 10,488	$ 6,861
(4) Deferred tax benefit on nonadmitted assets	$ 1,167,484	$ 3,359,481
(5) Change in tax reserves	$ 1,668	$ (116,283)
(6) Tax credits	$ (614,707)	$ (1,008,653)
(7) Other	$ 183,798	$ (118,946)
(g) Total	$ (23,716,572)	$ 14,580,011

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

1. As of December 31, operating loss or tax credit carryforw ards are available as follow s:

	Amount	Origination	Expiration
Operating loss carryforw ards	$ 10,258,953	2012	2032
Amount of AMT tax credits	$ -		
Business credits	$ 1,377,117	2009	2029
Business credits	$ 1,376,422	2010	2030
Business credits	$ 101,903	2011	2031
Business credits	$ 1,995,864	2012	2032
Business credits	$ 883,320	2013	2033

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

2013	$ -
2012	$ -

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

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

AGMC Reinsurance, Ltd.	Nationw ide Indemnity Company
Allied General Agency Company	Nationw ide Insurance Company of America
Allied Group, Inc.	Nationw ide Insurance Company of Florida
Allied Holding (Delaw are), Inc.	Nationw ide Lloyds
Allied Insurance Company of America	Nationw ide Mutual Insurance Company
Allied Property and Casualty Insurance Company	Nationw ide Property and Casualty Ins. Company
Allied Texas Agency, Inc.	Nationw ide Retirement Solutions, Inc.
AMCO Insurance Company	Nationw ide Retirement Solutions, Inc. of Arizona
American Marine Underw riters, Inc.	Nationw ide Retirement Solutions, Inc. of Ohio
Crestbrook Insurance Company	Nationw ide Retirement Solutions, Inc. of Texas
Depositors Insurance Company	Nationw ide Retirement Solutions Insurance
DVM Insurance Agency, Inc.	Agency, Inc.
Freedom Specialty Insurance Company	Nationw ide Sales Solutions, Inc.
Harleysville Group, Inc.	NFS Distributors, Inc.
Harleysville Insurance Company	NWD Asset Management Holdings, Inc.
Harleysville Insurance Company of New Jersey	NWD Investment Management, Inc.
Harleysville Insurance Company of New York	Premier Agency, Inc.
Harleysville Lake States Insurance Company	Provfirst America Corporation
Harleysville Pennland Insurance Company	Provident Mutual Holding Company
Harleysville Preferred Insurance Company	Registered Investment Advisors Services, Inc.
Harleysville Services, Inc.	Riverview International Group, Inc.
Harleysville Worcester Insurance Company	Scottsdale Indemnity Company
Insurance Intermediaries, Inc.	Scottsdale Insurance Company
Lone Star General Agency, Inc.	Scottsdale Surplus Lines Insurance Company
National Casualty Company	THI Holdings (Delaw are), Inc.
Nationw ide Advantage Mortgage Company	Titan Auto Insurance of New Mexico, Inc.
Nationw ide Affinity Insurance Company of America	Titan Indemnity Company
Nationw ide Agribusiness Insurance Company	Titan Insurance Company
Nationw ide Assurance Company	Titan Insurance Services, Inc.
Nationw ide Bank	V.P.I. Services, Inc.
Nationw ide Cash Management Company	Veterinary Pet Insurance Company

NOTES TO FINANCIAL STATEMENTS

Nationw ide Corporation	Victoria Automobile Insurance Company
Nationw ide Financial General Agency, Inc.	Victoria Fire & Casualty Company
Nationw ide Financial Institution Distribution Agency, Inc.	Victoria National Insurance Company
	Victoria Select Insurance Company
Nationw ide Financial Services, Inc.	Victoria Specialty Insurance Company
Nationw ide General Insurance Company	WI of Florida, Inc.
Nationw ide Global Holdings, Inc.	Western Heritage Insurance Company
Nationw ide Global Ventures, Inc.	Whitehall Holdings, Inc.

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

A. Nature of Relationships

The Company is domiciled and is a licensed reinsurer in Ohio and is qualified in Illinois, Iowa, New York and Wisconsin. The Company had provided excess of loss and catastrophe coverages for certain affiliated companies, as well as assuming certain retroceded reinsurance from its parent, Mutual. In addition, on December 31, 1998, the Company assumed loss and loss adjustment expense reserves from both Mutual and Employers Insurance of Wausau (a mutual company) (EIOW), a former affiliate, and certain of EIOW's affiliated property and casualty companies. The Company is principally used to process runoff lines of business and therefore generates little premium. The Company is subject to regulation by the insurance departments of states in which it is licensed and undergoes period examinations by those departments.

All outstanding shares of the Company are owned by Mutual, domiciled in the State of Ohio.

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

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of Mutual, under which NCMC acts as a common agent in handling the purchases and sales of short-term investments for the respective accounts of the participants. Amounts on deposit with NCMC were $1.1 million and $58.8 million as of December 31, 2013 and 2012, respectively.

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

Not applicable.

C. Change in Terms of Intercompany Arrangements

There were no changes to the intercompany arrangements in 2013 or 2012.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its parent and affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The Company reported $2.7 million due to parent and $9.0 thousand due from parent at December 31, 2013 and 2012, respectively. The Company reported gross amounts of $100 and $9.0 thousand due from parent and affiliates and $2.7 million and $10.0 thousand due to parent and affiliates at December 31, 2013 and 2012, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

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

F. Management, Service Contracts, Cost Sharing Arrangements

The Company and various affiliates share a home office, other facilities, equipment, common management and administrative services. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC SAP. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, claim counts, policies in force, direct written premium, paid losses, pro rata share of employees or their salaries and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis. A new cost sharing agreement will be in effect beginning January 1, 2014, however, the methods for allocation will remain the same.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Not applicable.

Note 11 - Debt

A. All Other Debt

Not applicable.

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. Defined Benefit Plans

Mutual sponsors a defined benefit pension plan and a postretirement health care benefit plan covering substantially all employees of the Company. See Note 12D.

B. Defined Contribution Plans

Mutual sponsors a defined contribution savings plan covering substantially all employees of the Company. See Note 12D.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in non-qualified deferred compensation and defined benefit arrangements for certain employees and agents. Expenses are allocated to the Company based on individual participants. Total Plan liabilities for non-qualified deferred compensation plans were $264.8 million and $249.2 million on December 31, 2013 and December 31, 2012, respectively. Total Plan liabilities for non-qualified defined benefit plans were $274.9 million and $283.6 million on December 31, 2013 and December 31, 2012, respectively. Total expense related to the non-qualified benefit plans was $18.7 million and $18.8 million for years ended December 31, 2013 and 2012, respectively.

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

Total liabilities related to the ASCP were $1,121.3 million and $1,148.8 million at December 31, 2013 and 2012, respectively. Total expense recorded for this program was $83.3 million and $81.4 million for the years ended December 31, 2013 and 2012, respectively.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Mutual sponsors a postretirement health care benefit plan. See Note 12D.

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

A. Outstanding Shares

The Company has 50,000 shares of $110 par value stock authorized and 28,000 shares issued and outstanding.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Dividend Restrictions

The maximum amount of dividends which can be paid to shareholders by a State of Ohio domiciled insurance company without prior approval of the Director of Insurance is limited to, together with that of other dividends or distributions made within the preceding twelve months, the greater of either 10% of surplus as regards policyholders as of the preceding December 31, or the net income for the twelve month period ending December 31 of the previous calendar year. Additionally, any dividend or distribution paid from other than earned surplus shall require prior approval of the Director of Insurance. Subject to applicable regulatory approval(s), dividends are paid as determined by the insurer's board of directors.

D. Dividends Paid

On December 18, 2013, the Company paid extraordinary dividends of $70 million to Nationwide Mutual Insurance Company.

NOTES TO FINANCIAL STATEMENTS

On December 17, 2012, the Company paid extraordinary dividends of $110 million to Nationwide Mutual Insurance Company.

E. Profits Available for Ordinary Dividends

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid asordinary dividends to shareholders.

F. Restrictions on Surplus

There is no restriction on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

G. Advances to Surplus Not Repaid

Not applicable.

H. Stock Held by Company for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

There was a $0.4 million increase in special surplus funds from $9.6 million in 2012 to $10.0 million in 2013. This special surplus fund was established to comply with the European Union Insurance Directive 1. The Company reinsures business out of the London market that requires compliance with the regulations of the European Union. The decrease is due to the total deficit for the three companies from whom the Company assumed business declining slightly during 2011 and the strengthening of the U.S. dollar against the British pound sterling.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is $90.2 million less applicable deferred taxes of $32.2 million for a net unrealized capital gain of $58 million.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

<u>Note 14 – Contingencies</u>

A. Contingent Commitments

At December 31, 2013, the Company has unfunded commitments of $2.5 million related to its investments in limited partnerships and limited liability companies.

As indicated in Note 10 E, the Company has made no guarantees on behalf of affiliates.

B. Guaranty Fund and Other Assessments

Not applicable.

C. Gain Contingencies

Not applicable.

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

Not applicable.

E. Product Warranties

Not applicable.

F. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

<u>Note 15 – Leases</u>

A. Lessee Leasing Arrangements

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

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

A. Financial Instruments with Off Balance Sheet Risk

Not applicable.

B. Financial Instruments with Concentrations of Credit Risk

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Exposure to Credit-Related Losses

Not applicable.

D. Collateral Policy

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

1. The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

   The fair value of loaned securities was $16,771,402 at December 31, 2013. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2013.

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

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

2. No servicing assets or liabilities were recognized during the period.

3. No servicing assets or liabilities were recognized during the period.

4. There were no assets securitized during the period.

5. There were no retained transfers of financial assets accounted for as a secured borrowing.

6. There were no transfers of receivables with recourse.

7. There were no repurchase, reverse purchase, dollar repurchase, or reverse dollar repurchase agreements during the period.

C. Wash Sales

Not applicable.

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

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

Note 20 – Fair Value Measurements

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

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

The Company categorizes financial assets and liabilities as follows:

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

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means.

NOTES TO FINANCIAL STATEMENTS

Primary inputs to this valuation technique may include comparative trades, bid/asks, interest rate movements, U.S. Treasury rates, U.S. LIBOR, prime rates, cash flows, maturity dates, call ability, estimated prepayments and/or underlying collateral values.

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

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

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

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

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

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

The following table summarizes financial assets and liabilities measured at fair value as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
U.S. Government bonds	-	-	-	-
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	-	-	-
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	20,130,735	1,550,000	21,680,735
Total Bonds	-	20,130,735	1,550,000	21,680,735
Sec Lending	-	8,536,429	0	8,536,429
Preferred Stocks	-	-	-	-
Common Stocks	-	-	2,430,456	2,430,456
Loans held for sale	-	-	-	-
Separate Account Assets	-	-	-	-
Derivative Assets	-	-	-	-
Total Assets at Fair Value	-	28,667,164	3,980,456	32,647,620
Liabilities at Fair Value				
Derivatives Liabilities	-	-	-	-
Total Liabilities at Fair Value	-	-	-	-

The following table presents the roll forward of Level 3 financial assets and liabilities held at fair value during the three months ended December 31, 2013:

	Beginning Balance at 9/30/2013	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Misc.	1,550,000	-	-	-	-	-	-	-	-	1,550,000
Total Bonds	**1,550,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,550,000**
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	-	-	-	-	-	-	-	-	-	-
Common Stocks	1,947,939	-	-	-	482,517	-	-	-	-	2,430,456
Loans held for sale	-	-	-	-	-	-	-	-	-	-
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	**3,497,939**	**-**	**-**	**-**	**482,517**	**-**	**-**	**-**	**-**	**3,980,456**
Liabilities										
Derivatives Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

The following table presents the roll forward of Level 3 financial assets and liabilities held at fair value during the twelve months ended December 31, 2013:

	Beginning Balance at 12/31/2012	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	-	-	-	-	-	-	-	-	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Misc.	1,400,000	-	-	-	150,000	-	-	-	-	1,550,000
Total Bonds	**1,400,000**	**-**	**-**	**-**	**150,000**	**-**	**-**	**-**	**-**	**1,550,000**
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	-	-	-	-	-	-	-	-	-	-
Common Stocks	1,363,086	-	-	8,234	1,067,370	-	-	(8,234)	-	2,430,456
Loans held for sale	-	-	-	-	-	-	-	-	-	-
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	**2,763,086**	**-**	**-**	**8,234**	**1,217,370**	**-**	**-**	**(8,234)**	**-**	**3,980,456**
Liabilities										
Derivatives Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The following table summarizes aggregate carrying value and fair value, by level, for all financial assets and liabilities, excluding assets and liabilities reported at fair value, as of December 31, 2013:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets						
Bonds	$ 3,153,008,935	$ 2,967,722,955	$1,031,076,458	$ 2,100,011,302	$ 21,921,175	$ -
Stocks	-	-	-	-	-	
Mortgage loans	103,180,961	95,054,802	-	-	103,180,961	
Short-term investments	1,074,640	1,074,640	-	1,074,640	-	
Derivative assets	-	-	-	-	-	
Policy loans	-	-	-	-	-	
Securities lending collateral assets1	2,542,554	2,542,554	-	2,542,554	-	
Total Assets	$ 3,259,807,090	$ 3,066,394,951	$1,031,076,458	$ 2,103,628,496	$ 125,102,136	$ -
Liabilities						
Derivative liabilities	$ -	$ -	$ -	$ -	$ -	
Total Liabilities	$ -	$ -	$ -	$ -	$ -	

1 - Includes non admitted assets

Note 21 - Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures and Unusual Items

At December 31, 2013, the Company has commitments for unsettled purchases of private placement securities, including bank loans, of $2 million.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-Transferable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

1. The Company evaluates many characteristics when classifying collateral as subprime, including the credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.

2. The Company has no direct exposure through investments in subprime mortgage loans.

NOTES TO FINANCIAL STATEMENTS

3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	33,373,973	24,999,914	26,245,381	8,299,065
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other Assets				
g. Total	33,373,973	24,999,914	26,245,381	8,299,065

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

G. Offsetting and Netting of Assets and Liabilities

No assets or liabilities are offset and reported net in accordance with a valid right to offset per SSAP No. 64, Offsetting and Netting of Assets and Liabilities.

H. Joint and Several Liabilities

Not applicable.

Note 22 - Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 14, 2014 for the statutory statement issued on February 18, 2014.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 14, 2014 for the statutory statement issued on February 18, 2014.

As of December 31, 2013 an estimate of the financial effects of the Affordable Care Act cannot be made.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2013.

(000's)	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	$49	$4	$0	$0	$49	$4
b. All Others	0	0	0	0	$0	$0
c. Totals	**$49**	**$4**	**$0**	**$0**	**$49**	**$4**
d. Direct Unearned Premium Reserve			$0			

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2013 are as follows:

($000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	$0	$0	$0	$0
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	**$0**	**$0**	**$0**	**$0**

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

D. Uncollectible Reinsurance

No reinsurance recoverables were written off during 2013.

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation during 2013.

NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2013.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2013.

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

I. Certified Reinsurer Downgrades or Status Subject to Revocation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

(000's) Line of Business	2013 Calendar Year Losses and LAE Incurred: Losses Incurred	LAE Incurred	Totals	2013 Loss Year Losses and LAE Incurred	Shortage (Redundancy)	Loss & DCC Shortage (Redundancy)	Impact of AO on Total Shortage (Redundancy)
Homeowners / Farmowners	$ 81	$ 24	$ 105	$ -	$ 105	$ 107	$ (2)
Commercial Multiple Peril	$ (7,246)	$ (18,441)	$ (25,687)	$ -	$ (25,687)	$ (11,484)	$ (14,203)
Workers' Compensation	$ (7,833)	$ (1,815)	$ (9,648)	$ -	$ (9,648)	$ (8,020)	$ (1,628)
Other Liability	$ 6,315	$ (213,829)	$ (207,513)	$ -	$ (207,513)	$ 40,878	$ (248,391)
Product Liability	$ (5,512)	$ 382,773	$ 377,261	$ -	$ 377,261	$ 113,115	$ 264,146
Auto	$ (6,434)	$ (138)	$ (6,572)	$ -	$ (6,572)	$ (6,443)	$ (129)
All Others	$ 23,434	$ 1,039	$ 24,473	$ -	$ 24,473	$ 23,068	$ 1,405
Totals	**$ 2,805**	**$ 149,614**	**$ 152,419**	**$ -**	**$ 152,419**	**$ 151,221**	**$ 1,198**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by $152.4 million during 2013, as shown in the chart above. The shortage is primarily related to continued refinements in management's estimation process as well as emerging claim and loss patterns coupled with legal interpretation developments in jurisdictions in which the Company is exposed. The reserves carried for these claims as of December 31, 2013 are believed to be adequate based on known facts and current law, however, any future changes in these liabilities cannot now be reasonably estimated but could have a material impact on the Company's future operating results. The reserves will continue to be reviewed and updated by the Company as appropriate.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

A. Reserves Released due to Purchases of Annuities

Not applicable.

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

Not applicable.

Note 28 - Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable.

B. Risk Sharing Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company's liability for premium deficiency reserves as of December 31, 2013 is as follows:

1. Liability carried for premium deficiency reserves	$0.00
2. Date of the most recent evaluation of this liability	January 9, 2014
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Deductibles

Not applicable.

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

A. Tabular Discounts

Not applicable.

B. Non-Tabular Discounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Changes in Discount Assumptions

Not applicable.

Note 33 - Asbestos/Environmental Reserves

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

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for each of the five most recent calendar years were as follows:

(1) **Asbestos Claims - Direct**

(2) **Asbestos Claims - Assumed**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 1,507,204,740	$ 1,432,294,177	$ 1,427,637,883	$ 1,335,371,393	$ 1,366,379,390
Incurred Loss and Loss Adj. Expense:	$ 55,824,498	$ 127,979,235	$ 43,411,957	$ 171,877,979	$ 181,200,003
Calendar Year Payments:	$ 130,735,061	$ 132,635,529	$ 135,678,447	$ 140,869,982	$ 129,568,983
Ending Reserve:	$ 1,432,294,177	$ 1,427,637,883	$ 1,335,371,393	$ 1,366,379,390	$ 1,418,010,410

(3) **Asbestos Claims - Net**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 1,507,204,740	$ 1,432,294,177	$ 1,427,637,883	$ 1,335,371,393	$ 1,366,379,390
Incurred Loss and Loss Adj. Expense:	$ 55,824,498	$ 127,979,235	$ 43,411,957	$ 171,877,979	$ 181,200,003
Calendar Year Payments:	$ 130,735,061	$ 132,635,529	$ 135,678,447	$ 140,869,982	$ 129,568,983
Ending Reserve:	$ 1,432,294,177	$ 1,427,637,883	$ 1,335,371,393	$ 1,366,379,390	$ 1,418,010,410

B. Bulk and IBNR Losses and LAE

(1) Direct	None
(2) Assumed	$ 1,045,099,754
(3) Net of Ceded Reinsurance	$ 1,045,099,754

C. Case, Bulk and IBNR LAE

(1) Direct	None
(2) Assumed	$ 483,197,785
(3) Net of Ceded Reinsurance	$ 483,197,785

D. See A above

(1) **Environmental Claims - Direct**

(2) **Environmental Claims - Assumed**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 500,335,654	$ 423,878,481	$ 374,362,934	$ 344,367,062	$ 310,563,285
Incurred Loss & Loss Adj. Expense:	$ (31,996,645)	$ (22,094,650)	$ 1,357,598	$ (482,556)	$ (6,901,999)
Calendar Year Payments:	$ 44,460,528	$ 27,420,897	$ 31,353,470	$ 33,321,221	$ 28,816,106
Ending Reserve:	$ 423,878,481	$ 374,362,934	$ 344,367,062	$ 310,563,285	$ 274,845,180

(3) **Environmental Claims - Net**	2009	2010	2011	2012	2013
Beginning Reserves:	500,335,654	423,878,481	374,362,934	344,367,062	310,563,285
Incurred Loss and Loss Adj. Expense:	(31,996,645)	(22,094,650)	1,357,598	(482,556)	(6,901,999)
Calendar Year Payments:	44,460,528	27,420,897	31,353,470	33,321,221	28,816,106
Ending Reserve:	423,878,481	374,362,934	344,367,062	310,563,285	274,845,180

E. Bulk and IBNR Losses and LAE

(1) Direct	None
(2) Assumed	231,608,510
(3) Net of Ceded Reinsurance	231,608,510

F. Case, Bulk and IBNR LAE

(1) Direct	None
(2) Assumed	107,777,754
(3) Net of Ceded Reinsurance	107,777,754

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? OH

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/25/2013

3.4 By what department or departments?
OH

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Nationwide Bank	Columbus, OH	NO	YES	NO	NO
Nationwide Mutual Insurance Company	Columbus, OH	YES	NO	NO	NO
Nationwide Mutual Fire Insurance Company	Columbus, OH	YES	NO	NO	NO
Nationwide Corporation	Columbus, OH	YES	NO	NO	NO
Nationwide Financial Services, Inc.	Columbus, OH	YES	NO	NO	NO
Nationwide Investment Services Corp.	Columbus, OH	NO	NO	NO	YES
Nationwide Investment Advisors, LLC	Columbus, OH	NO	NO	NO	YES
Nationwide Securities, LLC	Dublin, OH	NO	NO	NO	YES
Nationwide Fund Advisors	King of Prussia, PA	NO	NO	NO	YES
Nationwide Fund Distributors, LLC	King of Prussia, PA	NO	NO	NO	YES
Nationwide Asset Management, LLC	Columbus, OH	NO	NO	NO	YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, 191 W. Nationwide Blvd., Suite 500, Columbus, OH 43215

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
G. Chris Nyce, FCAS, MAAA, Principal, KPMG LLP, Three Radnor Corporate Center, Suite 105, 100 Matsonford Road, Radnor, PA 19087-4568

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

12.11 Name of real estate holding company Kayne Anderson Real Estate Partner 1, LP, Nationwide Realty Investors LLC, US Government Building Open-End Feeder 1, LP

12.12 Number of parcels involved 759

12.13 Total book/adjusted carrying value $ 58,440,327

12.2 If, yes provide explanation:
Holding Company

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
All topics covered in the previous Code of Conduct have been retained without substantive change. New sample questions and answers have been added. New language has been added to cover social networking securities laws, political contributions, corporate social responsibility, and vendor relationships.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

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

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $

INVESTMENT

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

24.02 If no, give full and complete information relating thereto
Held on Deposit with States

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Nationwide utilizes a third party to administer its Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on the balance sheet. Additionally, Nationwide participates in a Cash Release Program. Nationwide can borrow a limited amount of cash from the program subject to the underwriting of the plan administrator. Nationwide pays 1 month LIBOR on the borrowings, a majority of which comes back to Nationwide as earnings on the securities lending program. As of December 31, 2013, Nationwide had loaned $16,771,402 to approved counterparties and received collateral amounts of $17,125,000.

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [ ] N/A [ ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 11,078,983

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

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]

GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 11,078,983
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 11,078,983
24.103 Total payable for securities lending reported on the liability page. $ 17,125,000

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Pledged as collateral $
25.26 Placed under option agreements $
25.27 Letter stock or other securities restricted as to sale $
25.28 On deposit with state or other regulatory body $ 716,529
25.29 Other $

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

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

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

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

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	2,989,403,676	3,174,689,676	185,286,000
30.2 Preferred stocks			
30.3 Totals	2,989,403,676	3,174,689,676	185,286,000

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

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

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

Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

1.6 Individual policies:

Most current three years:
1.61 Total premium earned $
1.62 Total incurred claims $
1.63 Number of covered lives

All years prior to most current three years
1.64 Total premium earned $
1.65 Total incurred claims $
1.66 Number of covered lives

1.7 Group policies:

Most current three years:
1.71 Total premium earned $
1.72 Total incurred claims $
1.73 Number of covered lives

All years prior to most current three years
1.74 Total premium earned $
1.75 Total incurred claims $
1.76 Number of covered lives

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator		
2.2	Premium Denominator	221,615	1,384,488
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator	26,063	20,605
2.5	Reserve Denominator	2,119,774,573	2,149,386,480
2.6	Reserve Ratio (2.4/2.5)	0.000	0.000

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

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

3.21 Participating policies $
3.22 Non-participating policies $

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

5. For Reciprocal Exchanges Only:
5.1 Does the Exchange appoint local agents? Yes [ ] No [ ]
5.2 If yes, is the commission paid:

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

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

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

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Not actively writing business.

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.
Not actively writing business.

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?
Not actively writing business.

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

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
Not actively writing business.

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

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

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

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

8.2 If yes, give full information

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

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

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

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [X] No [ ]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $

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

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From %

12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

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

12.61 Letters of credit $

12.62 Collateral and other funds $

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

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.

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

17.12 Unfunded portion of Interrogatory 17.11 $

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $

17.14 Case reserves portion of Interrogatory 17.11 $

17.15 Incurred but not reported portion of Interrogatory 17.11 $

17.16 Unearned premium portion of Interrogatory 17.11 $

17.17 Contingent commission portion of Interrogatory 17.11 $

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

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

17.19 Unfunded portion of Interrogatory 17.18 $

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 $

17.21 Case reserves portion of Interrogatory 17.18 $

17.22 Incurred but not reported portion of Interrogatory 17.18 $

17.23 Unearned premium portion of Interrogatory 17.18 $

17.24 Contingent commission portion of Interrogatory 17.18 $

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

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

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

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

FIVE-YEAR HISTORICAL DATA

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

		1 2013	2 2012	3 2011	4 2010	5 2009
	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)	239,361	1,443,875	503,102	980,762	4,102,751
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	(2,601)	(16,094)	382,436	(432,819)	1,015
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	305	(2,583)	547	(1,381)	(15,480)
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	12,599	(11,480)	137,292	112,256	93,363
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(35,973)	(34,106)	4,769	224,001	284,690
6.	Total (Line 35)	213,691	1,379,612	1,028,146	882,819	4,466,339
	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)	239,361	1,443,875	503,102	980,762	4,102,751
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	(2,601)	(16,094)	382,436	(432,819)	1,015
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	305	(2,583)	547	(1,381)	(15,480)
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	12,599	(11,480)	137,292	112,256	93,363
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(35,973)	(34,106)	4,769	224,001	284,690
12.	Total (Line 35)	213,691	1,379,612	1,028,146	882,819	4,466,339
	Statement of Income (Page 4)					
13	Net underwriting gain (loss) (Line 8)	(158,447,152)	(127,322,404)	(7,785,931)	(79,174,389)	(7,724,253)
14.	Net investment gain or (loss) (Line 11)	125,475,678	187,279,173	147,088,560	146,044,888	199,683,878
15.	Total other income (Line 15)	(195,193)	(114,118)	(445,828)	250,138	(1,298,674)
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	(24,622,341)	(5,754,163)	37,830,298	9,503,074	19,664,170
18.	Net income (Line 20)	(8,544,326)	65,596,814	101,026,503	57,617,563	170,996,781
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	3,251,899,093	3,357,218,921	3,482,311,368	3,622,095,790	3,624,540,254
20.	Premiums and considerations (Page 2, Col. 3)					
	20.1 In course of collection (Line 15.1)					
	20.2 Deferred and not yet due (Line 15.2)					
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	2,182,535,762	2,236,588,948	2,358,726,146	2,557,635,226	2,639,442,928
22.	Losses (Page 3, Line 1)	1,230,751,457	1,311,832,952	1,481,818,735	1,646,117,415	1,747,124,513
23.	Loss adjustment expenses (Page 3, Line 3)	888,973,766	837,496,257	753,581,025	786,180,803	811,951,623
24.	Unearned premiums (Page 3, Line 9)	49,350	57,271	62,146	150,037	190,181
25.	Capital paid up (Page 3, Lines 30 & 31)	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000
26.	Surplus as regards policyholders (Page 3, Line 37)	1,069,363,331	1,120,629,973	1,123,585,222	1,064,460,564	985,097,326
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	(72,490,339)	(107,636,708)	(60,477,217)	(82,332,413)	(77,659,794)
	Risk-Based Capital Analysis					
28.	Total adjusted capital	1,069,363,331	1,120,629,973	1,123,585,222	1,064,460,564	985,097,326
29.	Authorized control level risk-based capital	341,571,556	315,690,062	338,420,932	340,911,725	344,279,706
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30.	Bonds (Line 1)	95.0	93.0	94.1	89.7	92.2
31.	Stocks (Lines 2.1 & 2.2)	0.1	0.0	0.0	0.0	0.2
32.	Mortgage loans on real estate (Lines 3.1 and 3.2)	3.0	3.2	3.7	4.5	5.0
33.	Real estate (Lines 4.1, 4.2 & 4.3)					
34.	Cash, cash equivalents and short-term investments (Line 5)	(0.1)	1.7	0.1	3.1	1.3
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)				0.0	XXX
37.	Other invested assets (Line 8)	1.9	1.8	1.9	1.4	1.3
38.	Receivables for securities (Line 9)				0.0	0.0
39.	Securities lending reinvested collateral assets (Line 10)	0.2	0.2	0.2	1.2	XXX
40.	Aggregate write-ins for invested assets (Line 11)					0.0
41.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43.	Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44.	Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45.	Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated	21,728,965	19,941,815	21,153,894	21,427,400	21,961,289
48.	Total of above Lines 42 to 47	21,728,965	19,941,815	21,153,894	21,427,400	21,961,289
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)	2.0	1.8	1.9	2.0	2.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	11,239,204	160,442	25,877,517	15,341,165	(22,110,892)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(51,266,642)	(2,955,249)	59,124,655	79,363,241	151,001,490
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)	67,770,003	86,819,684	81,300,207	47,998,536	86,030,145
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	585,781	52,312	(1,238,281)	4,971,546	(28,463)
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	(727,101)	1,376,057	3,342,540	1,329,091	2,080,331
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	67,171	566,100	455,861	1,581,871	(1,516,778)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	16,190,326	23,642,876	25,560,676	60,216,209	60,936,550
59. Total (Line 35)	83,886,180	112,457,029	109,421,003	116,097,253	147,501,785
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)	67,770,003	86,819,684	81,300,207	47,998,536	86,030,145
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	585,781	52,312	(1,238,281)	4,971,546	(28,463)
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	(727,101)	1,376,057	3,342,540	1,329,091	2,080,331
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	67,171	566,100	455,861	1,581,871	(1,516,778)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	16,190,326	23,642,876	25,560,676	60,216,209	60,936,550
65. Total (Line 35)	83,886,180	112,457,029	109,421,003	116,097,253	147,501,785
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	1,265.6	(4,155.2)	(4,917.2)	1,635.0	(554.0)
68. Loss expenses incurred (Line 3)	67,510.9	13,039.0	5,357.2	6,539.2	749.3
69. Other underwriting expenses incurred (Line 4)	2,820.1	412.6	357.6	504.1	79.4
70. Net underwriting gain (loss) (Line 8)	(71,496.6)	(9,196.4)	(697.6)	(8,578.3)	(174.7)
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)	3,016.0	422.3	431.5	498.7	107.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	68,776.5	8,883.7	440.1	8,174.2	195.3
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)	0.0	0.1	0.1	0.1	0.5
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	151,221	116,814	6,811	70,238	(4,759)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	13.5	10.4	0.6	7.1	(0.6)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	268,035	123,626	77,050	65,480	22,544
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)	23.9	11.6	7.8	7.9	2.9

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

If no, please explain:

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
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	83,888		80,118		18,020		1	182,025	XXX
2. 2004	5,380		5,380					211			211	XXX
3. 2005	5,682		5,682					381			381	XXX
4. 2006	(168)		(168)					47			47	XXX
5. 2007	2,413		2,413					305			305	XXX
6. 2008	1,465		1,465					208			208	XXX
7. 2009	4,421		4,421									XXX
8. 2010	923		923									XXX
9. 2011	1,116		1,116									XXX
10. 2012	1,384		1,384									XXX
11. 2013	222		222									XXX
12. Totals	XXX	XXX	XXX	83,888		80,118		19,172		1	183,177	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrog-ation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstand-ing Direct and Assumed
1. Prior	298,992		931,759		188,908		430,028		270,038			2,119,725	XXX
2. 2004													XXX
3. 2005													XXX
4. 2006													XXX
5. 2007													XXX
6. 2008													XXX
7. 2009													XXX
8. 2010													XXX
9. 2011													XXX
10. 2012													XXX
11. 2013													XXX
12. Totals	298,992		931,759		188,908		430,028		270,038			2,119,725	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,230,751	888,974
2. 2004	211		211	3.9		3.9					
3. 2005	381		381	6.7		6.7					
4. 2006	47		47	(28.0)		(28.0)					
5. 2007	305		305	12.6		12.6					
6. 2008	208		208	14.2		14.2					
7. 2009											
8. 2010											
9. 2011											
10. 2012											
11. 2013											
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,230,751	888,974

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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior	2,348,509	2,942,457	3,126,097	3,294,313	3,321,616	3,316,857	3,387,095	3,393,907	3,510,721	3,661,942	151,221	268,035
2. 2004												
3. 2005	XXX											
4. 2006	XXX	XXX										
5. 2007	XXX	XXX	XXX									
6. 2008	XXX	XXX	XXX	XXX								
7. 2009	XXX	XXX	XXX	XXX	XXX							
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
										12. Totals	151,221	268,035

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013		
1. Prior	000	256,056	559,518	721,764	897,791	1,097,368	1,278,575	1,458,471	1,648,249	1,812,255	XXX	XXX
2. 2004											XXX	XXX
3. 2005	XXX										XXX	XXX
4. 2006	XXX	XXX									XXX	XXX
5. 2007	XXX	XXX	XXX								XXX	XXX
6. 2008	XXX	XXX	XXX	XXX							XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior	1,457,294	1,890,842	1,796,929	1,885,457	1,762,859	1,597,154	1,473,432	1,303,403	1,279,601	1,361,787
2. 2004										
3. 2005	XXX									
4. 2006	XXX	XXX								
5. 2007	XXX	XXX	XXX							
6. 2008	XXX	XXX	XXX	XXX						
7. 2009	XXX	XXX	XXX	XXX	XXX					
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

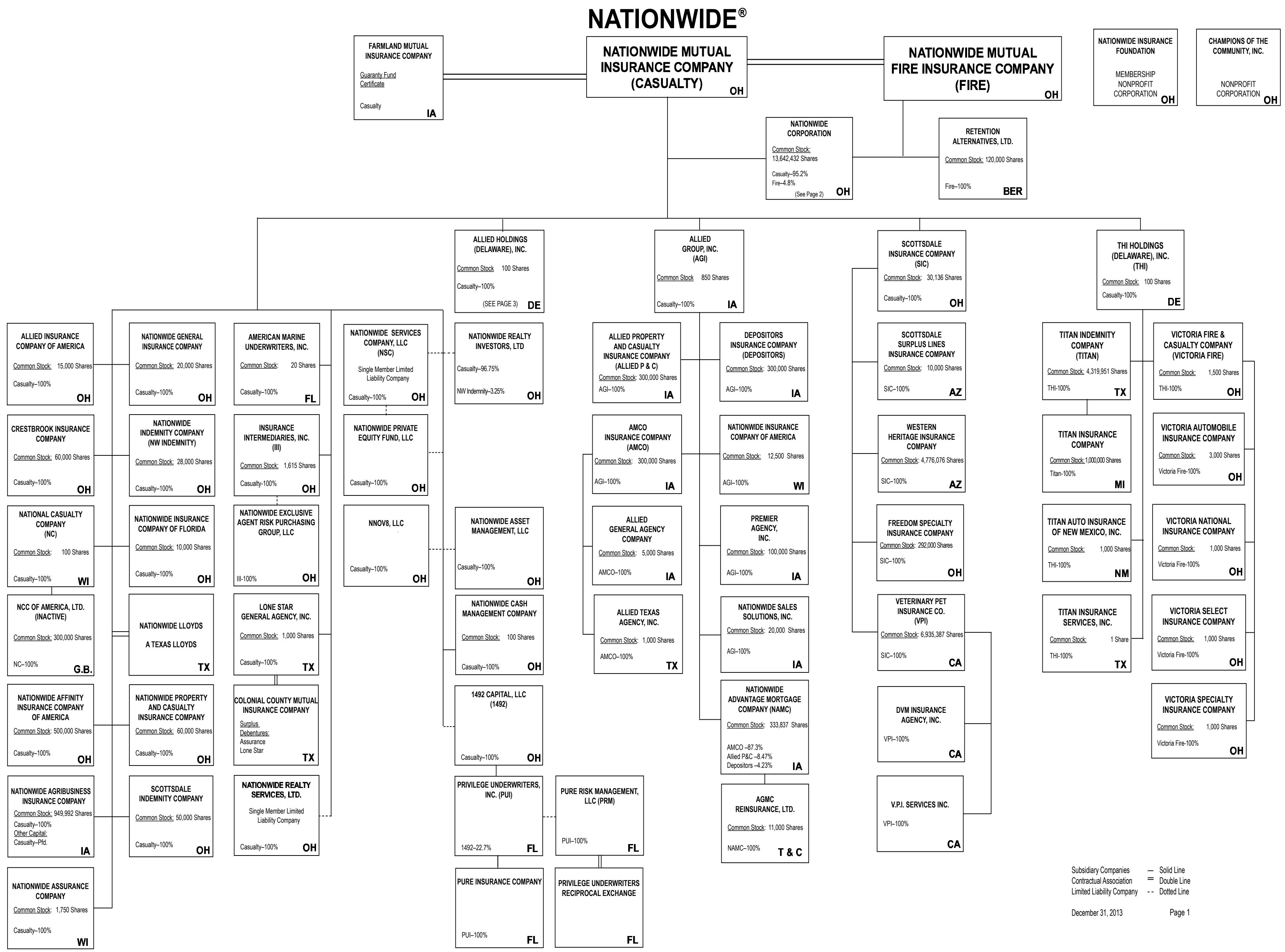
Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	L								
15. Indiana IN	N								
16. Iowa IA	Q								
17. Kansas KS	N								
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	Q								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	L								
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	Q								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX								
59. Totals	(a) 2								
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

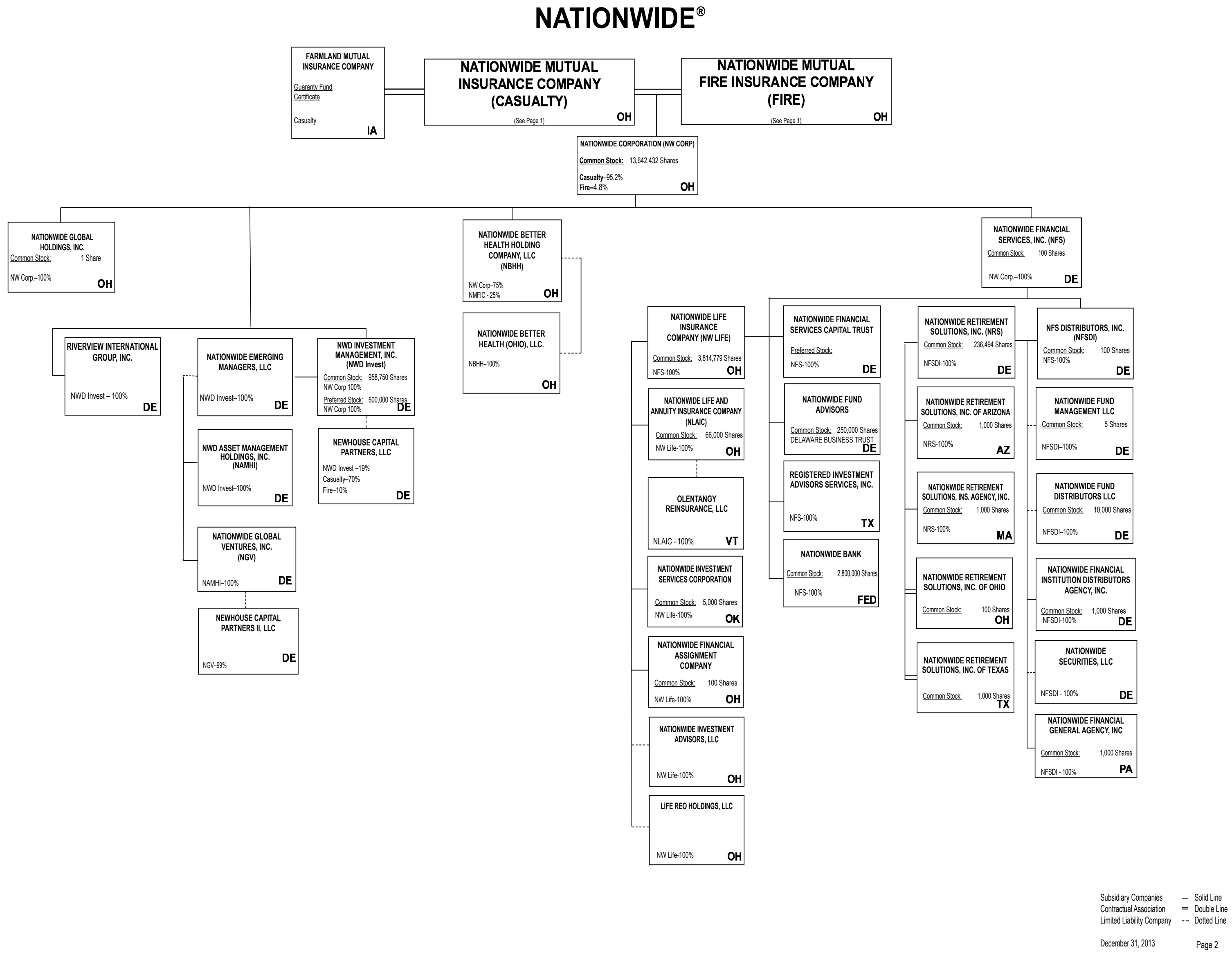
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

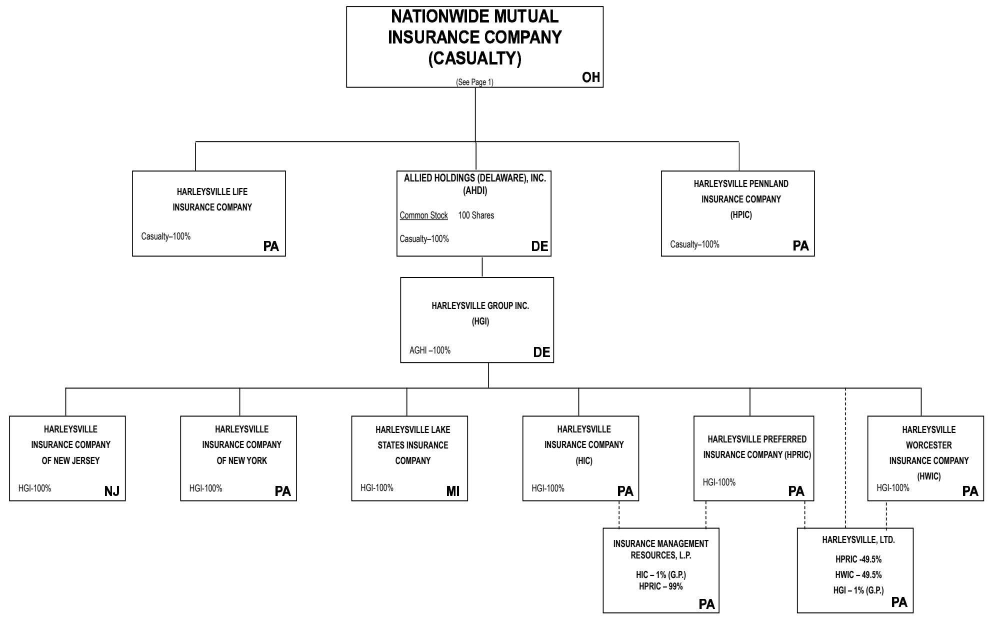


(Casualty, Fire and insurance related subsidiaries)



(Nationwide Corp. subsidiaries)

NATIONWIDE®



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

December 31, 2013 Page 3

(Harleysville subsidiaries)

NATIONWIDE INSURANCE COMPANIES

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

* Harleysville Pennland surrendered its Certificate of Authority effective 11/2/2013

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Other assets nonadmitted	48,218	48,218		
2597. Summary of remaining write-ins for Line 25 from overflow page	48,218	48,218		

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Miscellaneous assets		180,623	180,623
2597. Summary of remaining write-ins for Line 25 from overflow page		180,623	180,623

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)