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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

Scottsdale Insurance Company

NAIC Group Code 0140 (Current) 0140 (Prior) NAIC Company Code 41297 Employer's ID Number 31-1024978

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

Country of Domicile United States of America

Incorporated/Organized 01/04/1982 Commenced Business 07/01/1982

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 8877 N. Gainey Center Drive (Street and Number)

Scottsdale , AZ, US 85258-2108 (City or Town, State, Country and Zip Code), 480-365-4000 (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.scottsdaleins.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	Michael Dean Miller	VP & Treasurer	Michael Patrick Leach
VP & Secretary	Robert William Horner III		

OTHER

Pamela Ann Biesecker Sr VP-Head of Taxation	John Edward Goodloe Sr VP-Brokerage-Scottsdale	Craig Edward Landi Sr VP-Underwriting
Gary Lynn Tiepelman Sr VP-Underwriting	Andrew Dawnly Walker # Sr VP-IT Fin & Hd of Sourcing	

DIRECTORS OR TRUSTEES

Michael Patrick Leach	Kenneth Ari Levine #	Michael Dean Miller
Doreen Katherine Reinke	Gary Lynn Tiepelman	

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.

Michael Dean Miller	Robert William Horner III	Michael Patrick Leach
President & COO	VP & Secretary	VP & Treasurer

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

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

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	1,104,440,208		1,104,440,208	877,157,456
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	237,058,886		237,058,886	229,514,580
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	2,684,156		2,684,156	2,855,948
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)				
4.2 Properties held for the production of income (less $ .... encumbrances)				
4.3 Properties held for sale (less $ .... encumbrances)				
5. Cash ($ (49,794,959) , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 20,400,318 , Schedule DA)	(29,394,641)		(29,394,641)	58,125,822
6. Contract loans (including $ .... premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivable for securities				
10. Securities lending reinvested collateral assets (Schedule DL)	1,467,832	107,102	1,360,730	1,683,541
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,316,256,441	107,102	1,316,149,339	1,169,337,347
13. Title plants less $ .... charged off (for Title insurers only)				
14. Investment income due and accrued	11,264,125		11,264,125	9,080,837
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	476,897,226	23,531,950	453,365,276	383,150,590
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	110,251,785	430,220	109,821,565	92,933,194
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	128,582,377		128,582,377	125,893,646
16.2 Funds held by or deposited with reinsured companies	256,737		256,737	207,780
16.3 Other amounts receivable under reinsurance contracts	13,278,715		13,278,715	1,134,165
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				1,603,460
18.2 Net deferred tax asset	46,927,393		46,927,393	33,264,873
19. Guaranty funds receivable or on deposit	492,175		492,175	1,038,251
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ ....)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				30
23. Receivables from parent, subsidiaries and affiliates	45,305,991	177	45,305,814	50,557,768
24. Health care ($ ....) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	9,518,077	1,635,435	7,882,642	11,316,301
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,159,031,042	25,704,884	2,133,326,158	1,879,518,242
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	2,159,031,042	25,704,884	2,133,326,158	1,879,518,242
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. Deposits and prepaid assets	196,374	196,374		
2502. Funds held equity pools & associations	6,721,021		6,721,021	6,549,904
2503. Miscellaneous assets	761,341	758,183	3,158	3,713,095
2598. Summary of remaining write-ins for Line 25 from overflow page	1,839,341	680,878	1,158,463	1,053,302
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	9,518,077	1,635,435	7,882,642	11,316,301

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	379,084,069	313,878,539
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	98,515,467	88,325,608
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	87,337,625	67,770,398
4.	Commissions payable, contingent commissions and other similar charges	14,721,993	12,863,558
5.	Other expenses (excluding taxes, licenses and fees)	4,965,165	3,923,657
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,785,387	3,137,928
7.1	Current federal and foreign income taxes (including $ (142,883) on realized capital gains (losses))	9,372,931	
7.2	Net deferred tax liability		
8.	Borrowed money $ and interest thereon $		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 1,212,577,325 and including warranty reserves of $ 620,694 and accrued accident and health experience rating refunds including $ for medical loss ratio rebate per the Public Health Service Act)	275,005,566	235,253,350
10.	Advance premium	5,363,747	4,985,742
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	360,325	277,602
12.	Ceded reinsurance premiums payable (net of ceding commissions)	474,829,186	379,746,481
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	222,668	241,423
14.	Amounts withheld or retained by company for account of others	14,490,706	9,560,195
15.	Remittances and items not allocated	2,214,889	
16.	Provision for reinsurance (including $ certified) (Schedule F, Part 8)	7,782,677	5,573,259
17.	Net adjustments in assets and liabilities due to foreign exchange rates	157	
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	28,426,025	73,946,251
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending	1,612,490	1,932,000
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ and interest thereon $		
25.	Aggregate write-ins for liabilities	8,870,390	7,903,539
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,416,961,463	1,209,319,530
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	1,416,961,463	1,209,319,530
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock	6,027,200	6,027,200
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus	143,973,300	143,973,300
35.	Unassigned funds (surplus)	566,364,195	520,198,212
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)	716,364,695	670,198,712
38.	TOTALS (Page 2, Line 28, Col. 3)	2,133,326,158	1,879,518,242
	DETAILS OF WRITE-INS		
2501.	Contingent suits	1,024,244	520,229
2502.	Escrow liability	255,326	788,054
2503.	Loss based assessment	465,364	450,889
2598.	Summary of remaining write-ins for Line 25 from overflow page	7,125,456	6,144,367
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	8,870,390	7,903,539
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)	667,332,731	588,325,866
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	372,540,514	357,975,909
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	69,117,014	65,084,967
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	237,970,638	207,840,867
5.	Aggregate write-ins for underwriting deductions	14,475	21,773
6.	Total underwriting deductions (Lines 2 through 5)	679,642,641	630,923,516
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(12,309,910)	(42,597,650)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	35,903,328	34,535,245
10.	Net realized capital gains or (losses) less capital gains tax of $ (142,883) (Exhibit of Capital Gains (Losses))	(392,539)	(213,442)
11.	Net investment gain (loss) (Lines 9 + 10)	35,510,789	34,321,803
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $ 55,944 amount charged off $ 3,004,056)	(2,948,112)	(2,809,231)
13.	Finance and service charges not included in premiums	6,669,984	6,702,054
14.	Aggregate write-ins for miscellaneous income	1,086,985	1,342,354
15.	Total other income (Lines 12 through 14)	4,808,857	5,235,177
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	28,009,736	(3,040,670)
17.	Dividends to policyholders	475,406	323,150
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)	27,534,330	(3,363,820)
19.	Federal and foreign income taxes incurred	11,339,111	(1,071,772)
20.	Net income (Line 18 minus Line 19)(to Line 22)	16,195,219	(2,292,048)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	670,198,712	678,768,892
22.	Net income (from Line 20)	16,195,219	(2,292,048)
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 745,249	9,385,630	31,822,141
25.	Change in net unrealized foreign exchange capital gain (loss)	(457,289)	236,422
26.	Change in net deferred income tax	10,038,592	1,513,923
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	13,213,249	17,474,766
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(2,209,418)	(2,251,741)
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		(45,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		(10,073,643)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	46,165,983	(8,570,180)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	716,364,695	670,198,712
	DETAILS OF WRITE-INS		
0501.	Loss based assessment	14,475	21,773
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)	14,475	21,773
1401.	Contingent suit liability	(503,887)	(70,119)
1402.	Other income	1,590,872	1,412,473
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	1,086,985	1,342,354
3701.	SSAP 10 DTA		(10,073,643)
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)		(10,073,643)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	715,480,790	445,000,981
2.	Net investment income	37,228,240	35,994,995
3.	Miscellaneous income	(7,212,981)	3,102,707
4.	Total (Lines 1 through 3)	745,496,049	484,098,683
5.	Benefit and loss related payments	299,833,856	315,439,354
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	283,441,421	273,818,021
8.	Dividends paid to policyholders	392,683	296,609
9.	Federal and foreign income taxes paid (recovered) net of $ (13,105) tax on capital gains (losses)	219,837	(4,273,842)
10.	Total (Lines 5 through 9)	583,887,798	585,280,142
11.	Net cash from operations (Line 4 minus Line 10)	161,608,252	(101,181,460)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	103,750,911	96,379,897
	12.2 Stocks	17,980	58,322
	12.3 Mortgage loans	175,178	348,208
	12.4 Real estate		
	12.5 Other invested assets	314,931	12,917,545
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1,620	(30,218)
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	104,260,619	109,673,755
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	332,972,201	76,442,342
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications	171,668	240,532
	13.7 Total investments acquired (Lines 13.1 to 13.6)	333,143,869	76,682,874
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)	(228,883,250)	32,990,881
	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		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		45,000,000
	16.6 Other cash provided (applied)	(20,245,465)	156,849,950
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(20,245,465)	111,849,950
	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)	(87,520,463)	43,659,371
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	58,125,822	14,466,451
	19.2 End of period (Line 18 plus Line 19.1)	(29,394,641)	58,125,822

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	8,733,145	3,893,843	4,440,356	8,186,632
2.	Allied lines	12,506,991	4,906,388	6,112,382	11,300,997
3.	Farmowners multiple peril	14,257,690	6,146,256	6,930,425	13,473,521
4.	Homeowners multiple peril	120,489,187	57,209,189	62,940,996	114,757,380
5.	Commercial multiple peril	97,434,732	30,062,197	43,517,055	83,979,874
6.	Mortgage guaranty				
8.	Ocean marine	167,127	419,711	85,505	501,333
9.	Inland marine	8,973,472	3,096,208	3,942,070	8,127,610
10.	Financial guaranty				
11.1	Medical professional liability - occurrence	60,959	16,397	28,140	49,216
11.2	Medical professional liability - claims-made	162,299	34,593	56,197	140,695
12.	Earthquake	1,867,754	836,426	917,268	1,786,912
13.	Group accident and health	7,186,974	10,807	8,850	7,188,931
14.	Credit accident and health (group and individual)				
15.	Other accident and health	50,275	11,006	11,837	49,444
16.	Workers' compensation	19,055,249	4,932,802	7,820,809	16,167,242
17.1	Other liability - occurrence	46,267,586	17,316,633	20,111,149	43,473,070
17.2	Other liability - claims-made	12,156,021	4,511,022	5,433,661	11,233,382
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	3,554,486	1,560,762	1,709,343	3,405,905
18.2	Products liability - claims-made	6,790	5,631	5,061	7,360
19.1, 19.2	Private passenger auto liability	174,429,104	48,018,011	50,071,324	172,375,791
19.3, 19.4	Commercial auto liability	51,263,156	15,602,717	21,725,786	45,140,087
21.	Auto physical damage	127,330,553	35,217,643	38,320,190	124,228,006
22.	Aircraft (all perils)				
23.	Fidelity	119,345	65,749	73,971	111,123
24.	Surety	675,200	240,777	249,296	666,681
26.	Burglary and theft	206,173	76,383	94,503	188,053
27.	Boiler and machinery	119	(100,886)	(101,924)	1,157
28.	Credit	5,207	17,877	13,100	9,984
29.	International		798	798	
30.	Warranty	137,236	1,153,765	620,694	670,307
31.	Reinsurance - nonproportional assumed property	(10,744)	(1,838)	(124,620)	112,038
32.	Reinsurance - nonproportional assumed liability	809	(809)		
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	707,086,895	235,260,058	275,014,222	667,332,731
	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	4,432,966	7,390			4,440,356
2.	Allied lines	6,078,704	33,678			6,112,382
3.	Farmowners multiple peril	6,930,425				6,930,425
4.	Homeowners multiple peril	62,649,110	291,886			62,940,996
5.	Commercial multiple peril	43,490,894	26,161			43,517,055
6.	Mortgage guaranty					
8.	Ocean marine	84,732	773			85,505
9.	Inland marine	3,937,650	4,420			3,942,070
10.	Financial guaranty					
11.1	Medical professional liability - occurrence	28,140				28,140
11.2	Medical professional liability - claims-made	56,197				56,197
12.	Earthquake	911,560	5,708			917,268
13.	Group accident and health	8,850				8,850
14.	Credit accident and health (group and individual)					
15.	Other accident and health	5,029			6,808	11,837
16.	Workers' compensation	7,820,249	560			7,820,809
17.1	Other liability - occurrence	19,653,030	458,119			20,111,149
17.2	Other liability - claims-made	4,946,791	485,022		1,848	5,433,661
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	1,663,745	45,598			1,709,343
18.2	Products liability - claims-made	5,061				5,061
19.1, 19.2	Private passenger auto liability	50,071,208	116			50,071,324
19.3, 19.4	Commercial auto liability	21,552,289	173,497			21,725,786
21.	Auto physical damage	38,314,857	5,333			38,320,190
22.	Aircraft (all perils)					
23.	Fidelity	44,780	29,191			73,971
24.	Surety	187,172	62,124			249,296
26.	Burglary and theft	94,577	(74)			94,503
27.	Boiler and machinery	(101,928)	4			(101,924)
28.	Credit	1	13,099			13,100
29.	International	798				798
30.	Warranty	(21,916)	642,610			620,694
31.	Reinsurance - nonproportional assumed property	(124,620)				(124,620)
32.	Reinsurance - nonproportional assumed liability					
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	272,720,351	2,285,215		8,656	275,014,222
36.	Accrued retrospective premiums based on experience					(8,656)
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					275,005,566
	DETAILS OF WRITE-INS					
3401.						
3402.						
3403.						
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

		1	Reinsurance Assumed		Reinsurance Ceded		6
			2	3	4	5	Net Premiums Written
	Line of Business	Direct Business (a)	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	Cols. 1+2+3-4-5
1.	Fire	51,595,318	18,139,874		59,547,310	1,454,737	8,733,145
2.	Allied lines	150,627,738	29,377,466		163,211,714	4,286,499	12,506,991
3.	Farmowners multiple peril	2,795,001	14,776,364		3,249,680	63,995	14,257,690
4.	Homeowners multiple peril	84,692,113	123,151,265		84,796,766	2,557,425	120,489,187
5.	Commercial multiple peril	331,223,118	227,586,518	2,860,221	454,313,253	9,921,872	97,434,732
6.	Mortgage guaranty						
8.	Ocean marine	(290)	5,015,653		4,201,015	647,221	167,127
9.	Inland marine	9,642,979	235,552,006	482,160	236,514,995	188,678	8,973,472
10.	Financial guaranty						
11.1	Medical professional liability - occurrence		63,971		3,012		60,959
11.2	Medical professional liability - claims-made	78,439	4,141,342		4,057,482		162,299
12.	Earthquake	13,154,886	2,033,135		13,214,727	105,540	1,867,754
13.	Group accident and health		7,244,425		57,451		7,186,974
14.	Credit accident and health (group and individual)						
15.	Other accident and health		50,275				50,275
16.	Workers' compensation		47,257,835		24,597,459	3,605,127	19,055,249
17.1	Other liability - occurrence	517,955,680	227,168,210	110,104	599,992,746	98,973,662	46,267,586
17.2	Other liability - claims-made	207,526,397	210,602,909	5,392,365	301,100,007	110,265,643	12,156,021
17.3	Excess workers' compensation						
18.1	Products liability - occurrence	13,575,392	10,453,863		19,819,687	655,082	3,554,486
18.2	Products liability - claims-made	214,658	(38,130)		169,738		6,790
19.1, 19.2	Private passenger auto liability		174,429,104				174,429,104
19.3, 19.4	Commercial auto liability	59,015,020	366,292,385	2,957	364,605,528	9,441,678	51,263,156
21.	Auto physical damage	10,775,699	232,316,478	32	115,484,682	276,974	127,330,553
22.	Aircraft (all perils)						
23.	Fidelity	5,088	130,254		15,997		119,345
24.	Surety		675,200				675,200
26.	Burglary and theft	117,369	271,424		133,386	49,234	206,173
27.	Boiler and machinery	2,072,857	2,705,248		3,436	4,774,550	119
28.	Credit	647,376	5,378		130,193	517,354	5,207
29.	International						
30.	Warranty	2,867,129	23,937,604		3,430,907	23,236,590	137,236
31.	Reinsurance - nonproportional assumed property	XXX	(10,744)				(10,744)
32.	Reinsurance - nonproportional assumed liability	XXX	809				809
33.	Reinsurance - nonproportional assumed financial lines	XXX					
34.	Aggregate write-ins for other lines of business						
35.	TOTALS	1,458,581,967	1,963,330,121	8,847,839	2,452,651,171	271,021,861	707,086,895
	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

		Losses Paid Less Salvage				5	6	7	8
	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 -3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	12,918,130	5,597,519	15,573,978	2,941,671	1,250,419	966,229	3,225,861	39.4
2.	Allied lines	55,779,695	16,768,143	66,525,063	6,022,775	2,063,957	1,994,330	6,092,402	53.9
3.	Farmowners multiple peril	393,684	7,383,425	570,214	7,206,895	3,072,080	3,164,594	7,114,381	52.8
4.	Homeowners multiple peril	39,617,222	63,342,499	42,208,454	60,751,267	20,737,075	21,977,259	59,511,083	51.9
5.	Commercial multiple peril	152,550,778	83,309,737	216,992,306	18,868,209	66,979,502	42,069,567	43,778,144	52.1
6.	Mortgage guaranty								
8.	Ocean marine	52,230	15,917,767	15,358,451	611,546	614,156	818,447	407,255	81.2
9.	Inland marine	6,708,365	138,122,606	141,412,896	3,418,075	1,625,749	1,309,202	3,734,622	45.9
10.	Financial guaranty								
11.1	Medical professional liability - occurrence		103,034	64,266	38,768	78,098	77,018	39,848	81.0
11.2	Medical professional liability - claims-made		713,678	686,229	27,449	153,300	118,925	61,824	43.9
12.	Earthquake	532,197	17,517	532,197	17,517	55,730	21,887	51,360	2.9
13.	Group accident and health		4,547,663	10,244	4,537,419	52,266	26,843	4,562,842	63.5
14.	Credit accident and health (group and individual)								
15.	Other accident and health		133,145	32,609	100,536	137,498	138,866	99,168	200.6
16.	Workers' compensation		(1,859,796)	5,400,658	(7,260,454)	43,441,376	27,097,855	9,083,067	56.2
17.1	Other liability - occurrence	176,505,320	88,353,092	253,751,860	11,106,552	62,254,601	54,614,933	18,746,220	43.1
17.2	Other liability - claims-made	48,936,907	32,736,630	79,056,850	2,616,687	5,379,673	4,961,640	3,034,720	27.0
17.3	Excess workers' compensation								
18.1	Products liability - occurrence	18,115,119	7,453,182	24,078,243	1,490,058	5,487,478	5,865,690	1,111,846	32.6
18.2	Products liability - claims-made		39		39	2,438	8,411	(5,934)	(80.6)
19.1, 19.2	Private passenger auto liability		104,236,362		104,236,362	111,837,848	111,079,189	104,995,021	60.9
19.3, 19.4	Commercial auto liability	31,404,674	190,707,115	207,770,407	14,341,382	51,428,592	35,788,920	29,981,054	66.4
21.	Auto physical damage	6,360,941	138,167,525	69,467,250	75,061,216	2,761,118	1,566,971	76,255,363	61.4
22.	Aircraft (all perils)		(2)		(2)			(2)	
23.	Fidelity		24,155		24,155	8,682	4,301	28,536	25.7
24.	Surety		13,587		13,587	268	(7,930)	21,785	3.3
26.	Burglary and theft	975,013	672,574	1,561,493	86,094	12,655	23,309	75,440	40.1
27.	Boiler and machinery	976,326	808,925	1,782,709	2,542	7,199	21,522	(11,781)	(1,018.2)
28.	Credit	501,081	13,067	507,737	6,411	26,680	76,280	(43,189)	(432.6)
29.	International								
30.	Warranty	5,121,891	14,900,516	19,361,755	660,652	42,200	94,280	608,572	90.8
31.	Reinsurance - nonproportional assumed property	XXX	407,156		407,156	(473,244)		(66,088)	(59.0)
32.	Reinsurance - nonproportional assumed liability	XXX	419		419	46,675		47,094	
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	557,449,573	912,591,279	1,162,705,869	307,334,983	379,084,069	313,878,538	372,540,514	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	4,031,911	1,405,434	4,432,357	1,004,988	772,056	341,202	867,827	1,250,419	179,427
2.	Allied lines	15,100,052	6,534,213	20,251,112	1,383,153	8,296,839	1,367,997	8,984,032	2,063,957	379,039
3.	Farmowners multiple peril	37,481	2,727,547	93,982	2,671,046	117,000	615,378	331,344	3,072,080	782,696
4.	Homeowners multiple peril	9,130,175	17,052,087	9,629,624	16,552,638	6,601,627	4,445,189	6,862,379	20,737,075	3,855,807
5.	Commercial multiple peril	94,399,162	93,260,458	146,229,995	41,429,625	79,473,186	68,051,440	121,974,749	66,979,502	25,787,464
6.	Mortgage guaranty									
8.	Ocean marine	2,500	10,498,788	10,099,091	402,197	142	5,880,817	5,669,000	614,156	185,137
9.	Inland marine	1,413,903	15,775,012	16,173,394	1,015,521	687,547	18,725,373	18,802,692	1,625,749	155,004
10.	Financial guaranty									
11.1	Medical professional liability - occurrence	(60,000)	575,688	464,572	51,116	(59,593)	26,982	(59,593)	78,098	41,253
11.2	Medical professional liability - claims-made		2,972,502	2,885,098	87,404	18,807	1,694,487	1,647,398	153,300	69,458
12.	Earthquake	92,934	3,864	92,934	3,864	38,819	53,047	40,000	55,730	10,774
13.	Group accident and health						52,266		(a) 52,266	4,356
14.	Credit accident and health (group and individual)									
15.	Other accident and health		223,023	106,527	116,496		15,846	(5,156)	(a) 137,498	6,856
16.	Workers' compensation		42,076,121	11,640,524	30,435,597		19,280,954	6,275,175	43,441,376	4,771,091
17.1	Other liability - occurrence	325,986,604	170,734,805	470,551,764	26,169,645	519,488,755	339,530,528	822,934,327	62,254,601	17,771,816
17.2	Other liability - claims-made	33,990,722	42,449,889	74,147,305	2,293,306	56,736,129	42,409,293	96,059,055	5,379,673	5,855,518
17.3	Excess workers' compensation									
18.1	Products liability - occurrence	23,878,931	7,676,524	28,790,929	2,764,526	44,053,433	13,155,943	54,486,424	5,487,478	4,336,943
18.2	Products liability - claims-made	57,500	2,300	57,500	2,300		138		2,438	411
19.1, 19.2	Private passenger auto liability		87,592,399		87,592,399		24,245,436	(13)	111,837,848	13,920,722
19.3, 19.4	Commercial auto liability	42,773,544	227,804,962	237,681,309	32,897,197	28,331,620	150,423,306	160,223,531	51,428,592	7,846,119
21.	Auto physical damage	456,247	11,991,993	9,340,537	3,107,703	291,583	(250,320)	387,848	2,761,118	1,237,742
22.	Aircraft (all perils)									
23.	Fidelity		6,327		6,327		2,355		8,682	7,801
24.	Surety		3,402		3,402		(3,134)		268	89,876
26.	Burglary and theft		4,588		4,588		8,154	87	12,655	2,401
27.	Boiler and machinery	110,901	192,866	314,643	(10,876)	51,971	56,079	89,975	7,199	40,147
28.	Credit	41		41		936,745	10,936	921,001	26,680	
29.	International									
30.	Warranty					187,220	1,189,982	1,335,002	42,200	36
31.	Reinsurance - nonproportional assumed property	XXX	(236,001)		(236,001)	XXX	(237,243)		(473,244)	(269)
32.	Reinsurance - nonproportional assumed liability	XXX	27,683		27,683	XXX	18,992		46,675	
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	551,402,608	741,356,474	1,042,983,238	249,775,844	746,023,886	691,111,423	1,307,827,084	379,084,069	87,337,625
	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	159,354,563			159,354,563
1.2 Reinsurance assumed	148,000,324			148,000,324
1.3 Reinsurance ceded	281,007,185			281,007,185
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	26,347,702			26,347,702
2. Commission and brokerage:				
2.1 Direct excluding contingent		300,069,698		300,069,698
2.2 Reinsurance assumed, excluding contingent		362,080,016		362,080,016
2.3 Reinsurance ceded, excluding contingent		569,533,766		569,533,766
2.4 Contingent - direct		37,031,714		37,031,714
2.5 Contingent - reinsurance assumed		18,280,359		18,280,359
2.6 Contingent - reinsurance ceded		41,064,000		41,064,000
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)		106,864,021		106,864,021
3. Allowances to managers and agents	28,894	1,026,204	12	1,055,110
4. Advertising	1,403,949	17,143,940	92	18,547,981
5. Boards, bureaus and associations	902,414	333,608	12,146	1,248,168
6. Surveys and underwriting reports	96,352	4,579,782	5	4,676,139
7. Audit of assureds' records	257	155,353		155,610
8. Salary and related items:				
8.1 Salaries	26,728,973	48,705,473	1,011,427	76,445,873
8.2 Payroll taxes	161,822	6,378,616		6,540,438
9. Employee relations and welfare	5,303,851	4,284,086	174,878	9,762,815
10. Insurance	5,654	914,042		919,696
11. Directors' fees		152,705		152,705
12. Travel and travel items	2,157,604	3,345,434	27,434	5,530,472
13. Rent and rent items	1,588,812	7,015,475	38,583	8,642,870
14. Equipment	1,207,025	1,773,196	146,465	3,126,686
15. Cost or depreciation of EDP equipment and software	84,424	3,875,368	575	3,960,367
16. Printing and stationery	360,797	2,099,156	582	2,460,535
17. Postage, telephone and telegraph, exchange and express	889,583	2,461,892	23,291	3,374,766
18. Legal and auditing	1,778,211	9,319,489	15,556	11,113,256
19. Totals (Lines 3 to 18)	42,698,622	113,563,819	1,451,046	157,713,487
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $		12,585,787		12,585,787
20.2 Insurance department licenses and fees		1,580,109		1,580,109
20.3 Gross guaranty association assessments		303,682		303,682
20.4 All other (excluding federal and foreign income and real estate)		1,266,948		1,266,948
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		15,736,526		15,736,526
21. Real estate expenses				
22. Real estate taxes		73,156		73,156
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	70,690	1,733,116	8,415	1,812,221
25. Total expenses incurred	69,117,014	237,970,638	1,459,461	(a) 308,547,113
26. Less unpaid expenses - current year	87,337,625	22,980,370		110,317,995
27. Add unpaid expenses - prior year	67,770,398	18,886,892		86,657,290
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)	49,549,787	233,877,160	1,459,461	284,886,408
DETAILS OF WRITE-INS				
2401. Service fees		653,977		653,977
2402. Other expenses	(58,384)	(515,725)		(574,109)
2403. Outside services and income	129,074	1,576,960	8,415	1,714,449
2498. Summary of remaining write-ins for Line 24 from overflow page		17,904		17,904
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	70,690	1,733,116	8,415	1,812,221

(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) 5,613,058	5,634,814
1.1	Bonds exempt from U.S. tax	(a) 12,975,338	12,550,657
1.2	Other bonds (unaffiliated)	(a) 15,838,793	18,439,298
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	149	149
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 172,417	171,688
4.	Real estate	(d)	
5	Contract loans		
6	Cash, cash equivalents and short-term investments	(e) 455,222	455,222
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	148,971	148,971
10.	Total gross investment income	35,203,948	37,400,799
11.	Investment expenses		(g) 1,459,461
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		38,012
16.	Total deductions (Lines 11 through 15)		1,497,473
17.	Net investment income (Line 10 minus Line 16)		35,903,326
	DETAILS OF WRITE-INS		
0901.	Misc. Income	144,363	144,363
0902.	Securities Lending	4,608	4,608
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	148,971	148,971
1501.	Misc. Exp		36,865
1502.	Mortgage Service Fees		1,147
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		38,012

(a) Includes $ 1,344,324 accrual of discount less $ 4,852,339 amortization of premium and less $ 1,624,469 paid for accrued interest on purchases.

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

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

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

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

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

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

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

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds				2,463,884	
1.1	Bonds exempt from U.S. tax				(115)	
1.2	Other bonds (unaffiliated)	(555,021)		(555,021)	118,016	(457,288)
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	17,979		17,979		
2.21	Common stocks of affiliates				7,544,307	
3.	Mortgage loans				3,385	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)		1,620	1,620	1,402	
10.	Total capital gains (losses)	(537,042)	1,620	(535,422)	10,130,879	(457,288)
	DETAILS OF WRITE-INS					
0901.	Securities Lending				1,402	
0902.	FX on Currency		1,620	1,620		
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)		1,620	1,620	1,402	

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)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)	107,102	97,821	(9,281)
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	107,102	97,821	(9,281)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	23,531,950	27,323,292	3,791,342
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	430,220	485,733	55,513
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		4,369,177	4,369,177
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	177		(177)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	1,635,435	10,450,777	8,815,342
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	25,704,884	42,726,800	17,021,916
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	25,704,884	42,726,800	17,021,916
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. Deposits and prepaid assets	196,374	4,763,123	4,566,749
2502. Miscellaneous assets	758,183	471,704	(286,479)
2503. Other assets nonadmitted	680,878	5,215,950	4,535,072
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,635,435	10,450,777	8,815,342

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

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

C. Accounting Policies

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

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

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

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

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. These conditional reserves were $7,782,677 and $5,573,259 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:

   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 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 and 2012 was $13.3 million and $16.2 million respectively, which was fully admitted based upon adjusted policyholder surplus.

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

9. Accounting for derivatives

   Not applicable.

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

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

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

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

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

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes and Corrections of Errors

   Adopted Accounting Standards

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

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

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

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

NOTES TO 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 DTAs and adopts new disclosure requirements. The difference between the recalculated amounts as of January 1, 2012, and the amount actually reported in the prior year financial statements is treated as a change in accounting principle in accordance with SSAP No. 3, Accounting Changes and Corrections of Errors. There was no cumulative effect of this change in accounting principle as of January 1, 2012.

Pending Accounting Standards

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

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

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

1. On December 31, 2008, the 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 the Company. The purchase of Atlantic by the 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.

   In July 2008, the 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.

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

3. The cost of the Freedom Specialty acquisition was $16.0 million, resulting in goodwill of $7.3 million. The cost of the VPI acquisition was $29.4 million, resulting in goodwill of $21.5 million.

4. Goodwill amortization for the year ended December 31, 2013 related to the purchases of Freedom Specialty Insurance Company and VPI is $725 thousand and $2.1 million, respectively.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

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

2. At December 31, 2013, the maximum percentage of any one loan to the value of the security at the time of the loan is 83.1%.

	12/31/2013	12/31/2012
3. Taxes, assessments, and any amounts advanced and not included in the mortgage loan total	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

4. Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 2,685,794	$ -	$ 2,685,794
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	%	%	%	%	%	%	%
b Prior Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 2,860,971	$ -	$ 2,860,971
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	%	%	%	%	%	%	%

5. Investments in Impaired Loans With or Without Allowance for Credit Losses

Not applicable.

6. Investment in Impaired Loans

Not applicable.

7. Allowance for Credit Losses:

	12/31/2013	12/31/2012
(a) Balance at beginning of period	$ 5,023	$ 15,897
(b) Additions charged to operations	$ -	$ -
(c) Direct write-downs charged against the allowances	$ (3,385)	$ (10,874)
(d) Recoveries of amounts previously charged off	$ -	$ -
(e) Balances at end of period	$ 1,637	$ 5,023

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.

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring for Creditors

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

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

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

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

2. Not applicable.

3. Not applicable.

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	$ (779,184)
2.	12 Months or Longer	$ (17,624)

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

1.	Less than 12 Months	$ 31,701,027
2.	12 Months or Longer	$ 764,415

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.

NOTES TO FINANCIAL STATEMENTS

3. Collateral Received

a. Aggregate Amount Cash Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) Open	$
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$
(g) Securities Received	
(h) Total Collateral Received	$
2. Securities Lending	
(a) Open	$ 1,612,490
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal	$ 1,612,490
(g) Securities Received	
(h) Total Collateral Received	$ 1,612,490
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 it has sold or repledged: $1,467,832.

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	1,393,179	1,393,179
(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	113,185	74,653
(k) Subtotal	$ 1,506,364	$ 1,467,832
(l) Securities Received		
(m) Total Collateral Reinvested	$ 1,506,364	$ 1,467,832
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 or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

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

Not applicable.

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a Subject to contractual obligation for which liability is not shown										
b Collateral held under security lending agreements	$1,467,832				$1,467,832	$1,781,362	($313,530)	$1,467,832	0.07%	0.07%
c Subject to repurchase agreements										
d Subject to reverse repurchase agreements										
e Subject to dollar repurchase agreements										
f Subject to dollar reverse repurchase agreements										
g Placed under option contracts										
h Letter stock or securities restricted as to sale										
I On deposit with states	$12,084,758				$12,084,758	$13,017,557	($932,799)	$12,084,758	0.56%	0.57%
j On deposit with other regulatory bodies										
k Pledged as collateral not captured in other categories										
l Other restricted assets	$1,579,332				$1,579,332	$1,700,702	($121,370)	$1,579,332	0.07%	0.07%
m Total restricted assets	**$15,131,922**	**$0**	**$0**	**$0**	**$15,131,922**	**$16,499,621**	**($1,367,699)**	**$15,131,922**	**0.70%**	**0.71%**

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

Not applicable.

3. Detail of Other Restricted Assets

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Description of Assts	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Loaned to others under conforming securiteis lending program	$1,579,332				$1,579,332	$1,700,702	($121,370)	$1,579,332	0.07%	0.07%
Total	**$1,579,332**	**$0**	**$0**	**$0**	**$1,579,332**	**$1,700,702**	**($121,370)**	**$1,579,332**	**0.07%**	**0.07%**

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable.

B. Write-downs for Impairments

Not applicable.

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

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

Note 8 - Derivative Instruments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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	$ 48,584,925	$ 7,876,236	$ 56,461,161
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 48,584,925	$ 7,876,236	$ 56,461,161
(1d) Deferred tax assets nonadmitted	$ -	$ -	$ -
(1e) Subtotal net admitted deferred tax asset	$ 48,584,925	$ 7,876,236	$ 56,461,161
(1f) Deferred tax liabilities	$ 1,425,836	$ 8,107,932	$ 9,533,768
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 47,159,089	$ (231,696)	$ 46,927,393

	12/31/2012		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 38,998,267	$ 7,080,977	$ 46,079,244
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 38,998,267	$ 7,080,977	$ 46,079,244
(1d) Deferred tax assets nonadmitted	$ 4,369,177	$ -	$ 4,369,177
(1e) Subtotal net admitted deferred tax asset	$ 34,629,090	$ 7,080,977	$ 41,710,067
(1f) Deferred tax liabilities	$ 1,018,043	$ 7,427,151	$ 8,445,194
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 33,611,047	$ (346,174)	$ 33,264,873

	Change		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 9,586,658	$ 795,259	$ 10,381,917
(1b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(1c) Adjusted gross deferred tax assets	$ 9,586,658	$ 795,259	$ 10,381,917
(1d) Deferred tax assets nonadmitted	$ (4,369,177)	$ -	$ (4,369,177)
(1e) Subtotal net admitted deferred tax asset	$ 13,955,835	$ 795,259	$ 14,751,094
(1f) Deferred tax liabilities	$ 407,793	$ 680,781	$ 1,088,574
(1g) Net admitted deferred tax asset/(net deferred tax liability)	$ 13,548,042	$ 114,478	$ 13,662,520

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)	$ 44,319,536	$ 3,284,671	$ 47,604,207
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 44,319,536	$ 3,284,671	$ 47,604,207
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 100,415,595
(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	$ 4,265,389	$ 4,591,565	$ 8,856,954
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 48,584,925	$ 7,876,236	$ 56,461,161

	12/31/2012		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 30,268,765	$ 2,996,108	$ 33,264,873
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 30,268,765	$ 2,996,108	$ 33,264,873
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 95,540,076
(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	$ 4,360,325	$ 4,084,869	$ 8,445,194
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 34,629,090	$ 7,080,977	$ 41,710,067

	Change		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	$ 14,050,771	$ 288,563	$ 14,339,334
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	$ 14,050,771	$ 288,563	$ 14,339,334
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	$ 4,875,519
(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	$ (94,936)	$ 506,696	$ 411,760
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	$ 13,955,835	$ 795,259	$ 14,751,094

	12/31/2013	12/31/2012
(3a) Ratio percentage used to determine recovery period and threshold limitation amount	641.097%	679.013%
(3b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	$ 669,437,302	$ 636,933,839

NOTES TO FINANCIAL STATEMENTS

Impact of Tax Planning Strategies

	12/31/2013		
	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 48,584,925	$ 7,876,236	$ 56,461,161
(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)	$ 48,584,925	$ 7,876,236	$ 56,461,161
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	7.00%	7.00%

	12/31/2012		
	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 38,998,267	$ 7,080,977	$ 46,079,244
(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)	$ 34,629,090	$ 7,080,977	$ 41,710,067
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	9.01%	9.01%

	Change		
	Ordinary	Capital	Total
(4a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage			
(1) Adjusted Gross DTAs amount from Note 9A1(c)	$ 9,586,658	$ 795,259	$ 10,381,917
(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)	$ 13,955,835	$ 795,259	$ 14,751,094
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	-2.01%	-2.01%

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

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

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

	12/31/2013	12/31/2012	Change
1. Current Income Tax			
(a) Federal	$ 11,339,111	$ (1,071,772)	$ 12,410,883
(b) Foreign	$ -	$ -	$ -
(c) Subtotal	$ 11,339,111	$ (1,071,772)	$ 12,410,883
(d) Federal income tax on net capital gains	$ (142,883)	$ 60,544	$ (203,427)
(e) Utilization of capital loss carry-forwards	$ -	$ (69,415)	$ 69,415
(f) Other	$ -	$ -	$ -
(g) Federal and foreign income taxes incurred	$ 11,196,228	$ (1,080,643)	$ 12,276,871

2. Deferred Tax Assets	12/31/2013	12/31/2012	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 11,485,388	$ 10,308,546	$ 1,176,842
(2) Unearned premium reserve	$ 19,346,074	$ 16,559,438	$ 2,786,636
(3) Policyholder reserves	$ -	$ -	$ -
(4) Investments	$ 37,486	$ 34,237	$ 3,249
(5) Deferred acquisition costs	$ -	$ -	$ -
(6) Policyholder dividends accrual	$ -	$ -	$ -
(7) Fixed Assets	$ -	$ -	$ -
(8) Compensation benefits accrual	$ 6,034,218	$ 4,983,845	$ 1,050,373
(9) Pension accrual	$ -	$ -	$ -
(10) Receivables - nonadmitted	$ 238,369	$ 1,825,583	$ (1,587,214)
(11) Net operating loss carry-forward	$ 1,239,425	$ 3,256,284	$ (2,016,859)
(12) Tax credit carry-forward	$ -	$ -	$ -
(13) Other (including items <5% of total ordinary tax assets)	$ 1,817,205	$ 2,030,334	$ (213,129)
(14) Nonadmitted premiums and agent bal	$ 8,386,760	$ -	$ 8,386,760
(99) Subtotal	$ 48,584,925	$ 38,998,267	$ 9,586,658
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ -	$ 4,369,177	$ (4,369,177)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 48,584,925	$ 34,629,090	$ 13,955,835
(e) Capital:			
(1) Investments	$ 7,876,236	$ 7,080,977	$ 795,259
(2) Net capital loss carry-forward	$ -	$ -	$ -
(3) Real estate	$ -	$ -	$ -
(4) Other (including items <5% of total capital tax assets)	$ -	$ -	$ -
(99) Subtotal	$ 7,876,236	$ 7,080,977	$ 795,259
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ -	$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 7,876,236	$ 7,080,977	$ 795,259
(i) Admitted deferred tax assets (2d + 2h)	$ 56,461,161	$ 41,710,067	$ 14,751,094

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

	12/31/2013	12/31/2012	Change
(a) Ordinary:			
(1) Investments	$ -	$ -	$ -
(2) Fixed assets	$ -	$ -	$ -
(3) Deferred and uncollected premium	$ -	$ -	$ -
(4) Policyholder reserves	$ -	$ -	$ -
(5) Other (including items <5% of total ordinary tax liabilities)	$ 35,610	$ -	$ 35,610
(6) Compensation and benefits accrual	$ 348,819	$ 697,639	$ (348,820)
(7) Guaranty assessments	$ -	$ 115,179	$ (115,179)
(8) Agent acquisitions	$ -	$ 138,544	$ (138,544)
(9) Pension accrual	$ 1,041,407	$ 66,681	$ 974,726
(99) Subtotal	$ 1,425,836	$ 1,018,043	$ 407,793
(b) Capital:			
(1) Investments	$ 8,107,932	$ 7,427,151	$ 680,781
(2) Real estate	$ -	$ -	$ -
(3) Other (including items <5% of total capital tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ 8,107,932	$ 7,427,151	$ 680,781
(c) Deferred tax liabilities (3a99 + 3b99)	$ 9,533,768	$ 8,445,194	$ 1,088,574
4. Net deferred tax asset/(liability) (2i - 3c)	$ 46,927,393	$ 33,264,873	$ 13,662,520

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	$ 56,461,161	$ 46,079,244	$ 10,381,917
(b) Deferred tax liabilities	9,533,768	8,445,194	1,088,574
(c) Net deferred tax assets (liabilities)	$ 46,927,393	$ 37,634,050	$ 9,293,343
(d) Tax effect of unrealized gains (losses)			(745,249)
(e) Change in deferred income tax			$ 10,038,592

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	$ 11,196,228	$ (1,080,643)
(b) Change in deferred income tax	$ (10,038,592)	$ (1,513,923)
(c) Total income tax reported	$ 1,157,636	$ (2,594,566)
(d) Income before taxes	$ 27,391,448	$ (3,372,691)
(e) Federal statutory tax rate	35%	35%
(f) Expected income tax expense (benefit) at 35% statutory rate	$ 9,587,007	$ (1,180,442)
(1) Tax-exempt income	$ (3,762,718)	$ (4,195,574)
(2) Dividends received deduction	$ (37)	$ -
(3) Nondeductible expenses	$ 114,402	$ 111,371
(4) Deferred tax benefit on nonadmitted assets	$ (4,617,994)	$ 2,744,427
(5) Change in tax reserves	$ 95,350	$ (12,374)
(6) Tax credits	$ -	$ -
(7) Other	$ (258,374)	$ (61,974)
(g) Total	$ 1,157,636	$ (2,594,566)

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	$ 2,174,136	2011	2031
Operating loss carryforwards	$ 1,367,078	2012	2032
Amount of AMT tax credits	$ -	2013	N/A
Business credits	$ -	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.

NOTES TO FINANCIAL STATEMENTS

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.

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

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

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

The Company 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 $20.4 million and $107.6 million as of December 31, 2013 and 2012, respectively.

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

Not applicable.

C. Change in Terms of Intercompany Arrangements

See Note 26 for details.

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its parent and affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The Company reported $45.2 million and $13.2 million due from parent at December 31, 2013 and 2012, respectively. The Company reported gross amounts of $45.3 million and $50.6 million due from parent and affiliates and $28.4 million and $73.9 million due to parent and affiliates at December 31, 2013 and 2012, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

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

F. Management, Service Contracts, Cost Sharing Arrangements

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

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

Not applicable.

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

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Not applicable.

Note 11 - Debt

A. All Other Debt

Not applicable.

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

Not applicable.

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

A. Defined Benefit Plans

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

B. Defined Contribution Plans

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

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

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

The ASP is a non-qualified, unfunded deferred compensation program available to eligible agents. The designated agents covered by the ASP 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 ASP.

NOTES TO FINANCIAL STATEMENTS

Total liabilities related to the ASP were $1,1213 million and $1,148.8 million at December 31, 2013 and 2012, respectively. Total expense recorded for this program was $83.3 million and $81.4 million for the years ended December 31, 2013 and 2012, respectively.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

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

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

A. Outstanding Shares

The Company has 100,000 shares of $200 par value common stock authorized and 30,136 issued and outstanding.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Dividend Restrictions

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

D. Dividends Paid

No dividends were paid by the Company during 2013.

On April 25, 2012, the Company paid an ordinary dividend of $45 million to its parent, Mutual.

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.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is $115.5 million less applicable deferred taxes of $8.1 million for a net unrealized capital gain of $107.4 million.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

Note 14 – Contingencies

A. Contingent Commitments

The Company committed to adding additional capital or renegotiating the reinsurance agreement between itself and Veterinary Pet Insurance Company, or both, in order to maintain the capital and surplus of Veterinary Pet Services at or above the minimum requirements of the California Insurance Department of $2.0 million.

B. Guaranty Fund and Other Assessments

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

As of December 31, 2013 and 2012, the Company accrued a liability for guaranty fund and other assessments of $498 thousand and $600 thousand and a related premium tax benefit asset of $128 thousand and $519 thousand, 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.

NOTES TO FINANCIAL STATEMENTS

(1) Description		(2) Amount
a.	Assets recognized from paid and accrued premium tax offsets and policy holder surcharges prior year-end	$ 519,219
	Decreases current year:	
	Premium tax offsets applied	$ 15,783
	Change in accrued premium tax offsets	$ 375,245
d.	Assets recognized from paid and accrued premium tax offsets and policy holder surcharges current year-end	$ 128,191

C. Gain Contingencies

Not applicable.

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

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

Claims related ECO and bad faith losses paid during the reporting period: $453 thousand

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 and other matters were $2.6 million and $2.3 million as of December 31, 2013 and 2012, respectively.

Note 15 – Leases

A. Lessee Leasing Arrangements

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

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

A. Financial Instruments with Off-Balance Sheet Risk

Not applicable.

B. Financial Instruments with Concentrations of Credit Risk

Not applicable.

C. Exposure to Credit-Related Losses

Not applicable.

D. Collateral Policy

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

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

NOTES TO FINANCIAL STATEMENTS

The fair value of loaned securities was $1,574,934, at December 31, 2013. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2013.

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

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

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

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

4. There were no assets securitized during the period.

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

6. There were no transfers of receivables with recourse.

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

C. Wash Sales

Not applicable.

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

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

Note 20 – Fair Value Measurements

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

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

The Company categorizes financial assets and liabilities as follows:

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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	-	1,161,580	-	1,161,580
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	10,112,250	-	10,112,250
Total Bonds	-	11,273,830	-	11,273,830
Sec Lending	-	74,653	-	74,653
Preferred Stocks	-	-	-	-
Common Stocks	-	-	-	-
Loans held for sale	-	-	-	-
Separate Account Assets	-	-	-	-
Derivative Assets	-	-	-	-
Total Assets at Fair Value	-	11,348,483	-	11,348,483
Liabilities at Fair Value				
Derivatives Liabilities	-	-	-	-
Total Liabilities at Fair Value	-	-	-	-

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	$ 1,152,171,572	$1,093,166,378	$303,825,780	$ 847,953,903	$ 391,889	$ -
Stocks	237,058,886	237,058,886	-	-	237,058,886	
Mortgage loans	2,860,903	2,684,156	-	-	2,860,903	
Short-term investments	20,400,318	20,400,318	-	20,400,318	-	
Derivative assets	-	-	-	-	-	
Policy loans	-	-	-	-	-	
Securities lending collateral assets1	1,393,179	1,393,179	-	1,393,179	-	
Total Assets	$ 1,413,884,858	$1,354,702,917	$303,825,780	$ 869,747,400	$ 240,311,678	$ -
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

Not applicable.

D. Uncollectible Premiums Receivable

Not applicable.

E. State Transferable and Non-Transferable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

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

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

NOTES TO FINANCIAL STATEMENTS

3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	201,628	64,887	64,887	121,686
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other Assets				
g. Total	201,628	64,887	64,887	121,686

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

G. Offsetting and Netting of Assets and Liabilities

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

H. Joint and Several Liabilities

Not applicable.

Note 22 - Events Subsequent

Type I – Recognized Subsequent Events:

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

Type II – Nonrecognized Subsequent Events:

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

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

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company 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 Mutual Insurance Company	31-4177100	$ 3,822,948
0140	Veterinary Pet Insurance	95-3750113	$ 112,299
	Alterra Reinsurance USA	06-1481194	$ 46,679
	Endurance Reinsurance Corp of America	35-2293075	$ 31,189
	Everest Reinsurance Company	22-2005057	$ 32,649
	Munich Reinsurance Americ	13-4924125	$ 58,101
	Toa Reinsurance Company	13-2918573	$ 28,510
	Transatlantic Reinsurance	13-5616275	$ 74,038
	Bateleur Insurance Co Ltd	AA-3190490	$ 22,610
	Hannover Rueckversicherun	AA-1340125	$ 25,974

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	$832,184	$159,824	$1,071,448	$240,271	($239,264)	($80,446)
b. All Others	2,390	743	141,129	34,545	($138,739)	($33,802)
c. Totals	**$834,574**	**$160,568**	**$1,212,577**	**$274,816**	**($378,003)**	**($114,248)**
d. Direct Unearned Premium Reserve			$653,009			

NOTES TO FINANCIAL STATEMENTS

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	$111,162	$22,128	$122,916	$10,374
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	**$111,162**	**$22,128**	**$122,916**	**$10,374**

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

D. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due from the companies listed below, in the amount of $2,349,117, which is reflected as:

a. Losses Incurred	$ 2,347,642
b. Loss adjustment expenses Incurred	$ 1,475
c. Premiums Earned	$ -
d. Other	$ -

e. Company	Amount
Beacon Insurance Company	($ 3,251)
Folksam International	$ 9,510
Lumbermens Mutual Casualty Co	$ 2,543,144
Mission Insurance Co	($ 142,464)
Mutual Fire & Inland Marine	($ 2,159)
NEM Reinsurance Co	($ 137)
Paladin Re Bermuda	($ 137)
Pinetop Insurance Co	($ 55,389)
	$ 2,349,117

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1) Losses Incurred	$ 1,878,517
(2) Loss adjustment expenses Incurred	$ 529,048
(3) Premiums earned	($ 2,105)
(4) Other	$ -

(5) Company	Amount
American Centennial Ins	($ 163)
Atlantic Mutual Insurance Co	($ 193)
Converium Reinsurance North America	$ 1,103,566
CX Reinsurance Company	$ 344,998
Dorinco Reinsurance Co	$ 111
Excalibur Reinsurance Co	($ 55,237)
First National Indemnity	($ 950)
First New York Syndicate	($ 4,620)
Global Re Corp of America	($ 9,562)
Imperial Casualty	$ 53,231
Maiden Lane Syndicate	($ 1,377)
Municipal General Ins Co	$ 6,322
Reliance Insurance Company	$ 95,742
Richmond Insurance Co	($ 650,000)
Rosemont Reinsurance Limited	$ 13,343
San Francisco Re Co	($ 4,750)
South Place Syndicate	($ 1,377)
Swiss Reinsurance America Corp	$ 505,562
Trenwick America Reinsurance Corp	$ 1,010,814

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2013.

G. Reinsurance Accounted for as a Deposit

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

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

I. Certified Reinsurer Downgrades or Status Subject to Revocation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

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.

NOTES TO FINANCIAL STATEMENTS

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 $26 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 Losses and LAE Incurred	Shortage (Redundancy)	Loss & DCC Shortage (Redundancy)	Impact of AO on Total Shortage (Redundancy)
Line of Business	Losses Incurred	LAE Incurred	Totals				
Homeowners / Farmowners	$66,625	$10,264	$76,890	$77,876	($986)	($1,422)	$436
Commercial Multiple Peril	$43,787	$11,189	$54,977	$54,996	($19)	($437)	$418
Workers' Compensation	$9,025	$1,532	$10,556	$12,515	($1,958)	($1,872)	($86)
Other Liability	$21,781	$8,474	$30,255	$30,916	($661)	($1,111)	$450
Product Liability	$1,106	$986	$2,091	$2,246	($155)	($274)	$119
Auto	$211,280	$34,528	$245,808	$246,118	($309)	($1,052)	$743
All Others	$18,934	$2,144	$21,078	$21,049	$29	($178)	$207
Totals	**$372,539**	**$69,117**	**$441,656**	**$445,716**	**($4,059)**	**($6,346)**	**$2,287**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $4.1 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.

Note 26 - Intercompany Pooling Arrangements

Mutual 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, Mutual's pooling percentage changed to 83% from 83.7%. In addition, the 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.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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 $6.6 million and $6.7 million, respectively.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$6.6 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.

NOTES TO FINANCIAL STATEMENTS

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 2.50% to 10.25%).

3. The December 31, 2013 liabilities include $20 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)	19,670	
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	$ 19,670	$ -

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

B. Non-Tabular Discounts

The Company does not have any non-tabular discount.

C. Changes in Discount Assumptions

None.

Note 33 - Asbestos/Environmental Reserves

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

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for 2009 through 2012 have been restated for the pooling changes in Note 26 and are as follows:

NOTES TO FINANCIAL STATEMENTS

(1) **Asbestos Claims - Direct**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 2,145,810	$ 1,966,897	$ 1,983,412	$ 1,745,221	$ 1,615,973
Incurred Loss and Loss Adj. Expense:	$ 6,334	$ 269,423	$ 15,237	$ 100,810	$ 552,683
Calendar Year Payments:	$ 185,247	$ 252,908	$ 253,428	$ 230,058	$ 346,980
Ending Reserve:	$ 1,966,897	$ 1,983,412	$ 1,745,221	$ 1,615,973	$ 1,821,676

(2) **Asbestos Claims - Assumed**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 4,917,179	$ 4,952,576	$ 4,977,480	$ 4,958,555	$ 4,842,665
Incurred Loss and Loss Adj. Expense:	$ 15,417	$ 40,000	$ 4,615	$ (160,493)	$ 187,376
Calendar Year Payments:	$ (19,980)	$ 15,096	$ 23,540	$ (44,603)	$ 1,029,955
Ending Reserve:	$ 4,952,576	$ 4,977,480	$ 4,958,555	$ 4,842,665	$ 4,000,087

(3) **Asbestos Claims - Net**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 638,809	$ 566,563	$ 588,751	$ 493,492	$ 780,674
Incurred Loss and Loss Adj. Expense:	$ (45,928)	$ 75,910	$ (73,118)	$ 143,681	$ (90,296)
Calendar Year Payments:	$ 26,318	$ 53,722	$ 22,141	$ (143,501)	$ 273,583
Ending Reserve:	$ 566,563	$ 588,751	$ 493,492	$ 780,674	$ 416,794

B. Bulk and IBNR Losses and LAE

(1)	Direct	$ 1,493,875
(2)	Assumed	$ 3,173,637
(3)	Net of Ceded Reinsurance	$ 267,023

C. Case, Bulk and IBNR LAE

(1)	Direct	$ 683,719
(2)	Assumed	$ 14,082
(3)	Net of Ceded Reinsurance	$ 110,764

D. See A above

(1) **Environmental Claims - Direct**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 1,504,287	$ 1,490,808	$ 1,470,721	$ 1,488,913	$ 1,794,126
Incurred Loss & Loss Adj. Expense:	$ 110,352	$ 95,190	$ 151,230	$ 51,864	$ 69,796
Calendar Year Payments:	$ 123,831	$ 115,277	$ 133,038	$ (253,349)	$ 110,488
Ending Reserve:	$ 1,490,808	$ 1,470,721	$ 1,488,913	$ 1,794,126	$ 1,753,434

(2) **Environmental Claims - Assumed**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 2,477,256	$ 2,526,898	$ 1,915,502	$ 1,556,978	$ 1,300,236
Incurred Loss & Loss Adj. Expense:	$ 46,926	$ (600,000)	$ (360,120)	$ (277,301)	$ (82,905)
Calendar Year Payments:	$ (2,716)	$ 11,396	$ (1,596)	$ (20,559)	$ 187,376
Ending Reserve:	$ 2,526,898	$ 1,915,502	$ 1,556,978	$ 1,300,236	$ 1,029,955

(3) **Environmental Claims - Net**

	2009	2010	2011	2012	2013
Beginning Reserves:	$ 1,266,608	$ 1,342,187	$ 1,325,827	$ 1,372,675	$ 1,698,327
Incurred Loss and Loss Adj. Expense:	$ 187,852	$ 95,087	$ 176,675	$ 54,417	$ 67,434
Calendar Year Payments:	$ 112,273	$ 111,447	$ 129,827	$ (271,235)	$ 109,190
Ending Reserve:	$ 1,342,187	$ 1,325,827	$ 1,372,675	$ 1,698,327	$ 1,656,570

E. Bulk and IBNR Losses and LAE

(1)	Direct	$ 1,493,957
(2)	Assumed	$ 750,077
(3)	Net of Ceded Reinsurance	$ 1,423,607

F. Case, Bulk and IBNR LAE

(1)	Direct	$ 547,132
(2)	Assumed	$ 9,017
(3)	Net of Ceded Reinsurance	$ 490,784

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

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

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

1.3 State Regulating? OH

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

2.2 If yes, date of change:

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

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

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/13/2013

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, Three Radnor Corporate Center, Suite 105, 100 Matsonford Road Radnor, PA 19087-4568, Principal

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 45,215,556

INVESTMENT

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

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

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Nationwide utilizes a third party to administer it's Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on balance sheet. Additionally, Nationwide participates in a Cash Release Program. Nationwide can borrow a limited amount of cash from the program subject to the underwriting of the plan administrator. Nationwide pays 1 month LIBOR on the borrowings, a majority of which comes back to Nationwide as earnings on the securities lending program. As of December 31, 2013, Nationwide had loaned $1,574,934 to approved counterparties and received collateral amounts of $1,612,490.

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. $ 1,467,832

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. $ 1,467,832
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 1,467,832
24.103 Total payable for securities lending reported on the liability page. $ 1,612,490

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Pledged as collateral $
25.26 Placed under option agreements $
25.27 Letter stock or other securities restricted as to sale $
25.28 On deposit with state or other regulatory body $ 12,084,758
25.29 Other $

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution.	One Nationwide Blvd., Columbus, OH 43215-2220

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,104,440,217	1,163,445,405	59,005,188
30.2 Preferred stocks			
30.3 Totals	1,104,440,217	1,163,445,405	59,005,188

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

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

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

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

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

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

1.6 Individual policies:

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

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

1.7 Group policies:

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

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

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	7,238,375	6,404,725
2.2	Premium Denominator	667,332,731	588,325,866
2.3	Premium Ratio (2.1/2.2)	0.011	0.011
2.4	Reserve Numerator	214,855	192,180
2.5	Reserve Denominator	839,942,727	705,227,895
2.6	Reserve Ratio (2.4/2.5)	0.000	0.000

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

3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies $
3.22 Non-participating policies $

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

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

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

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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 [X] No [ ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions: 1

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 [X] 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): $ 960,000

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. 4

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

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

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

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

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

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

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [X] No [ ]
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	4,962,592	187,220	2,867,129	4,840,594	4,461,535
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)	1,844,242,501	1,610,700,431	1,592,172,746	1,456,589,457	1,469,903,677
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	754,086,564	633,694,585	399,866,047	367,821,234	379,957,817
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	796,878,068	703,794,444	632,159,259	570,290,909	553,752,201
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	35,562,729	50,340,210	59,202,845	49,430,288	41,435,829
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(9,935)	(11)	51	2,874	1,235
6.	Total (Line 35)	3,430,759,927	2,998,529,659	2,683,400,948	2,444,134,762	2,445,050,759
	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)	306,955,650	264,457,716	250,785,278	252,019,507	260,611,059
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	159,618,088	144,116,758	138,556,881	139,999,087	144,028,994
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	232,348,855	182,230,526	172,258,722	169,242,486	170,426,334
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	8,174,237	8,103,240	10,830,620	10,311,202	8,621,597
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(9,935)	(11)	51	2,874	1,235
12.	Total (Line 35)	707,086,895	598,908,229	572,431,552	571,575,156	583,689,219
	Statement of Income (Page 4)					
13	Net underwriting gain (loss) (Line 8)	(12,309,910)	(42,597,650)	(62,328,299)	(6,194,967)	(23,336,035)
14.	Net investment gain or (loss) (Line 11)	35,510,789	34,321,803	39,118,800	38,300,554	48,464,951
15.	Total other income (Line 15)	4,808,857	5,235,177	6,583,786	6,706,494	5,524,188
16.	Dividends to policyholders (Line 17)	475,406	323,150	306,958	260,432	210,372
17.	Federal and foreign income taxes incurred (Line 19)	11,339,111	(1,071,772)	(5,347,897)	8,258,205	2,650,239
18.	Net income (Line 20)	16,195,219	(2,292,048)	(11,584,774)	30,293,444	27,792,493
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,133,326,158	1,879,518,242	1,747,475,296	1,765,129,712	1,771,529,394
20.	Premiums and considerations (Page 2, Col. 3)					
	20.1 In course of collection (Line 15.1)	453,365,276	383,150,590	166,745,426	298,126,940	317,101,535
	20.2 Deferred and not yet due (Line 15.2)	109,821,565	92,933,194	89,769,118	80,682,820	85,034,596
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	1,416,961,463	1,209,319,530	1,068,706,404	1,110,008,302	1,161,360,445
22.	Losses (Page 3, Line 1)	379,084,069	313,878,539	310,802,977	323,903,492	337,795,727
23.	Loss adjustment expenses (Page 3, Line 3)	87,337,625	67,770,398	66,904,127	67,844,578	71,380,783
24.	Unearned premiums (Page 3, Line 9)	275,005,566	235,253,350	224,670,185	221,431,823	227,373,527
25.	Capital paid up (Page 3, Lines 30 & 31)	6,027,200	6,027,200	6,027,200	6,027,200	6,027,200
26.	Surplus as regards policyholders (Page 3, Line 37)	716,364,695	670,198,712	678,768,892	655,121,410	610,168,949
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	161,608,252	(101,181,460)	26,098,581	14,394,580	21,707,117
	Risk-Based Capital Analysis					
28.	Total adjusted capital	716,364,695	670,198,712	678,768,892	655,121,410	610,137,125
29.	Authorized control level risk-based capital	104,420,560	93,349,894	89,339,905	68,547,959	68,539,028
	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)	83.9	75.0			
31.	Stocks (Lines 2.1 & 2.2)	18.0	19.6			
32.	Mortgage loans on real estate (Lines 3.1 and 3.2)	0.2	0.2			
33.	Real estate (Lines 4.1, 4.2 & 4.3)					
34.	Cash, cash equivalents and short-term investments (Line 5)	(2.2)	5.0			
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)					XXX
37.	Other invested assets (Line 8)					
38.	Receivables for securities (Line 9)					
39.	Securities lending reinvested collateral assets (Line 10)	0.1	0.1			XXX
40.	Aggregate write-ins for invested assets (Line 11)					
41.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43.	Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44.	Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	237,058,885	229,514,580	199,775,817	199,088,351	188,966,939
45.	Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated					
48.	Total of above Lines 42 to 47	237,058,885	229,514,580	199,775,817	199,088,351	188,966,939
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)	33.1	34.2			

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	9,385,630	31,822,141	6,356,175	11,824,608	31,851,678
52. Dividends to stockholders (Line 35)		(45,000,000)			
53. Change in surplus as regards policyholders for the year (Line 38)	46,165,983	(8,570,180)	23,647,482	44,952,461	91,301,990
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)	697,405,356	726,025,265	838,480,198	773,449,985	738,140,312
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	382,620,225	334,137,926	202,363,716	178,252,167	183,495,525
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	364,352,591	359,688,933	363,660,026	277,843,180	273,840,959
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,255,105	43,535,705	46,768,060	47,046,596	46,460,892
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	407,575			497,504	466,660
59. Total (Line 35)	1,470,040,852	1,463,387,829	1,451,272,000	1,277,089,432	1,242,404,348
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)	126,596,843	151,501,313	151,338,821	149,629,583	152,556,678
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	87,547,348	84,834,003	86,276,449	78,478,818	81,702,786
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	87,440,457	112,668,580	141,006,327	108,447,435	113,584,064
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,342,760	5,896,452	7,961,593	8,459,667	6,804,490
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	407,575			497,504	466,660
65. Total (Line 35)	307,334,983	354,900,348	386,583,190	345,513,007	355,114,678
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)	35.7	35.3			
70. Net underwriting gain (loss) (Line 8)	(1.8)	(7.2)			
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.0	33.8			
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)	98.7	89.4			
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)	(6,346)	(7,483)	(16,663)	(21,636)	(5,437)
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)	(0.9)	(1.1)			
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)	(11,851)	(24,928)	(32,878)	(15,682)	(5,124)
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)	(1.7)	(3.8)			

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	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	4,577	2,392	1,205	445	151	13	243	3,083	XXX
2. 2004	639,715	49,153	590,562	340,133	34,957	18,601	2,379	46,005	689	16,837	366,714	XXX
3. 2005	675,866	47,810	628,056	375,886	51,295	21,452	2,638	49,697	1,682	17,586	391,419	XXX
4. 2006	735,156	73,621	661,535	366,675	35,045	20,760	2,260	65,297	3,104	18,692	412,323	XXX
5. 2007	746,187	78,147	668,040	388,836	42,139	20,513	1,821	36,740	1,892	22,949	400,237	XXX
6. 2008	760,300	101,256	659,044	447,928	50,648	20,008	1,677	55,220	3,814	20,156	467,018	XXX
7. 2009	738,920	100,983	637,937	408,640	49,943	18,077	1,776	50,357	4,500	19,415	420,856	XXX
8. 2010	718,433	97,090	621,343	386,207	40,978	15,192	1,408	50,075	4,619	20,064	404,468	XXX
9. 2011	681,015	65,734	615,281	408,120	31,560	12,565	1,353	50,067	1,782	21,352	436,057	XXX
10. 2012	705,173	71,150	634,023	358,912	44,757	6,588	503	47,328	2,519	21,099	365,049	XXX
11. 2013	742,935	75,603	667,333	236,718	17,633	2,004	118	37,910	1,307	13,423	257,574	XXX
12. Totals	XXX	XXX	XXX	3,722,634	401,348	156,964	16,377	488,847	25,921	191,817	3,924,799	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 Subrog-ation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstand-ing Direct and Assumed
1. Prior	43,390	24,183	22,944	13,310	1,402	982	4,428	1,168	780	16	497	33,285	XXX
2. 2004	5,306	4,055	1,505	422	180	89	664	97	232	3	65	3,221	XXX
3. 2005	4,589	2,275	1,881	593	260	99	982	57	356	12	135	5,033	XXX
4. 2006	6,125	3,819	2,634	973	255	20	1,225	75	369	11	163	5,711	XXX
5. 2007	7,961	1,586	3,288	1,232	352	40	1,824	90	400	20	272	10,856	XXX
6. 2008	9,769	2,275	4,354	1,570	433	79	2,556	95	556	35	337	13,615	XXX
7. 2009	12,978	1,702	5,945	2,089	646	106	3,598	173	744	46	529	19,794	XXX
8. 2010	20,264	2,326	8,717	2,896	1,173	223	5,414	281	1,103	78	794	30,865	XXX
9. 2011	41,583	5,235	15,168	4,712	2,157	500	10,338	697	1,915	165	1,683	59,850	XXX
10. 2012	58,508	5,197	32,007	8,697	2,241	468	15,781	1,240	3,371	256	3,069	96,050	XXX
11. 2013	99,046	7,087	80,304	12,946	1,727	418	21,634	1,931	8,335	521	9,960	188,143	XXX
12. Totals	309,516	59,740	178,748	49,439	10,825	3,024	68,443	5,903	18,161	1,164	17,504	466,422	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	28,841	4,444
2. 2004	412,625	42,690	369,935	64.5	86.9	62.6			4.0	2,334	887
3. 2005	455,104	58,651	396,453	67.3	122.7	63.1			4.0	3,603	1,430
4. 2006	463,341	45,307	418,034	63.0	61.5	63.2			4.0	3,967	1,744
5. 2007	459,913	48,820	411,093	61.6	62.5	61.5			4.0	8,431	2,425
6. 2008	540,825	60,193	480,632	71.1	59.4	72.9			4.0	10,278	3,336
7. 2009	500,985	60,334	440,650	67.8	59.7	69.1			4.0	15,132	4,662
8. 2010	488,142	52,809	435,333	67.9	54.4	70.1			4.0	23,758	7,107
9. 2011	541,912	46,004	495,908	79.6	70.0	80.6			4.0	46,803	13,047
10. 2012	524,735	63,636	461,099	74.4	89.4	72.7			4.0	76,620	19,429
11. 2013	487,678	41,961	445,716	65.6	55.5	66.8			4.0	159,317	28,826
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	379,084	87,338

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) 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	214,486	220,527	215,975	217,273	219,868	220,883	221,680	221,510	219,848	219,067	(781)	(2,443)
2. 2004	339,439	335,193	330,371	330,254	327,942	326,306	325,361	324,871	324,605	324,390	(215)	(481)
3. 2005	XXX	361,581	353,326	352,834	352,424	350,381	349,356	348,397	348,278	348,095	(183)	(301)
4. 2006	XXX	XXX	366,955	363,172	362,867	360,452	357,880	356,415	355,679	355,483	(196)	(932)
5. 2007	XXX	XXX	XXX	385,885	388,116	383,136	379,576	377,131	376,753	375,865	(888)	(1,266)
6. 2008	XXX	XXX	XXX	XXX	435,730	438,752	433,733	429,620	429,352	428,705	(646)	(914)
7. 2009	XXX	XXX	XXX	XXX	XXX	411,912	400,421	396,470	395,066	394,096	(970)	(2,375)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	397,264	392,628	390,763	388,853	(1,910)	(3,775)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	445,237	444,451	445,872	1,422	635
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	415,154	413,175	(1,978)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	401,301	XXX	XXX
										12. Totals	(6,346)	(11,851)

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) 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	69,302	112,149	139,867	154,256	166,650	173,855	180,495	183,585	186,530	XXX	XXX
2. 2004	181,698	250,228	278,069	297,687	308,554	314,692	317,731	319,396	320,586	321,398	XXX	XXX
3. 2005	XXX	190,063	263,135	296,519	317,880	330,454	337,186	340,106	342,181	343,404	XXX	XXX
4. 2006	XXX	XXX	194,024	271,105	304,216	324,891	337,584	344,286	347,593	350,130	XXX	XXX
5. 2007	XXX	XXX	XXX	206,774	287,125	318,865	340,940	354,036	361,702	365,389	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	246,681	337,390	371,477	394,921	408,548	415,612	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	225,599	306,470	341,059	363,092	374,999	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	224,922	305,410	337,967	359,013	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	267,992	352,750	387,772	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	234,489	320,241	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	220,971	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	83,401	56,982	42,046	33,766	28,654	24,497	22,535	17,379	15,215	12,906
2. 2004	83,861	38,749	22,918	13,140	7,901	5,519	3,971	2,834	2,117	1,650
3. 2005	XXX	90,169	42,558	25,044	14,600	9,347	6,209	4,130	2,967	2,216
4. 2006	XXX	XXX	94,554	45,580	26,557	15,524	9,079	5,735	3,829	2,812
5. 2007	XXX	XXX	XXX	93,846	45,161	27,344	15,577	8,894	5,719	3,789
6. 2008	XXX	XXX	XXX	XXX	95,353	46,866	26,115	13,623	8,135	5,246
7. 2009	XXX	XXX	XXX	XXX	XXX	95,167	40,126	21,417	12,006	7,281
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	86,427	36,103	20,104	10,953
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84,787	36,170	20,096
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	89,709	37,850
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	87,062

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

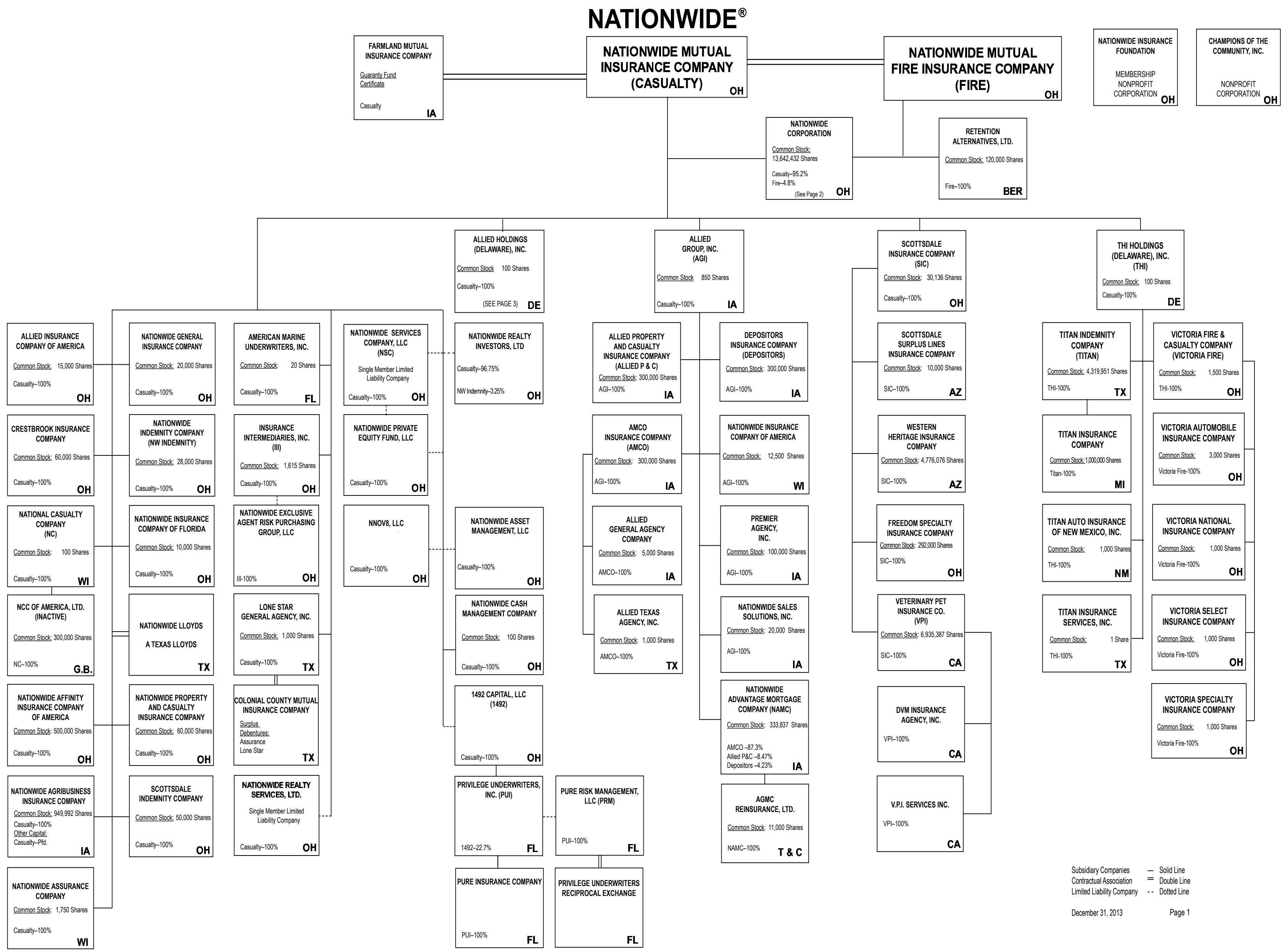
	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama AL	E	26,497,297	24,778,322		9,901,280	12,585,042	13,619,086		
2. Alaska AK	E	3,379,429	3,376,533		663,880	106,083	2,457,833		
3. Arizona AZ	L	11,973,701	11,914,541		6,824,594	8,615,291	6,301,325	885	78,967
4. Arkansas AR	E	8,335,004	7,740,750		2,522,493	2,872,486	5,443,634		
5. California CA	E	236,191,490	222,870,187		80,160,453	103,553,064	227,656,033	5,685	93,424
6. Colorado CO	E	17,715,468	16,010,782		5,335,979	9,183,697	15,228,310		
7. Connecticut CT	E	9,319,530	8,889,135		3,980,517	710,028	10,991,600		
8. Delaware DE	L	1,012,256	1,115,834		357,725	561,269	1,220,256		
9. District of Columbia DC	E	6,014,296	4,815,976		1,288,732	1,454,749	2,679,440		2,240,948
10. Florida FL	E	169,658,491	163,368,472		59,844,950	65,080,656	122,425,565		
11. Georgia GA	E	37,278,326	33,921,558		16,808,616	19,056,827	31,633,002		
12. Hawaii HI	E	11,160,831	10,519,910		2,940,181	2,089,255	8,858,072		
13. Idaho ID	E	3,674,494	3,585,026		2,240,305	256,115	1,987,567		
14. Illinois IL	E	30,916,638	29,620,511		15,534,232	13,919,848	48,498,348		
15. Indiana IN	E	19,345,100	18,602,818		3,464,801	4,353,297	13,220,525	55	
16. Iowa IA	E	8,211,319	8,106,356		2,269,590	2,198,390	8,698,847		
17. Kansas KS	E	9,091,970	8,312,966		6,659,923	7,004,399	4,070,184		
18. Kentucky KY	E	5,890,293	5,724,222		1,128,540	2,397,890	7,480,809		
19. Louisiana LA	E	90,739,768	86,778,271		25,218,911	25,524,148	60,070,170		
20. Maine ME	E	2,008,019	1,974,993		193,568	461,559	2,414,101		
21. Maryland MD	E	13,531,395	13,148,608		5,075,801	3,554,585	13,589,785		
22. Massachusetts MA	E	24,371,060	24,160,155		13,331,812	7,904,083	29,201,404		31,191
23. Michigan MI	E	9,939,504	10,259,129		3,173,810	3,050,624	11,100,811		15,333
24. Minnesota MN	E	10,401,938	9,802,305		4,473,288	4,315,418	9,663,712		
25. Mississippi MS	E	18,811,277	17,654,270		9,992,153	10,282,918	9,864,225	45	
26. Missouri MO	E	25,729,810	20,694,794		4,834,958	5,234,533	11,030,820		
27. Montana MT	E	5,720,898	5,298,019		880,201	1,668,800	3,384,264		
28. Nebraska NE	E	5,564,519	5,225,010		1,247,509	1,530,582	3,872,800		
29. Nevada NV	E	8,311,203	7,658,765		2,008,162	2,686,006	9,274,330		
30. New Hampshire NH	E	2,042,728	2,108,493		146,429	109,576	2,298,657		
31. New Jersey NJ	E	66,940,309	61,680,670		43,551,813	27,265,359	70,695,319	135	
32. New Mexico NM	E	6,673,657	6,261,139		3,566,218	3,623,103	5,911,585		
33. New York NY	E	200,467,843	172,407,751		72,800,428	95,157,320	238,387,532		702,254
34. North Carolina NC	E	28,639,788	27,421,367		4,404,419	4,839,611	12,421,502		
35. North Dakota ND	E	2,353,129	2,235,516		793,508	728,999	1,008,898		
36. Ohio OH	L	5,286,686	5,774,134		2,831,154	3,119,728	5,952,073	195	328
37. Oklahoma OK	E	17,869,221	15,649,941		12,111,051	12,532,020	9,098,822	15	
38. Oregon OR	E	10,866,443	10,295,626		3,765,068	3,623,702	11,075,700	45	46,013
39. Pennsylvania PA	E	25,047,785	24,036,756		7,984,786	26,611,552	49,919,357		
40. Rhode Island RI	E	3,359,293	3,125,149		1,027,049	2,064,038	4,974,880		
41. South Carolina SC	E	25,471,111	24,613,716		14,518,177	14,855,257	13,744,455		
42. South Dakota SD	E	1,254,382	1,073,515		302,968	924,847	1,596,108		
43. Tennessee TN	E	15,473,958	16,115,287		10,358,568	12,989,783	16,706,592		
44. Texas TX	E	152,906,070	144,454,729		69,413,363	72,070,388	98,920,120	90	202,938
45. Utah UT	E	6,362,747	5,787,447		2,879,777	1,033,997	5,480,081		
46. Vermont VT	E	2,050,994	1,700,683		164,922	180,349	1,615,734		
47. Virginia VA	E	19,959,544	19,277,366		2,235,608	5,220,485	19,922,672		
48. Washington WA	E	19,077,139	18,618,281		7,873,309	7,119,543	19,801,770		
49. West Virginia WV	E	6,429,532	5,241,033		2,084,300	2,261,211	3,722,603		(365)
50. Wisconsin WI	E	6,285,585	6,211,664		1,659,353	1,854,701	7,063,153		
51. Wyoming WY	E	2,690,422	2,377,554		565,341	668,002	983,186		
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	E	902	12,110		55,000	(158,657)	3,568		
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX	277,375	238,849			104,409	185,267		
59. Totals	(a) 3	1,458,581,967	1,362,646,994		557,449,573	621,010,965	1,297,426,492	7,150	3,411,031
DETAILS OF WRITE-INS									
58001. BMU Bermuda	XXX	204,250	158,615			70,416	95,441		
58002. ENG England	XXX	73,125	80,234			33,993	89,826		
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	277,375	238,849			104,409	185,267		

(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.

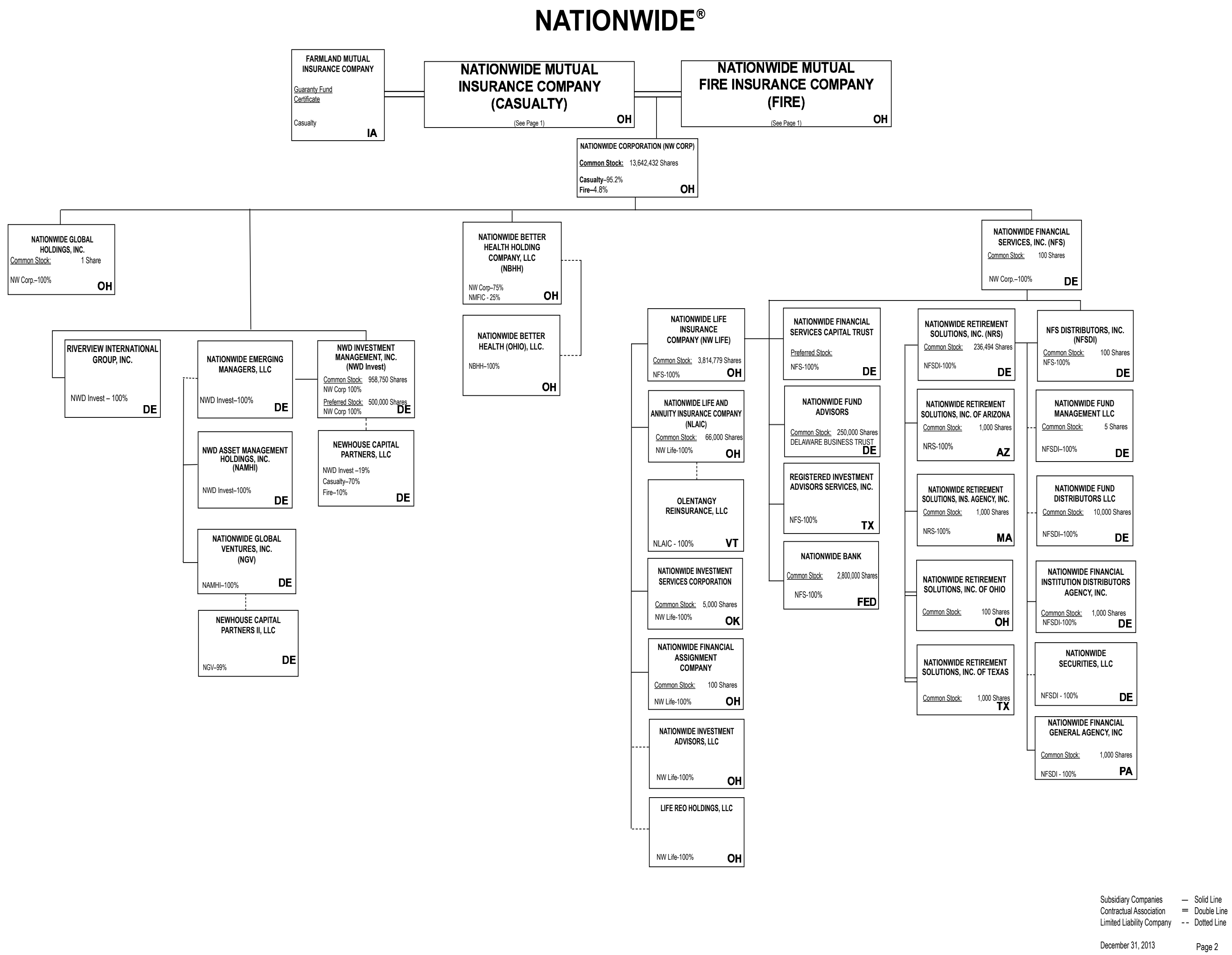
Explanation of basis of allocation of premiums by states, etc.

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.

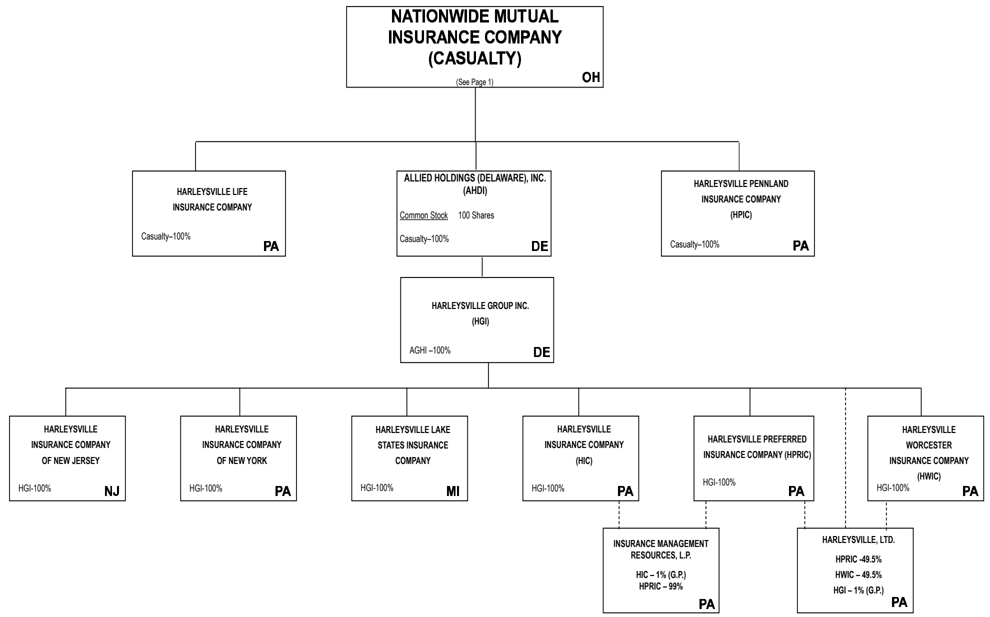


(Casualty, Fire and insurance related subsidiaries)



(Nationwide Corp. subsidiaries)

NATIONWIDE®



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

December 31, 2013 Page 3

(Harleysville subsidiaries)

NATIONWIDE INSURANCE COMPANIES

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

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

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Other assets nonadmitted	680,878	680,878		
2505. Recoupment receivable	1,154,671		1,154,671	1,049,510
2506. Third party administrator receivable	3,792		3,792	3,792
2597. Summary of remaining write-ins for Line 25 from overflow page	1,839,341	680,878	1,158,463	1,053,302

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Miscellaneous liabilities	145,648	168,944
2505. Reserve for state escheat payment	6,376,178	5,624,103
2506. State surcharge/recoupment payable	603,630	351,320
2597. Summary of remaining write-ins for Line 25 from overflow page	7,125,456	6,144,367

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		17,904		17,904
2497. Summary of remaining write-ins for Line 24 from overflow page		17,904		17,904

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

	1	2	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
States, Etc.	Type of Deposit	Purpose of Deposit	3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
5804. Canada/Govt/Bd CDN$	B	Reinsurance			1,374,495	1,366,368
5805. Hydro-Quebec MT Nt Govt Gtd CDN	B	Reinsurance			227,853	251,381
5806. Canada/Govt/Bd CDN$	B	Reinsurance			3,410,785	3,390,618
5897. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX			5,013,133	5,008,367

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ANNUAL STATEMENT BLANK (Continued)

ANNUAL STATEMENT BLANK (Continued)