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PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013

OF THE CONDITION AND AFFAIRS OF THE

Nationwide Mutual Insurance Company

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

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

Country of Domicile United States of America

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

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

Main Administrative Office One West Nationwide Blvd. (Street and Number)

Columbus , OH, US 43215-2220 (City or Town, State, Country and Zip Code), 614-249-7111 (Area Code) (Telephone Number)

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

Primary Location of Books and Records One West Nationwide Blvd., 1-04-701 (Street and Number)

Columbus , OH, US 43215-2220 (City or Town, State, Country and Zip Code), 614-249-1545 (Area Code) (Telephone Number)

Internet Website Address www.nationwide.com

Statutory Statement Contact Monda S. Caudill (Name), 614-249-1545 (Area Code) (Telephone Number)

FinRpt@nationwide.com (E-mail Address), 866-315-1430 (FAX Number)

OFFICERS

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

OTHER

David Gerard Arango Div Pres - Titan Ins	Anne Louise Arvia Pres&COO-NW Drct,Affi&Grth Sol	Wesley Kim Austen President & COO - Allied Group
David Alan Bano Sr VP-Chief Claims Off	James David Benson Sr VP - Controller	David William Berson Sr VP- Chief Economist
Mark Allen Berven Exec VP-Chf Strat&Prod Mgmt Off	Pamela Ann Biesecker Sr VP-Head of Taxation	William Joseph Burke # Sr VP - Corporate Marketing
Thomas Edward Clark # Sr VP- Field Operations IC	Tammy Craig Sr VP -IT Strat Initiatives	Gary Anthony Douglas # Sr VP- NW National Partners
Pamela Kimble El # Sr VP- NF Brand Marketing	Steven Michael English Sr VP- Gov Relations	Scott Edward Failor # Sr VP - P&C Legal
Terri Lisa Forgy Sr VP- Talent, Div & Org Effect	Timothy Gerard Frommeyer Sr VP	Mark Anthony Gaetano Sr VP-BTO
Peter Anthony Golato Sr VP-NW Fin Network	Judith Lynn Greenstein Sr VP-President-NW Bank	Daniel Gerard Greteman Sr VP - CIO Allied Group
Susan Jean Gueli Sr VP - CIO NF Systems	Melissa Doss Gutierrez Sr VP - PCIO Sales Support	Harry Hansen Hallowell Sr VP - Chief Invest Off
Jennifer Marie Hanley Sr VP - NI Brand Marketing	Patricia Ruth Hatler Exec VP- Chief Leg & Gov Off	Eric Shawn Henderson Sr VP - Ind Prod & Sol
Peter Joseph Hersha # Sr VP - Trial Division	Terri Lynn Hill Exec VP	Matthew Eric Jauchius # Exec VP-Chf Mktg Officer
Michael Craig Keller Exec VP-Chief Info Officer	Gale Verdell King Exec VP - Chief Admin Off	James Russell Korcykoski Sr VP - CIO NW Ins
Michael Patrick Leach Sr VP, CFO - P&C	Michael Allen Lex Sr VP-Cmrcl Lines Prod Mgmt	Katherine Marie Liebel Sr VP - Corporate Strategy
Nancy Karen Macke Sr VP- Comp., Benefits&HR Ops	Michael William Mahaffey Sr VP, Chief Risk Officer	Michael Dean Miller Exec VP
Kai Vincent Monahan Sr VP - Internal Audit	Gregory Stephen Moran Sr VP - CIO IT Infra	Sandra Lee Neely Sr VP-Dpty General Cnsl
James Michael Pedersen # Sr VP-Pres, Crestbrook Ins	Stephen Scott Rasmussen CEO	Sandra Lynn Rich Sr VP-Chief Compliance Off
Michael Anthony Richardson Sr VP- CIO Ent Appli	Jeff Millard Rommel # Sr VP-P&C Cus Ser & Sale Sol	Amy Taylor Shore Sr VP-Field Operations EC
David Gerard Sommers # Sr VP-Cust Insights & Analyts	Mark Raymond Thresher Exec VP - CFO	Guruprasad Chitrapura Vasudeva Sr VP - Ent CTO
Andrew Dawnly Walker Sr VP-IT Fin & Hd of Sourcing	Kirt Alan Walker President & COO - Nationwide Fin	Terrance Williams # Sr VP- NW Agribusiness

DIRECTORS OR TRUSTEES

Lewis Jackson Alphin	James Bernard Bachmann	Arthur Irving Bell
Timothy Joseph Corcoran	Yvonne Montgomery Curl	Kenneth Dale Davis
Keith William Eckel	Daniel Thomas Kelley	Mary Diane Koken
Lydia Micheaux Marshall	Terry Wayne McClure	Barry James Nalebuff
Brent Rinner Porteus	Stephen Scott Rasmussen	Michael Joseph Toelle #
Jeffrey Wade Zellers		

State of Ohio
County of Franklin
SS:

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

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

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

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

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	11,085,768,465		11,085,768,465	8,327,756,226
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	3,036,764		3,036,764	3,006,764
	2.2 Common stocks	7,952,971,281		7,952,971,281	7,858,549,377
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	412,327,079		412,327,079	484,873,411
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)	636,268,872		636,268,872	631,842,433
	4.2 Properties held for the production of income (less $ .... encumbrances)	45,392,703		45,392,703	46,128,603
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ (225,669,793) , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 610,644,826 , Schedule DA)	384,975,032		384,975,032	279,463,944
6.	Contract loans (including $ .... premium notes)				
7.	Derivatives (Schedule DB)	43,104,015		43,104,015	75,163,965
8.	Other invested assets (Schedule BA)	3,567,640,227	88,396,716	3,479,243,511	3,591,251,422
9.	Receivable for securities	29		29	136,944
10.	Securities lending reinvested collateral assets (Schedule DL)	62,290,053	4,647,703	57,642,350	12,961,363
11.	Aggregate write-ins for invested assets	1,328,385,638		1,328,385,638	1,328,386,153
12.	Subtotals, cash and invested assets (Lines 1 to 11)	25,522,160,158	93,044,419	25,429,115,739	22,639,520,605
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	134,375,529	160,122	134,215,407	117,977,746
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	2,090,633,320	37,990,261	2,052,643,059	1,668,555,462
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	2,756,317,783	10,755,499	2,745,562,284	2,323,353,001
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	208,340,649		208,340,649	306,030,187
	16.2 Funds held by or deposited with reinsured companies	2,727,010		2,727,010	3,509,908
	16.3 Other amounts receivable under reinsurance contracts	373,727		373,727	
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				73,243,255
18.2	Net deferred tax asset	2,111,864,772	799,180,064	1,312,684,708	1,434,870,878
19.	Guaranty funds receivable or on deposit	10,212,621		10,212,621	21,725,409
20.	Electronic data processing equipment and software	459,778,278	279,882,749	179,895,529	132,710,646
21.	Furniture and equipment, including health care delivery assets ($ ....)	118,979,816	118,979,816		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				895
23.	Receivables from parent, subsidiaries and affiliates	223,113,613	17,625	223,095,988	450,777,208
24.	Health care ($ ....) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	780,821,787	403,930,393	376,891,394	379,517,348
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	34,419,699,063	1,743,940,948	32,675,758,115	29,551,792,548
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	34,419,699,063	1,743,940,948	32,675,758,115	29,551,792,548
	DETAILS OF WRITE-INS				
1101.	Corporate owned investment value of life insurance	1,214,739,057		1,214,739,057	1,152,557,153
1102.	Over the counter collateral	112,890,798		112,890,798	175,829,000
1103.	Other investment receivables	755,783		755,783	
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	1,328,385,638		1,328,385,638	1,328,386,153
2501.	Agent benefit investment value of life insurance and annuity contracts	162,223,968		162,223,968	157,055,013
2502.	Deposits and prepaid assets	255,408,275	255,408,275		
2503.	Equities and deposits in pools and associations	139,461,195		139,461,195	139,252,243
2598.	Summary of remaining write-ins for Line 25 from overflow page	223,728,349	148,522,118	75,206,231	83,210,092
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	780,821,787	403,930,393	376,891,394	379,517,348

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	7,865,994,429	6,567,908,582
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	676,073,189	724,944,381
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,812,255,830	1,418,095,919
4.	Commissions payable, contingent commissions and other similar charges	305,481,346	269,169,901
5.	Other expenses (excluding taxes, licenses and fees)	106,936,428	87,088,183
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	94,245,718	81,861,733
7.1	Current federal and foreign income taxes (including $ (55,769,422) on realized capital gains (losses))	23,619,690	
7.2	Net deferred tax liability		
8.	Borrowed money $ 5,004,375 and interest thereon $	5,004,375	37,891,540
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 1,595,101,189 and including warranty reserves of $ 12,879,410 and accrued accident and health experience rating refunds including $ for medical loss ratio rebate per the Public Health Service Act)	5,706,365,499	4,922,676,348
10.	Advance premium	111,297,752	104,326,641
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	7,476,740	5,808,831
12.	Ceded reinsurance premiums payable (net of ceding commissions)	966,268,499	843,811,014
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	579,206	1,642,927
14.	Amounts withheld or retained by company for account of others	925,385,198	783,459,669
15.	Remittances and items not allocated	164,521,532	120,615,983
16.	Provision for reinsurance (including $ certified) (Schedule F, Part 8)	19,773,661	21,064,694
17.	Net adjustments in assets and liabilities due to foreign exchange rates	2,540	
18.	Drafts outstanding		18,370
19.	Payable to parent, subsidiaries and affiliates	302,332,548	379,255,332
20.	Derivatives	82,410,348	154,461,094
21.	Payable for securities	81,462,537	89,458,257
22.	Payable for securities lending	68,430,842	26,078,123
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ and interest thereon $		
25.	Aggregate write-ins for liabilities	1,557,311,698	1,568,156,839
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	20,883,229,605	18,207,794,359
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	20,883,229,605	18,207,794,359
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes	2,164,869,001	2,142,621,071
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	9,627,659,509	9,201,377,118
36.	Less treasury stock, at cost:		
	36.1 shares common (value included in Line 30 $)		
	36.2 shares preferred (value included in Line 31 $)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	11,792,528,510	11,343,998,189
38.	TOTALS (Page 2, Line 28, Col. 3)	32,675,758,115	29,551,792,548
	DETAILS OF WRITE-INS		
2501.	Accrued derivative liability	9,179,940	9,235,606
2502.	Agent's security fund reserves	1,125,812,999	1,155,071,343
2503.	Contingent suit liabilities	21,253,064	10,885,813
2598.	Summary of remaining write-ins for Line 25 from overflow page	401,065,695	392,964,077
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,557,311,698	1,568,156,839
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	13,847,154,163	12,405,018,019
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	7,730,215,657	7,545,922,846
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,434,176,022	1,374,949,701
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	4,929,655,426	4,357,302,358
5.	Aggregate write-ins for underwriting deductions	300,360	455,572
6.	Total underwriting deductions (Lines 2 through 5)	14,094,347,465	13,278,630,477
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(247,193,302)	(873,612,458)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	634,656,420	806,794,340
10.	Net realized capital gains or (losses) less capital gains tax of $ 55,769,422 (Exhibit of Capital Gains (Losses))	11,101,176	(20,861,250)
11.	Net investment gain (loss) (Lines 9 + 10)	645,757,596	785,933,090
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $ 1,160,827 amount charged off $ 62,334,136)	(61,173,310)	(59,043,793)
13.	Finance and service charges not included in premiums	138,402,732	140,724,061
14.	Aggregate write-ins for miscellaneous income	24,929,241	(7,899,251)
15.	Total other income (Lines 12 through 14)	102,158,663	73,781,017
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	500,722,957	(13,898,350)
17.	Dividends to policyholders	9,864,672	7,398,646
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)	490,858,285	(21,296,996)
19.	Federal and foreign income taxes incurred	(8,976,299)	(42,947,318)
20.	Net income (Line 18 minus Line 19)(to Line 22)	499,834,584	21,650,322
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	11,343,998,189	11,294,703,744
22.	Net income (from Line 20)	499,834,584	21,650,322
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 95,162,828	28,628,772	(360,554,102)
25.	Change in net unrealized foreign exchange capital gain (loss)	6,101,855	274,978
26.	Change in net deferred income tax	132,838,781	183,288,261
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(397,274,917)	611,838,035
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	1,294,033	(654,031)
29.	Change in surplus notes	22,247,931	20,993,705
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles	(45,935,891)	23,508,926
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	200,795,173	(451,051,649)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	448,530,321	49,294,445
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	11,792,528,510	11,343,998,189
	DETAILS OF WRITE-INS		
0501.	Loss based assessment payables	300,360	455,572
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	300,360	455,572
1401.	Change in contingent suit liabilities	(10,364,592)	(1,467,235)
1402.	Merger related expenses		(34,764,818)
1403.	Other miscellaneous income	35,293,833	28,332,802
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	24,929,241	(7,899,251)
3701.	Change in surplus - pension and postretirement benefits	153,010,601	
3702.	Change in surplus - SRP additional minimum liabilities	47,784,572	(27,287,322)
3703.	Goodwill amortization		(864,264)
3798.	Summary of remaining write-ins for Line 37 from overflow page		(422,900,063)
3799.	Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	200,795,173	(451,051,649)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	13,381,568,592	11,784,908,776
2.	Net investment income	573,823,308	815,217,685
3.	Miscellaneous income	112,111,718	119,559,039
4.	Total (Lines 1 through 3)	14,067,503,618	12,719,685,500
5.	Benefit and loss related payments	7,958,997,844	7,908,742,897
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	5,945,101,063	5,826,410,635
8.	Dividends paid to policyholders	8,196,763	7,265,191
9.	Federal and foreign income taxes paid (recovered) net of $ (18,982,728) tax on capital gains (losses)	(50,069,822)	(165,473,496)
10.	Total (Lines 5 through 9)	13,862,225,847	13,576,945,227
11.	Net cash from operations (Line 4 minus Line 10)	205,277,771	(857,259,727)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	2,020,239,009	1,796,919,634
	12.2 Stocks	1,146,649,105	199,772,280
	12.3 Mortgage loans	263,445,436	199,749,511
	12.4 Real estate		2,490,284
	12.5 Other invested assets	1,173,514,615	396,605,994
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(26,176)	(2,180)
	12.7 Miscellaneous proceeds	148,168,570	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,751,990,559	2,595,535,523
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	2,560,088,800	814,323,722
	13.2 Stocks	1,149,533,741	1,047,527,296
	13.3 Mortgage loans	172,466,623	128,214,157
	13.4 Real estate	41,278,265	111,808,689
	13.5 Other invested assets	1,109,230,729	784,853,899
	13.6 Miscellaneous applications	13,676,856	58,104,821
	13.7 Total investments acquired (Lines 13.1 to 13.6)	5,046,275,014	2,944,832,584
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(294,284,455)	(349,297,061)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	(32,887,165)	32,863,628
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	227,404,936	1,012,536,003
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	194,517,771	1,045,399,631
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	105,511,088	(161,157,157)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	279,463,944	440,621,101
	19.2 End of period (Line 18 plus Line 19.1)	384,975,032	279,463,944

The Company received securities of $2,202,608,020 from the Harleysville subsidiaries in settlement of balances related to the new pooling agreement (see Note #26).

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	179,132,704	81,478,657	92,137,392	168,473,969
2.	Allied lines	255,323,743	102,666,178	126,831,926	231,157,995
3.	Farmowners multiple peril	294,771,480	128,610,416	143,806,321	279,575,575
4.	Homeowners multiple peril	2,476,277,412	1,197,102,277	1,306,025,671	2,367,354,018
5.	Commercial multiple peril	1,983,326,014	629,051,474	902,978,887	1,709,398,601
6.	Mortgage guaranty				
8.	Ocean marine	3,394,425	8,782,456	1,774,229	10,402,652
9.	Inland marine	180,581,442	64,788,162	81,797,949	163,571,655
10.	Financial guaranty				
11.1	Medical professional liability - occurrence	1,262,029	343,103	583,912	1,021,220
11.2	Medical professional liability - claims-made	3,361,656	723,870	1,166,087	2,919,439
12.	Earthquake	38,463,038	17,502,215	19,033,313	36,931,940
13.	Group accident and health	149,127,808	226,128	183,632	149,170,304
14.	Credit accident and health (group and individual)				
15.	Other accident and health	1,042,123	230,285	246,461	1,025,947
16.	Workers' compensation	383,374,264	103,218,884	162,281,793	324,311,355
17.1	Other liability - occurrence	947,261,394	362,389,165	417,344,961	892,305,598
17.2	Other liability - claims-made	251,230,270	94,354,463	112,710,126	232,874,607
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	72,719,776	32,658,942	35,468,863	69,909,855
18.2	Products liability - claims-made	139,897	117,824	105,017	152,704
19.1, 19.2	Private passenger auto liability	3,730,306,007	1,004,776,869	1,038,979,958	3,696,102,918
19.3, 19.4	Commercial auto liability	1,032,854,157	326,486,853	447,760,721	911,580,289
21.	Auto physical damage	2,623,858,006	736,929,183	795,143,930	2,565,643,259
22.	Aircraft (all perils)				
23.	Fidelity	2,464,904	1,375,795	1,534,906	2,305,793
24.	Surety	13,962,020	5,038,254	5,172,902	13,827,372
26.	Burglary and theft	4,150,403	1,598,312	1,960,934	3,787,781
27.	Boiler and machinery	20,098	(2,111,041)	(2,114,925)	23,982
28.	Credit	104,929	374,070	271,820	207,179
29.	International	(140)	16,708	16,569	(1)
30.	Warranty	2,645,744	24,142,537	12,879,410	13,908,871
31.	Reinsurance - nonproportional assumed property	(268,570)	(38,465)	483,679	(790,714)
32.	Reinsurance - nonproportional assumed liability	(3,296)	(16,924)	(20,220)	
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	14,630,883,737	4,922,816,650	5,706,546,224	13,847,154,163
	DETAILS OF WRITE-INS				
3401.					
3402.					
3403.					
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	91,984,051	153,341			92,137,392
2.	Allied lines	126,133,110	698,816			126,831,926
3.	Farmowners multiple peril	143,806,321				143,806,321
4.	Homeowners multiple peril	1,299,969,039	6,056,632			1,306,025,671
5.	Commercial multiple peril	902,436,044	542,843			902,978,887
6.	Mortgage guaranty					
8.	Ocean marine	1,758,181	16,048			1,774,229
9.	Inland marine	81,706,239	91,710			81,797,949
10.	Financial guaranty					
11.1	Medical professional liability - occurrence	583,912				583,912
11.2	Medical professional liability - claims-made	1,166,087				1,166,087
12.	Earthquake	18,914,869	118,444			19,033,313
13.	Group accident and health	183,632				183,632
14.	Credit accident and health (group and individual)					
15.	Other accident and health	104,353			142,108	246,461
16.	Workers' compensation	162,270,181	11,612			162,281,793
17.1	Other liability - occurrence	407,800,384	9,505,960		38,617	417,344,961
17.2	Other liability - claims-made	102,645,925	10,064,201			112,710,126
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	34,522,696	946,167			35,468,863
18.2	Products liability - claims-made	105,017				105,017
19.1, 19.2	Private passenger auto liability	1,038,977,548	2,410			1,038,979,958
19.3, 19.4	Commercial auto liability	444,160,650	3,600,071			447,760,721
21.	Auto physical damage	795,033,274	110,656			795,143,930
22.	Aircraft (all perils)					
23.	Fidelity	929,197	605,709			1,534,906
24.	Surety	3,883,822	1,289,080			5,172,902
26.	Burglary and theft	1,962,461	(1,527)			1,960,934
27.	Boiler and machinery	(2,115,004)	79			(2,114,925)
28.	Credit	24	271,796			271,820
29.	International	16,569				16,569
30.	Warranty	(454,752)	13,334,162			12,879,410
31.	Reinsurance - nonproportional assumed property	483,679				483,679
32.	Reinsurance - nonproportional assumed liability	(20,220)				(20,220)
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	5,658,947,289	47,418,210		180,725	5,706,546,224
36.	Accrued retrospective premiums based on experience					(180,725)
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					5,706,365,499
	DETAILS OF WRITE-INS					
3401.						
3402.						
3403.						
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written Cols. 1+2+3-4-5
1.	Fire	16,221,090	214,571,331	4,628,852	49,257,962	7,030,607	179,132,704
2.	Allied lines	103,027,190	295,652,580	2,989,289	63,467,003	82,878,313	255,323,743
3.	Farmowners multiple peril	197,392,484	161,829,683		61,670,779	2,779,908	294,771,480
4.	Homeowners multiple peril	242,098,623	2,910,946,884	1,905,318	574,917,246	103,756,167	2,476,277,412
5.	Commercial multiple peril	333,485,662	2,370,957,006	36	671,199,577	49,917,113	1,983,326,014
6.	Mortgage guaranty						
8.	Ocean marine		9,049,542	(385)	5,632,263	22,469	3,394,425
9.	Inland marine	68,228,540	387,326,229	(13)	270,976,959	3,996,355	180,581,442
10.	Financial guaranty						
11.1	Medical professional liability - occurrence	121,842	1,404,617		261,945	2,485	1,262,029
11.2	Medical professional liability - claims-made		4,364,874		1,003,218		3,361,656
12.	Earthquake	3,704,658	43,780,727		8,985,146	37,201	38,463,038
13.	Group accident and health	8,136,538	172,841,767	1,581,864	30,603,980	2,828,381	149,127,808
14.	Credit accident and health (group and individual)						
15.	Other accident and health	213,345	1,043,521		214,743		1,042,123
16.	Workers' compensation	88,353,725	432,252,392	12,995,646	147,593,813	2,633,686	383,374,264
17.1	Other liability - occurrence	174,718,550	1,078,523,723	(7,499)	304,149,603	1,823,777	947,261,394
17.2	Other liability - claims-made	2,079,059	336,520,223		87,243,448	125,564	251,230,270
17.3	Excess workers' compensation						
18.1	Products liability - occurrence	9,025,372	81,971,447		18,244,380	32,663	72,719,776
18.2	Products liability - claims-made		169,738		29,841		139,897
19.1, 19.2	Private passenger auto liability	1,221,462,476	2,267,700,720	86,470,671	(261,899,510)	107,227,370	3,730,306,007
19.3, 19.4	Commercial auto liability	218,395,248	1,351,290,198	(385,029)	535,108,666	1,337,594	1,032,854,157
21.	Auto physical damage	886,996,724	2,400,166,260	49,022	657,789,867	5,564,133	2,623,858,006
22.	Aircraft (all perils)						
23.	Fidelity	1,229,557	1,851,635	15	521,979	94,324	2,464,904
24.	Surety	11,066,902	6,614,647	(18,638)	2,890,247	810,644	13,962,020
26.	Burglary and theft	3,018,709	2,283,180		1,085,443	66,043	4,150,403
27.	Boiler and machinery	7,761,525	1,346,242	(52)	1,324,806	7,762,811	20,098
28.	Credit		130,190		25,261		104,929
29.	International			(87)	53		(140)
30.	Warranty		27,231,275		24,585,531		2,645,744
31.	Reinsurance - nonproportional assumed property	XXX		(314,043)	(48,389)	2,916	(268,570)
32.	Reinsurance - nonproportional assumed liability	XXX		67,143	(6,457)	76,896	(3,296)
33.	Reinsurance - nonproportional assumed financial lines	XXX					
34.	Aggregate write-ins for other lines of business						
35.	TOTALS	3,596,737,819	14,561,820,631	109,962,110	3,256,829,403	380,807,420	14,630,883,737
	DETAILS OF WRITE-INS						
3401.							
3402.							
3403.							
3498.	Summary of remaining write-ins for Line 34 from overflow page						
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 -3)	5 Net Losses Unpaid Current Year (Part 2A , Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	6,006,424	68,657,666	12,722,424	61,941,666	25,946,213	20,218,349	67,669,530	40.2
2.	Allied lines	27,634,097	135,886,058	35,446,395	128,073,760	42,827,093	41,731,346	129,169,507	55.9
3.	Farmowners multiple peril	100,529,564	79,643,817	30,076,534	150,096,847	63,745,657	66,219,134	147,623,370	52.8
4.	Homeowners multiple peril	105,998,980	1,383,816,103	215,621,656	1,274,193,427	430,294,297	459,874,114	1,244,613,610	52.6
5.	Commercial multiple peril	178,973,861	(68,402,554)	(411,403,256)	521,974,563	1,389,824,658	880,305,699	1,031,493,522	60.3
6.	Mortgage guaranty								
8.	Ocean marine		30,692,393	17,779,069	12,913,324	12,743,769	17,126,029	8,531,064	82.0
9.	Inland marine	26,204,543	190,014,782	142,031,142	74,188,183	33,734,288	27,395,035	80,527,436	49.2
10.	Financial guaranty								
11.1	Medical professional liability - occurrence		1,042,486	206,245	836,241	1,620,527	1,611,596	845,172	82.8
11.2	Medical professional liability - claims-made		745,458	155,076	590,382	3,180,971	2,488,513	1,282,840	43.9
12.	Earthquake	1,098	361,102	(20,209)	382,409	1,156,398	457,998	1,080,809	2.9
13.	Group accident and health	4,359,080	111,540,342	21,743,275	94,156,147	1,084,530	561,682	94,678,995	63.5
14.	Credit accident and health (group and individual)								
15.	Other accident and health	42,635	2,505,174	437,380	2,110,429	2,853,079	2,905,765	2,057,743	200.6
16.	Workers' compensation	65,854,689	(299,545,748)	(247,425,165)	13,734,106	901,408,554	567,022,656	348,120,004	107.3
17.1	Other liability - occurrence	64,357,069	250,753,913	28,036,841	287,074,141	1,291,782,959	1,142,817,510	436,039,590	48.9
17.2	Other liability - claims-made	101,915	74,659,815	19,545,758	55,215,972	111,628,210	103,822,320	63,021,862	27.1
17.3	Excess workers' compensation								
18.1	Products liability - occurrence	2,844,682	36,860,927	5,351,583	34,354,026	113,865,166	122,739,575	25,479,617	36.4
18.2	Products liability - claims-made		291	(1,980)	2,271	50,592	176,009	(123,146)	(80.6)
19.1, 19.2	Private passenger auto liability	675,650,672	1,524,740,959	459,981,788	1,740,409,843	2,320,635,337	2,324,332,025	1,736,713,155	47.0
19.3, 19.4	Commercial auto liability	146,908,215	253,095,030	3,078,130	396,925,115	1,049,919,306	748,883,129	697,961,292	76.6
21.	Auto physical damage	460,191,733	1,463,992,362	364,899,829	1,559,284,266	57,293,210	32,788,953	1,583,788,523	61.7
22.	Aircraft (all perils)		15,806	15,798	8			8	
23.	Fidelity	(3,829)	595,417	88,727	502,861	180,135	89,999	592,997	25.7
24.	Surety	932,902	(114,750)	365,856	452,296	5,549	(165,938)	623,783	4.5
26.	Burglary and theft	535,093	1,664,964	392,985	1,807,072	262,598	487,743	1,581,927	41.8
27.	Boiler and machinery	2,090,847	379,454	2,413,827	56,474	149,398	450,372	(244,500)	(1,019.5)
28.	Credit		160,248	13,893	146,355	553,610	1,596,160	(896,195)	(432.6)
29.	International		28,514	28,513	1			1	(100.0)
30.	Warranty		30,756,132	17,031,131	13,725,001	875,650	1,972,809	12,627,842	90.8
31.	Reinsurance - nonproportional assumed property	XXX	8,844,278	1,870,340	6,973,938	7,404,169		14,378,107	(1,818.4)
32.	Reinsurance - nonproportional assumed liability	XXX	9,048,598	9,039,912	8,686	968,506		977,192	
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	1,869,214,270	5,292,439,037	729,523,497	6,432,129,810	7,865,994,429	6,567,908,582	7,730,215,657	55.8
	DETAILS OF WRITE-INS								
3401.									
3402.									
3403.									
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

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	3,970,032	22,003,074	5,119,588	20,853,518	457,657	5,941,568	1,306,530	25,946,213	3,723,123
2.	Allied lines	4,436,989	35,167,464	10,904,041	28,700,412	4,936,645	16,309,962	7,119,926	42,827,093	7,865,072
3.	Farmowners multiple peril	40,649,494	26,222,985	11,448,272	55,424,207	7,320,770	2,739,991	1,739,311	63,745,657	16,240,951
4.	Homeowners multiple peril	27,366,582	386,777,433	70,676,774	343,467,241	9,027,040	95,764,196	17,964,180	430,294,297	80,007,942
5.	Commercial multiple peril	176,550,173	888,741,632	205,627,084	859,664,721	122,925,886	533,842,561	126,608,510	1,389,824,658	535,089,891
6.	Mortgage guaranty									
8.	Ocean marine		20,336,171	11,990,573	8,345,598		11,134,372	6,736,201	12,743,769	3,841,604
9.	Inland marine	2,958,400	35,944,278	17,830,625	21,072,053	5,764,584	28,776,896	21,879,245	33,734,288	3,216,341
10.	Financial guaranty									
11.1	Medical professional liability - occurrence	(6,685)	1,809,147	741,813	1,060,649	86,658	587,894	114,674	1,620,527	855,993
11.2	Medical professional liability - claims-made		4,191,697	2,378,066	1,813,631		1,758,663	391,323	3,180,971	1,441,260
12.	Earthquake	5,896	90,918	16,642	80,172	41,354	1,255,516	220,644	1,156,398	223,569
13.	Group accident and health		10,041	10,041		1,717,118	371,046	1,003,634	(a) 1,084,530	90,393
14.	Credit accident and health (group and individual)									
15.	Other accident and health	1,052,819	1,984,531	620,069	2,417,281	159,794	363,217	87,213	(a) 2,853,079	142,264
16.	Workers' compensation	300,061,699	534,119,025	202,642,075	631,538,649	149,900,587	216,659,653	96,690,335	901,408,554	99,000,146
17.1	Other liability - occurrence	87,959,703	671,390,004	216,329,578	543,020,129	112,786,824	914,867,675	278,891,669	1,291,782,959	368,765,191
17.2	Other liability - claims-made	25,943	71,618,200	24,058,035	47,586,108	1,031,574	88,724,728	25,714,200	111,628,210	121,501,999
17.3	Excess workers' compensation									
18.1	Products liability - occurrence	4,108,844	69,495,777	16,240,701	57,363,920	25,043,801	62,886,726	31,429,281	113,865,166	89,991,580
18.2	Products liability - claims-made		57,500	9,775	47,725	2,853	601	587	50,592	8,528
19.1, 19.2	Private passenger auto liability	872,314,973	1,876,728,642	931,501,334	1,817,542,281	162,667,375	639,401,458	298,975,777	2,320,635,337	288,855,006
19.3, 19.4	Commercial auto liability	192,879,969	790,957,798	310,704,987	673,132,780	99,211,407	462,764,846	185,189,727	1,049,919,306	162,800,254
21.	Auto physical damage	(17,112,133)	101,356,729	19,759,754	64,484,842	484,904	(9,110,392)	(1,433,856)	57,293,210	25,683,168
22.	Aircraft (all perils)		309,384	309,384			393,357	393,357		
23.	Fidelity	52,924	124,964	46,610	131,278	(20,462)	79,977	10,658	180,135	161,879
24.	Surety	43,348	2,102,010	2,074,769	70,589	(64,739)	563,012	563,313	5,549	1,864,917
26.	Burglary and theft	47,371	69,780	21,942	95,209	73,258	128,543	34,412	262,598	49,820
27.	Boiler and machinery	86,348	(188,269)	123,741	(225,662)	118,101	374,259	117,300	149,398	833,041
28.	Credit						667,000	113,390	553,610	
29.	International		173,546	173,546			359,993	359,993		
30.	Warranty						2,202,782	1,327,132	875,650	753
31.	Reinsurance - nonproportional assumed property	XXX	4,139,983	(447,055)	4,587,038	XXX	2,488,426	(328,705)	7,404,169	1,145
32.	Reinsurance - nonproportional assumed liability	XXX	35,501,775	34,927,348	574,427	XXX	93,917,799	93,523,720	968,506	
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	1,697,452,689	5,581,236,219	2,095,840,112	5,182,848,796	703,672,989	3,176,216,325	1,196,743,681	7,865,994,429	1,812,255,830
	DETAILS OF WRITE-INS									
3401.										
3402.										
3403.										
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

		1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1.	Claim adjustment services:				
	1.1 Direct	72,085,952			72,085,952
	1.2 Reinsurance assumed	666,568,733			666,568,733
	1.3 Reinsurance ceded	191,939,917			191,939,917
	1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	546,714,768			546,714,768
2.	Commission and brokerage:				
	2.1 Direct excluding contingent		442,279,909		442,279,909
	2.2 Reinsurance assumed, excluding contingent		2,091,181,810		2,091,181,810
	2.3 Reinsurance ceded, excluding contingent		619,914,699		619,914,699
	2.4 Contingent - direct		91,599,907		91,599,907
	2.5 Contingent - reinsurance assumed		264,439,363		264,439,363
	2.6 Contingent - reinsurance ceded		60,391,824		60,391,824
	2.7 Policy and membership fees				
	2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		2,209,194,466		2,209,194,466
3.	Allowances to managers and agents	599,524	21,293,711	191	21,893,426
4.	Advertising	29,131,897	355,736,700	1,274	384,869,871
5.	Boards, bureaus and associations	18,725,033	6,922,354	38,726	25,686,113
6.	Surveys and underwriting reports	1,999,295	95,030,424	77	97,029,796
7.	Audit of assureds' records	5,342	3,223,549		3,228,891
8.	Salary and related items:				
	8.1 Salaries	554,625,981	1,010,638,493	14,647,649	1,579,912,123
	8.2 Payroll taxes	3,357,749	132,356,256		135,714,005
9.	Employee relations and welfare	110,054,636	88,894,640	2,440,463	201,389,739
10.	Insurance	117,313	18,966,364		19,083,677
11.	Directors' fees		3,168,606		3,168,606
12.	Travel and travel items	44,769,911	69,417,539	364,871	114,552,321
13.	Rent and rent items	32,967,697	145,571,045	583,535	179,122,277
14.	Equipment	25,045,625	36,793,716	2,222,197	64,061,538
15.	Cost or depreciation of EDP equipment and software	1,751,731	80,413,802	8,986	82,174,519
16.	Printing and stationery	7,486,424	43,557,402	7,331	51,051,157
17.	Postage, telephone and telegraph, exchange and express	18,458,701	51,084,165	95,881	69,638,747
18.	Legal and auditing	36,897,671	193,379,303	194,822	230,471,796
19.	Totals (Lines 3 to 18)	885,994,530	2,356,448,069	20,606,003	3,263,048,602
20.	Taxes, licenses and fees:				
	20.1 State and local insurance taxes deducting guaranty association credits of $		257,123,153		257,123,153
	20.2 Insurance department licenses and fees		32,787,229		32,787,229
	20.3 Gross guaranty association assessments		6,301,390		6,301,390
	20.4 All other (excluding federal and foreign income and real estate)		30,321,055		30,321,055
	20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		326,532,827		326,532,827
21.	Real estate expenses			94,804,982	94,804,982
22.	Real estate taxes		1,517,996	16,999,871	18,517,867
23.	Reimbursements by uninsured plans				
24.	Aggregate write-ins for miscellaneous expenses	1,466,724	35,962,068	93,805	37,522,597
25.	Total expenses incurred	1,434,176,022	4,929,655,426	132,504,661	(a) 6,496,336,109
26.	Less unpaid expenses - current year	1,812,255,830	476,842,655	19,608,215	2,308,706,700
27.	Add unpaid expenses - prior year	1,418,095,919	395,384,738	21,009,669	1,834,490,326
28.	Amounts receivable relating to uninsured plans, prior year				
29.	Amounts receivable relating to uninsured plans, current year				
30.	TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,040,016,111	4,848,197,509	133,906,115	6,022,119,735
	DETAILS OF WRITE-INS				
2401.	Service fees		13,570,019		13,570,019
2402.	Other Expenses	(1,211,468)	(10,701,327)	184,751	(11,728,044)
2403.	Outside services and income	2,678,192	32,721,876	(90,946)	35,309,122
2498.	Summary of remaining write-ins for Line 24 from overflow page		371,500		371,500
2499.	Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	1,466,724	35,962,068	93,805	37,522,597

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 23,725,590	22,084,188
1.1	Bonds exempt from U.S. tax	(a) 131,386,338	130,500,605
1.2	Other bonds (unaffiliated)	(a) 277,301,316	296,321,590
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 18,895	18,895
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	6,696,606	6,696,606
2.21	Common stocks of affiliates	196,606,124	196,606,124
3.	Mortgage loans	(c) 47,369,948	47,124,547
4.	Real estate	(d) 110,914,567	110,914,567
5	Contract loans		
6	Cash, cash equivalents and short-term investments	(e) 4,464,562	5,128,816
7	Derivative instruments	(f) (1,961,113)	(1,973,353)
8.	Other invested assets	85,227,404	85,227,404
9.	Aggregate write-ins for investment income	70,925,850	70,925,850
10.	Total gross investment income	952,676,087	969,575,839
11.	Investment expenses		(g) 79,629,127
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 16,999,871
13.	Interest expense		(h) 194,574,730
14.	Depreciation on real estate and other invested assets		(i) 35,875,663
15.	Aggregate write-ins for deductions from investment income		7,840,028
16.	Total deductions (Lines 11 through 15)		334,919,419
17.	Net investment income (Line 10 minus Line 16)		634,656,420
	DETAILS OF WRITE-INS		
0901.	Misc. Income	9,717,365	9,717,365
0902.	Securities Lending	319,462	319,462
0903.	Change in CSV of Life Insurance Assets	60,889,023	60,889,023
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	70,925,850	70,925,850
1501.	Misc. Exp		7,577,244
1502.	Mortgage Service Fees		262,784
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		7,840,028

(a) Includes $ 26,509,609 accrual of discount less $ 43,593,697 amortization of premium and less $ 25,098,969 paid for accrued interest on purchases.

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

(c) Includes $ 5,135,202 accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(d) Includes $ 109,641,648 for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.

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

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

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

(h) Includes $ 194,137,931 interest on surplus notes and $ .... interest on capital notes.

(i) Includes $ 35,875,663 depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	29,420,750		29,420,750	(19,412,742)	
1.1	Bonds exempt from U.S. tax	(2,344,078)		(2,344,078)		
1.2	Other bonds (unaffiliated)	(302,453)	(1,255,244)	(1,557,697)	30,147,167	(3,358,201)
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates				30,000	
2.2	Common stocks (unaffiliated)	10,618,885	305	10,619,190	20,209,655	
2.21	Common stocks of affiliates				59,886,302	
3.	Mortgage loans	6,346,476	7,775,397	14,121,873	(824,592)	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments	47,854,363	(12,594,732)	35,259,631	66,162,259	2,734,245
8.	Other invested assets	(12,004,931)	(7,578,410)	(19,583,341)	73,079,201	7,388,610
9.	Aggregate write-ins for capital gains (losses)	293,578	(26,177)	267,401	(102,240,065)	4,066
10.	Total capital gains (losses)	79,882,590	(13,678,861)	66,203,729	127,037,185	6,768,720
	DETAILS OF WRITE-INS					
0901.	Securities Lending				456,969	
0902.	OCI Unrealized Deferred Gain Securities Transactions				(102,697,034)	
0903.	FX on Currency		(26,177)	(26,177)		4,066
0998.	Summary of remaining write-ins for Line 9 from overflow page	293,578		293,578		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	293,578	(26,177)	267,401	(102,240,065)	4,066

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)	88,396,716	44,690,068	(43,706,648)
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)	4,647,703	6,299,302	1,651,599
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)	93,044,419	50,989,370	(42,055,049)
13.	Title plants (for Title insurers only)			
14.	Investment income due and accrued	160,122	120,026	(40,096)
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	37,990,261	55,721,794	17,731,533
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	10,755,499	12,143,337	1,387,838
	15.3 Accrued retrospective premiums			
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
	16.3 Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset	799,180,064	614,583,231	(184,596,833)
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software	279,882,749	221,628,775	(58,253,974)
21.	Furniture and equipment, including health care delivery assets	118,979,816	124,163,878	5,184,062
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates	17,625	6,779,109	6,761,484
24.	Health care and other amounts receivable			
25.	Aggregate write-ins for other than invested assets	403,930,393	279,722,954	(124,207,439)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,743,940,948	1,365,852,474	(378,088,474)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	1,743,940,948	1,365,852,474	(378,088,474)
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501.	Cash surrender value of insurance		1,292,882	1,292,882
2502.	Deposits and prepaid assets	255,408,275	140,558,325	(114,849,950)
2503.	Equities & deposits in pools & associations		96,970	96,970
2598.	Summary of remaining write-ins for Line 25 from overflow page	148,522,118	137,774,777	(10,747,341)
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	403,930,393	279,722,954	(124,207,439)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

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

C. Accounting Policies

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

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

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

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

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

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. These conditional reserves were $19,773,661 and $21,064,694 as of December 31, 2013 and 2012, respectively.

In addition, the Company uses the following accounting policies:

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

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

3. Unaffiliated common stocks are stated at fair value.

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

   With the exception of Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., Allied Holdings (Delaware), Inc., and Harleysville Group Inc., the admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying audited statutory surplus adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of subsidiaries or affiliated companies is amortized over a period of ten years. Investments in affiliated companies are generally included in stocks. Unamortized goodwill at December 31, 2013 was $1.4 billion of which $454.2 million was nonadmitted because total unamortized goodwill exceeded 10% of adjusted policyholders' surplus as of the end of the prior quarter. Unamortized goodwill at December 31, 2012 was $1.6 billion of which $717.7 million was nonadmitted because total unamortized goodwill exceeded 10% of adjusted policyholders' surplus as of the end of the prior quarter.

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

9. Accounting for derivatives

   The Company uses derivative instruments to manage risks associated with interest rates and foreign currency. These derivative instruments primarily include interest rate swaps and options.

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

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

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

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

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

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

Note 2 - Accounting Changes and Corrections of Errors

Accounting Changes and Corrections of Errors

Adopted Accounting Standards

On January 1, 2013, the Company adopted SSAP No. 92R, Accounting for Postretirement Benefits Other Than Pensions – A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions – A Replacement of SSAP No. 89. The standards require insurers to recognize the funded status of the benefit plans as an asset or liability and include non-vested employees in determining the plan obligations. In addition, a sponsor's fiscal year end will be used as the measurement date for estimating fair value of postretirement benefit assets and liabilities. The guidance contains a transition provision that gives insurers the option to recognize the initial impact to surplus over 10 years. The Company elected to recognize the entire impact upon adoption for the Nationwide Retirement Plan and elected the transition option for the OPEB (Other Post-Employment Benefits) and SRP (Supplemental Retirement Plan) plans. The initial impact of adoption resulted in a $29 million decrease in unassigned funds as of January 1, 2013. As of December 31, 2013, the Company accelerated an additional $55 million of transition obligation to offset current year actuarial gains which eliminated the transition obligation of the SRP. The components of this change are included in the change in non-admitted assets, the cumulative effect of changes in accounting principles, and the change in surplus – pension & postretirement benefits. Refer to Note 12 for the disclosure requirements in accordance with the adopted guidance.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

Pending Accounting Standards

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

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

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

1. On May 1, 2012, the Company purchased all of the publicly held shares of common stock of Harleysville Group Inc. (HGI), making HGI a wholly-owned subsidiary of the Company. HGI is a non-insurance holding company that directly owns six insurance subsidiaries. Effective November 1, 2013, the Company contributed all of the common stock of HGI to Allied Holdings (Delaware), Inc.(Allied Holdings), a wholly-owned subsidiary of the Company. As a result of the contribution, HGI became a wholly-owned subsidiary of Allied Holdings.

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

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

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

NOTES TO FINANCIAL STATEMENTS

On August 1, 2003, the Company purchased 100% of THI Holdings, Inc. (THI) consisting of seven insurance companies. These companies are Victoria Fire & Casualty Company, Victoria Automobile Insurance Company, Victoria National Insurance Company, Victoria Specialty Insurance Company, Victoria Select Insurance Company, Titan Indemnity Company and Titan Insurance Company. Prior to January 1, 2010, Titan Insurance Company had a 100% quota share agreement with Titan Indemnity Company, who also had a 100% quota share agreement with Victoria Fire & Casualty Company. Victoria Fire and Casualty had a 90% quota share agreement with the Company. Effective January 1, 2010, these contracts were amended to a 100% quota share agreement between each entity and the Company. Prior to January 1, 2011, Victoria Fire & Casualty Company, Victoria Automobile Insurance Company, Victoria National Insurance Company, Victoria Specialty Insurance Company and Victoria Select Insurance Company were members of a pool in which Victoria Fire & Casualty Company was the lead company with 100% retrocession which was contributed to the Nationwide Pool. Effective January 1, 2011 the Victoria pool was terminated and each of the Victoria companies were added to the Nationwide pool where the Company retains 83% of the results.

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

3. The cost of the HGI acquisition was $836.8 million, resulting in goodwill of $588.9 million. The Company, along with Nationwide Mutual Fire Insurance Company and Nationwide Corporation, an affiliated company, acquired the remaining interest in NFS outstanding publicly held Class A common stock in exchange for cash consideration of $2.4 billion through its subsidiary Nationwide Corporation. The acquisition resulted in goodwill of $1.77 billion. The cost of the Freedom Specialty acquisition was $16.0 million, resulting in goodwill of $7.3 million. The cost of the VPI acquisition was $30.0 million, resulting in goodwill of $21.5 million. The cost of the THI acquisition was $140.0 million, resulting in goodwill of $5.4 million. The initial cost of the Nationwide Realty acquisition was $158.9 million resulting in goodwill of $44.4 million.

4. Goodwill amortization for the year ended December 31, 2013 related to the purchases of HGI, NFS, FSIC, VPI and THI was $58.9 million, $177.5 million, $725 thousand, $2.1 million and $318 thousand, respectively.

B. Statutory Merger

1. On May 1, 2012, Harleysville Mutual Insurance Company (Harleysville) merged with and into the Company, with the Company as the surviving entity. Harleysville, based in Harleysville, Pennsylvania, increases the Company's commercial lines book of business and expands the national, independent agency distribution network.

2. The transaction above was accounted for as a statutory merger.

3. There were no shares of stock issued in the merger transaction.

4. Pre-merger separate company revenue, net income (loss), and other surplus adjustments for the four months ended April 30, 2012 are (in millions):

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

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

C. Impairment Loss

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

1. The maximum and minimum lending rates for commercial mortgage loans originated during 2013 were 14% and 3%, respectively.

2. The maximum percentage of any one loan to the value of security at the time of the loan was 89.8%.

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

NOTES TO FINANCIAL STATEMENTS

4. Age analysis of mortgage loans

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 418,611,180	$ -	$ 418,611,180
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 11,490,289	$ -	$ 11,490,289
(b) Number of Loans	-	-	-	-	2	-	2
(c) Percent Reduced	%	%	%	%	2.7%	%	2.7%
b Prior Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 490,332,921	$ -	$ 490,332,921
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	8,537,476	-	8,537,476
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 8,537,476	$ -	$ 8,537,476
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 15,408,383	$ -	$ 15,408,383
(b) Number of Loans	-	-	-	-	4	-	4
(c) Percent Reduced	%	%	%	%	3.1%	%	3.1%

5. Disclosure for investment in impaired loans aggregated by type

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year							
1. With Allowance for Credit Losses	$ -	$ -	$ -	$ -	$ 8,852,958	$ -	$ 8,852,958
2. No Allowance for Credit Losses	-	-	-	-	-	-	-
b. Prior Year							
1. With Allowance for Credit Losses	$ -	$ -	$ -	$ -	$ 11,233,974	$ -	$ 11,233,974
2. No Allowance for Credit Losses	-	-	-	-	-	-	-

6. Disclosure for impaired loans

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year							
1. Average Recorded Investment	$ -	$ -	$ -	$ -	$ 10,043,466	$ -	$ 10,043,466
2. Interest Income Recognized	-	-	-	-	4,820,132	-	4,820,132
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash Basis Method of Accounting	-	-	-	-	4,827,869	-	4,827,869
b. Prior Year							
1. Average Recorded Investment	$ -	$ -	$ -	$ -	$ 15,884,796	$ -	$ 15,884,796
2. Interest Income Recognized	-	-	-	-	2,810,996	-	2,810,996
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash Basis Method of Accounting	-	-	-	-	2,360,233	-	2,360,233

NOTES TO FINANCIAL STATEMENTS

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

Allowance for Credit Losses:	12/31/2013	12/31/2012
(a) Balance at beginning of period	$ 8,958,065	$ 16,297,186
(b) Additions charged to operations	$ 661,679	$ 850,974
(c) Direct write-downs charged against the allowances	$ 824,592	$ (5,550,168)
(d) Recoveries of amounts previously charged off	$ (1,479,553)	$ (2,639,927)
(e) Balances at end of period	$ 8,964,783	$ 8,958,065

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

B. Troubled Debt Restructuring for Creditors

	12/31/2013	12/31/2012
1. The total recorded investment in restructured loans, as of year end	$ 13,044,383	$ 15,146,879
2. The realized capital losses related to these loans	$ 3,781,590	$ 4,599,464
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	$ -	$ -

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

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

2. Not applicable.

3. The following table summarizes other-than-temporary impairments for loan-backed securities held at the end of the year based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities for the year ended December 31, 2013:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
12638PAB5	$ 4,243,258	$ 3,863,142	$ 380,116	$ 3,863,142	$ 3,031,262	Q3 '13
35729QAS7	$ 2,027,456	$ 1,627,225	$ 400,231	$ 1,627,225	$ 1,246,695	Q3 '13
61749TAA2	$ 4,985,932	$ 4,592,090	$ 393,842	$ 4,592,090	$ 2,803,102	Q3 '13
01448YAE3	$ 612,471	$ 408,884	$ 203,587	$ 408,884	$ 107,301	Q2 '13
004421VE0	$ 2,746,815	$ 2,287,181	$ 459,634	$ 2,287,181	$ 838,122	Q1 '13
35729QAS7	$ 3,009,551	$ 2,118,111	$ 891,440	$ 2,118,111	$ 819,454	Q1 '13
61749TAA2	$ 5,467,841	$ 5,115,888	$ 351,953	$ 5,115,888	$ 3,114,968	Q1 '13
Total			$ 3,080,803			

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

a. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$ (21,957,855)
2.	12 Months or Longer	$ (43,940,916)

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

1.	Less than 12 Months	$ 1,048,254,826
2.	12 Months or Longer	$ 188,254,268

NOTES TO FINANCIAL STATEMENTS

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

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

E. Repurchase Agreements and Securities Lending Transactions

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

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

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

3. Collateral Received

   a. Aggregate Amount of Cash Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) Open	$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$
(g) Securities Received	
(h) Total Collateral Received	$
2. Securities Lending	
(a) Open	$ 68,430,842
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$ 68,430,842
(g) Securities Received	
(h) Total Collateral Received	$ 68,430,842
3. Dollar Repurchase Agreement	
(a) Open	$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$
(g) Securities Received	
(h) Total Collateral Received	$

   b. The fair value as of the date of each statement of financial position presented of that collateral and of the portion of that collateral that is has sold or repledged: $62,290,053.

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

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

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
1. Repurchase Agreement		
(a) Open	$	$
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater Than 3 years		
(k) Subtotal	$	$
(l) Securities Received		
(m) Total Collateral Reinvested	$	$
2. Securities Lending		
(a) Open	$	$
(b) 30 Days or Less	50,798,413	50,798,413
(c) 31 to 60 Days	2,077,872	2,038,916
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days	4,615,502	4,491,095
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater Than 3 years	7,289,467	4,961,629
(k) Subtotal	$ 64,781,254	$ 62,290,053
(l) Securities Received		
(m) Total Collateral Reinvested	$ 64,781,254	$ 62,290,053
3. Dollar Repurchased Agreement		
(a) Open	$	$
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater Than 3 years		
(k) Subtotal	$	$
(l) Securities Received		
(m) Total Collateral Reinvested	$	$

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

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

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

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

Not applicable.

G. Low-Income Housing Tax Credits

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

Low -Income Housing Tax Credits	Remaining years	Holding Period
East Bank Phase I & II	0	2013
Golden Belt	1	2014
Mayberry Solar, LLC	4	2017
Mayfair Mill LLC	0	2013
Nationw ide Affordable Housing Fund 33	4	2017
Nationw ide Affordable Housing Fund 35	5	2018
Nationw ide Affordable Housing Fund 36	6	2019
Nationw ide Affordable Housing Fund 38	6	2019
Nationw ide Affordable Housing Fund 46	14	2027
Nationw ide Affordable Housing Fund XXIII	3	2016
Nationw ide Ohio ARRA Fund	12	2025
NTCIF-2011 LLC	14	2027
Ohio Equity Fund XVIII	6	2019
Patrick Henry Lofts (611 Jefferson SIF, LLC)	0	2013
River House Landlord, LLC	0	2035
WNC Institutional Tax Credit Fund 36	14	2027
WNC Institutional Tax Credit Fund NW 2013, LLC	11	2028
WNC Institutional Tax Credit Fund XXIV	5	2018

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

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

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

5. There were no write-downs or reclassifications made during the year due to the forfeiture or ineligibility of LIHTC investments.

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a Subject to contractual obligation for w hich liability is not show n										
b Collateral held under security lending agreements	$62,290,053				$62,290,053	$19,260,666	$43,029,387	$62,290,053	0.18%	0.19%
c Subject to repurchase agreements										
d Subject to reverse repurchase agreements										
e Subject to dollar repurchase agreements										
f Subject to dollar reverse repurchase agreements										
g Placed under option contracts										
h Letter stock or securities restricted as to sale	$36,160,000				$36,160,000	$31,985,857	$4,174,143	$36,160,000	0.11%	0.11%
I On deposit w ith states	$62,443,828				$62,443,828	$63,473,931	-$1,030,103	$62,443,828	0.18%	0.19%
j On deposit w ith other regulatory bodies	$8,794,251				$8,794,251	$9,429,839	-$635,588	$8,794,251	0.03%	0.03%
k Pledged as collateral not captured in other categories										
l Other restricted assets	$66,024,398				$66,024,398	$22,865,611	$43,158,787	$66,024,398	0.19%	0.20%
m Total restricted assets	**$235,712,530**	**$0**	**$0**	**$0**	**$235,712,530**	**$147,015,903**	**$88,696,627**	**$235,712,530**	**0.68%**	**0.72%**

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

3. Detail of Other Restricted Assets

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Description of Assts	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Loaned to others under conforming securiteis lending program	$66,024,398				$66,024,398	$22,865,611	$43,158,787	$66,024,398	0.19%	0.20%
Total	**$66,024,398**	**$0**	**$0**	**$0**	**$66,024,398**	**$22,865,611**	**$43,158,787**	**$66,024,398**	**0.19%**	**0.20%**

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable.

B. Write-downs for Impairments

During 2012, underlying private equity investments held in 1492 Capital LLC recognized impairments totaling $15.2 million. During 2013, these underlying investments were further written down by $8.0 million. These write downs were all credit related where internal modeling was used to determine fair value.

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2013 was $160,122.

Note 8 - Derivative Instruments

A. The Company is exposed to certain risks relating to its ongoing business operations which are managed using derivative instruments. The primary risks managed by using derivative instruments are foreign currency, interest rate, equity and credit risks. The Company uses total return swap contracts to synthetically replicate the same investments risks and returns as an investment in an index.

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

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

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

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

Foreign Currency Risk Management. As part of its regular investing activities, the Company may purchase foreign currency denominated investments. These investments and the associated income expose the Company to volatility associated with movements in foreign exchange rates. In an effort to mitigate this risk, the Company uses currency future contracts. As foreign exchange rates change, the increase or decrease in the fair value of the derivative instrument generally offset the changes in the fair value of the hedged item.

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

Asset replication strategy. The Company enters into total return swaps to synthetically create investments as a less expensive alternative to the cash markets. The structure includes a highly rated cash instrument together with a total return swap that follows the return characteristics of a single index. The strategy gains the Company exposure to a risk-free rate of return plus the index return, synthesizing an otherwise permissible investment in an index.

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

NOTES TO FINANCIAL STATEMENTS

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

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

D. No gain or loss recognized in derivative instruments' unrealized gains or losses during the year were excluded from the assessment of hedge effectiveness.

E. There is also no net gain or loss recognized during the year resulting from derivatives that no longer qualify for hedge accounting.

F. 1. In addition, no amounts of gains or losses were classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transaction would occur as anticipated.

2. The Company is not currently engaged in written covered options used for income generation or derivatives account for as cash flow hedges of a forecasted transaction, other than the payment of variable interest on existing financial instruments.

Note 9 - Income Taxes

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

	12/31/2013		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 2,209,775,823	$ 28,005,424	$ 2,237,781,247
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 2,209,775,823	$ 28,005,424	$ 2,237,781,247
(1d) Deferred tax assets nonadmitted	$ 799,180,064	$ -	799,180,064
(1e) Subtotal net admitted deferred tax asset	$ 1,410,595,759	$ 28,005,424	$ 1,438,601,183
(1f) Deferred tax liabilities	$ 62,539,224	$ 63,377,251	$ 125,916,475
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 1,348,056,535	$ (35,371,827)	$ 1,312,684,708

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

	Change		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 164,621,387	$ (56,057,423)	$ 108,563,964
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 164,621,387	$ (56,057,423)	$ 108,563,964
(1d) Deferred tax assets nonadmitted	193,832,938	(9,236,106)	184,596,832
(1e) Subtotal net admitted deferred tax asset	$ (29,211,551)	$ (46,821,317)	$ (76,032,868)
(1f) Deferred tax liabilities	$ 16,115,630	$ 30,037,672	$ 46,153,302
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ (45,327,181)	$ (76,858,989)	$ (122,186,170)

Admission Calculation Components SSAP No. 101

	12/31/2013		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 1,300,377,557	$ 12,307,151	$ 1,312,684,708
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 1,300,377,557	$ 12,307,151	$ 1,312,684,708
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 1,544,992,241
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	$ 110,218,202	$ 15,698,273	$ 125,916,475
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 1,410,595,759	$ 28,005,424	$ 1,438,601,183

NOTES TO FINANCIAL STATEMENTS

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

	Change Ordinary	Change Capital	Change Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ (93,006,158)	$ (29,180,011)	$ (122,186,169)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ (93,006,158)	$ (29,180,011)	$ (122,186,169)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 78,529,741
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	$ 63,794,607	$ (17,641,306)	$ 46,153,301
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ (29,211,551)	$ (46,821,317)	$ (76,032,868)

	12/31/2013	12/31/2012
(3a) Ratio percentage used to determine recovery period and threshold limitation amount	492.846%	439.458%
(3b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	$ 10,299,948,274	$ 9,776,416,665

Impact of Tax Planning Strategies

	12/31/2013 Ordinary	12/31/2013 Capital	12/31/2013 Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 2,209,775,823	$ 28,005,424	$ 2,237,781,247
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 1,410,595,759	$ 28,005,424	$ 1,438,601,183
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	4.08%	0.94%	5.02%

	12/31/2012 Ordinary	12/31/2012 Capital	12/31/2012 Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 2,045,154,436	$ 84,062,847	$ 2,129,217,283
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 1,439,807,310	$ 74,826,741	$ 1,514,634,051
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	2.89%	2.89%

	Change Ordinary	Change Capital	Change Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 164,621,387	$ (56,057,423)	$ 108,563,964
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ (29,211,551)	$ (46,821,317)	$ (76,032,868)
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	4.08%	-1.95%	2.13%

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

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

NOTES TO FINANCIAL STATEMENTS

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

	12/31/2013	12/31/2012	Change
1. Current Income Tax			
(a) Federal	$ (8,976,299)	$ (42,851,795)	$ 33,875,496
(b) Foreign	$ -	$ (14,410)	$ 14,410
(c) Subtotal	$ (8,976,299)	$ (42,866,205)	$ 33,889,906
(d) Federal income tax on net capital gains	$ 55,769,422	$ 8,020,032	$ 47,749,390
(e) Utilization of capital loss carry-forwards	$ -	$ (21,669,808)	$ 21,669,808
(f) Other	$ -	$ (81,113)	$ 81,113
(g) Federal and foreign income taxes incurred	$ 46,793,123	$ (56,597,094)	$ 103,390,217

2. Deferred Tax Assets	12/31/2013	12/31/2012	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 225,112,204	$ 204,438,276	$ 20,673,928
(2) Unearned premium reserve	$ 401,431,042	$ 346,506,208	$ 54,924,834
(3) Policyholder reserves	$ -	$ -	$ -
(4) Investments	$ 14,954,777	$ 32,107,394	$ (17,152,617)
(5) Deferred acquisition costs	$ -	$ 350	$ (350)
(6) Policyholder dividends accrual	$ -	$ -	$ -
(7) Fixed Assets	$ 76,608,881	$ 50,030,660	$ 26,578,221
(8) Compensation benefits accrual	$ 698,835,436	$ 676,504,374	$ 22,331,062
(9) Pension accrual	$ 88,241,677	$ 10,416,344	$ 77,825,333
(10) Receivables - nonadmitted	$ 50,983,225	$ 37,877,196	$ 13,106,029
(11) Net operating loss carry-forward	$ 76,887,815	$ 207,668,972	$ (130,781,157)
(12) Tax credit carry-forward	$ 424,741,678	$ 351,008,200	$ 73,733,478
(13) Other (including items <5% of total ordinary tax assets)	$ 40,893,103	$ 128,596,462	$ (87,703,359)
(14) Capitalized R&E	$ 111,085,985	$ -	$ 111,085,985
(99) Subtotal	$ 2,209,775,823	$ 2,045,154,436	$ 164,621,387
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ 799,180,064	$ 605,347,126	$ 193,832,938
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 1,410,595,759	$ 1,439,807,310	$ (29,211,551)
(e) Capital:			
(1) Investments	$ 28,005,424	$ 62,317,793	$ (34,312,369)
(2) Net capital loss carry-forward	$ -	$ 21,745,054	$ (21,745,054)
(3) Real estate	$ -	$ -	$ -
(4) Other (including items <5% of total capital tax assets)	$ -	$ -	$ -
(99) Subtotal	$ 28,005,424	$ 84,062,847	$ (56,057,423)
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ 9,236,106	$ (9,236,106)
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 28,005,424	$ 74,826,741	$ (46,821,317)
(i) Admitted deferred tax assets (2d + 2h)	$ 1,438,601,183	$ 1,514,634,051	$ (76,032,868)

3. Deferred Tax Liabilities	12/31/2013	12/31/2012	Change
(a) Ordinary:			
(1) Investments	$ 23,564,590	$ 8,648,517	$ 14,916,073
(2) Fixed assets	$ -	$ 1,465,078	$ (1,465,078)
(3) Deferred and uncollected premium	$ -	$ -	$ -
(4) Policyholder reserves	$ -	$ -	$ -
(5) Other (including items <5% of total ordinary tax liabilities)	$ 6,552,298	$ 3,796,113	$ 2,756,185
(6) Compensation and benefit accrual	$ 7,299,047	$ 14,598,094	$ (7,299,047)
(7) Surplus note interest accrual	$ 15,587,833	$ 15,587,833	$ -
(8) Other liabilities	$ -	$ 2,327,959	$ (2,327,959)
(9) Unrealized miscellaneous	$ 9,535,456	$ -	$ 9,535,456
(99) Subtotal	$ 62,539,224	$ 46,423,594	$ 16,115,630
(b) Capital:			
(1) Investments	$ 63,377,251	$ 33,339,579	$ 30,037,672
(2) Real estate	$ -	$ -	$ -
(3) Other (including items <5% of total capital tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ 63,377,251	$ 33,339,579	$ 30,037,672
(c) Deferred tax liabilities (3a99 + 3b99)	$ 125,916,475	$ 79,763,173	$ 46,153,302
4. Net deferred tax asset/(liability) (2i - 3c)	$ 1,312,684,708	$ 1,434,870,878	$ (122,186,170)

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

	12/31/2013	12/31/2012	Change
(a) Adjusted gross deferred tax assets	$ 2,237,781,247	$ 2,129,217,283	$ 108,563,964
(b) Deferred tax liabilities	125,916,475	79,763,173	46,153,302
(c) Net deferred tax assets (liabilities)	$ 2,111,864,772	$ 2,049,454,110	$ 62,410,662
(d) Tax effect of unrealized gains (losses)			(95,162,828)
(e) Prior period adjustment			24,734,709
(f) Change in deferred income tax			$ 132,838,781

NOTES TO FINANCIAL STATEMENTS

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

	12/31/2013	12/31/2012
(a) Current income taxes incurred	$ 46,793,123	$ (56,597,094)
(b) Change in deferred income tax	$ (132,838,781)	$ (183,288,262)
(c) Total income tax reported	$ (86,045,658)	$ (239,885,356)
(d) Income before taxes	$ 546,627,706	$ (34,946,772)
(e) Federal statutory tax rate	35%	35%
(f) Expected income tax expense (benefit) at 35% statutory rate	$ 191,319,697	$ (12,231,370)
(1) Tax-exempt income	$ (37,497,773)	$ (40,894,692)
(2) Dividends received deduction	$ (39,357,151)	$ (119,486,110)
(3) Nondeductible expenses	$ 3,097,156	$ 2,262,886
(4) Deferred tax benefit on nonadmitted assets	$ (81,454,004)	$ 21,273,493
(5) Change in tax reserves	$ (2,301,223)	$ (1,659,723)
(6) Tax credits	$ (73,446,154)	$ (78,829,300)
(7) Other	$ 1,837,246	$ 1,870,969
(8) Extraordinary distribution	$ (26,932,294)	$ -
(9) COLI - change in CSV	$ (21,311,158)	$ (26,005,185)
(10) Merger transaction costs	$ -	$ 13,813,676
(g) Total	$ (86,045,658)	$ (239,885,356)

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

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

	Amount	Origination	Expiration
Operating loss carryforwards	$ 109,140,734	2011	2031
Operating loss carryforwards	$ 110,538,736	2012	2032
Amount of AMT tax credits	$ 31,263	2009	N/A
Amount of AMT tax credits	$ 13,491,755	2010	N/A
Amount of AMT tax credits	$ 858,834	2011	N/A
Amount of AMT tax credits	$ 1,758,770	2012	N/A
Amount of AMT tax credits	$ 104,791,229	2013	N/A
Business credits	$ 41,598,449	2009	2029
Business credits	$ 43,587,087	2010	2030
Business credits	$ 80,195,803	2011	2031
Business credits	$ 73,335,625	2012	2032
Business credits	$ 65,092,863	2013	2033

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

2013	$ -
2012	$ -

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

F. Consolidated Federal Income Tax Return

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

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

A. Nature of Relationships

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

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

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

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of the Company, under which NCMC acts as a common agent in handling the purchases and sales of short-term investments for the respective accounts of the participants. Amounts on deposit with NCMC were $464 million and $334.1 million as of December 31, 2013 and 2012, respectively.

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

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

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

On January 11, 2013, the Company made a capital contribution of $1.8 million to NRI.

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

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

On June 28, 2013, the Company received ordinary dividends in the amount of $97.1 million from the following:
$27.5 million from THI Holdings, Delaware, Inc.
$10.0 million from Crestbrook Insurance Company
$5.5 million from Allied Group, Inc.
$10.0 million from Insurance Intermediaries, Inc.
$7.8 million from Nationwide Services Company
$36.3 million from Nationwide Corporation

On July 10, 2013, the Company received ordinary dividends in the amount of $59 million from HGI. HGI received these dividends from the following:
$15.5 million from Harleysville Preferred
$5.5 million from Harleysville Lake States
$2.5 million from Harleysville Insurance Company
$2.5 million from Harleysville New York
$19 million from Harleysville Worcester
$14 million from Harleysville New Jersey

On August 22, 2013, the Company made a capital contribution of $6 million to NRI.

On December 31, 2010, Nationwide Corporation issued a $272.0 million senior note to the Company in exchange for cash after which Nationwide Corporation purchased a $272.0 million surplus note to capitalize Olentangy Reinsurance, LLC, a Vermont special purpose financial captive insurance subsidiary of Nationwide Life and Annuity Insurance Company, an affiliate. As of June 30, 2013, the senior note was repaid along with the final interest payment.

On September 3, 2013, the Company made a capital contribution of $15.0 million to NNOV8, LLC, an affiliated company.

On November 1, 2013, the Company contributed its investment in Harleysville Group, Inc. (HGI) of $757.4 million to Allied Holdings (Delaware) Inc.

On November 14, 2013, the Company made a capital contribution of $4,511,172 to NRI.

On November 20, 2013, the Company made a capital contribution of $967 thousand to HV Services, an affiliated company.

On December 2, 2013, the Company received transferred assets and liabilities of $91 million from Harleysville Pennland in preparation for dissolution.

On December 16, 2013, the Company received extraordinary dividends in the amount of $30 million from AMCO through AMCO's parent, AGI.

On December 18, 2013, the Company received extraordinary dividends in the amount of $70 million from Nationwide Indemnity Company.

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

On March 29, 2012, the Company made a capital contribution of $57 million to NRI.

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

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

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

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

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

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

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

On December 3, 2012, the Company made a capital contribution of $4 million to NRI.

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

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

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

C. Change in Terms of Intercompany Arrangements

Effective January 1, 2013, the Company changed the reinsurance arrangements under which several affiliated companies cede all their direct and assumed business to the pool. See Note 26 for details.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The gross amounts due from affiliates were $223.1 million and $450.8 million as of December 31, 2013 and 2012, respectively. The gross amounts due to affiliates were $302.3 million and $379.3 million million as of December 31, 2013 and 2012, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

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

F. Management, Service Contracts, Cost Sharing Arrangements

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

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

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

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

NFS is carried using the "look-through" approach of an unaudited downstream noninsurance holding company SCA entity.

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

NOTES TO FINANCIAL STATEMENTS

The Company's pro rata share of the carrying value of NC, comprised of NFS, is $3.5 billion at December 31, 2013. All other assets and liabilities of NC are insignificant.

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

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., Allied Holdings (Delaware), Inc., and Harleysville Group Inc., are unaudited, downstream, noninsurance holding companies. In accordance with the "look through" provisions of SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliates Entities, A Replacement of SSAP No. 88,* valuation of the admitted investments are based on the individual audited SCA entities owned by the holding companies. Additionally, all non-affiliated liabilities, commitments, contingencies, guarantees or obligations of the holding companies are reflected in their respective carrying values. The unaudited assets and the unaudited SCA entities of the holding companies, both of which are immaterial, are non-admitted. The carrying values of the investments in Nationwide Corporation, Allied Group, Inc., THI Holdings (Delaware), Inc., Allied Holdings (Delaware), Inc., and Harleysville Group, Inc. at December 31, 2013, are $3.5 billion, $607.3 million, $ 224.7 million, $760.7 million, and $105.6 million, respectively.

Note 11 - Debt

A. All Other Debt

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

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

In May, 2011, the Company, NFS, and NLIC extended the $600.0 million revolving variable rate credit facility upon expiration of its existing facility of the same amount. The new facility matures on May 6, 2015, with an option to convert outstanding balances at maturity into a one-year term loan. The credit may be used for general corporate purposes. The Company has the option to draw funds at a variable rate based on the Eurodollar rate. The facility contains financial covenants that require Mutual to maintain a statutory surplus in excess of $7.9 billion and the debt is not to exceed 35.0% of statutory surplus, both figures determined as of the end of each fiscal quarter. A breach of these and other named covenants will impact the availability of the line for the other borrowers and may accelerate payment. The Company had no amounts outstanding under the new or existing facilities as of December 31, 2013 and 2012, respectively.

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

In July 2013, the Company entered into an agreement to extend its ability to borrow with the Federal Home Loan Bank of Cincinnati. This extension, which expires on June 27, 2014, allows the Company access to borrow up to $600 million, which would be collateralized by pledged securities. The Company had $2.1 billion and $2.8 billion in eligible collateral and no amounts outstanding under the agreement as of December 31, 2013 and 2012, respectively.

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

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

A. Defined Benefit Plans

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

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

NOTES TO FINANCIAL STATEMENTS

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

Pension costs charged to operations by the Company were $54.3 million and $83.1 million for the years ended December 31, 2013 and 2012, respectively. The Company recorded a prepaid pension asset of $197.8 million and $193.7 million for the years ended December 31, 2013 and 2012, respectively.

The Pension Plan as a whole reported a pension benefit obligation for non-vested employees of $7.6 million for the year ended December 31, 2012.

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

The Company's net periodic postretirement benefit costs (NPPBC) were $7.4 million and $12.3 million for the years ended December 31, 2013 and 2012, respectively. The Company recorded an unfunded liability of $71.2 million for the year ended December 31, 2013 and a prepaid postretirement asset of $33.6 million for the years ended December 31, 2012.

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

The following table summarizes benefit obligations, the fair value of plan assets, funded status and net periodic benefit cost of the pension plan and postretirement benefit plans as a whole at December 31, 2013 and 2012:

1. Change in benefit obligation

a. Pension Benefits

	Overfunded		Underfunded	
	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$4,398,409,822	$0	$261,612,095	$4,290,465,405
2. Service cost	142,953,214	0	5,380,238	157,630,384
3. Interest cost	184,704,624	0	10,261,019	190,603,353
4. Contribution by plan participants	0	0	0	0
5. Actuarial (gain) loss	(580,355,946)	0	(27,306,027)	(46,159,243)
6. Foreign currency exchange rate changes	0	0	0	0
7. Benefits paid	(178,069,547)	0	(18,881,107)	(195,242,396)
8. Plan amendments	11,013,515	0	0	0
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	262,724,414
10. Benefit obligation at end of year	$3,978,655,682	$0	$231,066,218	$4,660,021,917

b. Postretirement Benefits

	Overfunded		Underfunded	
	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$0	$0	$210,474,383	$203,638,090
2. Service cost	0	0	642,167	16,978,266
3. Interest cost	0	0	11,678,113	7,772,773
4. Contribution by plan participants	0	0	5,381,418	0
5. Actuarial (gain) loss	0	0	(29,765,183)	(5,571,462)
6. Foreign currency exchange rate changes	0	0	0	0
7. Benefits paid	0	0	(22,838,429)	(16,895,382)
8. Plan amendments	0	0	94,631,911	0
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	4,552,098
10. Benefit obligation at end of year	$0	$0	$270,204,380	$210,474,383

NOTES TO FINANCIAL STATEMENTS

c. Postemployment & Compensated Absence Benefits

	Overfunded		Underfunded	
	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$0	$0	$19,182,000	$14,252,000
2. Service cost	0	0	1,200,000	6,300,000
3. Interest cost	0	0	0	0
4. Contribution by plan participants	0	0	0	0
5. Actuarial (gain) loss	0	0	(977,000)	730,000
6. Foreign currency exchange rate changes	0	0	0	0
7. Benefits paid	0	0	(3,100,000)	(2,100,000)
8. Plan amendments	0	0	0	0
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0
10. Benefit obligation at end of year	$0	$0	$16,305,000	$19,182,000

2. Change in plan assets

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
a. Fair value of plan assets at beginning of year	$4,389,349,237	$3,926,811,769	$177,076,554	$162,485,530
b. Actual return on plan assets	57,989,680	459,875,800	19,343,470	14,591,024
c. Foreign currency exchange rate changes	0	0	0	0
d. Reporting entity contribution	18,881,107	22,829,469	0	16,895,382
e. Plan participant's contributions	0	0	5,381,418	0
f. Benefits paid	(196,950,654)	(195,242,396)	(23,866,783)	(16,895,382)
g. Business combinations, divestitures and settlements	0	175,074,595	0	0
h. Fair value of plan assets at end of year	$4,269,269,370	$4,389,349,237	$177,934,659	$177,076,554

3. Funded status

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$0	$0	$0	$13,220,063
2. Overfunded plan assets	290,613,688	0	0	0
3. Total assets (nonadmitted)	$290,613,688	$0	$0	$13,220,063
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$0	$7,860,139	$0	$3,015,981
2. Liability for pension benefits	231,066,218	0	13,559,005	0
3. Total liabilities recognized	$231,066,218	$7,860,139	$13,559,005	$3,015,981
c. Unrecognized liabilities	0	$262,812,541	$78,710,716	$43,601,911

4. Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
a. Service cost	$148,333,452	$157,630,384	$642,167	$16,978,266
b. Interest cost	194,965,643	190,603,353	11,678,113	7,772,773
c. Expected return on plan assets	(278,808,694)	(249,249,514)	(11,119,976)	(10,155,346)
d. Transition asset or obligation	0	0	0	0
e. (Gains) and losses	3,947,937	28,556,478	1,072,769	1,955,244
f. Prior service cost or credit	(9,120,806)	(16,463,149)	5,093,375	(1,666,047)
g. (Gain) or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost	$59,317,532	$111,077,552	$7,366,448	$14,884,890

The Prior Service Cost Base established December 31, 2007 and 2006 reflects the enactment of the Pension Protection Act of 2006 on August 17, 2006. The Act provides for EGTRRA Permanence, the permanent increase in the covered pension compensation for qualified pension plans, and the three year cliff vesting for pension plans with hybrid formula features. The Act has no impact on the projected benefit obligation for the years ended December 31, 2013 and 2012.

NOTES TO FINANCIAL STATEMENTS

5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
a.	Items not yet recognized as a component of net periodic cost – prior year	$262,812,541	$431,270,882	$43,601,911	$53,047,921
b.	Net transition asset or obligation recognized	0	0	0	0
c.	Net prior service cost or credit arising during the period	11,013,515	0	94,631,911	0
d.	Net prior service cost or credit recognized	9,120,806	16,463,149	(5,093,375)	1,666,047
e.	Net gain and loss arising during the period	(386,842,959)	(166,089,699)	(36,960,323)	(9,156,813)
f.	Net gain and loss recognized	(3,947,937)	(18,831,791)	(1,072,769)	(1,955,244)
g.	Items not yet recognized as a component of net periodic cost – current year	$(107,844,034)	$262,812,541	$95,107,355	$43,601,911

6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
a.	Net transition asset or obligation	$0	$0	$0	$0
b.	Net prior service cost or credit	$(12,791,978)	$(11,364,299)	$5,093,375	$4,166,942
c.	Net recognized gains and losses	$924,812	$4,058,076	$0	$1,395,437

7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
d.	Net transition asset or obligation	$0	$0	$0	$0
e.	Net prior service cost or credit	$(106,166,233)	$(126,300,554)	$83,612,601	$(5,925,935)
f.	Net recognized gains and losses	$(1,677,801)	$389,113,095	$11,494,754	$49,527,846

8.

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Weighted-average assumptions used to determine net periodic benefit cost as of December 31,				
a. Weighted average discount rate	4.35%	4.35%	4.00%	4.05%
b. Expected long-term rate of return on plan assets	6.50%	6.25%	6.25%	6.25%
c. Rate of compensation increase	Age Graded	Age Graded	Age Graded	Age Graded
Weighted-average assumptions used to determine projected benefit obligations as of December 31,				
d. Weighted-average discount rate	5.15%	4.35%	4.85%	4.00%
e. Rate of compensation increase	Aged Graded	Age Graded	Aged Graded	Age Graded

For measurement purposes, a 7.75% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2013. The rate was assumed to decrease gradually to 5.00% for 2025 and remain at that level thereafter.

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

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

9. The amount of accumulated benefit obligation for defined benefit pension plans was $3.8 billion for the current year and $4.2 billion for the prior year.

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

	2013	2012
Initial rate	8.00%	8.25%
Ultimate rate	5.00%	5.00%
Declining rate	12 years	13 years

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

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost	$ 2,144	$ (2,731)
b. Effect on postretirement benefit obligation	$ 55,084	$ (70,188)

NOTES TO FINANCIAL STATEMENTS

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

	Pension Benefits	Postretirement Benefits
a. 2014	$207,459,985	$17,914,994
b. 2015	211,428,883	18,553,151
c. 2015	217,081,387	18,817,930
d. 2017	224,574,204	19,100,058
e. 2018	232,650,264	19,254,462
f. Thereafter Total	1,314,949,392	95,263,913

13. The Company expects to contribute $14.5 million to the non-qualified pension plan in 2014. The Company does not have a required minimum funding contribution for the NRP and as of this date, has not determined the amount of any contribution.

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

15. Not applicable.

16. Not applicable.

17. Not applicable.

18. Not applicable.

19. Not applicable.

20. The following table shows the accumulated benefit obligation, fair value of plan assets, funded status, and surplus impacts necessary to reflect the full benefit obligation from the implementation of SSAP No. 92R and SSAP No.102.

	Pension Benefits	Postretirement Benefits
Accumulated Benefit Obligation	$3,823,529,336	$270,204,380
Fair Value of Plan Assets	4,269,269,370	177,934,659
Funded (Underfunded) Status	59,547,470	(92,269,721)
Surplus Impact Necessary to reflect the full benefit obligation	0	78,710,716

21. The Company adopted SSAP No. 92R and SSAP No. 102 on January 1, 2013 and elected to recognize the surplus impact of the adoption over a period not exceeding 10 years for certain postretirement benefit and pension plans ("transition option"). The following table shows the surplus impact at adoption for those plans in which the Company has elected the transition option:

(in millions)	Pension Benefits January 1, 2013	Postretirement Benefits January 1, 2013
Funded (underfunded) status	$ 0	$ (92,269,721)
Accrued (prepaid) benefit cost	0	0
Additional minimum liability adjustment	0	0
Reduction in non admitted assets	0	13,559,005
Total transition surplus impact	$ 0	$ (78,710,716)

For the year ended December 31, 2013, the minimum transition liability was $12.4 million. The following table summarizes the expected recognition for the remaining surplus impact of the transition period:

(in millions)	Pension Benefits	Postretirement Benefits
2014	$ 0	$ 12,358,701
2015	0	12,358,701
2016	0	12,358,701
2017-2022	0	41,634,613
Total 2014 - 2022	$ 0	$ 78,710,716

B. Description of investment policies

The following table summarizes the asset allocation for the pension and postretirement benefit plans, as of the dates indicated:

	Pension Plans		Postretirement Plans	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Percentage of plan assets:				
Debt securities	74%	79%	50%	61%
Equity securities	10%	7%	50%	39%
Other	16%	14%	-	-
Total	100%	100%	100%	100%

NOTES TO FINANCIAL STATEMENTS

The pension plans and the postretirement benefit plans employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. On a periodic basis, the portfolio is analyzed to establish the optimal mix of assets given current market conditions and risk tolerance. Derivatives may be utilized for management of market risk exposures when they provide a more efficient alternative to cash market transactions. Plan investments for retiree life insurance benefits include a retiree life insurance contract issued by NLIC. Plan investments for retiree medical liabilities include both a group annuity contract issued by NLIC, backed by fixed investments with an interest rate guarantee, and a third-party trust. The investment mix is measured and monitored on an ongoing basis through regular investment reviews, annual liability measurements and periodic asset/liability studies.

C. Fair value of plan assets

1. The following table summarizes the pension assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

(in millions)	Level 1	Level 2	Level 3[1]	Total
Assets				
Investments:				
Fixed maturity securities	$271	$2,743	$59	$3,073
Equity securities	416	4	0	420
Guaranteed investment fund	0	0	173	173
Short-term investments	38	0	0	38
Investments at fair value	$725	$2,747	$232	$3,704
Limited partnerships	0	711	0	711
Derivative assets	0	0	0	0
Assets at fair value	$725	$3,458	$232	$4,415
Liabilities				
Derivative liabilities	$0	$2	$0	$2
Collateral pledged for derivatives payable	3	0	0	3
Liabilities at fair value	$3	$2	$0	$5

1 For the year ended December 31, 2013, the balance of the pension assets categorized as Level 3 decreased primarily due to $98 million in transfers out, $69 million in sales of the guaranteed investment fund and $38 million in dispositions of fixed maturity securities, partially offset by $41 million in purchases.

The fair values of pension plan assets are estimated using the same methodologies and inputs as those used to determine the fair values for the respective asset category of the Company. Those methodologies and inputs are disclosed in Note 20.

There were no significant transfers between Levels 1 and 2 during the year ended December 31, 2013.

The following table summarizes the pension assets and liabilities measured at fair value on a recurring basis as of December 31, 2012:

(in millions)	Level 1	Level 2	Level 3[1]	Total
Assets				
Investments:				
Fixed maturity securities	$732	$2,113	$138	$2,983
Equity securities	291	1	-	292
Guaranteed investment fund	-	-	227	227
Short-term investments	153	-	-	153
Investments at fair value	$ 1,176	$2,114	$365	$3,655
Limited partnerships	-	592	-	592
Derivative assets	10	29	-	39
Collateral pledged for derivatives payable	1	-	-	1
Assets at fair value	$1,187	$2,735	$365	$4,287
Liabilities				
Derivative liabilities	3	27	-	30
Liabilities at fair value	$3	$27	$-	$30

1 For the year ended December 31, 2012, the balance of the pension assets categorized as Level 3 decreased primarily due to $53 million in sales of the guaranteed investment fund, partially offset by $44 million in purchases of fixed maturity securities.

There were no significant transfers between Levels 1 and 2 during the year ended December 31, 2013.

As of December 31, 2013, postretirement assets measured at fair value on a recurring basis included $11 million of fixed maturity securities, $88 million of equity securities and $5 million of short-term investments categorized as Level 1 and $74 million of guaranteed investment funds, which includes net gains and losses of $3 million during 2013, categorized as Level 3. The change in unrealized gains in earnings on assets still held at the end of the year was $1 million for the guaranteed investment funds. There were no significant transfers between Levels 1 and 2 during the year ended December 31, 2013.

As of December 31, 2012, postretirement assets measured at fair value on a recurring basis included $28 million of fixed maturity securities, $70 million of equity securities and $9 million of short-term investments categorized as Level 1 and $71 million of guaranteed investment funds, which includes net gains and losses of $3 million during 2012, categorized as Level 3. The change in unrealized gains in earnings on assets still held at the end of the year was $2 million for the guaranteed investment funds. There were no significant transfers between Levels 1 and 2 during the year ended December 31, 2012.

D. Rate of return assumptions

The expected long-term rate of return on plan assets assumption is the long-term rate the Company expects to be earned based on the plans' investment strategies. The Company utilizes historical and expected future returns of multiple asset classes to analyze and develop an expected rate of return, considering expected risk free rates of return and risk premiums. The Company uses an internal capital market expectations analysis that is based upon the strategic asset allocation of the plan assets. The long-term rate of return on plan assets that is derived from this analysis is compared to external benchmarks to ensure reasonableness. Given the prospective nature of this calculation, short-term fluctuations in the market do not impact the expected risk premiums and the expected rate of return on plan assets.

NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plans

The Company, together with other affiliated companies, participates in a defined contribution retirement savings plan (401(k)) covering substantially all employees. Employees make salary deferral contributions of up to 80%. Salary deferrals of up to 6% are subject to a 50% company match. The Company match is funded on a biweekly basis and the expense of such contributions are allocated to the Company based on employee contributions. For the Company as a whole, the expense was $62.2 million and $58.1 million for 2013 and 2012, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) ($17,500 in 2013 and $17,000 in 2012). Other limits also apply.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

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

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

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

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits

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

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

A. Outstanding Shares

Not applicable.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Dividend Restrictions

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

D. Dividends Paid

No dividends were paid by the Company during 2013 or 2012.

E. Profits Available for Ordinary Dividends

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

F. Restrictions on Surplus

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

G. Advances to Surplus Not Repaid

Not applicable.

H. Stock Held by Company for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

NOTES TO FINANCIAL STATEMENTS

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is $684.2 million less applicable deferred taxes of $173.0 million for a net unrealized capital gain of $511.2 million.

K. Surplus Notes

Outstanding surplus notes issued by the Company qualify as regulatory capital. The interest payments are scheduled semi-annually over the life of the surplus notes with the principal due at maturity. The Ohio Director of Insurance (Director) must approve interest and principal payments before they are paid and only to the extent the Company has sufficient policyholders' surplus to make such payment. The following surplus notes were issued in exchange for cash, and are held by depository trust companies.

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
March 25, 2003	7.875%	300,000,000	294,393,292	23,625,000	254,632,191.78		March 31, 2033
November 30, 2001	8.250%	400,000,000	395,766,400	33,000,000	399,073,972.60		November 30, 2031
April 5, 2004	6.600%	400,000,000	399,385,244	26,400,000	257,273,424.66		April 15, 2034
December 2, 2008	5.810%	400,000,000	375,324,065	23,240,000	118,110,136.99		December 15, 2024
August 10, 2009	9.375%	700,000,000	700,000,000	65,625,000	288,390,410.96		August 15, 2039
	Total	2,200,000,000	2,164,869,001	171,890,000	1,317,480,137	0	XXX

The notes were issued in accordance with Section 3901.72 of the Ohio Revised Code. Except as provided in Section 3901.72, the notes are not part of the legal liabilities of the Company and are not a liability or claim against the Company or any of its assets. The notes are unsecured obligations of the Company and are expressly subordinated in right of payment to all existing and future claims and senior indebtedness, including all insurance policies and existing or future indebtedness issued, incurred, or guaranteed by the Company, including similarly subordinated obligations. In the event of a liquidation proceeding, holders of indebtedness, policy claims and prior claims would have a greater preference under both the Liquidation Act and the terms of the notes and, accordingly, would have the right to be paid in full before any payments of interest and principal are made to the note holders. The surplus notes may be redeemed by the Company, with the approval of the Director, at any time for a redemption price equal to the greater of 100% of their principal amount or the sum of the present value of the remaining scheduled payments of principal and interest on the notes, discounted to the redemption date on a semi-annual basis, as defined in the borrowing agreement on the notes. Issuance costs were expensed in accordance with statutory accounting principles. Accumulated interest expense incurred for each of the notes is included in net investment income earned in the statement of operations.

L. and M. Quasi Reorganizations

Not applicable.

Note 14 – Contingencies

A. Contingent Commitments

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

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

The Company has guaranteed the timely payment and performance of the obligations of its unconsolidated subsidiary, Nationwide Indemnity Company, under reinsurance agreements between Indemnity and Employers Insurance of Wausau (EIOW) and certain of its affiliated property and casualty companies. These reinsurance agreements provided for the transfer in 1998 to Nationwide Indemnity Company of loss and loss expense reserves, including reserves for asbestos and environmental claims, from EIOW and certain of its affiliated property and casualty companies. As of December 31, 2013 and 2012, losses and loss expense reserves covered by this guarantee totaled $1.4 billion in both year, including approximately $1.3 billion and $1.2 billion, respectively for asbestos and environmental claims.

The Company has guaranteed loans to its agents with various maturities issued by Nationwide Bank, a subsidiary of the Company, which totaled $56.3 million and $70.7 million at December 31, 2013 and 2012, respectively. Each guarantee requires the Company to satisfy the outstanding loan amount of any loan in the event of agent default. Such loans are deemed to be in default when the borrower is 90 days or more past due on contractually required payments. Based on historical evidence and agent delinquency rates, the performance risk of this guarantee is possible as of December 31, 2013. However, if action is required, the impact to the Company's statutory financial position would be immaterial.

The Company has guaranteed the indebtedness of its subsidiary, Nationwide Life, for a term loan for servicing rights to Nationwide Advantage Mortgage Corporation (NAMC). At December 31, 2013 and 2012, the amount of the guarantee was $17.9 million in both years and matures on November 16, 2019. Pursuant to the terms of this guarantee, the Company would be required to repay Nationwide Life in the event of default by NAMC. As of December 31, 2013, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NAMC's payment history, as NAMC is current in all payments of principal and interest.

The Company has guaranteed the indebtedness of its subsidiary, NAMC, for a Working Capital Facility. At December 31, 2013 and 2012, the amount of the guarantee was $18 million and $17.8 million, respectively. Pursuant to the terms of this guarantee, the Company would be required to repay JPM Chase in the event of default by NAMC. The guarantee expired in February 2012 and was renegotiated with Fifth Third Bank and matures on May 6, 2015. As of December 31, 2013, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NAMC'S payment history, as NAMC is current in all payments of principal and interest.

The Company has guaranteed the indebtedness of its subsidiary,NRI, for a Working Capital Facility. At December 31, 2013 and 2012, the amount of the guarantee was $18 million and $0, respectively, and matures on May 6, 2015. Pursuant to the terms of this guarantee, the Company would be required to repay Huntington National Bank in the event of default by NRI. As of December 31, 2013, the Company's assessed performance risk of the guarantee is low. This assessment has been determined in consideration of NRI'S payment history, as NRI is current in all payments of principal and interest.

NOTES TO FINANCIAL STATEMENTS

On January 14, 2010, the Company guaranteed the indebtedness of NRI for a Working Capital Facility. At December 31, 2013 and 2012, the amount of the guaranty was $18 million and $0.9 million, respectively, and matures on May 16, 2015. Pursuant to the terms of this guarantee, the Company would be required to repay Fifth Third Bank in the event of default by NRI. As of December 31, 2013, the Company's assessed performance risk of the guaranty is low. This assessment has been determined in consideration of NRI's payment history, as NRI is current in all payments of principal and interest.

The Company has guaranteed full payment of workers' compensation claims for certain wholly-owned subsidiaries. The guarantee is required by the Ohio State Workers' Compensation Fund to allow smaller subsidiaries to be self insured, and pursuant to the terms of this guarantee, the Company would be required to pay $2.0 million for each accident or $2.0 million for each employee disease. Credit risk of external insurance remains with the Company. Based on historical evidence, the performance risk of this guarantee is remote as of December 31, 2013. The maximum amount of the obligation under this guarantee is not determinable.

At December 31, 2013, the Company has unfunded commitments of $669.3 million related to its investments in limited partnerships and limited liability companies.

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Guarantee the indebtedness of COLHOC Limited Partnership for a credit facility	No liability recognized *	Expense	$65M	Performance risk is low.
Guarantee timely payment and performance of Nationwide Indemnity Company for A&E claims from Emplyers Insurance of Wausau (EIOW)	No liability recognized *	Investment in SCA	$1.4B	Performance risk is low.
Guarantee loans to agents issued by Nationwide Bank	No liability recognized *	Expense	$56.3M	Performance risk is possible.
Guarantee the indebtedness of Nationwide Life Insurance Company for a term loan for servicing rights to NAMC	No liability recognized *	Investment in SCA	$25M	Performance risk is low based on timely payment history.
Guarantee the indebtedness of NAMC for a Working Capital Facility	No liability recognized *	Investment in SCA	$35M	Performance risk is low based on timely payment history.
Guarantee the indebtedness of NRI for a Working Capital Facility	No liability recognized *	Investment in SCA	$25M	Performance risk is low.
Guarantee the indebtedness of NRI for a Working Capital Facility	No liability recognized *	Investment in SCA	$50M	Performance risk is low.
Guarantee full payment of workers' compensation claims for certain wholly-owned subsidiaries	No liability recognized *	Investment in SCA	Not determinable.	Performance risk is remote.

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

a.	Aggregate Maximum Potential Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	$1,656,300,000
b.	Current Liability Recognized in F/S:	
	1. Noncontingent Liabilities	-
	2. Contingent Liabilities	-
c.	Ultimate Financial Statement Impact if action under the guarantee is required.	
	1. Investments in SCA	1,535,000,000
	2. Joint Venture	
	3. Dividends to Stockholders (capital contribution)	
	4. Expense	121,300,000
	5. Other	
	6. Total (should equal (3)a.)	$ 1,656,300,000

B. Guaranty Fund and Other Assessments

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

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013 and 2012, the Company accrued a liability for guaranty fund and other assessments of $10.3 million and $12.6 million, respectively and a related premium tax benefit asset of $911 thousand and $9.1 million, respectively. These represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

(1) Description	(2) Amount
a. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges prior year-end	$ 9,100,602
b. Decreases current year:	
Premium tax offsets applied	$ 327,496
Change in accrued premium tax offsets	$ 7,862,446
d. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges current year-end	$ 910,661

C. Gain Contingencies

Not applicable.

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

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

Claims related ECO and bad faith losses paid during the reporting period: $6.9 million

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

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

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

E. Product Warranties

Not applicable.

F. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation were reserved net of anticipated recoveries for $53.5 million and $49.0 million at December 31, 2013 and 2012, respectively. The Company is contingently liable under certain structured settlement agreements (See Note 27A).

The Company was also subject to two consolidated class action lawsuits in connection with the transactions with Harleysville and HGI. On December 14, 2012, the Court entered a final order approving settlement of the policyholder consolidated lawsuits. Administration of the settlement is ongoing.

On December 17, 2013, the court approved the settlement of the shareholder lawsuit. The appeal period has expired and the case has been dismissed.

The Company has also purchased annuities to fund workers' compensation indemnity claims where there has been no settlement with the claimant. The Company released its claim reserve, but remains contingently liable for the estimated life expectancy payout of $18.6 million.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The rental expense for 2013 and 2012 was approximately $56.6 million and $60.0 million, respectively.

2. At January 1, 2013, the future minimum rental payments in the aggregate and for each of the five succeeding years are as follows:

Year Ending December 31	Operating Leases
2014	$62,174,087
2015	$56,397,890
2016	$45,311,463
2017	$31,399,662
2018	$21,933,798
Thereafter	$59,882,583
Total	$277,099,482

3. Sale Leaseback for 2013

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

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

	Assets		Liabilities	
Description	**2013 Notional**	**2012 Notional**	**2013 Notional**	**2012 Notional**
a. Swaps	1,330,358,986	1,250,199,428	1,225,183,737	1,076,357,075
b. Futures	169,388,780	575,715,625	459,375	981,774,375
c. Options	-	-	-	-
Total	**1,499,747,766**	**1,825,915,053**	**1,225,643,112**	**2,058,131,450**

B. Notional amounts of derivative financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to the Company, including accrued interest receivable due from counterparties, net of collateral received.

C. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements and other contract provisions.

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

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

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

   The fair value of loaned securities was $66,937,757 at December 31, 2013. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2013.

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

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

2. No servicing assets or liabilities were recognized during the period.
3. No servicing assets or liabilities were recognized during the period.
4. There were no assets securitized during the period.
5. There were no transfers of financial assets accounted for as a secured borrowing.
6. There were no transfers of receivables with recourse.
7. Nationwide Mutual Fire Insurance Company (NMFIC) entered into a repurchase agreement with Mutual on September 27, 2013.

   a. None.

   b. The underlying security is a FNMA commercial mortgage backed bond with a maturity date of January 17, 2037. The book value as of September 30, 2013 was $241,889 and a market value of $227,430. This agreement was closed on October 1, 2013.

   c. None.

   d. None.

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales

1. On January 29, 2013, the Company's objective was to purchase certain securities for $20 million and hold these securities to fulfill this investment objective. The Company took delivery of $1 million of these securities with the intent of purchasing additional units on the grey market. When the additional units were scheduled to be purchased, the price per unit was in excess of the Company's objective pricing. The basis in the initial purchase of these securities was too low to monitor, and subsequently these holdings were sold. On February 6, 2013 the prices became aligned with the Company's objective and the Company purchased the securities at its desired price.

2. The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2013 and reacquired within 30 days of the sale date are:

	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
BONDS				
A) NAIC 3	3	$ 1,000,000	$ 1,008,750	$ 16,250
B) NAIC 4		$	$	$
C) NAIC 5		$	$	$
D) NAIC 6		$	$	$
PREFERRED STOCK				
E) NAIC P/RP3		$	$	$
F) NAIC P/RP4		$	$	$
G) NAIC P\RP5		$	$	$
H) NAIC P/RP6		$	$	$

Description of the security sold	Portfolio	NAIC Rating	Original Purchase Trade Date	Sale Trade Date	Reacquisition Trade Date	Gain/(Loss)
Sabine Pass Liquefaction (785592AA4)	101	3	1/29/2013	1/29/2013	2/6/2013	16,250

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

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

Note 20 – Fair Value Measurements

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

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

The Company categorizes financial assets and liabilities as follows:

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

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

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

NOTES TO FINANCIAL STATEMENTS

The Company reviews its fair value hierarchy classifications for financial assets and liabilities quarterly. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications are reported as transfers at the beginning of the period in which the change occurs.
To determine the fair value of bonds and stocks for which market quotations are available, independent pricing services are most often utilized. For these bonds and stocks, the Company obtains the pricing services' methodologies, inputs and assumptions and classifies the investments accordingly in the fair value hierarchy.

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

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

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

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

Fair Value Measurements as of December 31, 2013

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
U.S. Government bonds	-	-	-	-
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	-	-	-
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	186,218,417	16,805,307	203,023,724
Total Bonds	-	186,218,417	16,805,307	203,023,724
Sec Lending	-	11,491,640	-	11,491,640
Preferred Stocks	-	178,000	88,764	266,764
Common Stocks	190,276,555	25,000,000	20,116,824	235,393,379
Loans held for sale	-	-	20,973,569	20,973,569
Separate Account Assets	-	-	-	-
Derivative Assets	-	43,104,015	-	43,104,015
Total Assets at Fair Value	190,276,555	265,992,073	57,984,464	514,253,092
Liabilities at Fair Value				
Derivatives Liabilities	-	82,410,348	-	82,410,348
Total Liabilities at Fair Value	-	82,410,348	-	82,410,348

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

	Beginning Balance at 9/30/2013	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	1,692,727	-	-	-	411,346	-	-	(2,104,074)	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Misc.	21,115,095	-	-	-	(1,933,825)	78,590	-	(2,493,274)	38,722	16,805,307
Total Bonds	**22,807,822**	**-**	**-**	**-**	**(1,522,479)**	**78,590**	**-**	**(4,597,348)**	**38,722**	**16,805,307**
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	88,764	-	-	-	-	-	-	-	-	88,764
Common Stocks	17,736,934	-	-	-	2,379,890	-	-	-	-	20,116,824
Loans held for sale	20,610,491	-	-	-	20,532	-	-	(28,177)	370,722	20,973,568
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	**61,244,011**	**-**	**-**	**-**	**877,943**	**78,590**	**-**	**(4,625,525)**	**409,443**	**57,984,463**
Liabilities										
Derivatives Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

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

	Beginning Balance at 12/31/2012	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
Assets at Fair Value										
U.S. Government bonds	-	-	-	-	-	-	-	-	-	-
States, Territories and Possessions	-	-	-	-	-	-	-	-	-	-
Political subdivisions	-	-	-	-	-	-	-	-	-	-
Special revenues	-	2,032,921	-	-	-	71,152	-	(2,104,074)	-	-
Hybrid Securities	-	-	-	-	-	-	-	-	-	-
Credit tenant loans	-	-	-	-	-	-	-	-	-	-
Industrial & Misc.	33,551,264	2,930,150	(19,173,092)	(203,587)	4,514,014	1,110,816	-	(6,303,430)	379,171	16,805,307
Total Bonds	**33,551,264**	**4,963,072**	**(19,173,092)**	**(203,587)**	**4,514,014**	**1,181,968**	**-**	**(8,407,503)**	**379,171**	**16,805,307**
Sec Lending	-	-	-	-	-	-	-	-	-	-
Preferred Stocks	88,764	-	-	-	-	-	-	-	-	88,764
Common Stocks	6,107,715	-	-	20,585	646,925	13,500,000	-	(158,401)	-	20,116,824
Loans held for sale	34,458,795	-	-	-	7,145,257	-	-	(22,154,888)	1,524,404	20,973,568
Separate Account Assets	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-
Total Assets at Fair Value	**74,206,538**	**4,963,072**	**(19,173,092)**	**(183,002)**	**12,306,196**	**14,681,968**	**-**	**(30,720,792)**	**1,903,575**	**57,984,463**
Liabilities										
Derivatives Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Assets						
Bonds	$ 11,411,741,893	$ 10,882,744,740	$ 1,698,560,882	$ 9,468,393,986	$ 244,787,025	$ -
Stocks	7,719,525,792	7,719,525,792	-	-	7,719,525,792	
Mortgage loans	423,531,910	391,353,511	-	-	423,531,910	
Short-term investments	610,644,825	610,644,825	34,479	610,610,346	-	
Derivative assets	-	-	-	-	-	
Policy loans	-	-	-	-	-	
Securities lending collateral assets1	50,798,413	50,798,413	-	50,798,413	-	
Total Assets	$ 20,216,242,833	$ 19,655,067,281	$ 1,698,595,361	$ 10,129,802,745	$ 8,387,844,727	$ -
Liabilities						
Derivative liabilities	$ -	$ -	$ -	$ -	$ -	
Total Liabilities	$ -	$ -	$ -	$ -	$ -	

1 - Includes non admitted assets

Note 21 - Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures and Unusual Items

As of December 31, 2013, the Company has commitments for unsettled purchases of private placement securities, including bank loans of $787 million.

As of December 31, 2013 the Company had posted cash collateral of $109,726,423 to counterparties and held cash collateral of $80,778,000 for open derivatives contracts. Cash collateral posted to counterparties is recorded as a receivable asset on page 2 while cash collateral received and held is recorded as a payable liability on page 3. Cash collateral received is invested in short-term investments and bonds. The Company held no material securities as off-balance sheet collateral pledged by derivative counterparties as of December 31, 2013.

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

Should losses arising from an earthquake cause a deficit in the CEA, additional funding would be obtained from the proceeds of revenue bonds the CEA may issue, an existing reinsurance layer and finally, if needed, assessments on participating insurance companies, to restore the CEA capital to the statutory minimum-capital level of $350 million. All future assessments on participating CEA insurers are based on their CEA market share as of December 31 of the preceding year. As of December 31, 2013, the Company has not been charged an assessment.

Additionally, based on the Company's earthquake-insurance risk profile, the Company may be required to pay risk-capital surcharges in addition to its required capital contribution and any required loss assessments. The Company's earthquake-insurance risk profile is determined by the CEA and indicates the likelihood and magnitude of additional CEA losses from insuring the Company's book of business during its first full year of CEA participation. As of December 31, 2013, the CEA completed its review of the Company's risk profile and determined that no assessment was necessary.

NOTES TO FINANCIAL STATEMENTS

Effective July 1, 2013, Nationwide group renewed its Property Per Risk Program on an enterprise-wide basis cover risk underwritten by the Company. The structure remains unchanged at $115 million excess of $10 million.

Effective June 1, 2013, the Company renewed its Property Catastrophe Program as follows: South East Regional Tower (covering the states of Delaware, District of Columbia, Georgia, Maryland, Pennsylvania, North Carolina, South Carolina, Virginia, and West Virginia) 70% of $500.0 million in excess of $500.0 million; Northeast Regional Tower (covering the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont) 70% of $500.0 million in excess of $500.0 million; National Tower, first layer 70% of $150.0 million in excess of $1.0 billion; second layer 70% of $350.0 million in excess of $1.2 billion; third layer 70% of $300.0 million in excess of $2.2 billion; fourth layer 70% of $500.0 million in excess of $2.5 billion.

Effective June 1, 2013, the Company renewed its agreement with Nationwide Insurance Company of Florida for its Property Catastrophe Program as follows: first layer 10% of $36.0 million excess of $13.7 million; second layer 100% of $58.4 million excess of $49.7 million.

On April 4, 2013, the Company and certain of its affiliates entered into a second agreement with Caelus Re 2013 Limited, a Cayman Islands Special Purpose Reinsurance Vehicle, for the purpose of securing additional collateralized, multi-year property catastrophe loss protection through the capital markets. The catastrophe bonds issued as part of this agreement, referred to as Caelus Re 2013 Limited Series 2013-2, also provide reinsurance coverage to the Company for catastrophic events, including hurricanes and earthquakes. The catastrophe bonds are indemnity, trigger-based bonds where the Company recovers losses in excess of a specified level of catastrophic claims, which is reset annually. The Company's attachment point on these catastrophe bonds is $1.5 billion, and the reinsurance agreement is effective June 1, 2013 and expires on March 31, 2017.

On March 7, 2013, the Company and certain of its affiliates entered into an agreement with Caelus Re 2013 Limited, a Cayman Islands Special Purpose Reinsurance Vehicle, for the purpose of securing collateralized, multi-year property catastrophe loss protection through the capital markets. Catastrophe bonds issued as part of this agreement provide reinsurance coverage to the Company for events including hurricanes and earthquakes. The catastrophe bonds are indemnity trigger based bonds where the Company recovers losses in excess of a specified level of catastrophic claims, which is reset annually. The Company's attachment point on the Caelus Re 2013 Limited bond is $1.9 billion. The Caelus Re 2013 Limited agreement is effective June 1, 2013 and expires on February 29, 2016.

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

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

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-Transferable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

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

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

3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	$199,556,953	$176,072,030	$180,494,001	$24,613,923
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*	516,878,958	477,351,021	474,532,465	84,287,568
f. Other Assets	11,930,057	743	743	0
g. Total	$728,365,968	$653,423,794	$655,027,210	$108,901,491

*The Company's subsidiary Nationwide Corporation (through its affiliates) has investments in sub-prime residential mortgage backed securities and joint venture interests. These investments comprise 1.0% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Insurance Company of Florida has investments in subprime residential mortgage backed securities. These investments comprise 0.1% of the subsidiary companies invested assets.

*The Company's subsidiary AMCO Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 0.1% of the subsidiary companies invested assets.

*The Company's subsidiary Nationwide Insurance Company of America has investments in subprime residential mortgage backed securities. These investments comprise 0.2% of the subsidiary companies invested assets.

*The Company's subsidiary Allied Property & Casualty Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 0.4% of the subsidiary companies invested assets.

*The Company's subsidiary Depositors Insurance Company has investments in subprime residential mortgage backed securities. These investments comprise 0.7% of the subsidiary companies invested assets.

*The Company's subsidiary National Casualty Company has investments in subprime residential mortgage backed securities. These investments comprise 2.8% of the subsidiary companies invested assets.

NOTES TO FINANCIAL STATEMENTS

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

*The Company's subsidiary Nationwide Indemnity Company has investments in subprime residential mortgage backed securities. These investments comprise 0.8% of the subsidiary companies invested assets.

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

G. Offsetting and Netting of Assets and Liabilities

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

H. Joint and Several Liabilities

Not applicable.

Note 22 - Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 20, 2014 for the statutory statement issued on February 21, 2014.

Type II – Nonrecognized Subsequent Events:

On January 14, 2014 the Company made a capital contribution to its subsidiary, AICOA, in the amount of $6 million.

On November 6, 2013 Crestbrook received approval from the Ohio Department of Insurance to issue an additional 30,000 shares of common stock with a par value of $50 per share. These additional shares were purchased by the Company on January 7, 2014..

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

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

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

NAIC Group	Reinsurer	FEIN #	Unsecured Reinsurance (000's)
0140	NATIONWIDE MUT FIRE INS CO	31-4177110	$ 2,318,765
0140	SCOTTSDALE INS CO	31-1024978	$ 1,942,353
	MICHIGAN CATASTROPHIC CLAIMS ASSN	AA-9991159	$ 521,624

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed and Ceded

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

(000's)	**Assumed**		**Ceded**		**Assumed Less Ceded**	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	$6,022,421	$942,781	$1,515,548	$281,853	$4,506,873	$660,928
b. All Others	50,568	6,933	79,553	8,950	($28,985)	($2,017)
c. Totals	**$6,072,989**	**$949,715**	**$1,595,101**	**$290,803**	**$4,477,888**	**$658,911**
d. Direct Unearned Premium Reserve			$1,228,477			

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

($000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	$28,783	$229,207	$42,729	$215,261
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	**$28,783**	**$229,207**	**$42,729**	**$215,261**

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

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due from the companies listed below, in the amount of $57,335, which is reflected as:

a. Losses Incurred $ 51,213
b. Loss adjustment expenses Incurred $ -
c. Premiums Earned $ 6,122
d. Other $ -

e.

Company	Amount
XL Reinsurance America	$ 18,943
Arig Insurance Co. LTD	$ 17,003
Old Republic Insurance Co.	$ 21,389

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation during 2013.

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2013.

G. Reinsurance Accounted for as a Deposit

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

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

I. Certified Reinsurer Rating Downgrades or Status Subject to Revocation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

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

B. Method Used to Record

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

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for the current year on retrospective accident and health policies were $543 thousand or 0.26% of accident and health premiums written.

D. Medical Loss Ratio Rebates

Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

(000's)	2013 Calendar Year Losses and LAE Incurred			2013 Loss Year	Shortage	Loss & DCC Shortage	Impact of AO on Total
Line of Business	Losses Incurred	LAE Incurred	Totals	Losses and LAE Incurred	(Redundancy)	(Redundancy)	Shortage (Redundancy)
Homeowners / Farmowners	$1,382,478	$212,986	$1,595,464	$1,615,917	($20,452)	($30,296)	$9,844
Commercial Multiple Peril	$908,590	$232,176	$1,140,766	$1,141,165	($399)	($10,696)	$10,297
Workers' Compensation	$187,267	$31,779	$219,046	$259,685	($40,639)	($39,668)	($971)
Other Liability	$451,954	$175,844	$627,799	$641,512	($13,713)	($25,263)	$11,550
Product Liability	$22,948	$20,450	$43,398	$46,606	($3,208)	($5,967)	$2,759
Auto	$4,384,066	$716,458	$5,100,524	$5,106,913	($6,389)	($26,525)	$20,136
All Others	$392,913	$44,483	$437,395	$436,821	$574	($3,715)	$4,289
Totals	**$7,730,216**	**$1,434,176**	**$9,164,392**	**$9,248,618**	**($84,227)**	**($142,130)**	**$57,903**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $84.2 million (1.1% of prior year reserves) during 2013, as shown in the chart above. The slight redundancy was primarily driven through three lines of business: workers compensation, commercial general liability and standard auto liability. The favorable impacts are primarily due to claims process improvements, increased adequacy of case reserve levels and claim emergence coming in favorable to expectations.

NOTES TO FINANCIAL STATEMENTS

Note 26 - Intercompany Pooling Arrangements

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

The Company is the lead company in the Nationwide Pool. Each pool member company contributes 100% of its underwriting results to the Nationwide Pool though the reinsurance pooling agreement. Effective January 1, 2013, the Company's pooling percentage changed to 83% from 83.7%. In addition, Nationwide Mutual Fire Insurance Company's pooling percentage changed to 12% from 11.3%. A portfolio transfer was completed to redistribute the assets and liabilities of the Company.

As of December 31, 2013 and 2012, the companies in the Nationwide Pool assuming a proportionate share of the pool are:

	NAIC #	2013 Pool	2012 Pool
Nationwide Mutual Insurance Company	23787	83.0%	83.7%
Nationwide Mutual Fire Insurance Company	23779	12.0%	11.3%
Scottsdale Insurance Company	41297	4.0%	4.0%
Farmland Mutual Insurance Company	13838	1.0%	1.0%

Also, effective January 1, 2013, the following companies became zero percent participants in the Nationwide Pool: Harleysville Preferred Insurance Company (NAIC #35696), Harleysville Insurance Company of New Jersey (NAIC #42900), Harleysville Worcester Insurance Company (NAIC #26182), Harleysville Insurance Company of New York (NAIC #10674), Harleysville Pennland Insurance Company (NAIC #40983), Harleysville Lake States Insurance Company (NAIC #14516), and Harleysville Insurance Company (NAIC #23582). Effective December 3, 2013, Harleysville Pennland surrendered its certificate of authority in Pennsylvania and is no longer an insurance company. The remaining assets and liabilities were transferred to the Company.

A portfolio transfer was completed to redistribute the assets and liabilities of the seven companies added to the Nationwide Pool to the Company, Nationwide Mutual Fire Insurance Company, Scottsdale Insurance Company, and Farmland Mutual Insurance Company based on their respective pooling percentages.

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

All lines of business are subject to the pooling agreements.

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

Amounts due to/from the lead entity and pool participants as of December 31, 2013:

Nationwide Pool:

Name of Insurer	Amounts Receivable	Amounts Payable
Nationwide Mutual Insurance Company (Lead Insurer)	$ 106,372,809	$ 254,061,952
Nationwide Mutual Fire Insurance Company	$ 21,879,118	$ 10,430,671
Scottsdale Insurance Company	$ 45,215,556	$ 13,679
Farmland Mutual Insurance Company	$ 48,911,086	$ 35,851,421
Nationwide General Insurance Company	$ 7,567,882	$ 287,007
Nationwide Property & Casualty Insurance Company	$ 21,456,871	$ 10,024,070
Nationwide Affinity Insurance Company of America	$ 6,100,150	$ 10,564,174
Crestbrook Insurance Company	$ 329,438	$ 65,409
Allied Insurance Company of America	$ -	$ 1,525
AMCO Insurance Company	$ 161,531,897	$ 116,118,114
Allied Property & Casualty Insurance Company	$ 12,917,716	$ 8,246,884
Depositors Insurance Company	$ 12,320,853	$ 6,652,493
Nationwide Agribusiness Insurance Company	$ 37,144,201	$ 28,188,387
Victoria Fire & Casualty Company	$ 1,111,846	$ 14,883,087
Victoria Automobile Insurance Company	$ 4,746	$ 126,684
Victoria Specialty Insurance Company	$ 960,326	$ 978,306
Victoria Select Insurance Company	$ 791,210	$ 1,515,898
Victoria National Insurance Company	$ 943	$ 543
Harleysville Worcester Insurance Company	$ 4,101,413	$ 11,767
Harleysville Insurance Company of New Jersey	$ 304,137	$ 2,617,370
Harleysville Preferred Insurance Company	$ 2,297,002	$ 14,429
Harleysville Lake States Insurance Company	$ 1,372	$ 1,497,952
Harleysville Insurance Company	$ 6,156,130	$ 2,159
Harleysville Insurance Company of New York	$ 3,306,403	$ 4,057

The following companies are covered under a separate 100% quota share reinsurance agreement with the Company as of and for the years ended December 31, 2013 and 2012: Nationwide Assurance Company, Titan Insurance Company, Titan Indemnity Company, Nationwide Lloyds, Nationwide Insurance Company of America, National Casualty Company, and Colonial County Mutual Insurance Company. The Company then cedes this business into the Nationwide Pool.

The following companies are covered under a separate 100% quota share reinsurance agreement with Scottsdale Insurance Company as of and for the years ended December 31, 2013 and 2012: Scottsdale Surplus Lines Insurance Company, Western Heritage Insurance Company, Scottsdale Indemnity Company and Freedom Specialty Insurance Company. Scottsdale Insurance Company then cedes 100% of this business to the Company.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Structured Settlements

A. Reserves Released due to Purchases of Annuities

The Company has settled certain losses with structured settlement agreements whereby the Company has purchased an annuity with the claimant as the payee. Certain of these annuities are without qualified assignments. The Company is contingently liable under the settlement agreements without qualified assignments if the annuity-issuing company is unable to meet the payment obligations to the Company's claimant under the settlement agreement. The amortized value of the annuities under such agreements for direct losses as of December 31, 2013 and 2012 is $136.8 million and $150.1 million, respectively.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$136.8 million	$0

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

There were no annuity insurers with balances due greater than 1% of policyholders' surplus in 2013.

Note 28 - Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable.

B. Risk Sharing Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

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

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

Note 31 - High Deductibles

Not applicable.

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

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

A. Tabular Discounts

1. 1987 Commissioner's Group Disability Table (CGDT)
2. For the 1987 CGDT, rate used was the maximum interest rate permitted by law in the valuation of a single premium immediate annuity issued on the same date as the claim incurral date, reduced by one hundred basis points (rates used vary from 2.5% to 10.25%).
3. The December 31, 2013 liabilities include $408 thousand of such discounted reserves.
4. The table below represents the amount of tabular discount as of December 31, 2013.

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners		
2. Private Passenger Auto Liability/Medical		
3. Commercial Auto/Truck Liability/Medical		
4. Workers' Compensation		
5. Commercial Multiple Peril		
6. Medical Professional Liability - occurrence		
7. Medical Professional Liability - claims-made		
8. Special Liability		
9. Other Liability - occurrence		
10. Other Liability - claims-made		
11. Special Property		
12. Auto Physical Damage		
13. Fidelity, Surety		
14. Other (including Credit, Accident & Health)	408,156	
15. International		
16. Reinsurance Nonproportional Assumed Property		
17. Reinsurance Nonproportional Assumed Liability		
18. Reinsurance Nonproportional Assumed Financial Lines		
19. Products Liability - occurrence		
20. Products Liability - claims-made		
21. Financial Guaranty/Mortgage Guaranty		
22. Warranty		
23. Total	$ 408,156	$ -

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

NOTES TO FINANCIAL STATEMENTS

B. Non-Tabular Discounts

The Company does not have any non-tabular discount.

C. Changes in Discount Assumptions

None.

Note 33 - Asbestos/Environmental Reserves

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

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for calendar years 2009 through 2012 have been restated to reflect the merger with Harleysville, as disclosed in Note 3, and are as follows:

(1) **Asbestos Claims - Direct**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 48,960,523	$ 43,967,545	$ 44,791,066	$ 40,413,693	$ 33,531,441
Incurred Loss and Loss Adj. Expense:	$ 738,914	$ 6,793,770	$ 1,850,506	$ 2,210,786	$ 11,468,168
Calendar Year Payments:	$ 5,731,892	$ 5,970,249	$ 6,227,879	$ 9,093,038	$ 7,199,833
Ending Reserve:	$ 43,967,545	$ 44,791,066	$ 40,413,693	$ 33,531,441	$ 37,799,775

(2) **Asbestos Claims - Assumed**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 106,561,745	$ 117,856,830	$ 120,790,128	$ 119,088,275	$ 100,485,294
Incurred Loss and Loss Adj. Expense:	$ 21,244,325	$ 16,397,865	$ 1,495,062	$ (11,785,525)	$ (6,471,268)
Calendar Year Payments:	$ 9,949,240	$ 13,464,567	$ 3,196,915	$ 6,817,456	$ 7,823,676
Ending Reserve:	$ 117,856,830	$ 120,790,128	$ 119,088,275	$ 100,485,294	$ 86,190,350

(3) **Asbestos Claims - Net**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 17,456,772	$ 15,476,664	$ 16,040,151	$ 15,325,002	$ 16,198,995
Incurred Loss and Loss Adj. Expense:	$ (1,255,859)	$ 1,836,177	$ 604,664	$ 3,167,188	$ (1,873,646)
Calendar Year Payments:	$ 724,249	$ 1,272,690	$ 1,319,813	$ 2,293,195	$ 5,676,854
Ending Reserve:	$ 15,476,664	$ 16,040,151	$ 15,325,002	$ 16,198,995	$ 8,648,495

B. Bulk and IBNR Losses and LAE	
(1) Direct	$ 30,997,899
(2) Assumed	$ 65,852,976
(3) Net of Ceded Reisurance	$ 5,540,730

C. Case, Bulk and IBNR LAE	
(1) Direct	$ 14,187,172
(2) Assumed	$ 292,202
(3) Net of Ceded Reisurance	$ 2,298,355

D. See A above

(1) **Environmental Claims - Direct**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 40,058,873	$ 39,361,820	$ 38,867,568	$ 39,340,432	$ 37,228,109
Incurred Loss & Loss Adj. Expense:	$ 3,214,757	$ 2,222,384	$ 3,818,663	$ 1,135,771	$ 1,448,270
Calendar Year Payments:	$ 3,911,810	$ 2,716,636	$ 3,345,799	$ 3,248,094	$ 2,292,626
Ending Reserve:	$ 39,361,820	$ 38,867,568	$ 39,340,432	$ 37,228,109	$ 36,383,753

(2) **Environmental Claims - Assumed**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 119,781,331	$ 88,079,976	$ 49,661,654	$ 38,650,631	$ 26,979,905
Incurred Loss & Loss Adj. Expense:	$ (30,822,001)	$ (33,267,386)	$ (9,475,932)	$ (10,833,775)	$ (1,720,279)
Calendar Year Payments:	$ 879,354	$ 5,150,936	$ 1,535,091	$ 836,951	$ 3,888,061
Ending Reserve:	$ 88,079,976	$ 49,661,654	$ 38,650,631	$ 26,979,905	$ 21,371,565

(3) **Environmental Claims - Net**	2009	2010	2011	2012	2013
Beginning Reserves:	$ 35,270,939	$ 36,896,411	$ 36,484,359	$ 37,245,948	$ 35,240,270
Incurred Loss and Loss Adj. Expense:	$ 5,289,433	$ 2,261,144	$ 4,048,134	$ 1,245,716	$ 1,399,250
Calendar Year Payments:	$ 3,663,961	$ 2,673,196	$ 3,286,545	$ 3,251,394	$ 2,265,699
Ending Reserve:	$ 36,896,411	$ 36,484,359	$ 37,245,948	$ 35,240,270	$ 34,373,820

E. Bulk and IBNR Losses and LAE	
(1) Direct	$ 30,999,605
(2) Assumed	$ 15,564,106
(3) Net of Ceded Reisurance	$ 29,539,853

F. Case, Bulk and IBNR LAE	
(1) Direct	$ 11,352,979
(2) Assumed	$ 187,107
(3) Net of Ceded Reisurance	$ 10,183,761

NOTES TO FINANCIAL STATEMENTS

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

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

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

1.3 State Regulating? OH

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

2.2 If yes, date of change:

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

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

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/07/2013

3.4 By what department or departments?
OH

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

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

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

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

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

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

6.2 If yes, give full information:

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

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12.11 Name of real estate holding company: Blue Vista Sponsor Equity Fund II, LLC, Bridgepoint Hospitality Holdings LLC, Community Reinvestment Partners, LP, Court Avenue District Housing Investment Fund LLC, Crow Holdings Realty Partners V, L.P., GEAM Value Add Realty Partners, LP, Hunt Commercial Realty Partners III LP (fka Capmark III), Invesco Real Estate Fund II, L.P., Legg Mason Real Estate Fund II, Metropolitan Real Estate Partners V, L.P., Nationwide Realty Investors, LLC, NW REI, LLC, Ram Realty Partners II, LP, Rockbridge Hospitality Fund IV, L.P, Rockbridge Real Estate Fund II, Rockbridge Real Estate Fund III LLC, Town Lake of Coppell Apartments, Urban America LP, Urban America LP II, US Industrial REIT II, Wrightwood Capital High Yield Partners II

12.12 Number of parcels involved: 1,221

12.13 Total book/adjusted carrying value: $ 904,965,504

12.2 If, yes provide explanation:
Holding company

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $ 2,336,998
- 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 $ 123,820
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

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

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

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

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

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

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

INVESTMENT

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

24.02 If no, give full and complete information relating thereto
Held on Deposit with States posted as collateral with the Federal Home Loan Bank (FHLB).

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Nationwide utilizes a third party to administer its Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on the balance sheet. Additionally, Nationwide participates in a Cash Release Program. Nationwide can borrow a limited amount of cash from the program subject to the underwriting of the plan administrator. Nationwide pays 1 month LIBOR on the borrowings, a majority of which comes back to Nationwide as earnings on the securities lending program. As of December 31, 2013, Nationwide had loaned $66,937,757 to approved counterparties and received collateral amounts of $68,430,842.

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 62,290,053

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

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

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

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

GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 62,290,053
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 62,290,053
24.103 Total payable for securities lending reported on the liability page. $ 68,430,842

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Pledged as collateral $
25.26 Placed under option agreements $
25.27 Letter stock or other securities restricted as to sale $ 36,160,000
25.28 On deposit with state or other regulatory body $ 62,443,828
25.29 Other $ 8,794,251

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
The company holds some Federal Home Loan Bank (FHLB) stock that can only be sold back to the FHLB or to another member institution at $100 per share.	FHLB stock	25,000,000
Restricted due to pending asset swap (debt for equity)	New Page	11,160,000

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286
Royal Trust	77 King St. West, 10th Flr., Toronto, ON M5W 1p9
Federal Home Loan Bank	221 E. 4th St, Suite 1000, Cincinnati, OH. 45202

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
63867N-17-4	Nationwide Dest 2055-INST Cl (Seed)	1,325,721
63868M-26-6	Nationwide Var Ins Tr Inv Dest Gr Inc Fd	5,350,219
63868M-27-4	Nationwide Var Ins Tr Inv Dest Grwth Fd	5,389,202
63868M-28-2	Nationwide Var Ins Tr Card Grwth Inc Fd	5,433,155
63868M-29-0	Nationwide Var Ins Tr Card Grwth Fd Cl I	5,497,145
63868M-32-4	Nationwide Var Ins Tr Loring Ward Mod Fd	1,166,190
63868M-34-0	Nationwide Var Ins Tr Loring Ward Cap Ap	1,196,084
29.2999 - Total		25,357,716

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Nationwide Dest 2055-INST Cl (Seed)	Nationwide S&P 500 Index Institutional	397,977	12/31/2013
	Nationwide International Index Institutional	359,244	12/31/2013
	Nationwide Mid Cap Market Index Institutional	238,398	12/31/2013
	Nationwide Small Cap Index Institutional	171,964	12/31/2013
	Nationwide Alternatives Allocation Fund Institutional	158,138	12/31/2013
Nationwide Var Ins Tr Inv Dest Gr Inc Fd	NVIT Bond Index Fund Class Y	1,351,465	12/31/2013
	NVIT S&P 500 Index Fund Class Y	1,319,899	12/31/2013
	NVIT Short Term Bond Fund Class Y	680,548	12/31/2013
	NVIT International Index Fund Class Y	676,268	12/31/2013
	NVIT Mid Cap Index Fund Class Y	468,144	12/31/2013
Nationwide Var Ins Tr Inv Dest Grwth Fd	NVIT S&P 500 Index Fund Class Y	1,524,605	12/31/2013
	NVIT Bond Index Fund Class Y	1,164,068	12/31/2013
	NVIT International Index Fund Class Y	829,398	12/31/2013
	NVIT Mid Cap Index Fund Class Y	593,351	12/31/2013
	NVIT Short Term Bond Fund Class Y	536,765	12/31/2013
Nationwide Var Ins Tr Card Grwth Inc Fd	NVIT Short Term Bond Fund Class Y	1,083,914	12/31/2013
	NVIT Multi-Manager Large Cap Value Fund Class Y	743,256	12/31/2013
	NVIT Core Plus Bond Fund Class Y	688,381	12/31/2013
	NVIT Core Bond Fund Class Y	687,837	12/31/2013
	NVIT Multi-Manager Large Cap Growth Fund Class Y	597,104	12/31/2013
Nationwide Var Ins Tr Card Grwth Fd Cl I	NVIT Multi-Manager Large Cap Value Fund Class Y	849,859	12/31/2013
	NVIT Short Term Bond Fund Class Y	792,139	12/31/2013
	NVIT Multi-Manager Large Cap Growth Fund Class Y	705,833	12/31/2013
	NVIT Core Plus Bond Fund Class Y	593,142	12/31/2013
	NVIT Core Bond Fund Class Y	592,592	12/31/2013
Nationwide Var Ins Tr Loring Ward Mod Fd	DFA U.S. Core Equity 1 Portfolio	236,620	12/31/2013
	DFA VA International Value Portfolio	204,083	12/31/2013
	DFA Intermediate Government Fixed Income Portfolio	174,462	12/31/2013
	DFA VA Short-Term Fixed Portfolio	167,232	12/31/2013
	DFA VA US Large Value Portfolio	151,721	12/31/2013
Nationwide Var Ins Tr Loring Ward Cap Ap	USDFA U.S. Core Equity 1 Portfolio	267,923	12/31/2013
	DFA VA International Value Portfolio	215,415	12/31/2013
	DFA VA US Large Value Portfolio	196,277	12/31/2013
	USDFA US Small Cap Portfolio	132,406	12/31/2013
	DFA VA International Small Portfolio	111,116	12/31/2013

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	11,085,802,890	11,614,800,116	528,997,226
30.2 Preferred stocks	3,036,764	3,036,764	
30.3 Totals	11,088,839,654	11,617,836,880	528,997,226

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

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 28,592,021

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

1 Name	2 Amount Paid
Insurance Services Office Inc	9,104,690

34.1 Amount of payments for legal expenses, if any? $ 39,359,468

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

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 916,845

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
Davis and Harman LLP	265,009

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

1.6 Individual policies:

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

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

1.7 Group policies:

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

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

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	150,196,251	134,018,892
2.2	Premium Denominator	13,847,154,163	12,405,018,019
2.3	Premium Ratio (2.1/2.2)	0.011	0.011
2.4	Reserve Numerator	4,458,251	4,021,338
2.5	Reserve Denominator	16,060,688,947	13,633,625,228
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 $ 412,283
3.22 Non-participating policies $ 3,596,325,536

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

5. For Reciprocal Exchanges Only:
5.1 Does the Exchange appoint local agents? Yes [ ] No [ ]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

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

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Exposure of the Pooled Companies to a Workers' Compensation catastrophe is protected by a Liability Excess of Loss (Clash) treaty providing $90M limit excess of $10M per occurrence retention and containing a $10M per claimant limit.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Catastrophic risk to the Pool arises primarily from windstorm events in the eastern United States affecting personal and commercial lines. The company's property exposures are aggregated with the other Nationwide companies and modeled using Applied Insurance Research (AIR) CLASIC/2.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The company's net property-catastrophe exposures, if any, are mitigated through managed coastal growth, purchase of excess of loss reinsurance, policy provisions such as higher deductibles, and enforcement of underwriting guidelines related to building construction, etc.

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

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

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

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

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

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

8.2 If yes, give full information

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

11.2 If yes, give full information

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

12.11 Unpaid losses $

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $

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

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

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

12.41 From %

12.42 To %

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

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

12.61 Letters of credit $ 10,028,310

12.62 Collateral and other funds $ 798,520

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 19,900,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 3

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Companies that are not part of the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements receive a fair and equitable allocation of ceded premium and loss. The terms of the Nationwide Pooling and Quota Share Agreements govern the allocation and recording of ceded premium and loss for the participating companies.

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

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

14.5 If the answer to 14.4 is no, please explain:
Written agreements are in place for all multi-cedent reinsurance treaties that cover any company that does not participate in the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements

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

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

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

		1 2013	2 2012	3 2011	4 2010	5 2009
	Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	7,367,427,993	7,511,624,827	7,323,320,546	6,882,946,128	7,092,725,401
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,432,644,368	4,111,341,840	3,774,847,407	3,585,375,407	3,683,277,744
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,236,772,568	5,368,398,597	5,080,348,960	4,469,481,132	4,490,702,902
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	231,922,531	240,641,474	320,152,768	292,987,071	245,198,654
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(246,900)	20,141,113	52,277,837	72,533	111,242
6.	Total (Line 35)	18,268,520,560	17,252,147,851	16,550,947,518	15,230,862,271	15,512,015,943
	Net Premiums Written (Page 8, Part 1B, Col. 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	6,422,509,450	5,510,879,649	5,434,673,310	5,273,508,170	5,453,286,380
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,281,509,336	3,011,578,102	2,922,314,385	2,929,480,911	3,013,806,722
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,757,789,429	3,797,428,254	3,690,864,393	3,541,399,045	3,566,171,006
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	169,347,388	169,559,073	226,637,177	215,761,891	180,406,930
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(271,866)	3,161,372	52,269,706	60,136	25,832
12.	Total (Line 35)	14,630,883,737	12,492,606,450	12,326,758,971	11,960,210,153	12,213,696,870
	Statement of Income (Page 4)					
13	Net underwriting gain (loss) (Line 8)	(247,193,302)	(873,612,458)	(1,367,698,198)	(130,268,161)	(488,304,040)
14.	Net investment gain or (loss) (Line 11)	645,757,596	785,933,090	220,580,801	398,612,659	256,084,884
15.	Total other income (Line 15)	102,158,663	73,781,017	145,320,726	140,333,441	115,593,650
16.	Dividends to policyholders (Line 17)	9,864,672	7,398,646	7,020,594	5,449,530	4,402,033
17.	Federal and foreign income taxes incurred (Line 19)	(8,976,299)	(42,947,318)	(114,286,969)	(21,616,615)	(176,262,362)
18.	Net income (Line 20)	499,834,584	21,650,322	(894,530,296)	424,845,024	55,234,823
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	32,675,758,115	29,551,792,548	29,149,882,189	28,204,640,921	27,261,995,134
20.	Premiums and considerations (Page 2, Col. 3)					
	20.1 In course of collection (Line 15.1)	2,052,643,059	1,668,555,462	655,306,773	1,520,876,979	1,495,677,787
	20.2 Deferred and not yet due (Line 15.2)	2,745,562,284	2,323,353,001	2,385,065,444	2,017,093,666	2,125,888,085
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	20,883,229,605	18,207,794,359	17,855,178,445	17,618,496,282	17,786,951,724
22.	Losses (Page 3, Line 1)	7,865,994,429	6,567,908,582	6,876,022,870	6,777,680,705	7,068,375,813
23.	Loss adjustment expenses (Page 3, Line 3)	1,812,255,830	1,418,095,919	1,486,267,498	1,419,647,911	1,493,714,925
24.	Unearned premiums (Page 3, Line 9)	5,706,365,499	4,922,676,348	4,835,071,131	4,633,460,895	4,757,790,998
25.	Capital paid up (Page 3, Lines 30 & 31)					
26.	Surplus as regards policyholders (Page 3, Line 37)	11,792,528,510	11,343,998,189	11,294,703,744	10,586,144,639	9,475,043,410
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	205,277,771	(857,259,727)	(174,291,590)	367,758,253	327,637,793
	Risk-Based Capital Analysis					
28.	Total adjusted capital	12,094,715,153	11,345,158,539	11,295,590,015	10,586,144,639	9,474,377,493
29.	Authorized control level risk-based capital	2,187,709,381	2,255,114,424	2,029,869,911	1,843,237,312	1,917,861,090
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30.	Bonds (Line 1)	43.6	37.1			
31.	Stocks (Lines 2.1 & 2.2)	31.3	35.0			
32.	Mortgage loans on real estate (Lines 3.1 and 3.2)	1.6	2.2			
33.	Real estate (Lines 4.1, 4.2 & 4.3)	2.7	3.0			
34.	Cash, cash equivalents and short-term investments (Line 5)	1.5	1.2			
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)	0.2	0.3			XXX
37.	Other invested assets (Line 8)	13.7	16.0			
38.	Receivables for securities (Line 9)	0.0	0.0			
39.	Securities lending reinvested collateral assets (Line 10)	0.2	0.1			XXX
40.	Aggregate write-ins for invested assets (Line 11)	5.2	5.1			
41.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43.	Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	2,770,000	2,740,000	2,680,000	3,020,000	2,960,000
44.	Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	7,716,755,792	7,759,827,722	7,368,372,198	6,835,815,813	6,070,130,969
45.	Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	146,643,347				
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated	1,885,050,049	1,953,248,294	1,258,984,759	874,994,569	1,177,563,995
48.	Total of above Lines 42 to 47	9,751,219,188	9,715,816,016	8,630,036,957	7,713,830,382	7,250,654,964
49.	Total Investment in Parent included in Lines 42 to 47 above					
50.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	82.7	85.6			

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	28,628,772	(360,554,102)	105,453,348	742,307,771	(1,450,435,784)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	448,530,321	49,294,445	(195,834,271)	1,111,101,230	(1,404,687,299)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,798,070,373	4,338,937,832	4,441,818,450	4,140,555,554	4,183,222,998
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,381,149,922	2,400,619,600	2,327,674,345	1,995,862,757	2,069,772,026
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,813,738,271	3,206,920,875	3,929,782,280	2,743,482,249	2,868,563,711
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	150,801,865	184,141,101	240,582,344	247,403,131	203,840,106
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	17,892,876	24,149,937	18,870,936	17,664,659	15,389,036
59. Total (Line 35)	7,161,653,307	10,154,769,345	10,958,728,355	9,144,968,350	9,340,787,877
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,529,142,097	3,433,076,495	3,225,507,419	3,130,999,024	3,192,248,451
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,825,677,356	1,783,252,423	1,821,492,776	1,642,169,234	1,709,630,820
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,959,234,643	2,485,128,281	3,008,965,751	2,269,262,564	2,376,746,574
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	111,093,090	123,615,736	166,625,790	177,018,546	142,383,960
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	6,982,624	28,964,203	14,778,471	10,410,275	9,764,862
65. Total (Line 35)	6,432,129,810	7,854,037,138	8,237,370,207	7,229,859,643	7,430,774,667
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	55.8	60.8			
68. Loss expenses incurred (Line 3)	10.4	11.1			
69. Other underwriting expenses incurred (Line 4)	35.6	35.1			
70. Net underwriting gain (loss) (Line 8)	(1.8)	(7.0)			
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.0	34.3			
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.2	71.9			
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)	124.1	110.1			
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(142,130)	(154,965)	919,400	(452,801)	(113,808)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(1.3)	(1.4)			
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(251,942)	(525,251)	461,753	(328,234)	(107,086)
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)	(2.2)	(4.6)			

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4	5	6	7	8	9		Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
	Direct and Assumed	Ceded	Net (1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received		
1. Prior	XXX	XXX	XXX	94,981	49,642	24,994	9,240	3,141	268	10,732	63,966	XXX
2. 2004	13,290,529	1,020,867	12,269,662	7,066,592	726,160	386,375	49,399	957,532	14,267	349,934	7,620,674	XXX
3. 2005	14,041,684	992,924	13,048,760	7,809,313	1,065,414	445,463	54,670	1,039,732	34,882	365,542	8,139,542	XXX
4. 2006	15,279,841	1,529,099	13,750,742	7,617,967	727,888	431,235	46,873	1,361,217	64,542	388,482	8,571,116	XXX
5. 2007	15,545,302	1,622,799	13,922,503	8,078,148	874,968	426,149	37,792	784,124	39,282	477,057	8,336,379	XXX
6. 2008	15,795,302	2,102,757	13,692,545	9,305,642	1,051,644	415,608	34,819	1,147,188	79,196	419,173	9,702,778	XXX
7. 2009	15,350,979	2,096,870	13,254,109	8,489,264	1,036,934	375,453	36,869	1,046,144	93,385	404,097	8,743,673	XXX
8. 2010	14,925,487	2,016,153	12,909,334	8,023,207	850,887	315,522	29,257	1,040,353	95,895	418,038	8,403,042	XXX
9. 2011	14,148,967	1,365,657	12,783,310	8,478,406	655,538	260,909	28,105	1,040,181	37,018	445,621	9,058,835	XXX
10. 2012	14,650,941	1,478,192	13,172,749	7,454,223	929,205	136,756	10,448	983,128	52,310	440,740	7,582,144	XXX
11. 2013	15,415,909	1,568,754	13,847,154	4,911,904	365,890	41,582	2,439	786,627	27,130	282,343	5,344,654	XXX
12. Totals	XXX	XXX	XXX	77,329,647	8,334,170	3,260,047	339,912	10,189,366	538,174	4,001,759	81,566,804	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	900,332	501,802	476,088	276,175	29,085	20,377	91,889	24,239	16,184	323	10,305	690,663	XXX
2. 2004	110,094	84,141	31,226	8,751	3,731	1,845	13,768	2,008	4,811	53	1,354	66,832	XXX
3. 2005	95,215	47,203	39,041	12,298	5,405	2,064	20,382	1,178	7,395	259	2,810	104,437	XXX
4. 2006	127,085	79,246	54,663	20,185	5,300	415	25,413	1,550	7,664	234	3,381	118,494	XXX
5. 2007	165,188	32,899	68,217	25,567	7,300	836	37,838	1,866	8,296	419	5,651	225,252	XXX
6. 2008	202,711	47,201	90,353	32,588	8,981	1,641	53,042	1,970	11,545	724	7,002	282,508	XXX
7. 2009	269,291	35,315	123,361	43,343	13,398	2,196	74,659	3,597	15,433	962	10,972	410,730	XXX
8. 2010	420,471	48,268	180,869	60,096	24,330	4,625	112,330	5,821	22,877	1,622	16,465	640,445	XXX
9. 2011	862,840	108,633	314,741	97,783	44,756	10,372	214,504	14,468	39,742	3,429	34,927	1,241,895	XXX
10. 2012	1,214,032	107,836	664,137	180,458	46,507	9,701	327,446	25,731	69,946	5,312	63,684	1,993,030	XXX
11. 2013	2,055,199	147,064	1,666,318	268,623	35,831	8,673	448,913	40,061	172,942	10,819	206,665	3,903,964	XXX
12. Totals	6,422,458	1,239,609	3,709,014	1,025,868	224,624	62,744	1,420,185	122,488	376,834	24,155	363,217	9,678,250	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Inter-Company Pooling Participation Percentage	Losses Unpaid	Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	598,444	92,219
2. 2004	8,574,130	886,624	7,687,506	64.5	86.9	62.7			83.0	48,428	18,405
3. 2005	9,461,947	1,217,967	8,243,979	67.4	122.7	63.2			83.0	74,755	29,682
4. 2006	9,630,542	940,932	8,689,610	63.0	61.5	63.2			83.0	82,315	36,179
5. 2007	9,575,260	1,013,630	8,561,631	61.6	62.5	61.5			83.0	174,939	50,313
6. 2008	11,235,070	1,249,784	9,985,286	71.1	59.4	72.9			83.0	213,275	69,233
7. 2009	10,407,004	1,252,601	9,154,403	67.8	59.7	69.1			83.0	313,995	96,735
8. 2010	10,139,959	1,096,472	9,043,487	67.9	54.4	70.1			83.0	492,976	147,469
9. 2011	11,256,077	955,347	10,300,731	79.6	70.0	80.6			83.0	971,163	270,732
10. 2012	10,896,175	1,321,001	9,575,174	74.4	89.4	72.7			83.0	1,589,874	403,155
11. 2013	10,119,316	870,698	9,248,618	65.6	55.5	66.8			83.0	3,305,830	598,134
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	7,865,995	1,812,256

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										DEVELOPMENT	
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior	4,455,531	4,574,104	4,480,677	4,507,317	4,561,385	4,582,379	4,598,930	4,595,424	4,560,917	4,544,063	(16,854)	(51,361)
2. 2004	7,052,192	6,963,997	6,863,764	6,861,358	6,813,334	6,779,346	6,759,726	6,749,545	6,744,020	6,739,485	(4,534)	(10,060)
3. 2005	XXX	7,512,344	7,340,800	7,330,511	7,322,001	7,279,590	7,258,295	7,238,378	7,235,914	7,232,032	(3,882)	(6,346)
4. 2006	XXX	XXX	7,623,686	7,545,286	7,538,966	7,488,821	7,435,388	7,404,954	7,389,674	7,385,513	(4,161)	(19,441)
5. 2007	XXX	XXX	XXX	8,017,188	8,063,642	7,960,177	7,886,193	7,835,419	7,827,578	7,808,912	(18,667)	(26,507)
6. 2008	XXX	XXX	XXX	XXX	9,052,925	9,115,771	9,011,431	8,925,977	8,920,406	8,906,480	(13,926)	(19,497)
7. 2009	XXX	XXX	XXX	XXX	XXX	8,558,119	8,319,328	8,237,237	8,208,060	8,187,174	(20,885)	(50,062)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	8,253,728	8,157,374	8,118,626	8,077,775	(40,851)	(79,599)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,250,324	9,233,986	9,261,255	27,268	10,930
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,625,361	8,579,722	(45,640)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,326,998	XXX	XXX
										12. Totals	(142,130)	(251,942)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013		
1. Prior	000	1,432,764	2,323,805	2,899,602	3,198,510	3,456,022	3,605,654	3,743,605	3,807,817	3,868,910	XXX	XXX
2. 2004	3,775,168	5,198,964	5,777,325	6,184,877	6,410,615	6,538,124	6,601,265	6,635,855	6,660,551	6,677,409	XXX	XXX
3. 2005	XXX	3,948,984	5,427,462	6,160,667	6,604,437	6,865,680	7,005,514	7,066,172	7,109,287	7,134,692	XXX	XXX
4. 2006	XXX	XXX	4,031,201	5,632,717	6,320,607	6,750,120	7,013,822	7,153,045	7,221,726	7,274,441	XXX	XXX
5. 2007	XXX	XXX	XXX	4,275,241	5,965,597	6,625,005	7,083,605	7,355,681	7,514,934	7,591,537	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	5,125,344	7,009,969	7,718,160	8,205,198	8,488,289	8,634,787	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	4,687,308	6,367,513	7,086,122	7,543,864	7,790,913	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	4,673,228	6,345,466	7,021,859	7,458,585	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,568,043	7,328,980	8,055,672	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,872,003	6,651,326	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,585,157	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior	1,732,432	1,183,557	873,440	701,227	595,063	508,672	467,936	360,814	315,880	267,799
2. 2004	1,742,092	804,879	476,003	272,891	164,087	114,615	82,475	58,834	43,954	34,235
3. 2005	XXX	1,873,165	923,765	520,195	303,242	194,137	128,948	85,777	61,608	45,984
4. 2006	XXX	XXX	1,964,118	946,807	551,636	322,415	188,559	119,098	79,511	58,350
5. 2007	XXX	XXX	XXX	1,970,448	938,136	568,001	323,538	184,729	118,766	78,621
6. 2008	XXX	XXX	XXX	XXX	1,980,903	973,618	542,442	282,958	168,957	108,845
7. 2009	XXX	XXX	XXX	XXX	XXX	1,977,087	833,540	444,865	249,378	151,083
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	1,795,449	749,943	417,584	227,282
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,761,311	751,317	416,993
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,863,615	785,394
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,806,547

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

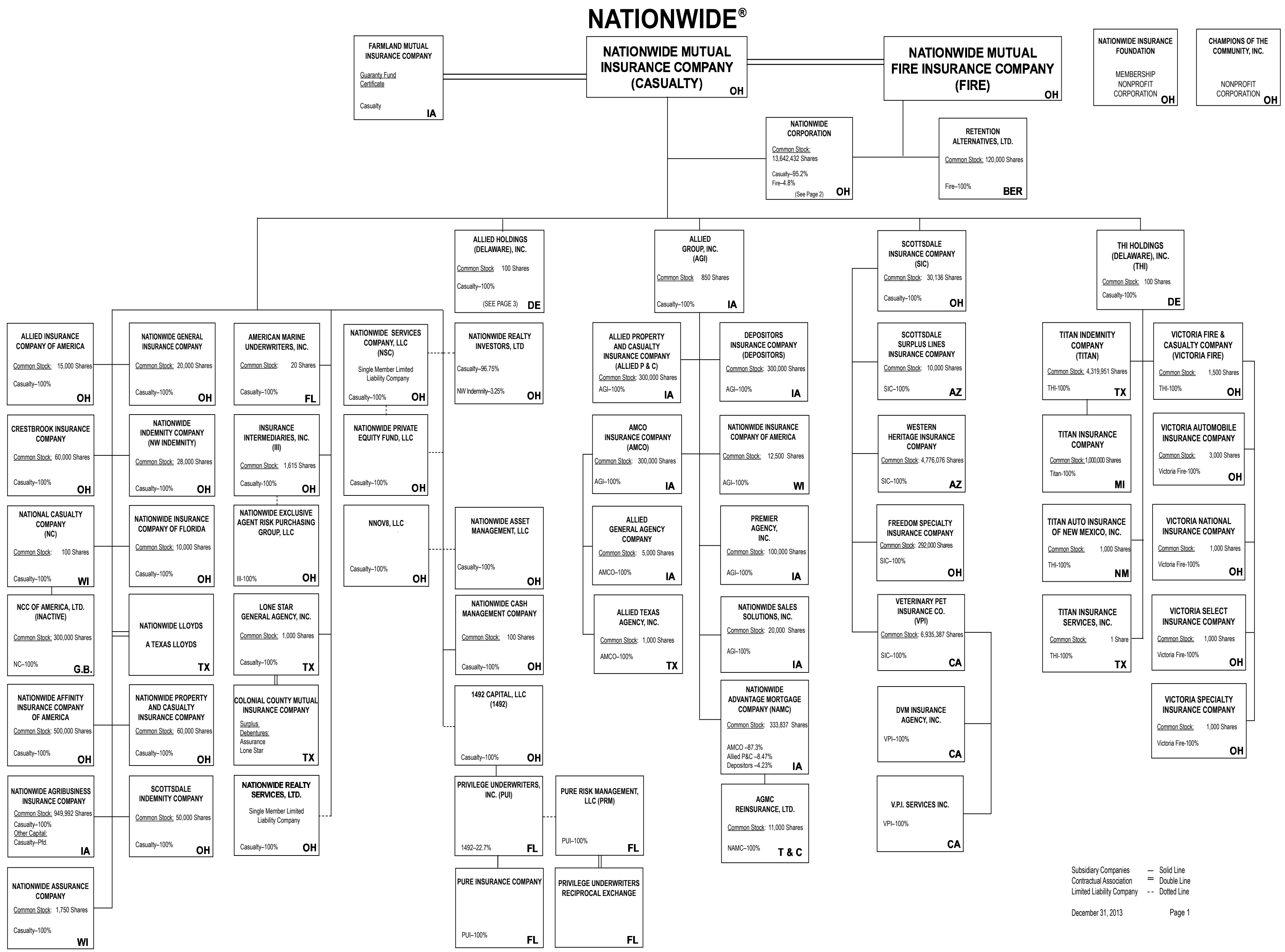
	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, Etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama AL	L	14,402,666	13,887,363	3,344	5,986,334	4,947,698	15,327,469	83,155	491,323
2. Alaska AK	L	192,969	193,932		21,044	266,160	330,968		178,821
3. Arizona AZ	L	14,834,343	14,550,294		13,455,198	5,109,506	13,903,128	(599)	597,496
4. Arkansas AR	L	49,657,502	50,513,513	5,876	26,825,506	23,008,142	15,759,514	570,782	191,739
5. California CA	L	258,579,912	244,675,777		117,244,343	118,955,342	171,124,591	88,112	5,596,147
6. Colorado CO	L	21,155,208	21,684,269		11,563,160	11,888,526	16,634,781	9,985	657,840
7. Connecticut CT	L	93,191,637	94,188,855	33,910	68,641,995	48,331,193	73,007,142	943,244	804,243
8. Delaware DE	L	101,581,445	101,805,513	30,335	63,485,214	57,881,582	67,657,792	959,798	135,693
9. District of Columbia DC	L	9,631,911	9,878,424	53,670	4,719,733	4,131,674	5,008,368	64,693	151,902
10. Florida FL	L	26,070,390	27,278,974		19,151,306	4,331,612	62,495,146	5,418	3,297,609
11. Georgia GA	L	30,613,672	28,505,103	96,729	12,028,692	14,253,891	21,166,779	47,964	1,005,087
12. Hawaii HI	L	391,448	390,905		72,687	68,611	37,351		251,295
13. Idaho ID	L	7,680,390	7,918,764		2,855,655	2,990,547	2,740,919	1,052	138,050
14. Illinois IL	L	18,230,163	18,571,256	(5,428)	11,121,122	14,524,995	20,608,220	84,458	1,918,362
15. Indiana IN	L	42,713,596	42,947,212	5,028	22,082,695	20,115,486	20,128,528	407,187	3,186,676
16. Iowa IA	L	93,523,253	96,150,177	958,630	47,806,036	43,518,662	53,749,163	2,572	342,979
17. Kansas KS	L	43,944,669	44,943,311	51,189	23,126,492	22,960,300	23,486,689	7,242	244,709
18. Kentucky KY	L	31,359,604	31,818,186	34,844	16,665,812	13,476,557	13,697,068	151,712	410,356
19. Louisiana LA	L	3,307,065	3,224,013		868,535	802,908	1,052,874		912,655
20. Maine ME	L	2,037,004	2,075,487	71	1,298,782	1,421,757	1,480,524	15,815	189,076
21. Maryland MD	L	197,547,208	203,184,856	154,505	96,999,857	85,832,925	124,128,050	1,507,070	893,774
22. Massachusetts MA	L	16,710,608	14,560,660	1,227	6,687,328	8,782,949	8,204,943	95,201	1,100,503
23. Michigan MI	L	5,143,054	5,753,001	38,884	2,790,584	2,106,865	19,229,553	28,050	759,965
24. Minnesota MN	L	17,382,242	18,523,905	818	9,974,202	10,662,339	14,482,954	6,541	509,182
25. Mississippi MS	L	35,546,633	35,632,576	5,066	28,459,167	28,071,722	18,105,562	244,745	342,231
26. Missouri MO	L	34,600,346	35,004,686	58,240	16,687,305	14,208,057	36,321,002	10,817	594,145
27. Montana MT	L	8,512,997	9,199,862		5,834,034	5,662,540	2,305,609	10	107,668
28. Nebraska NE	L	33,407,129	33,818,446	298,484	19,541,845	23,106,645	28,385,413	1,307	1,248,310
29. Nevada NV	L	14,192,335	14,341,282		9,634,041	8,642,979	11,957,348	(21)	380,117
30. New Hampshire NH	L	11,881,379	11,955,877	126	6,399,904	4,909,687	5,709,423	105,207	248,223
31. New Jersey NJ	L	9,441,093	9,590,710	179,804	8,958,486	9,902,252	72,906,292	10,857	1,871,040
32. New Mexico NM	L	5,759,091	6,177,068	2,322	2,670,755	1,276,396	3,835,941	99	244,739
33. New York NY	L	121,744,714	122,165,990	6,084	71,351,644	67,317,048	116,969,608	1,393,198	4,740,042
34. North Carolina NC	L	494,123,028	492,552,137	270,355	232,191,087	209,968,327	168,486,648	3,991,758	1,055,788
35. North Dakota ND	L	9,786,362	9,681,568		4,297,006	4,174,910	3,209,504	390	57,313
36. Ohio OH	L	341,573,033	344,135,422	12	169,488,935	163,995,645	113,987,113	3,583,738	1,165,259
37. Oklahoma OK	L	2,850,384	2,744,474	226	1,726,620	2,128,344	1,160,264	25,400	294,904
38. Oregon OR	L	13,550,064	13,442,219		8,439,670	7,093,874	6,560,096	(506)	670,864
39. Pennsylvania PA	L	478,588,738	470,000,280	281,047	243,653,030	207,654,539	628,527,344	5,009,585	2,016,828
40. Rhode Island RI	L	49,329,405	49,678,485	99	28,977,965	29,455,997	24,553,125	463,687	155,571
41. South Carolina SC	L	104,987,644	107,955,423	47,351	53,947,298	48,223,920	57,974,511	1,277,443	522,060
42. South Dakota SD	L	11,557,522	11,336,122	109,825	10,750,010	8,951,471	8,515,281	201	62,313
43. Tennessee TN	L	65,213,811	65,028,897	8,257	34,109,602	28,561,305	30,516,596	568,742	776,267
44. Texas TX	L	136,243,084	138,643,861	2,963	64,007,373	63,718,134	38,397,729	959,747	2,884,975
45. Utah UT	L	9,131,855	8,893,794		3,731,420	3,632,997	4,970,719	3,096	223,850
46. Vermont VT	L	14,151,332	14,148,193	235	6,301,177	7,185,796	5,708,847	175,291	99,612
47. Virginia VA	L	286,969,385	289,366,155	306,606	152,005,180	138,931,704	145,653,561	2,781,640	1,374,079
48. Washington WA	L	16,725,881	17,519,842		9,792,784	9,612,516	10,117,412	(371)	951,057
49. West Virginia WV	L	155,951,804	160,169,975		73,353,901	62,756,139	60,210,634	1,344,246	244,343
50. Wisconsin WI	L	15,904,642	16,802,517	732,829	10,089,447	8,620,711	24,529,256	1,302	304,101
51. Wyoming WY	L	15,132,169	14,899,382		7,342,270	6,876,709	6,108,324	21,607	79,974
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	L					10			
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX								
59. Totals	(a) 52	3,596,737,819	3,602,108,993	3,773,563	1,869,214,268	1,695,010,601	2,401,125,676	27,052,667	46,681,155
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

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

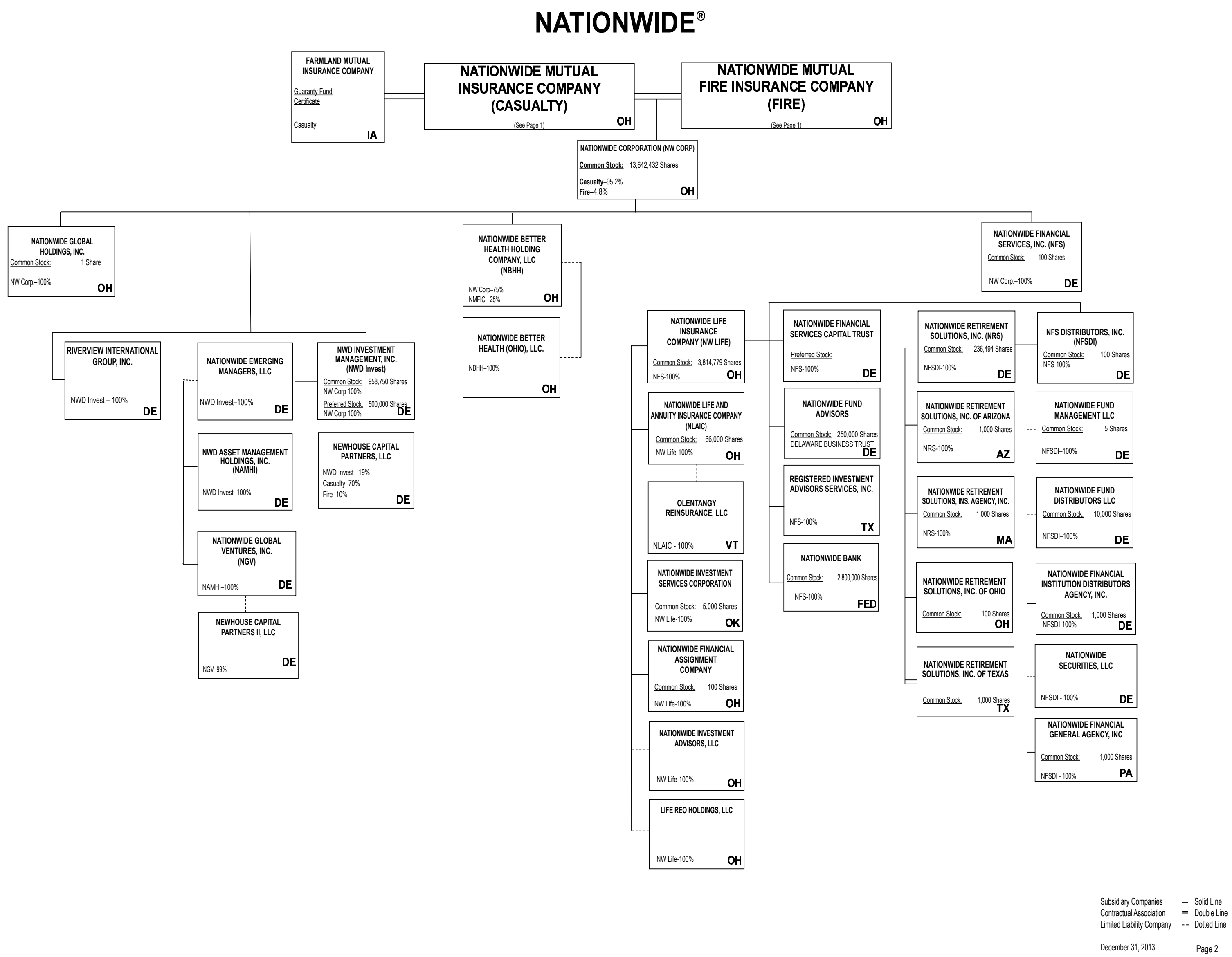
Explanation of basis of allocation of premiums by states, etc.

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

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

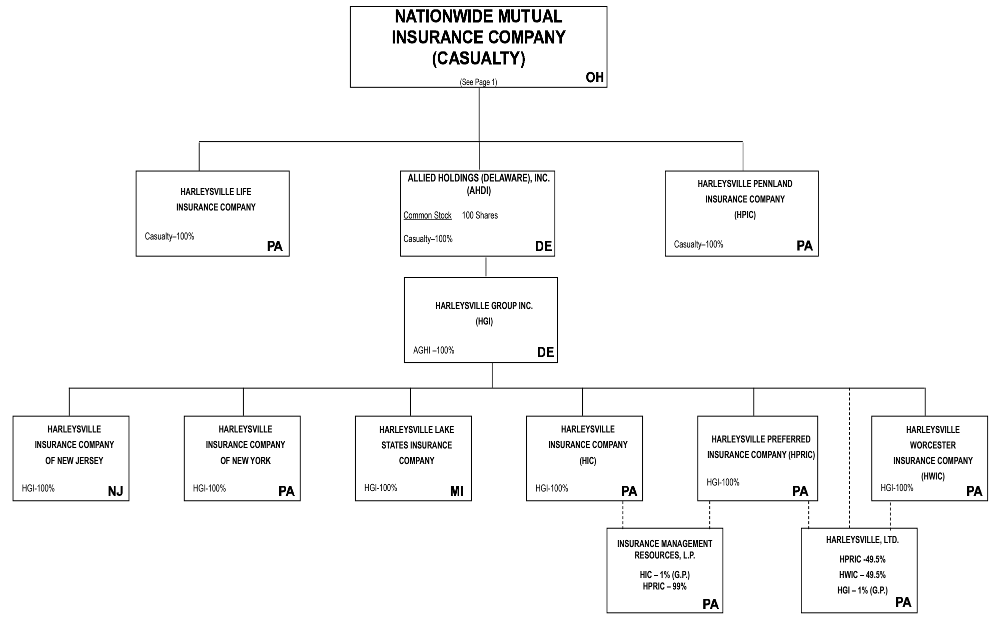


(Casualty, Fire and insurance related subsidiaries)



(Nationwide Corp. subsidiaries)

NATIONWIDE®



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

December 31, 2013

(Harleysville subsidiaries)

NATIONWIDE INSURANCE COMPANIES

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

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

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
2504. Miscellaneous assets	54,041,513	2,873,387	51,168,126	61,169,737
2505. Other assets nonadmitted	145,648,731	145,648,731		
2506. Recoupment receivables	23,959,416		23,959,416	21,961,002
2507. Third party administrator receivable	78,689		78,689	79,353
2597. Summary of remaining write-ins for Line 25 from overflow page	223,728,349	148,522,118	75,206,231	83,210,092

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Escrow liabilities	5,298,006	16,490,025
2505. Loss based assessment payables	9,656,300	9,434,845
2506. Miscellaneous liabilities	131,225,822	113,613,491
2507. Pension liability		(13,077,972)
2508. Pooling expense payables	192,668,922	183,125,038
2509. Reserve for state escheat payments	49,691,323	41,311,763
2510. SRP - additional minimum liabilities		34,061,512
2511. State surcharge/recoupment payable	12,525,322	8,005,375
2597. Summary of remaining write-ins for Line 25 from overflow page	401,065,695	392,964,077

Additional Write-ins for Statement of Income Line 37

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

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. LAD Buyout Expense		371,500		371,500
2497. Summary of remaining write-ins for Line 24 from overflow page		371,500		371,500

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

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
0904. Misc Gain	293,578		293,578		
0997. Summary of remaining write-ins for Line 9 from overflow page	293,578		293,578		

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Miscellaneous assets	2,873,387	5,020,174	2,146,787
2505. Other assets nonadmitted	145,648,731	132,754,603	(12,894,128)
2597. Summary of remaining write-ins for Line 25 from overflow page	148,522,118	137,774,777	(10,747,341)

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

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders 3 Book/Adjusted Carrying Value	4 Fair Value	All Other Special Deposits 5 Book/Adjusted Carrying Value	6 Fair Value
5804. U S Treasury Bd 3 1/4% Due 06/30/2016 JD31 New York	B	Reinsurance			2,267,846	2,416,472
5805. U S Treasury Nt 4 1/4% Due 11/15/2014 MN15 United States	B	Workers compensation			285,107	295,053
5806. Canada /Govt/ Bd CND$ 3 1/2% Due 6/1/2020 JD1 Ontario	B	Reinsurance			1,886,873	2,024,249
5807. Quebec Prov CDA Deb CDN $ 4 1/2% Due 12/1/2016 JD 1 Quebec	B	Reinsurance			6,907,378	7,451,800
5897. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX			11,347,204	12,187,574

ALPHABETICAL INDEX

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