



ANNUAL STATEMENT  
For the Year Ended December 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE  
CINCINNATI INSURANCE COMPANY

NAIC Group Code	0244	0244	NAIC Company Code	10677	Employer's ID Number	31-0542366
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile				United States		
Incorporated/Organized	08/02/1950			Commenced Business	01/23/1951	
Statutory Home Office	6200 SOUTH GILMORE ROAD			FAIRFIELD, OH, US 45014-5141		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	6200 SOUTH GILMORE ROAD			FAIRFIELD, OH, US 45014-5141	513-870-2000	
	(Street and Number)			(City or Town, State, Country and Zip Code)	(Area Code)	(Telephone Number)
Mail Address	P.O. BOX 145496			CINCINNATI, OH, US 45250-5496		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	6200 SOUTH GILMORE ROAD			FAIRFIELD, OH, US 45014-5141	513-870-2646	
	(Street and Number)			(City or Town, State, Country and Zip Code)	(Area Code)	(Telephone Number)
Internet Web Site Address				www.cinfin.com		
Statutory Statement Contact	Andrew Schnell			513-870-2646		
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	andrew_schnell@cinfin.com			513-603-5500		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
STEVEN JUSTUS JOHNSTON	CHIEF EXECUTIVE OFFICER, PRESIDENT	MICHAEL JAMES SEWELL	CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT
THERESA ANN HOFFER	VICE PRESIDENT, TREASURER		

OTHER OFFICERS

TERESA CURRIN CRACAS	SENIOR VICE PRESIDENT	DONALD JOSEPH DOYLE JR	SENIOR VICE PRESIDENT
MARTIN FRANCIS HOLLENBECK	SENIOR VICE PRESIDENT	JOHN SCOTT KELLINGTON	SENIOR VICE PRESIDENT
	SENIOR VICE PRESIDENT, CORPORATE SECRETARY		
LISA ANNE LOVE	SENIOR VICE PRESIDENT	ERIC NEIL MATHEWS	SENIOR VICE PRESIDENT
MARTIN JOSEPH MULLEN	CHAIRMAN OF THE EXECUTIVE COMMITTEE	JACOB FERDINAND SCHERER	EXECUTIVE VICE PRESIDENT
	SENIOR VICE PRESIDENT		
JOHN JEFFERSON SCHIFF JR	SENIOR VICE PRESIDENT	JOAN O'CONNOR SHEVCHIK	SENIOR VICE PRESIDENT
STEPHEN MICHAEL SPRAY		KENNETH WILLIAM STECHER	CHAIRMAN OF THE BOARD
CHARLES PHILIP STONEBURNER II	SENIOR VICE PRESIDENT		
		TIMOTHY LEE TIMMEL	SENIOR VICE PRESIDENT

DIRECTORS OR TRUSTEES

WILLIAM FORREST BAHL	GREGORY THOMAS BIER	TERESA CURRIN CRACAS	DONALD JOSEPH DOYLE JR
MARTIN FRANCIS HOLLENBECK	STEVEN JUSTUS JOHNSTON	JOHN SCOTT KELLINGTON	LISA ANNE LOVE
WILLIAM RODNEY MCMULLEN	MARTIN JOSEPH MULLEN	JACOB FERDINAND SCHERER	JOHN JEFFERSON SCHIFF JR
THOMAS REID SCHIFF	MICHAEL JAMES SEWELL	STEPHEN MICHAEL SPRAY	KENNETH WILLIAM STECHER
	CHARLES PHILIP STONEBURNER II		
JOHN FREDERICK STEELE JR		TIMOTHY LEE TIMMEL	LARRY RUSSELL WEBB
EARNEST ANTHONY WOODS			

State of .....Ohio.....  
County of .....Butler.....

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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.

STEVEN J. JOHNSTON CHIEF EXECUTIVE OFFICER, PRESIDENT	MICHAEL J. SEWELL CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT	THERESA A. HOFFER VICE PRESIDENT, TREASURER
Subscribed and sworn to before me this 21st day of February, 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		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	5,087,496,581		5,087,496,581	4,860,002,716
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	135,122,899		135,122,899	115,854,020
2.2 Common stocks .....	3,532,844,488		3,532,844,488	2,979,524,990
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	9,725,906		9,725,906	9,977,079
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....274,108,669 , Schedule E-Part 1), cash equivalents (\$ .....0 , Schedule E-Part 2) and short-term investments (\$ .....0 , Schedule DA).....	274,108,669		274,108,669	316,638,139
6. Contract loans (including \$ .....premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA) .....	3,867,840		3,867,840	4,814,183
9. Receivables for securities .....			0	4,099,028
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	9,043,166,384	0	9,043,166,384	8,290,910,155
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	70,846,421		70,846,421	68,605,642
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	346,006,497	7,573,620	338,432,877	312,478,348
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....26,787,491 earned but unbilled premiums).....	1,038,293,972	2,678,749	1,035,615,223	931,830,949
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	13,036,261	43,549	12,992,712	34,836,240
16.2 Funds held by or deposited with reinsured companies .....	227,362		227,362	227,362
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	27,807,953		27,807,953	0
18.2 Net deferred tax asset.....			0	106,751,674
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....	26,266,885	24,032,482	2,234,403	1,179,284
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	2,018,241	2,018,241	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	7,388,424		7,388,424	2,691,381
24. Health care (\$ ..... ) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets .....	33,036,306	11,904,308	21,131,998	17,748,465
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	10,608,094,706	48,250,950	10,559,843,756	9,767,259,501
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	10,608,094,706	48,250,950	10,559,843,756	9,767,259,501
DETAILS OF WRITE-INS				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities and Deposits in Pools and Associations.....	15,811,826		15,811,826	12,554,267
2502. Miscellaneous Receivables.....	17,224,480	11,904,308	5,320,172	5,194,198
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	33,036,306	11,904,308	21,131,998	17,748,465

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	2,945,976,974	2,836,585,289
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	39,948,095	33,140,958
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	849,995,244	860,189,053
4. Commissions payable, contingent commissions and other similar charges .....	117,322,460	108,046,195
5. Other expenses (excluding taxes, licenses and fees) .....	39,917,241	31,594,385
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	25,270,848	20,263,668
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		37,405,901
7.2 Net deferred tax liability .....	71,297,997	0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 14,087,143 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) .....	1,897,422,215	1,723,597,502
10. Advance premium .....	8,433,638	8,469,659
11. Dividends declared and unpaid:		
11.1 Stockholders .....	100,000,000	75,000,000
11.2 Policyholders .....	13,910,000	13,580,000
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	20,048,062	25,794,204
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		0
14. Amounts withheld or retained by company for account of others .....	7,245,321	6,368,307
15. Remittances and items not allocated .....	1,045,377	1,076,713
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....	50,743	312,591
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	34,651,839	34,351,863
20. Derivatives .....		0
21. Payable for securities .....	26,428,968	11,746,781
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	35,208,304	26,138,454
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	6,234,173,325	5,853,661,523
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	6,234,173,325	5,853,661,523
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	3,586,355	3,586,355
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....		0
34. Gross paid in and contributed surplus .....	363,410,416	363,410,416
35. Unassigned funds (surplus) .....	3,958,673,661	3,546,601,207
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	4,325,670,432	3,913,597,978
38. Totals (Page 2, Line 28, Col. 3) .....	10,559,843,756	9,767,259,501
DETAILS OF WRITE-INS		
2501. Accounts Payable -- Other .....	35,208,304	26,138,454
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	35,208,304	26,138,454
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above) .....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4) .....	3,600,076,169	3,253,506,377
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	1,887,476,981	1,751,127,443
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	347,298,067	321,374,339
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	1,148,373,736	1,052,368,670
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	3,383,148,784	3,124,870,451
7. Net income of protected cells .....		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	216,927,384	128,635,926
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	323,317,025	328,967,288
10. Net realized capital gains (losses) less capital gains tax of \$ ..... 12,264,076 (Exhibit of Capital Gains (Losses)).....	40,138,444	13,124,574
11. Net investment gain (loss) (Lines 9 + 10) .....	363,455,469	342,091,862
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... 4,168,547 amount charged off \$ ..... 5,686,674 ) .....	(1,518,127)	(1,952,538)
13. Finance and service charges not included in premiums .....	4,663,914	5,649,245
14. Aggregate write-ins for miscellaneous income .....	1,954,241	1,900,221
15. Total other income (Lines 12 through 14) .....	5,100,028	5,596,928
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	585,482,882	476,324,717
17. Dividends to policyholders .....	16,474,750	16,181,079
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) .....	569,008,132	460,143,638
19. Federal and foreign income taxes incurred .....	151,292,879	125,471,858
20. Net income (Line 18 minus Line 19) (to Line 22) .....	417,715,253	334,671,779
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	3,913,597,978	3,746,781,123
22. Net income (from Line 20) .....	417,715,253	334,671,779
23. Net transfers (to) from Protected Cell accounts .....		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ ..... 179,517,149 .....	363,543,645	121,457,691
25. Change in net unrealized foreign exchange capital gain (loss) .....		0
26. Change in net deferred income tax .....	1,467,479	10,546,685
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	4,084,229	(2,005,053)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	261,848	2,145,753
29. Change in surplus notes .....		0
30. Surplus (contributed to) withdrawn from protected cells .....		0
31. Cumulative effect of changes in accounting principles .....		0
32. Capital changes:		
32.1 Paid in .....		0
32.2 Transferred from surplus (Stock Dividend) .....		0
32.3 Transferred to surplus .....		0
33. Surplus adjustments:		
33.1 Paid in .....		0
33.2 Transferred to capital (Stock Dividend) .....		0
33.3 Transferred from capital .....		0
34. Net remittances from or (to) Home Office .....		0
35. Dividends to stockholders .....	(375,000,000)	(300,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....	0	0
37. Aggregate write-ins for gains and losses in surplus .....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	412,072,454	166,816,855
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	4,325,670,432	3,913,597,978
DETAILS OF WRITE-INS		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0
1401. Collection Fees.....	1,060,170	1,213,297
1402. Miscellaneous Interest.....	894,071	686,925
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	1,954,241	1,900,221
3701. ....		
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	3,641,741,846	3,274,276,003
2. Net investment income .....	323,736,224	330,377,009
3. Miscellaneous income .....	4,981,714	5,635,955
4. Total (Lines 1 through 3) .....	3,970,459,784	3,610,288,967
5. Benefit and loss related payments .....	2,106,134,729	2,196,375,982
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,115,995,794	987,844,726
8. Dividends paid to policyholders .....	16,144,750	16,331,079
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 9,845,051 tax on capital gains (losses).....	228,770,809	35,739,597
10. Total (Lines 5 through 9) .....	3,467,046,081	3,236,291,383
11. Net cash from operations (Line 4 minus Line 10) .....	503,413,703	373,997,584
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	574,063,434	463,678,686
12.2 Stocks .....	94,222,811	189,895,415
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	410,171
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(24,878)	(88,072)
12.7 Miscellaneous proceeds .....	18,781,214	1,418,245
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	687,042,581	655,314,445
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	796,845,537	443,448,493
13.2 Stocks .....	76,681,384	269,226,076
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	4,049,385
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	873,526,921	716,723,954
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(186,484,340)	(61,409,509)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	350,000,000	285,000,000
16.6 Other cash provided (applied).....	(9,458,832)	(8,101,494)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(359,458,832)	(293,101,494)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(42,529,469)	19,486,581
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	316,638,139	297,151,558
19.2 End of year (Line 18 plus Line 19.1) .....	274,108,669	316,638,139

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 .....	87,285,065	41,998,331	48,778,593	80,504,803
2.	Allied lines .....	71,050,538	34,533,858	40,586,442	64,997,954
3.	Farmowners multiple peril .....	0	0	0	0
4.	Homeowners multiple peril .....	429,245,170	209,875,303	234,103,533	405,016,940
5.	Commercial multiple peril .....	1,019,105,730	459,846,622	504,780,249	974,172,103
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	80,857,828	36,070,957	41,922,299	75,006,486
10.	Financial guaranty .....	0	0	0	0
11.1	Medical professional liability-occurrence .....	32,051,450	15,268,270	15,202,191	32,117,528
11.2	Medical professional liability-claims-made .....	87,749	40,943	39,312	89,380
12.	Earthquake .....	2,298,716	1,190,038	1,314,614	2,174,140
13.	Group accident and health .....	0	0	0	0
14.	Credit accident and health (group and individual) .....	0	0	0	0
15.	Other accident and health .....	12,132	573	0	12,705
16.	Workers' compensation .....	374,738,947	143,623,953	152,105,967	366,256,933
17.1	Other liability - occurrence .....	477,076,435	215,655,368	235,773,550	456,958,253
17.2	Other liability - claims-made .....	89,369,833	48,120,124	50,437,744	87,052,212
17.3	Excess workers' compensation.....	1,853,273	675,645	632,488	1,896,430
18.1	Products liability-occurrence .....	74,281,435	29,605,067	32,493,492	71,393,010
18.2	Products liability-claims-made .....	32	0	0	32
19.1,19.2	Private passenger auto liability .....	257,402,408	121,698,604	131,562,177	247,538,835
19.3,19.4	Commercial auto liability .....	379,942,205	158,528,250	179,466,336	359,004,119
21.	Auto physical damage .....	330,585,588	152,511,178	167,624,175	315,472,592
22.	Aircraft (all perils) .....	(8,768)	0	0	(8,768)
23.	Fidelity .....	6,671,666	5,730,721	5,396,222	7,006,165
24.	Surety .....	36,080,881	17,293,007	17,830,344	35,543,544
26.	Burglary and theft .....	3,692,600	1,546,854	1,830,684	3,408,771
27.	Boiler and machinery .....	15,562,025	7,654,287	8,754,310	14,462,003
28.	Credit .....	0	0	0	0
29.	International .....	0	0	0	0
30.	Warranty .....	0	0	0	0
31.	Reinsurance-nonproportional assumed property .....	0	0	0	0
32.	Reinsurance-nonproportional assumed liability .....	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines .....	0	0	0	0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0
35.	TOTALS	3,769,242,938	1,701,467,954	1,870,634,724	3,600,076,169
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

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 .....	48,729,364	49,229			48,778,593
2.	Allied lines .....	40,560,509	25,933			40,586,442
3.	Farmowners multiple peril .....					0
4.	Homeowners multiple peril .....	234,103,533	0			234,103,533
5.	Commercial multiple peril .....	511,523,605	2,548,621	(9,291,976)		504,780,249
6.	Mortgage guaranty .....					0
8.	Ocean marine .....					0
9.	Inland marine .....	41,417,427	504,872			41,922,299
10.	Financial guaranty .....					0
11.1	Medical professional liability-occurrence .....	14,996,895	205,297			15,202,191
11.2	Medical professional liability-claims-made .....	39,221	91			39,312
12.	Earthquake .....	1,314,614	0			1,314,614
13.	Group accident and health .....					0
14.	Credit accident and health (group and individual) .....					0
15.	Other accident and health .....					0
16.	Workers' compensation .....	167,009,351	5,268	(14,908,651)		152,105,967
17.1	Other liability-occurrence .....	232,991,280	4,889,610	(2,107,340)		235,773,550
17.2	Other liability-claims-made .....	50,437,480	264			50,437,744
17.3	Excess workers' compensation .....	632,488	0			632,488
18.1	Products liability-occurrence .....	32,770,100	202,916	(479,524)		32,493,492
18.2	Products liability-claims-made .....					0
19.1,19.2	Private passenger auto liability .....	131,562,177	0			131,562,177
19.3,19.4	Commercial auto liability .....	179,462,855	3,480			179,466,336
21.	Auto physical damage .....	167,624,175	0			167,624,175
22.	Aircraft (all perils) .....					0
23.	Fidelity .....	2,978,966	2,417,256			5,396,222
24.	Surety .....	10,477,594	7,352,750			17,830,344
26.	Burglary and theft .....	1,827,345	3,339			1,830,684
27.	Boiler and machinery .....	8,642,683	111,626			8,754,310
28.	Credit .....					0
29.	International .....					0
30.	Warranty .....					0
31.	Reinsurance-nonproportional assumed property .....					0
32.	Reinsurance-nonproportional assumed liability .....					0
33.	Reinsurance-nonproportional assumed financial lines .....					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0
35.	TOTALS	1,879,101,662	18,320,553	(26,787,491)	0	1,870,634,724
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					26,787,491
38.	Balance (Sum of Lines 35 through 37)					1,897,422,215
DETAILS OF WRITE-INS						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case.      Monthly Pro Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire .....	81,343,514	16,117,497	483,124		10,659,070	87,285,065
2.	Allied lines .....	64,434,090	15,880,147	163,282		9,426,981	71,050,538
3.	Farmowners multiple peril .....						0
4.	Homeowners multiple peril .....	447,448,677	434	1,128,654		19,332,595	429,245,170
5.	Commercial multiple peril .....	938,512,479	148,849,779	1,613,107		69,869,635	1,019,105,730
6.	Mortgage guaranty .....						0
8.	Ocean marine .....						0
9.	Inland marine .....	81,684,481	7,059,976			7,886,629	80,857,828
10.	Financial guaranty .....						0
11.1	Medical professional liability-occurrence .....	29,650,962	2,400,488				32,051,450
11.2	Medical professional liability-claims-made .....	87,749	0				87,749
12.	Earthquake .....	2,370,925	245,633			317,842	2,298,716
13.	Group accident and health .....						0
14.	Credit accident and health (group and individual) .....						0
15.	Other accident and health .....	12,132					12,132
16.	Workers' compensation .....	102,052,518	284,871,710	7,981,094		20,166,374	374,738,947
17.1	Other liability-occurrence .....	426,078,237	75,544,898	29		24,546,728	477,076,435
17.2	Other liability-claims-made .....	93,478,901	1,269,141			5,378,209	89,369,833
17.3	Excess workers' compensation .....	1,853,273					1,853,273
18.1	Products liability-occurrence .....	62,068,040	12,213,411			16	74,281,435
18.2	Products liability-claims-made .....	32					32
19.1,19.2	Private passenger auto liability .....	265,775,779	60,079			8,433,450	257,402,408
19.3,19.4	Commercial auto liability .....	316,117,581	67,510,933	467,825		4,154,134	379,942,205
21.	Auto physical damage .....	315,564,116	24,640,486	22,572		9,641,586	330,585,588
22.	Aircraft (all perils) .....	(2,585)		(10,343)		(4,160)	(8,768)
23.	Fidelity .....	7,319,944				648,278	6,671,666
24.	Surety .....	42,206,736	63,299			6,189,154	36,080,881
26.	Burglary and theft .....	3,344,458	725,684			377,541	3,692,600
27.	Boiler and machinery .....	15,803,528	1,272,233			1,513,736	15,562,025
28.	Credit .....						0
29.	International .....						0
30.	Warranty .....						0
31.	Reinsurance-nonproportional assumed property .....	XXX					0
32.	Reinsurance-nonproportional assumed liability .....	XXX					0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
35.	TOTALS	3,297,205,566	658,725,828	11,849,343	0	198,537,798	3,769,242,938
DETAILS OF WRITE-INS							
3401.	.....						
3402.	.....						
3403.	.....						
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums \$ .....  
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....



ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....	25,300,242	3,092,710	10,919	28,382,033	12,860,163	14,709,329	26,532,867	33.0
2.	Allied lines .....	32,126,539	7,132,603	566,258	38,692,884	20,676,707	14,743,527	44,626,064	68.7
3.	Farmowners multiple peril .....				0	0	0	0	0.0
4.	Homeowners multiple peril .....	247,267,866	575,123	2,144,727	245,698,263	81,256,826	93,580,155	233,374,934	57.6
5.	Commercial multiple peril .....	487,566,723	59,572,734	47,603,569	499,535,888	624,765,890	609,050,197	515,251,581	52.9
6.	Mortgage guaranty .....				0	0	0	0	0.0
8.	Ocean marine .....				0	0	0	0	0.0
9.	Inland marine .....	22,350,949	1,778,356	44,300	24,085,005	10,435,541	4,395,390	30,125,156	40.2
10.	Financial guaranty .....				0	0	0	0	0.0
11.1	Medical professional liability-occurrence .....	11,804,664	30,599		11,835,264	47,417,277	75,777,111	(16,524,570)	(51.5)
11.2	Medical professional liability-claims-made .....				0	25,000	80,000	(55,000)	(61.5)
12.	Earthquake .....	10,000		(299)	10,299	(603)	39	9,658	0.4
13.	Group accident and health .....				0	0	0	0	0.0
14.	Credit accident and health (group and individual) .....				0	0	0	0	0.0
15.	Other accident and health .....	4,227			4,227	0	500	3,727	29.3
16.	Workers' compensation .....	60,738,821	143,174,764	10,615,372	193,298,212	872,362,605	835,111,050	230,549,768	62.9
17.1	Other liability-occurrence .....	135,950,701	4,213,622	9,314,825	130,849,498	578,815,769	537,098,119	172,567,148	37.8
17.2	Other liability-claims-made .....	44,125,640	198,617	5,567,902	38,756,356	97,185,878	84,947,221	50,995,013	58.6
17.3	Excess workers' compensation .....	592,177		40,516	551,661	4,064,175	4,333,224	282,612	14.9
18.1	Products liability-occurrence .....	16,331,871	780,341	1,224,984	15,887,227	116,514,347	113,819,404	18,582,170	26.0
18.2	Products liability-claims-made .....				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability .....	151,509,573	455,232	1,213,859	150,750,946	137,325,523	129,648,802	158,427,666	64.0
19.3,19.4	Commercial auto liability .....	160,629,557	16,612,706	118,605	177,123,658	296,216,677	280,088,223	193,252,112	53.8
21.	Auto physical damage .....	189,899,285	15,730,277	68,788	205,560,775	5,607,461	4,873,415	206,294,820	65.4
22.	Aircraft (all perils) .....	(4,680,267)	74,165	(4,675,848)	69,746	2,855,049	2,614,449	310,346	(3,539.5)
23.	Fidelity .....	6,659,461		228,070	6,431,391	18,761,915	16,028,450	9,164,856	130.8
24.	Surety .....	6,530,095	10,000	2,387,814	4,152,281	13,866,179	11,740,602	6,277,858	17.7
26.	Burglary and theft .....	364,159	77,565		441,724	1,098,728	472,460	1,067,992	31.3
27.	Boiler and machinery .....	5,801,664	166,313	21	5,967,956	3,865,869	3,473,622	6,360,203	44.0
28.	Credit .....				0	0	0	0	0.0
29.	International .....				0	0	0	0	0.0
30.	Warranty .....				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property .....	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability .....	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35.	TOTALS .....	1,600,883,949	253,675,728	76,474,381	1,778,085,296	2,945,976,974	2,836,585,289	1,887,476,981	52.4
DETAILS OF WRITE-INS									
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

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 .....	12,859,618	2,243,440	62,755	15,040,302	(2,200,369)	25,245	5,016	12,860,163	1,773,219
2.	Allied lines .....	14,791,267	5,897,299	649,062	20,039,504	947,970	7,579	318,346	20,676,707	2,724,435
3.	Farmowners multiple peril .....				.0				.0	
4.	Homeowners multiple peril .....	79,568,647	118,808	5,670,794	74,016,662	9,113,110	50,314	1,923,260	81,256,826	24,101,381
5.	Commercial multiple peril .....	501,142,818	53,308,750	12,199,170	542,252,398	69,210,778	17,329,109	4,026,396	624,765,890	324,141,283
6.	Mortgage guaranty .....				.0				.0	
8.	Ocean marine .....				.0				.0	
9.	Inland marine .....	14,853,112	269,911	2,789,997	12,333,026	(1,881,640)		15,845	10,435,541	1,837,078
10.	Financial guaranty .....				.0				.0	
11.1	Medical professional liability-occurrence .....	31,588,950	275,226		31,864,176	14,940,000	613,101		47,417,277	27,709,795
11.2	Medical professional liability-claims-made .....	25,000			25,000				25,000	17,115
12.	Earthquake .....		1	637	(636)	105		72	(603)	369
13.	Group accident and health .....				.0				(a) .0	
14.	Credit accident and health (group and individual) .....				.0				.0	
15.	Other accident and health .....				.0				(a) .0	2
16.	Workers' compensation .....	137,626,947	283,826,694	46,734,977	374,718,664	180,214,583	341,575,436	24,146,076	872,362,605	93,826,619
17.1	Other liability-occurrence .....	283,556,215	18,397,851	23,270,727	278,683,339	283,779,000	34,198,430	17,845,000	578,815,769	97,823,617
17.2	Other liability-claims-made .....	105,930,904	191,472	8,936,498	97,185,878				97,185,878	69,583,264
17.3	Excess workers' compensation .....	4,824,106		759,931	4,064,175				4,064,175	116,554
18.1	Products liability-occurrence .....	64,847,175	4,877,058	1,282,009	68,442,224	41,090,754	7,327,979	346,610	116,514,347	68,716,786
18.2	Products liability-claims-made .....				.0				.0	
19.1,19.2	Private passenger auto liability .....	175,971,676	2,179,090	22,607,093	155,543,672	(18,218,113)	.0	37	137,325,523	45,131,297
19.3,19.4	Commercial auto liability .....	231,902,727	24,828,831	1,120,172	255,611,386	33,938,343	7,391,947	725,000	296,216,677	61,648,259
21.	Auto physical damage .....	6,116,520	1,130,641	450,712	6,796,449	(730,817)	6,796,449	187,823	5,607,461	23,670,078
22.	Aircraft (all perils) .....	73,403,070	1,605,583	73,455,342	1,553,311	1,062,431	1,357,364	1,118,057	2,855,049	881,095
23.	Fidelity .....	12,914,772	143		12,914,915	5,847,000			18,761,915	1,395,431
24.	Surety .....	26,247,146	120,267	9,186,274	17,181,139	(3,315,000)	40		13,866,179	4,696,378
26.	Burglary and theft .....	1,053,646	45,082		1,098,728				1,098,728	85,418
27.	Boiler and machinery .....	613,158	11,492		624,651	1,743,218	1,498,000		3,865,869	115,771
28.	Credit .....				.0				.0	
29.	International .....				.0				.0	
30.	Warranty .....				.0				.0	
31.	Reinsurance-nonproportional assumed property .....	XXX			.0	XXX			.0	
32.	Reinsurance-nonproportional assumed liability .....	XXX			.0	XXX			.0	
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS .....	1,779,837,473	399,327,638	209,176,149	1,969,988,962	615,541,354	411,104,195	50,657,537	2,945,976,974	849,995,244
DETAILS OF WRITE-INS										
3401.	.....									
3402.	.....									
3403.	.....									
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	103,555,160			103,555,160
1.2 Reinsurance assumed .....	31,145,108			31,145,108
1.3 Reinsurance ceded .....	15,366,621			15,366,621
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	119,333,647	0	0	119,333,647
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		516,936,830		516,936,830
2.2 Reinsurance assumed, excluding contingent .....		71,877,173		71,877,173
2.3 Reinsurance ceded, excluding contingent .....		4,393,782		4,393,782
2.4 Contingent-direct .....		87,009,312		87,009,312
2.5 Contingent-reinsurance assumed .....		18,600,000		18,600,000
2.6 Contingent-reinsurance ceded .....				0
2.7 Policy and membership fees .....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	690,029,533	0	690,029,533
3. Allowances to manager and agents .....	(211)	6,896	(16)	6,669
4. Advertising .....	2,587	1,438,675	(277)	1,440,984
5. Boards, bureaus and associations .....	6,517,258	5,262,714	8,301	11,788,273
6. Surveys and underwriting reports .....	(809,794)	22,399,821	19	21,590,046
7. Audit of assureds' records .....	280,670	2,478,266	9,063	2,767,999
8. Salary and related items:				
8.1 Salaries .....	144,402,445	198,688,499	4,050,599	347,141,543
8.2 Payroll taxes .....	9,631,802	13,279,381	150,764	23,061,946
9. Employee relations and welfare .....	25,044,042	41,491,092	489,323	67,024,457
10. Insurance .....		4,541,877		4,541,877
11. Directors' fees .....				0
12. Travel and travel items .....	9,109,118	10,270,583	62,319	19,442,020
13. Rent and rent items .....	7,733,609	10,459,651	140,424	18,333,684
14. Equipment .....	4,899,533	3,783,590	75,846	8,758,969
15. Cost or depreciation of EDP equipment and software .....	17,638,439	44,148,067	831,719	62,618,225
16. Printing and stationery .....	597,425	2,159,298	12,171	2,768,895
17. Postage, telephone and telegraph, exchange and express .....	3,510,672	4,937,216	5,003	8,452,892
18. Legal and auditing .....	(699,559)	193,190	188,883	(317,487)
19. Totals (Lines 3 to 18) .....	227,858,037	365,538,815	6,024,141	599,420,992
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		81,778,410		81,778,410
20.2 Insurance department licenses and fees .....	41,820	1,459,957		1,501,778
20.3 Gross guaranty association assessments .....		254,671		254,671
20.4 All other (excluding federal and foreign income and real estate) .....	23,908	5,868,462	139	5,892,509
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	65,728	89,361,500	139	89,427,368
21. Real estate expenses .....	119,361	380,424	4,741	504,526
22. Real estate taxes .....		113,859		113,859
23. Reimbursements by uninsured plans .....				0
24. Aggregate write-ins for miscellaneous expenses .....	(78,706)	2,949,604	(2,097)	2,868,802
25. Total expenses incurred .....	347,298,067	1,148,373,736	6,026,924	(a) 1,501,698,727
26. Less unpaid expenses-current year .....	849,995,244	180,781,959	1,728,590	1,032,505,793
27. Add unpaid expenses-prior year .....	860,189,053	159,220,638	683,610	1,020,093,301
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	357,491,876	1,126,812,415	4,981,944	1,489,286,235
DETAILS OF WRITE-INS				
2401. Interest Expense.....	(76,802)	2,944,733	(2,083)	2,865,849
2402. Charitable Contributions.....	(1,904)	4,871	(14)	2,953
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	(78,706)	2,949,604	(2,097)	2,868,802

(a) Includes management fees of \$ 82,943,266 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a).....360,858	.....410,078
1.1	Bonds exempt from U.S. tax .....	(a).....100,532,419	.....100,656,394
1.2	Other bonds (unaffiliated) .....	(a).....147,419,630	.....148,290,478
1.3	Bonds of affiliates .....	(a).....0	.....0
2.1	Preferred stocks (unaffiliated) .....	(b).....7,694,892	.....7,686,298
2.11	Preferred stocks of affiliates .....	(b).....0	.....0
2.2	Common stocks (unaffiliated) .....	.....71,620,970	.....72,898,475
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e).....178,009	.....105,562
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....(703,343)	.....(703,343)
9.	Aggregate write-ins for investment income .....	.....7	.....7
10.	Total gross investment income .....	327,103,442	329,343,949
11.	Investment expenses .....		(g).....6,026,924
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 .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....6,026,924
17.	Net investment income (Line 10 minus Line 16) .....		323,317,025
DETAILS OF WRITE-INS			
0901.	Miscellaneous Interest Income.....	.....7	.....7
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....7	.....7
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....		.....0

(a) Includes \$ .....9,974,929 accrual of discount less \$ .....10,591,462 amortization of premium and less \$ .....3,517,377 paid for accrued interest on purchases.  
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ .....0 paid for accrued dividends on purchases.  
(c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(d) Includes \$ .....for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
(e) Includes \$ .....31,918 accrual of discount less \$ .....51,581 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	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....	(392,546)		(392,546)	.....151,565	
1.2	Other bonds (unaffiliated) .....	7,581,715	(1,716,681)	5,865,034	(315,382)	
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	683,086	.....0	683,086	(4,863,719)	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	46,191,786	.....0	46,191,786	517,928,462	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	30,154,653	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....5,215	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....6,470	.....0
9.	Aggregate write-ins for capital gains (losses) .....	55,161	.....0	55,161	.....0	.....0
10.	Total capital gains (losses) .....	54,119,202	(1,716,681)	52,402,521	543,067,264	.....0
DETAILS OF WRITE-INS						
0901.	Capital gains from investments previously charged off.....	55,161		55,161		
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	55,161	0	55,161	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,573,620	6,770,968	(802,653)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	2,678,749	2,212,955	(465,794)
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	43,549	152,028	108,479
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	24,032,482	31,337,923	7,305,441
21. Furniture and equipment, including health care delivery assets.....	2,018,241	3,428,651	1,410,409
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	11,904,308	8,432,655	(3,471,653)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	48,250,950	52,335,179	4,084,229
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	48,250,950	52,335,179	4,084,229
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Equities and Deposits in Pools and Associations.....		0	0
2502. Miscellaneous Recievables.....	11,904,308	8,432,655	(3,471,653)
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	11,904,308	8,432,655	(3,471,653)

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Cincinnati Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 and updates through current year have been adopted as a component of prescribed or permitted practices by the state of Ohio.

	<u>STATE OF DOMICILE</u>	<u>2013</u>	<u>2012</u>
<b><u>NET INCOME</u></b>			
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$417,715,253	\$334,671,779
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(4) NAIC SAP (1-2-3=4)	Ohio	\$417,715,253	\$334,671,779
<b><u>SURPLUS</u></b>			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$4,325,670,432	\$3,913,597,978
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(8) NAIC SAP (5-6-7=8)	Ohio	\$4,325,670,432	\$3,913,597,978

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

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

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. These reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the effective yield method.
- (3) Common Stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated at book value. Also, Per SSAP 32, lower quality preferred stocks (P3 to P6) are being stated at the lower of book or fair value.
- (5) Not applicable
- (6) Not applicable
- (7) Investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (8) Not applicable
- (9) The Company does not have any derivatives.
- (10) In the event that a first-order approximation (excluding anticipated investment income) of estimated future costs related to unearned premium as of a particular evaluation date exceeds the unearned premium as of that date, we would incorporate consideration of the related investment income we would expect to earn. However, to date we have not had to proceed to this step in order to demonstrate that no premium deficiency exists.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The company has not modified its capital policy from a prior period.

2. Accounting Changes and Correction of Errors - The Company had no material changes in accounting principles and/or correction of errors.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – Not applicable
- B. Statutory Merger – Not applicable
- C. Impairment Loss on Business Combinations and Goodwill – Not applicable

4. Discontinued Operations – None

5. Investments

- A. Mortgage Loans - Not applicable
- B. Debt Restructuring - Not applicable
- C. Reverse Mortgages - Not applicable
- D. Loan-Backed Securities - Not applicable
- E. Repurchase Agreements and/or Securities Lending Transactions - Not applicable
- F. Real Estate - Not applicable
- G. Low-income Housing Tax Credit (LIHTC)

1. The Cincinnati Insurance Company holds an investment in low income housing tax credits which reduces the company's premium tax liability in Georgia. The investment is required to be held through 2017 and all tax credits will expire at that time.
2. We are not aware that the low income housing tax credit investment was subject to any regulatory reviews.
3. The low income housing tax credit investment does not exceed 10% of non-admitted assets.
4. There was no impairment of the investment in 2013.
5. There were no write-downs or losses of tax credits in 2013.

H. Restricted Assets - None

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies
- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.
7. Investment Income
- A. There was no due and accrued income excluded from investment income in 2013.
- B. Not applicable
8. Derivative Instruments
- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable

9 - Income Taxes

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

	2013		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 382,140,218	\$ 26,711,419	\$ 408,851,637
(b) Statutory Valuation Allowance	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	382,140,218	26,711,419	408,851,637
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	382,140,218	26,711,419	408,851,637
(f) Deferred Tax Liabilities	\$ 54,859,130	\$ 425,290,503	\$ 480,149,633
(g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f)	\$ 327,281,088	\$ (398,579,084)	\$ (71,297,996)

	2012		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 362,669,029	\$ 40,666,525	\$ 403,335,554
(b) Statutory Valuation Allowance	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	362,669,029	40,666,525	403,335,554
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	362,669,029	40,666,525	403,335,554
(f) Deferred Tax Liabilities	\$ 50,810,527	\$ 245,773,354	\$ 296,583,881
(g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f)	\$ 311,858,502	\$ (205,106,829)	\$ 106,751,673

	Change		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 19,471,189	\$ (13,955,106)	\$ 5,516,083
(b) Statutory Valuation Allowance	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	19,471,189	(13,955,106)	5,516,083
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	19,471,189	(13,955,106)	5,516,083
(f) Deferred Tax Liabilities	\$ 4,048,603	\$ 179,517,149	\$ 183,565,752
(g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f)	\$ 15,422,586	\$ (193,472,255)	\$ (178,049,669)

2.

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	2013		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	250,114,004	-	250,114,004
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	24,754,817	-	24,754,817
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	24,754,817	-	24,754,817
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	648,515,404	648,515,404	648,515,404
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	107,271,398	26,711,419	133,982,817
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	382,140,218	26,711,419	408,851,637

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	2012		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	114,433,352	-	114,433,352
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	146,834,184	-	146,834,184
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	146,834,184	-	146,834,184
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	570,850,053	570,850,053	570,850,053
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	101,401,493	40,666,525	142,068,018
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	362,669,029	40,666,525	403,335,554

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	Change		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	135,680,652	-	135,680,652
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	(122,079,367)	-	(122,079,367)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(122,079,367)	-	(122,079,367)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	77,665,351	77,665,351	77,665,351
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	5,869,905	(13,955,106)	(8,085,201)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	19,471,189	(13,955,106)	5,516,083

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

3.

	2013 Percentage	2012 Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	813%	784%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 above	15%	15%

4.

	2013		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) 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)	382,140,218	26,711,419	408,851,637
2. Perecentage 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)	382,140,218	26,711,419	408,851,637
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

	2012		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) 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)	362,669,029	40,666,525	403,335,554
2. Perecentage 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)	362,669,029	40,666,525	403,335,554
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

	Change		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) 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)	19,471,189	(13,955,106)	5,516,083
2. Perecentage 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)	19,471,189	(13,955,106)	5,516,083
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

	2013	2012	Change
(a) Federal	\$ 151,292,878	\$ 125,471,858	\$ 25,821,020
(b) Foreign	-	-	-
(c) Subtotal	151,292,878	125,471,858	25,821,020
(d) Federal Income Tax on capital gains/(losses)	12,264,076	3,197,108	9,066,968
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
Federal income taxes incurred	\$ 163,556,954	\$ 128,668,966	\$ 34,887,988

2. Deferred tax assets

	December 31, 2013	December 31, 2012	Change
(a) Ordinary			
(1) Unearned premium reserve	\$ 132,819,555	\$ 120,651,825	\$ 12,167,730
(2) Unpaid loss reserve	201,258,673	197,138,151	4,120,522
(3) Contingent commission	-	-	-
(4) Nonadmitted assets	16,887,832	18,317,313	(1,429,481)
(5) Other deferred tax assets	31,174,158	26,561,740	4,612,418
(99) Subtotal	382,140,218	362,669,029	19,471,189
(b) Statutory valuation allowance adj	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 382,140,218	\$ 362,669,029	\$ 19,471,189
(e) Capital			
(1) Investments	26,711,419	40,666,525	(13,955,106)
(2) Unrealized (gain)/loss on investments	-	-	-
(99) Subtotal	26,711,419	40,666,525	(13,955,106)
(f) Statutory valuation allowance adj	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 26,711,419	\$ 40,666,525	\$ (13,955,106)
(i) Admitted deferred tax assets (2d + 2h)	\$ 408,851,637	\$ 403,335,554	\$ 5,516,083

3. Deferred tax liabilities

	December 31, 2013	December 31, 2012	Change
(a) Ordinary			
(1) Commission expense	\$ 51,905,450	\$ 46,332,708	\$ 5,572,742
(2) Other, net	2,953,680	4,477,819	(1,524,139)
(99) Subtotal	54,859,130	50,810,527	4,048,603
(b) Capital			
(1) Unrealized (gain)/loss on investments	\$ 425,290,503	\$ 245,773,354	\$ 179,517,149
(99) Subtotal	425,290,503	245,773,354	179,517,149
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 480,149,633	\$ 296,583,881	\$ 183,565,752

4. Net deferred tax assets/liabilities (2i-3c)	\$ (71,297,996)	\$ 106,751,673	\$ (178,049,669)
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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

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

	December 31, 2013	December 31, 2012	Change
Total deferred tax assets	\$ 408,851,637	\$ 403,335,554	\$ 5,516,083
Total deferred tax liabilities	480,149,633	296,583,881	183,565,752
Net deferred tax asset/(liability)	\$ (71,297,996)	\$ 106,751,673	\$ (178,049,669)
Tax effect of unrealized (gains)/losses			179,517,149
Change in net deferred income tax (charge)/benefit			\$ 1,467,480

	December 31, 2012	December 31, 2011	Change
Total deferred tax assets	\$ 403,335,554	\$ 390,276,748	\$ 13,058,806
Total deferred tax liabilities	296,583,881	241,365,577	55,218,304
Net deferred tax asset/(liability)	\$ 106,751,673	\$ 148,911,171	\$ (42,159,498)
Tax effect of unrealized (gains)/losses			52,706,198
Change in net deferred income tax (charge)/benefit			\$ 10,546,700

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

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	As of December 31, 2013		
	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 581,272,209	\$ 203,445,273	35.00%
Net tax exempt interest	(80,955,572)	(28,334,450)	-4.87%
Net dividends received deduction	(44,612,094)	(15,614,233)	-2.69%
Other items permanent, net	4,146,166	1,451,158	0.25%
DRD on accrued	(822,157)	(287,755)	-0.05%
Total	\$ 459,028,552	\$ 160,659,993	27.64%
Federal income taxes incurred expense/(benefit)	\$ 432,265,367	\$ 151,292,878	26.03%
Tax on capital gains/(losses)	35,040,217	12,264,076	2.11%
Change in nonadmitted excluding deferred tax asset	(4,084,231)	(1,429,481)	-0.25%
Change in net deferred income tax charge/(benefit)	(4,192,801)	(1,467,480)	-0.25%
Total statutory income taxes incurred	\$ 459,028,552	\$ 160,659,993	27.64%

Description	As of December 31, 2012		
	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 463,340,729	\$ 162,169,255	35.00%
Net tax exempt interest	(84,822,339)	(29,687,819)	-6.41%
Net dividends received deduction	(45,049,204)	(15,767,221)	-3.40%
Other items permanent, net	5,165,884	1,808,059	0.39%
DRD on accrued	289,649	101,377	0.02%
Other	572,524	200,384	0.04%
Total	\$ 339,497,243	\$ 118,824,035	25.64%
Federal income taxes incurred expense/(benefit)	\$ 358,491,024	\$ 125,471,858	27.08%
Tax on capital gains/(losses)	9,134,593	3,197,108	0.69%
Change in nonadmitted excluding deferred tax asset	2,005,053	701,769	0.15%
Change in net deferred income tax charge/(benefit)	(30,133,427)	(10,546,700)	-2.28%
Total statutory income taxes incurred	\$ 339,497,243	\$ 118,824,035	25.64%

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2013, the Company had net operating loss and tax credit carryforwards of: \$ -
- (2) At December 31, 2013, the Company had capital loss carryforwards of: \$ -

(3) The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2013	\$ 146,447,715	\$ 12,264,076	\$ 158,711,791
2012	99,408,939	2,587,976	101,996,915
2011	-	24,549,174	24,549,174
Total	\$ 245,856,654	\$ 39,401,226	\$ 285,257,880

(4) Deposits admitted under Internal Revenue Code Section 6603:

\$ -

F. Consolidated Federal Income Tax Return

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

Cincinnati Financial Corporation (Parent)  
The Cincinnati Life Insurance Company  
The Cincinnati Casualty Company  
The Cincinnati Indemnity Company  
The Cincinnati Specialty Underwriters Insurance Company  
CFC Investment Company  
CSU Producer Resources, Inc.

(2) The method of allocation between the Company is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group. Furthermore, tax allocations are computed without regard to any amount attributable to any minimum tax arising under Code Section 55 or minimum tax credit arising under Code Section 53.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY  
NOTES TO THE FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
- A. Not applicable
  - B. Not applicable.
  - C. Not applicable
  - D. At December 31, 2013, the Company reported \$7,388,424 due from an affiliate The CSU Producer Resources, Inc. and from a subsidiary The CSU Insurance Company. Also at December 31, 2013, the Company reported \$34,651,839 due to the parent, Cincinnati Financial Corporation, and to affiliates The Cincinnati Life Insurance Company and CFC Investment Company, and to subsidiaries The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The terms of the settlement require that these amounts be settled within 30 days.
  - E. Not applicable
  - F. The Company has the following management agreements with related parties:
    - (1) Inter-company Benefits and Expense Allocation Agreement.
    - (2) Inter-company Cost Sharing and Expense Allocation Agreement.
    - (3) Inter-company Tax Sharing Agreement.
    - (4) Inter-company Reinsurance Agreement.
  - G. All outstanding shares of The Company are owned by the Parent Company, Cincinnati Financial Corporation, a holding company domiciled in the State of Ohio.
  - H. Not applicable
  - I. Not applicable
  - J. Not applicable
  - K. Not applicable
  - L. Not applicable
11. Debt
- A. Capital Notes – Not applicable
  - B. All Other Debt – Not applicable
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plan – Not applicable
  - B. Not applicable
  - C. Not applicable
  - D. Not applicable
  - E. Defined Contribution Plans – Not applicable
  - F. Multiemployer Plans – Not applicable
  - G. Consolidated/Holding Company Plans
    - (1) Defined Benefit Pension Plan – The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by Cincinnati Financial Corporation, the parent. The Company has no legal obligations for benefits under these plans. Cincinnati Financial Corporation allocates amounts to the Company based on the percentage of participants on the Company's payroll. The Company's share of net expense for the qualified pension plan was \$18,798,229 and \$16,422,503 for 2013 and 2012 respectively.
    - (2) Defined Contribution Plans - The Company participates in a qualified, defined contribution plan sponsored by Cincinnati Financial Corporation, the parent. The Company has no legal obligations for benefits under these plans. Cincinnati Financial Corporation allocates amounts to the Company based on an inter-company management fee. The Company's share of net expense for the contribution plan was \$9,098,471 and \$7,621,199 for 2013 and 2012 respectively.
  - H. Postemployment Benefits and Compensated Absences – Not applicable
  - I. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
- (1) The Company has 1,000,000 shares authorized, 717,271 shares issued and 717,271 shares outstanding. All shares are Class A shares.
  - (2) The Company has no preferred stock outstanding.
  - (3) Without prior approval from the Ohio Insurance Commissioner, dividends to shareholders are limited by the laws of Ohio which state that dividends are restricted to the greater of 10% of surplus or net income. In 2014 we would be restricted to \$432,567,043. In 2013 10% of surplus was \$432,567,043 and net income was \$417,715,253. In 2013 we would be restricted to \$391,359,798. In 2012 10% of surplus was \$391,359,798 and net income was \$334,671,779.
  - (4) An ordinary dividend in the amount of \$75,000,000 on January 9, 2013 was paid by the Company.  
An ordinary dividend in the amount of \$75,000,000 on April 10, 2013 was paid by the Company.  
An ordinary dividend in the amount of \$100,000,000 on July 11, 2013 was paid by the Company.  
An ordinary dividend in the amount of \$100,000,000 on September 16, 2013 was paid by the Company.
  - (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
  - (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
  - (7) Not applicable
  - (8) Not applicable
  - (9) Not applicable
  - (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains & losses are \$363,543,645 net of tax.
  - (11) The Company has no surplus debentures or similar obligations.
  - (12) Not applicable
  - (13) Not applicable
14. Contingencies
- A. The Company is not aware of any material liabilities not disclosed on our balance sheet as of year-end.
  - B. The Company is not aware of any material assessments as of year-end.
  - C. The Company does not have any gain contingencies.
  - D. The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

	Net
Claims related ECO and bad faith losses paid during the reporting period	\$1,349,645

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

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

- E. The Company does not have product warranties.
- F. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets it considers impaired.

**ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

15. Leases

A.

- 1) The Company has various noncancelable operating lease agreements that expire through November 2019.
- 2) At January 1, 2012, the minimum agreement rental commitments are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2014	\$18,147,864
2015	\$14,852,331
2016	\$6,842,110
2017	\$1,840,144
2018	\$880,932
<b>Total</b>	<b>\$42,563,681</b>

- 3) The company is not involved in any material sales leaseback transactions.

B. Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not applicable

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

- A. Not applicable  
B. Not applicable  
C. Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not applicable

19. The Company does not have any direct premiums written through managing general agents or third party administrators equal or greater than 5% of surplus.

20. Fair Value Measurement

- A. Not applicable  
B. Not applicable  
C.

<u>Type of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not Practicable (Carrying Value)</u>
<b>Bonds</b>	5,460,055,327	5,147,084,781	1,190,309	5,458,865,019		
<b>Common Stock</b>	2,658,936,154	2,658,936,154	2,658,936,154			
<b>Perpetual Preferred Stock</b>	98,752,828	75,534,699		98,752,828		
<b>Mortgage Loans</b>						

D. Not applicable

21. Other Items

- A. Extraordinary Items – Not applicable  
B. Trouble Debt Restructuring - Not applicable  
C. Assets in the amount of \$41,069,231 and \$47,035,368 at December 31, 2013 and 2012, respectively, were on deposit with government authorities or trustees as required by law.  
D. Not applicable  
E. Not applicable  
F. Subprime Mortgage Related Risk Exposure - The Cincinnati Insurance Company has no investments in subprime or related areas. This includes direct investments in subprime mortgage loans, RMBS, CMBS, CDO's, hedge funds, credit default swaps or SIVs. Additionally, we have no equity investments in subsidiary, controlled or affiliated entities with subprime exposure nor do we underwrite any form of mortgage guarantee insurance.  
G. Not applicable

22. Subsequent Events – None

23. Reinsurance

- A. Unsecured Reinsurance Recoverables - None  
B. Reinsurance Recoverable in Dispute – None  
C. Reinsurance Assumed and Ceded

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Assumed Less Ceded</u>	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
(I) Affiliates	\$298,964,282	\$31,157,747	\$ 0	\$ 0	\$298,964,282	\$ 31,157,747
(ii) All Other	\$ 3,814,899	\$ 531,066	\$14,087,143	\$311,758	(\$10,272,244)	\$219,308
(iii)Total	\$302,779,181	\$31,688,813	\$14,087,143	\$311,758	\$288,692,038	\$ 31,377,055
(iv) Direct Unearned Premium Reserve			\$1,605,335,561			

(2)

<u>REINSURANCE</u>				
	<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>Net</u>
(i)Contingent Comm	\$87,009,312	\$ 18,600,000	\$ 0	\$105,609,312
(ii)Sliding Scale Adj.				
(iii)Other Profit Comm Arrangements				
(iv)Total	\$87,009,312	\$ 18,600,000	\$ 0	\$105,609,312

(3) Not applicable

D. Uncollectible Reinsurance

- (1) The Company has written off in the current year reinsurance balances due from General Re in the amount of \$513,505, which is reflected as:

- a. Losses incurred \$93,500
- b. Loss adjustment expenses incurred \$420,005

- E. Commutation of Ceded Reinsurance – None  
F. Retroactive Reinsurance – None  
G. Reinsurance Accounted for as a Deposit – None  
H. Disclosures for the Transfer of Property and Casualty Run-off Agreements – None  
I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination– None

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

25. Reserves as of December 31, 2012 were \$3,694,868,808. As of December 31, 2013, \$1,100,252,786 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2,459,440,878 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on commercial casualty lines of insurance. Therefore, there has been \$135,175,144 favorable prior-year development since December 31, 2012 to December 31, 2013. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Because the Company does not write retrospectively rated policies, prior-year development does not effect premium adjustments.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements

A. Loss Reserves Eliminated by Annuities \$167,391,340  
Unrecorded Loss Contingencies - None

B.

Life Insurance Company and Location	Licensed in Ohio (Yes/No)	Statement (Present) Value of Annuities
The Cincinnati Life Insurance Company, Fairfield, Ohio	Yes	\$165,445,121

28. Health Care Receivables – None

29. Participating Policies – None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$0
2. Date of most recent evaluation of this liability	01/20/2014
3. Was anticipated investment income utilized in the calculation	No

31. High Deductibles – None

32. The Company does not discount unpaid losses or loss adjustment expenses except for income tax purposes.

33. Asbestos and Environmental Reserves

Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the asbestos exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies. Ceded amounts are related to Company business only. The increase in asbestos reserves is the result of changes in the identification of asbestos and environmental losses and is not related to new or additional exposures.

ASBESTOS LOSSES	2009	2010	2011	2012	2013
	Direct	Direct	Direct	Direct	Direct
Beginning Reserves	\$34,666,597	\$40,038,964	\$39,852,740	\$37,697,035	\$33,294,231
Incurred Loss & LAE	\$7,326,647	\$781,021	(\$1,099,461)	(\$2,124,688)	\$6,384,314
Calendar year payments for Loss and LAE	\$1,954,280	\$967,245	\$1,056,244	\$2,278,116	\$1,496,686
Ending Reserves	\$40,038,964	\$39,852,740	\$37,697,035	\$33,294,231	\$38,181,859
	Assumed	Assumed	Assumed	Assumed	Assumed
Beginning Reserves	\$4,258,554	\$7,376,959	\$6,232,524	\$6,719,106	\$6,160,787
Incurred Loss & LAE	\$3,534,452	(\$556,879)	\$1,298,383	\$1,719,294	\$6,183,227
Calendar year payments for Loss and LAE	\$416,047	\$587,556	\$811,801	\$2,277,613	\$501,842
Ending Reserves	\$7,376,959	\$6,232,524	\$6,719,106	\$6,160,787	\$11,842,172
	Net	Net	Net	Net	Net
Beginning Reserves	\$20,470,735	\$25,977,294	\$23,996,144	\$23,629,190	\$20,833,097
Incurred Loss & LAE	\$7,876,886	(\$426,349)	\$1,501,091	\$1,759,636	\$6,702,554
Calendar year payments for Loss and LAE	\$2,370,327	\$1,554,801	\$1,868,045	\$4,555,729	(\$2,313,408)
Ending Reserves	\$25,977,294	\$23,996,144	\$23,629,190	\$20,833,097	\$29,849,059
IBNR Reserves					
Direct	(\$2,918,000)	(\$3,420,000)	(\$4,251,000)	(\$5,055,000)	\$255,150
Assumed	\$3,552,892	\$2,431,314	\$3,352,529	\$2,811,743	\$7,892,652
Net	\$634,892	(\$988,686)	(\$898,471)	(\$2,243,257)	\$8,147,802
LAE Reserves					
Direct	\$15,851,000	\$15,105,000	\$14,581,000	\$13,350,750	\$13,022,200
Assumed	\$55,528	\$126,049	\$79,965	\$121,451	\$281,666
Net	\$15,906,528	\$15,231,049	\$14,660,965	\$13,472,201	\$9,909,466

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the environmental exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies. The increase in environmental reserves is the result of changes in the identification of environmental losses and is not related to new or additional exposures.

ENVIRONMENTAL LOSSES	2009	2010	2011	2012	2013
	Direct	Direct	Direct	Direct	Direct
Beginning Reserves	\$93,868,092	\$91,097,946	\$108,657,016	\$48,516,896	\$45,609,710
Incurred Loss & LAE	\$4,577,137	\$22,674,373	\$8,752,575	\$7,982,780	\$8,031,105
Calendar year payments for Loss and LAE	\$7,347,283	\$5,115,303	\$6,762,715	\$10,889,966	\$7,967,808
Ending Reserves	\$91,097,946	\$108,657,016	\$110,646,876	\$45,609,710	\$45,673,007
	Assumed	Assumed	Assumed	Assumed	Assumed
Beginning Reserves	\$1,222,542	\$1,418,014	\$1,027,044	\$1,266,998	\$624,815
Incurred Loss & LAE	\$223,984	(\$311,965)	\$322,167	(\$495,955)	\$656,133
Calendar year payments for Loss and LAE	\$28,512	\$79,005	\$82,213	\$146,228	\$142,256
Ending Reserves	\$1,418,014	\$1,027,044	\$1,266,998	\$624,815	\$1,138,692
	Net	Net	Net	Net	Net
Beginning Reserves	\$95,090,634	\$92,515,960	\$109,684,060	\$49,783,894	\$46,234,525
Incurred Loss & LAE	\$4,801,121	\$22,362,408	\$9,074,742	\$7,486,825	\$8,687,238
Calendar year payments for Loss and LAE	\$7,375,795	\$5,194,308	\$6,844,928	\$11,036,194	\$8,110,064
Ending Reserves	\$92,515,960	\$109,684,060	\$111,913,874	\$46,234,525	\$46,811,699
IBNR Reserves					
Direct	\$43,366,000	\$49,975,000	\$51,922,000	\$14,329,273	\$17,375,050
Assumed	\$909,477	\$455,152	\$846,173	\$351,468	\$699,169
Net	\$44,275,477	\$50,430,152	\$52,768,173	\$14,680,741	\$18,074,219
LAE Reserves					
Direct	\$34,865,000	\$45,240,000	\$46,288,000	\$18,947,346	\$15,859,736
Assumed	\$66,618	\$79,398	\$42,530	\$38,354	\$42,756
Net	\$34,931,618	\$45,319,398	\$46,330,530	\$18,985,700	\$15,902,492

Upon review of note 33 regarding Asbestos/Environmental Reserves, beginning with 2012, the data related to mold is being excluded from the amounts paid and reserved for losses and LAE for these claims. To be consistent with industry reporting and align the numbers with the intent of the note, the company is excluding the mold peril. See the table below to exclude mold from the prior year data:

	2009	2010	2011
	Direct	Direct	Direct
Beginning Reserves	\$49,024,006	\$48,428,036	\$61,228,817
Incurred Loss & LAE	\$3,188,869	\$14,550,910	\$3,381,226
Calendar Yr. Pymnts for Loss and LAE	\$3,784,839	\$1,750,129	\$2,480,063
Ending Reserves	\$48,428,036	\$61,228,817	\$62,129,980
	Assumed	Assumed	Assumed
Beginning Reserves	\$0	\$0	\$0
Incurred Loss and LAE	\$0	\$0	\$0
Calendar year payments for Loss and LAE	\$0	\$0	\$0
Ending Reserves	\$0	\$0	\$0
	Net	Net	Net
Beginning Reserves	\$49,024,006	\$48,428,036	\$61,228,817
Incurred Loss & LAE	\$3,188,869	\$14,550,910	\$3,381,226
Calendar Yr. Pymnts for Loss and LAE	\$3,784,839	\$1,750,129	\$2,480,063
Ending Reserves	\$48,428,036	\$61,228,817	\$62,129,980
IBNR Reserves			
Direct	\$26,267,000	\$33,318,000	\$34,503,000
Assumed	\$0	\$0	\$0
Net	\$26,267,000	\$33,318,000	\$34,503,000
LAE Reserves			
Direct	\$18,201,000	\$24,640,000	\$25,283,000
Assumed	\$0	\$0	\$0
Net	\$18,201,000	\$24,640,000	\$25,283,000

34. Subscriber Savings Accounts – Not applicable
35. Multiple Peril Crop Insurance – None
36. Financial Guaranty Insurance – None

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

37. Other

Total Net Losses and Expenses Unpaid – AY’s 2003 & prior

(000’s)	1994 & P	1995	1996	1997	1998	1999	2000	2001	2002	2003
Part 1A	99	0	72	0	120	0	46	25	103	174
Part 1B	529	2	10	4	6	25	145	71	317	353
Part 1C	252	14	0	18	3	372	85	141	870	89
Part 1D	48,557	8,028	9,900	10,459	13,074	14,606	20,774	23,664	28,083	30,097
Part 1E	10,575	2,486	3,163	3,062	2,867	2,997	4,420	6,624	6,946	9,557
Part 1F	12	10	9	180	0	0	35	0	367	610
Part 1G	263	223	342	508	455	150	94	3,155	60	0
Part 1H	26,161	69	156	179	141	102	248	932	378	274
Part 1I	15	0	1	0	0	8	0	0	0	0
Part 1J	15	3	6	10	13	13	31	31	32	95
Part 1K	56	0	12	244	14	21	40	32	32	37
Part 1R	2,971	228	348	50	45	69	450	883	376	627
Totals	89,505	11,063	14,019	14,714	16,738	18,363	26,368	35,558	37,564	41,913
										305,805

Prior year data included in Schedule P is calculated as follows:

Part 1-Payments made in the current year and current reserves for AY's 2003 & prior.

Parts 2&3-The prior line on last year’s statement is combined with the year 2003 total. Paid amounts prior to 2004 are then subtracted from this sum to arrive at the prior figure.

Part 4-The sum of the prior year line and the 2003 line from the prior year's Schedule P compose the prior figures for this section.

Part 5 Section 1&3-The prior line is combined with year 2003 from the prior schedule P. Counts for accident year 2003 in the preceding year are then subtracted from this sum to arrive at the prior figure, removing the cumulative effect.

Part 5 Section 2 - The prior line is combined with the 2003 AY of the prior year's Schedule P to arrive at the new prior number.

Total Net Salvage and Subrogation Unpaid – AY’s 2003 & prior

(000’s)	1994 & P	1995	1996	1997	1998	1999	2000	2001	2002	2003
Part 1A	0	0	0	0	0	0	0	0	1	4
Part 1B	0	0	0	0	0	0	0	0	10	26
Part 1C	0	0	0	0	0	0	0	0	0	3
Part 1D	0	0	0	0	0	0	0	0	26	50
Part 1E	0	0	0	0	0	0	0	0	20	65
Part 1F	0	0	0	0	0	0	0	0	0	0
Part 1G	0	0	0	0	0	0	0	0	0	0
Part 1H	0	0	0	0	0	0	0	0	0	0
Part 1I	0	0	0	0	0	0	0	0	0	0
Part 1J	0	0	0	0	0	0	0	0	11	30
Part 1K	0	0	0	0	0	0	0	0	0	0
Part 1R	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	68	178
										246

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

Yes ☒ No ☐
- 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 ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Ohio.....
- 2.1

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

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

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

.....12/31/2009
- 3.2

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

.....12/31/2009
- 3.3

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

.....08/03/2010
- 3.4

By what department or departments? Ohio.....
- 3.5

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

Yes ☒ No ☐ N/A ☐
- 3.6

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

Yes ☒ No ☐ N/A ☐
- 4.1

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

Yes ☐ No ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

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

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- 5.2

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

1 Name of Entity	2 NAIC 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 ☒
- 6.2

If yes, give full information .....
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control .....
- 7.22

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

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

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 [ ] No [ X ]

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche, Suite 1900, 250 East 5th Street, PO Box 5340, Cincinnati, OH 45201-5340.....

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?  
Rita Zona, Deloitte Consulting LLP, 111 S. Wacker Drive, Chicago, IL 60606.....

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

12.11 Name of real estate holding company .....

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.

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

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

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

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

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



GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 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:
- \$.....0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [ ] No [ ] NA [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [ ] No [ ] NA [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [ ] No [ ] NA [ X ]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [ ] No [ ] NA [ X ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

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 securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....41,069,231
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
Fifth Third Bank.....	Fifth Third Center, Cincinnati, Ohio 45263.....

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

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

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

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

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

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

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

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)])?
- 29.2 If yes, complete the following schedule:
- Yes [ ] No [ X ]

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

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

1 Name of Mutual Fund (from 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.....	5,087,496,581	5,397,310,790	309,814,209
30.2 Preferred Stocks.....	135,122,899	161,497,366	26,374,467
30.3 Totals	5,222,619,480	5,558,808,156	336,188,676

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

The majority of fair market values are obtained from Interactive Data Corporation (IDC). For securities IDC is unable to price, the company looks to Bloomberg and uses a recent historical price method. If this cannot be determined the company uses outside brokers to analytically determine the price.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 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?
- 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:  
For our private placement securities, the company receives the fair value price from an outside private placement manager's firm. For all other securities not priced by IDC the company looks to outside security brokers who are market makers in that type of security.....
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:  
For securities not filed with the SVO, please see the list included at the back of this statement on page 100.....
- Yes [ X ] No [ ]
- Yes [ ] No [ X ]
- Yes [ ] No [ X ]

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....5,360,738
- 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
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$ .....3,123,144
- 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
The Miley Legal Group.....	\$.....850,000

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....216,971
- 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
Property Casualty Insurers Association.....	\$.....174,411

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & 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 .....

\$.....0

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. ....

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$.....0

1.62

Total incurred claims .....

\$.....0

1.63

Number of covered lives .....

.....0

All years prior to most current three years:

1.64

Total premium earned .....

\$.....0

1.65

Total incurred claims .....

\$.....0

1.66

Number of covered lives .....

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$.....0

1.72

Total incurred claims .....

\$.....0

1.73

Number of covered lives .....

.....0

All years prior to most current three years:

1.74

Total premium earned .....

\$.....0

1.75

Total incurred claims .....

\$.....0

1.76

Number of covered lives .....

.....0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$ .....

0

\$ .....

0

2.2

Premium Denominator

\$ .....

3,600,076,169

\$ .....

3,253,506,377

2.3

Premium Ratio (2.1/2.2)

.....

0.000

.....

0.000

2.4

Reserve Numerator

\$ .....

2

\$ .....

1,093

2.5

Reserve Denominator

\$ .....

5,733,342,528

\$ .....

5,453,512,802

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 [ X ] No [ ]

3.2

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

3.21

Participating policies.....

\$.....102,052,518

3.22

Non-participating policies.....

\$.....3,195,153,048

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

.....

16

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & 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: .....

Protection is provided through several excess reinsurance contracts for workers' compensation coverage.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: .....

The company has engaged with JLT Towers Re who uses the catastrophe models from Risk Management Solutions and Applied Insurance Research to model potential maximum loss exposure.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....

The company has a catastrophic reinsurance program insuring losses \$525 million excess \$75 million, plus co-participation by layer .....

6.4

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

Yes [ X ] No [ ]

6.5

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

.....

7.1

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

Yes [ ] No [ 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 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [ ] No [ X ]

9.5

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

.....

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or,

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [ ] No [ X ]

Yes [ ] No [ X ]

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 & 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 that is secured by letters of credit, collateral and other funds?

\$

12.3

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

Yes [ ] No [X] N/A [ ]

12.4

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

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [X] No [ ]

12.6

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

12.61

Letters of Credit

\$26,703,329

12.62

Collateral and other funds

\$424,508

13.1

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

\$18,000,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [X] No [ ]

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 [X] No [ ]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:  
We allocate a specific percentage to each company

14.3

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

Yes [X] No [ ]

14.4

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

Yes [ ] No [ ]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [ ] No [X]

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

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

\* Disclose type of coverage:

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & 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 – Part 3 and excluded from Schedule F – Part 5, not included above.

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

18.1 Do you act as a custodian for health savings 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 the funds administered as of the reporting date. .... \$.....



ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CINCINNATI INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.					
	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Gross Premiums Written</b> (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)	1,749,482,679	1,565,225,716	1,430,835,792	1,370,541,886	1,377,912,803
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	614,079,985	539,329,563	479,412,829	446,337,573	433,377,991
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,554,615,962	1,411,067,637	1,275,774,836	1,198,183,468	1,172,291,084
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	49,602,111	50,098,245	51,189,455	53,863,482	57,804,844
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	3,967,780,737	3,565,721,161	3,237,212,912	3,068,926,409	3,041,386,722
<b>Net Premiums Written</b> (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)	1,686,803,768	1,511,085,200	1,377,761,562	1,321,709,524	1,324,662,937
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	575,770,336	508,088,850	447,117,761	417,593,814	403,866,928
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,463,904,156	1,318,495,162	1,153,695,077	1,123,202,489	1,097,516,944
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	42,764,679	42,585,447	43,032,629	44,926,746	48,104,241
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	3,769,242,938	3,380,254,659	3,021,607,029	2,907,432,573	2,874,151,050
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	216,927,384	128,635,926	(280,368,306)	(37,882,599)	(96,333,786)
14. Net investment gain (loss) (Line 11)	363,455,469	342,091,862	398,174,194	418,028,594	457,508,110
15. Total other income (Line 15)	5,100,028	5,596,928	5,856,066	4,127,969	(5,057,958)
16. Dividends to policyholders (Line 17)	16,474,750	16,181,079	16,016,235	14,167,939	17,180,324
17. Federal and foreign income taxes incurred (Line 19)	151,292,879	125,471,858	(12,515,950)	52,139,747	(10,090)
18. Net income (Line 20)	417,715,253	334,671,779	120,161,670	317,966,278	338,946,132
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	10,559,843,756	9,767,259,501	9,501,832,509	9,343,031,687	9,144,908,784
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	338,432,877	312,478,348	295,535,746	247,230,964	241,722,481
20.2 Deferred and not yet due (Line 15.2)	1,035,615,223	931,830,949	822,536,963	770,739,506	744,883,859
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	6,234,173,325	5,853,661,523	5,755,051,386	5,565,799,153	5,497,117,279
22. Losses (Page 3, Line 1)	2,945,976,974	2,836,585,289	2,927,539,915	2,896,177,921	2,803,198,942
23. Loss adjustment expenses (Page 3, Line 3)	849,995,244	860,189,053	900,710,444	859,939,917	835,787,925
24. Unearned premiums (Page 3, Line 9)	1,897,422,215	1,723,597,502	1,576,644,543	1,502,303,660	1,469,843,253
25. Capital paid up (Page 3, Lines 30 & 31)	3,586,355	3,586,355	3,586,355	3,586,355	3,586,355
26. Surplus as regards policyholders (Page 3, Line 37)	4,325,670,432	3,913,597,978	3,746,781,123	3,777,232,534	3,647,791,505
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	503,413,703	373,997,584	53,830,244	255,415,033	445,856,142
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	4,342,933,452	3,927,821,006	3,754,074,513	3,792,754,615	3,663,657,076
29. Authorized control level risk-based capital	533,911,963	484,136,049	468,729,620	456,849,894	436,836,514
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	56.3	58.6	60.7	61.4	61.7
31. Stocks (Lines 2.1 & 2.2)	40.6	37.3	35.4	36.1	34.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.1	0.1	0.1	0.1	0.1
34. Cash, cash equivalents and short-term investments (Line 5)	3.0	3.8	3.7	2.3	3.9
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	XXX
37. Other invested assets (Line 8)	0.0	0.1	0.1	0.1	0.1
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.1
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	873,908,334	843,753,681	820,178,928	813,310,246	789,011,151
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	873,908,334	843,753,681	820,178,928	813,310,246	789,011,151
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
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)	20.2	21.6	21.9	21.5	21.6

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2013	2012	2011	2010	2009
<b>Capital and Surplus Accounts</b> (Page 4)					
51. Net unrealized capital gains (losses) (Line 24) .....	363,543,645	121,457,691	(1,047,487)	28,980,005	18,607,764
52. Dividends to stockholders (Line 35) .....	(375,000,000)	(300,000,000)	(180,000,000)	(220,000,000)	(50,000,000)
53. Change in surplus as regards policyholders for the year (Line 38) .....	412,072,454	166,816,855	(30,451,413)	129,441,029	287,493,798
<b>Gross Losses Paid</b> (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) .....	747,148,886	763,305,576	697,661,193	679,775,765	748,922,886
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	297,862,686	289,706,589	298,176,879	231,144,911	219,612,081
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	796,344,321	897,664,836	1,069,333,024	693,897,750	749,377,612
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	13,203,783	10,191,492	35,897,910	26,641,183	21,024,673
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	1,854,559,677	1,960,868,492	2,101,069,007	1,631,459,609	1,738,937,252
<b>Net Losses Paid</b> (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) .....	719,052,823	726,967,288	680,775,952	653,555,016	692,518,363
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	297,172,720	284,602,426	279,843,280	231,038,466	215,509,796
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	751,271,853	820,810,207	900,215,363	622,789,852	662,935,202
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	10,587,899	9,702,148	22,871,350	23,276,789	10,809,103
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	1,778,085,296	1,842,082,069	1,883,705,945	1,530,660,123	1,581,772,464
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	52.4	53.8	64.7	56.4	58.6
68. Loss expenses incurred (Line 3) .....	9.6	9.9	12.7	12.2	13.0
69. Other underwriting expenses incurred (Line 4) .....	31.9	32.3	32.1	32.7	31.8
70. Net underwriting gain (loss) (Line 8) .....	6.0	4.0	(9.5)	(1.3)	(3.3)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	30.3	31.0	31.2	32.3	32.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	62.1	63.7	77.4	68.6	71.6
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	87.1	86.4	80.6	77.0	78.8
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....	(163,270)	(389,171)	(276,842)	(259,141)	(155,342)
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) .....	(4.2)	(10.4)	(7.3)	(7.1)	(4.6)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(440,203)	(506,979)	(387,908)	(276,416)	(334,151)
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) .....	(11.7)	(13.4)	(10.6)	(8.2)	(7.8)

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  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior	XXX	XXX	XXX	22,788	1,251	11,232	9,132	3,785	0	761	27,421	XXX
2. 2004	3,096,530	174,822	2,921,708	1,614,303	144,315	128,868	6,569	160,024	0	48,343	1,752,311	XXX
3. 2005	3,239,583	179,203	3,060,380	1,563,836	100,996	125,165	3,827	167,741	6	51,194	1,751,914	XXX
4. 2006	3,323,718	157,381	3,166,336	1,570,540	70,441	135,681	2,060	164,003	0	53,226	1,797,723	XXX
5. 2007	3,302,038	174,551	3,127,487	1,477,986	53,806	126,272	3,035	178,118	2	47,300	1,725,533	XXX
6. 2008	3,185,612	177,290	3,008,322	1,725,488	129,348	134,158	4,634	203,611	6,493	50,077	1,922,782	XXX
7. 2009	3,054,331	167,561	2,886,770	1,514,707	63,867	128,588	2,379	181,103	0	45,234	1,758,151	XXX
8. 2010	3,039,382	161,559	2,877,823	1,461,507	28,362	97,793	1,377	176,874	0	50,909	1,706,435	XXX
9. 2011	3,177,114	215,272	2,961,842	1,884,207	255,431	82,231	720	176,909	8,134	50,581	1,879,062	XXX
10. 2012	3,438,157	184,651	3,253,506	1,468,482	55,846	46,570	1,336	162,421	17	44,477	1,620,276	XXX
11. 2013	3,800,345	200,269	3,600,076	924,175	755	18,385	45	92,803	0	24,208	1,034,563	XXX
12. Totals	XXX	XXX	XXX	15,228,018	904,417	1,034,943	35,114	1,667,393	14,652	466,310	16,976,171	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1. ....	232,843	115,404	162,458	4,433	31,128	29,129	25,835	3,910	6,416	0	246	305,805	XXX
2. ....	21,617	5,464	29,136	1,216	127	127	5,265	0	1,255	0	278	50,594	XXX
3. ....	36,649	10,744	29,565	1,406	52	48	7,170	50	1,591	0	553	62,779	XXX
4. ....	43,685	8,307	15,607	1,586	41	40	10,595	30	2,265	0	1,297	62,230	XXX
5. ....	53,669	6,899	31,736	2,003	67	65	16,182	50	3,388	0	1,740	96,024	XXX
6. ....	79,463	6,602	50,104	2,059	46	39	26,267	80	4,781	0	4,082	151,882	XXX
7. ....	107,500	4,129	51,432	2,526	99	91	41,958	90	7,566	0	6,117	201,719	XXX
8. ....	165,084	6,833	56,460	3,578	38	32	59,351	140	11,972	0	11,172	282,322	XXX
9. ....	317,104	15,291	78,169	6,727	170	158	102,483	235	22,557	0	16,266	498,071	XXX
10. ....	428,597	13,530	153,899	13,131	210	183	145,328	435	48,403	0	24,832	749,158	XXX
11. ....	692,954	15,974	368,080	11,992	317	261	195,667	470	107,067	0	48,117	1,335,388	XXX
12. ....	2,179,165	209,176	1,026,646	50,658	32,296	30,172	636,101	5,490	217,260	0	114,700	3,795,972	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	275,464	30,340
2. ....	1,960,595	157,689	1,802,905	63.3	90.2	61.7	0	0		44,074	6,520
3. ....	1,931,770	117,077	1,814,693	59.6	65.3	59.3	0	0		54,064	8,714
4. ....	1,942,418	82,465	1,859,953	58.4	52.4	58.7	0	0		49,399	12,831
5. ....	1,887,417	65,861	1,821,557	57.2	37.7	58.2	0	0		76,502	19,521
6. ....	2,223,918	149,254	2,074,664	69.8	84.2	69.0	0	0		120,907	30,975
7. ....	2,032,952	73,081	1,959,871	66.6	43.6	67.9	0	0		152,277	49,442
8. ....	2,029,079	40,321	1,988,757	66.8	25.0	69.1	0	0		211,132	71,190
9. ....	2,663,830	286,696	2,377,134	83.8	133.2	80.3	0	0		373,254	124,817
10. ....	2,453,912	84,478	2,369,434	71.4	45.8	72.8	0	0		555,835	193,323
11. ....	2,399,448	29,498	2,369,950	63.1	14.7	65.8	0	0		1,033,068	302,320
12. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,945,977	849,995

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior	1,774,742	1,669,430	1,602,822	1,562,896	1,521,845	1,571,230	1,590,659	1,596,477	1,578,665	1,595,650	16,984	(827)
2. 2004	1,775,293	1,735,536	1,720,201	1,670,706	1,627,875	1,638,045	1,632,623	1,629,834	1,635,175	1,641,626	6,451	11,792
3. 2005	XXX	1,791,077	1,764,184	1,729,916	1,661,919	1,644,517	1,637,051	1,635,067	1,644,987	1,645,366	379	10,299
4. 2006	XXX	XXX	1,932,951	1,844,574	1,771,406	1,725,501	1,720,752	1,708,582	1,695,064	1,693,685	(1,380)	(14,897)
5. 2007	XXX	XXX	XXX	1,865,872	1,801,030	1,760,519	1,713,146	1,668,220	1,646,679	1,640,053	(6,626)	(28,167)
6. 2008	XXX	XXX	XXX	XXX	2,136,486	2,025,406	1,949,914	1,916,961	1,866,790	1,872,766	5,976	(44,194)
7. 2009	XXX	XXX	XXX	XXX	XXX	2,025,162	1,887,095	1,847,331	1,756,925	1,771,202	14,276	(76,129)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	2,050,406	1,902,332	1,850,380	1,799,912	(50,469)	(102,420)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,381,460	2,222,426	2,185,801	(36,625)	(195,659)
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,270,863	2,158,626	(112,237)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,170,080	XXX	XXX
12. Totals											(163,270)	(440,203)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	000	451,170	765,342	950,947	1,064,704	1,145,965	1,189,136	1,239,059	1,272,624	1,296,261	XXX	XXX
2. 2004	733,791	1,104,443	1,280,495	1,408,649	1,486,757	1,530,318	1,550,414	1,569,687	1,582,927	1,592,287	XXX	XXX
3. 2005	XXX	701,110	1,064,625	1,274,248	1,404,733	1,481,311	1,528,053	1,556,910	1,575,321	1,584,179	XXX	XXX
4. 2006	XXX	XXX	742,661	1,136,167	1,320,058	1,448,337	1,526,798	1,568,432	1,606,535	1,633,720	XXX	XXX
5. 2007	XXX	XXX	XXX	695,730	1,078,743	1,258,687	1,386,725	1,474,161	1,519,113	1,547,417	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	871,158	1,262,663	1,447,453	1,575,493	1,668,207	1,725,665	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	830,310	1,168,517	1,350,363	1,487,388	1,577,048	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	842,232	1,227,755	1,423,446	1,529,562	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,111,075	1,519,168	1,710,287	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,017,312	1,457,871	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	941,759	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	775,229	535,401	332,965	262,249	191,934	217,553	218,203	207,642	179,740	179,950
2. 2004	515,266	279,828	164,403	87,511	41,662	47,457	36,513	30,859	29,656	33,186
3. 2005	XXX	515,730	301,874	175,304	74,771	61,746	46,481	39,441	41,094	35,279
4. 2006	XXX	XXX	521,498	296,464	161,788	87,979	70,569	59,566	30,044	24,585
5. 2007	XXX	XXX	XXX	482,308	256,965	150,258	106,244	82,283	56,942	45,865
6. 2008	XXX	XXX	XXX	XXX	558,860	297,212	177,527	124,789	71,110	74,233
7. 2009	XXX	XXX	XXX	XXX	XXX	552,158	277,365	203,352	93,161	90,774
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	559,680	284,589	180,070	112,092
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	565,008	292,785	173,690
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	562,067	285,661
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	551,285

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories										
States, etc.		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4  Dividends Paid or Credited to Policyholders on Direct Business	5  Direct Losses Paid (Deducting Salvage)	6  Direct Losses Incurred	7  Direct Losses Unpaid	8  Finance and Service Charges Not Included in Premiums	9  Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
			2  Direct Premiums Written	3  Direct Premiums Earned						
1. Alabama	AL	L	121,640,212	116,489,629	4,428	52,088,945	54,025,835	39,822,005	169,121	
2. Alaska	AK	L	131,729	73,215	0	6,840	8,295	11,666	10	
3. Arizona	AZ	L	38,291,803	36,739,296	129,028	13,439,281	15,897,837	23,399,057	56,692	
4. Arkansas	AR	L	52,725,834	49,673,372	16,422	20,114,111	21,207,503	20,455,750	65,255	
5. California	CA	L	4,381,726	4,097,382	11,612	1,482,968	5,449,735	9,266,232	1,388	
6. Colorado	CO	L	18,511,561	16,757,483	3,530	7,268,900	10,074,082	15,847,286	34,011	
7. Connecticut	CT	L	6,945,825	5,214,461	0	1,177,278	1,876,600	2,732,049	6,081	
8. Delaware	DE	L	10,536,737	10,084,564	164,930	4,241,889	3,404,502	11,583,565	6,629	
9. Dist. Columbia	DC	L	1,202,271	1,192,184	6,148	424,090	184,094	1,037,305	35	
10. Florida	FL	L	54,889,152	60,842,411	0	33,976,539	19,789,093	47,750,940	46,389	
11. Georgia	GA	L	180,496,238	171,771,186	396,209	94,167,060	103,536,998	98,489,958	232,190	
12. Hawaii	HI	L	59,553	45,212	0	0	802	15,722	15	
13. Idaho	ID	L	25,780,211	25,307,837	0	11,523,148	12,745,364	17,134,248	41,490	
14. Illinois	IL	L	218,130,548	214,286,940	1,002,479	107,566,266	120,051,712	235,737,578	317,420	
15. Indiana	IN	L	208,123,086	202,339,771	284,405	110,161,328	108,633,280	146,180,131	324,031	
16. Iowa	IA	L	68,597,911	66,351,572	1,189,989	28,880,908	32,263,822	58,451,174	66,361	
17. Kansas	KS	L	42,505,700	40,598,283	429,580	28,326,245	38,436,997	32,970,113	50,470	
18. Kentucky	KY	L	132,738,077	127,277,716	29,165	58,416,325	54,234,019	75,695,317	87,512	
19. Louisiana	LA	L	2,327,076	2,244,942	0	2,629,533	3,102,081	2,279,989	193	
20. Maine	ME	L	148,334	142,306	0	10,360	27,681	67,702	100	
21. Maryland	MD	L	55,436,040	50,781,034	593,734	28,590,062	29,894,909	39,624,984	68,295	
22. Massachusetts	MA	L	1,057,318	1,025,242	6,714	525,093	453,929	1,489,334	149	
23. Michigan	MI	L	168,501,167	158,647,385	751,829	81,996,172	114,574,586	128,133,945	304,314	
24. Minnesota	MN	L	91,404,430	87,073,246	295,122	55,289,254	57,827,067	71,902,788	130,565	
25. Mississippi	MS	L	1,557,880	1,341,439	0	507,022	528,033	1,308,478	91	
26. Missouri	MO	L	88,731,595	84,603,450	369,221	39,627,790	21,115,418	87,113,482	127,758	
27. Montana	MT	L	34,287,616	32,210,395	0	15,996,769	12,643,047	21,432,162	21,583	
28. Nebraska	NE	L	26,944,527	25,077,446	315,051	10,802,245	12,447,741	18,370,059	18,371	
29. Nevada	NV	L	1,484,701	1,453,225	7,981	330,928	287,331	978,328	170	
30. New Hampshire	NH	L	14,233,934	13,760,260	211,069	4,166,706	4,368,515	6,492,238	28,549	
31. New Jersey	NJ	L	2,426,793	2,508,076	11,200	2,254,494	2,484,069	7,792,228	158	
32. New Mexico	NM	L	9,690,045	8,856,318	2,430	2,606,910	1,715,046	4,047,317	16,702	
33. New York	NY	L	58,461,541	55,329,532	158,630	33,572,504	32,217,613	71,856,345	62,396	
34. No. Carolina	NC	L	165,558,667	158,092,427	197,006	69,523,950	76,750,166	94,486,689	210,279	
35. No. Dakota	ND	L	19,261,544	17,997,911	0	14,820,520	10,773,008	18,832,963	12,510	
36. Ohio	OH	L	619,238,311	605,179,854	0	276,551,691	264,271,662	345,623,885	810,724	
37. Oklahoma	OK	L	1,384,587	1,387,736	0	1,788,784	1,789,355	2,028,967	227	
38. Oregon	OR	L	10,638,807	7,453,451	0	1,957,690	4,714,006	4,779,240	24,010	
39. Pennsylvania	PA	L	162,882,596	158,160,717	2,446,115	102,383,334	55,934,207	176,074,986	253,526	
40. Rhode Island	RI	L	138,204	138,319	0	113,381	(31,766)	155,470	25	
41. So. Carolina	SC	L	45,707,905	41,702,066	10,158	27,111,083	22,430,840	27,389,816	39,047	
42. So. Dakota	SD	L	9,281,708	9,001,811	108,939	6,463,956	5,045,236	8,472,483	8,411	
43. Tennessee	TN	L	128,800,423	120,734,395	103,097	62,595,220	54,262,668	67,428,535	195,393	
44. Texas	TX	L	68,626,899	61,438,933	0	26,384,537	36,150,096	89,177,758	118,855	
45. Utah	UT	L	41,705,798	39,226,029	0	23,265,803	23,414,920	24,433,301	80,222	
46. Vermont	VT	L	20,327,041	19,558,432	361,998	8,476,744	8,459,467	15,809,124	34,537	
47. Virginia	VA	L	111,113,977	110,450,161	803,378	53,892,034	50,943,557	85,246,629	187,999	
48. Washington	WA	L	13,998,061	12,310,606	0	3,396,893	4,397,721	8,333,103	23,911	
49. West Virginia	WV	L	21,052,918	20,937,608	9,655	16,936,893	15,008,353	18,287,552	18,704	
50. Wisconsin	WI	L	110,744,960	108,292,603	5,429,112	51,727,857	50,753,797	106,826,656	121,393	
51. Wyoming	WY	L	4,361,200	3,761,849	0	1,325,616	3,183,455	2,522,198	2,171	
52. American Samoa	AS	N	0	0	0	0	0	0	0	
53. Guam	GU	N	0	0	0	0	0	0	0	
54. Puerto Rico	PR	L	790	725	0	0	(174)	(2)	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	
57. Canada	CAN	N	0	0	0	0	0	0	0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a)	52	3,297,205,566	3,170,022,441	15,860,364	1,600,883,949	1,583,758,209	2,395,378,827	4,426,435	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page.		XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	0

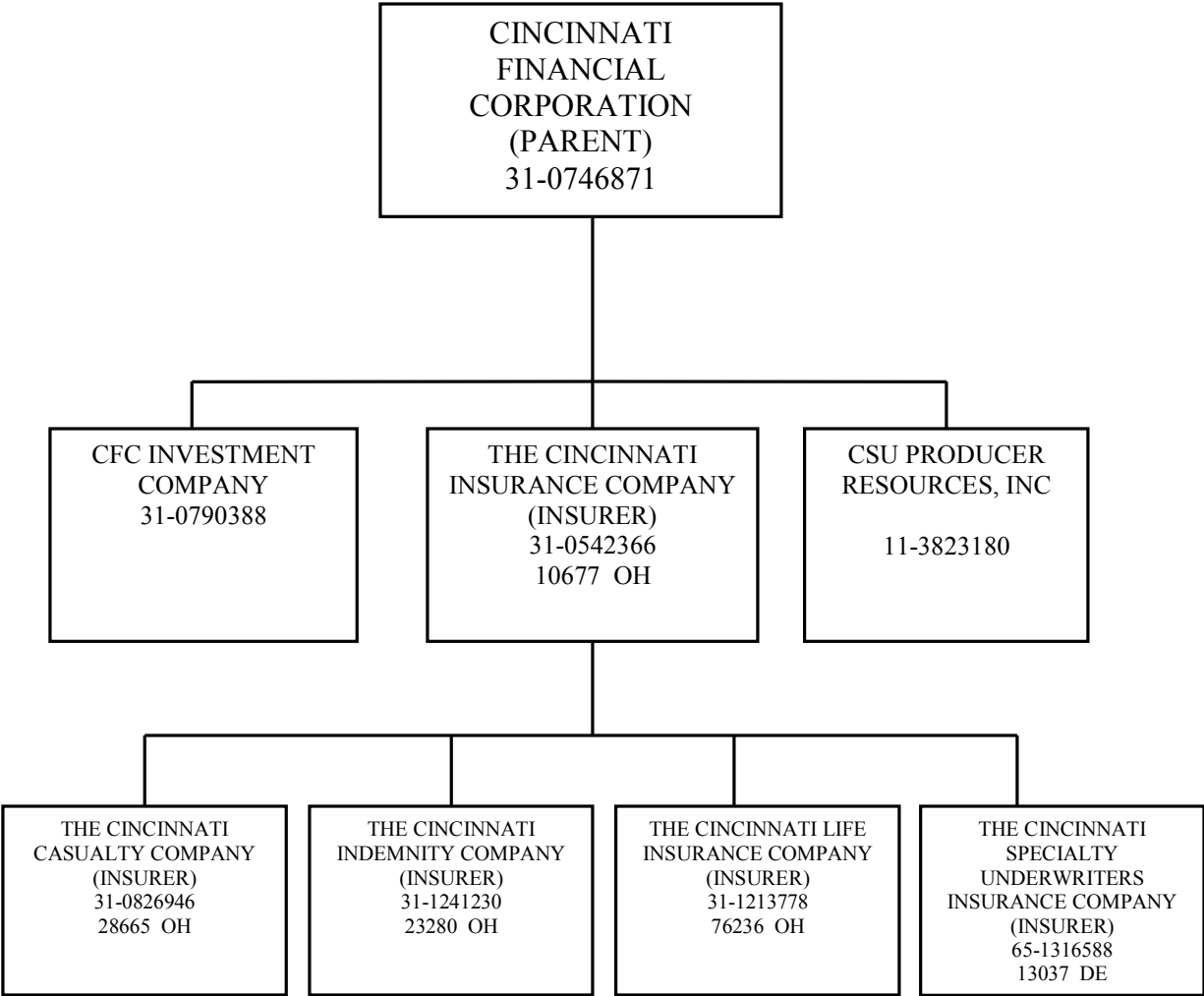
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Premiums recieved on all classes are allocated to the state in which the risk is located.

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

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



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