



# QUARTERLY STATEMENT

As of September 30, 2014  
of the Condition and Affairs of the

## Century Surety Company

NAIC Group Code.....0748, 0748 (Current Period) (Prior Period)	NAIC Company Code..... 36951	Employer's ID Number..... 31-0936702
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... June 22, 1978	Commenced Business..... August 11, 1978	
Statutory Home Office	550 Polaris Parkway..... Westerville ..... OH ..... US ..... 43082 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	550 Polaris Parkway..... Westerville ..... OH ..... US ..... 43082 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	614-895-2000 <i>(Area Code) (Telephone Number)</i>
Mail Address	550 Polaris Parkway..... Westerville ..... OH ..... US ..... 43082 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	26255 American Drive..... Southfield ..... MI ..... US ..... 48034 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	248-358-1100 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.meadowbrook.com	
Statutory Statement Contact	Kimberlee A. Arnold <i>(Name)</i> karnold@meadowbrook.com <i>(E-Mail Address)</i>	248-358-1100-8102 <i>(Area Code) (Telephone Number) (Extension)</i> 248-358-1614 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Christopher John Timm	President	2. Michael Gerard Costello	Secretary
3. Steven Christopher Divine	Treasurer	4.	

### OTHER

Michael Gerard Costello	Sr. VP & General Counsel	Robert Samuel Cubbin	Chairman
Steven Christopher Divine	Vice President	Randolph Witt Fort	Vice President
Karen Marwell Spaun	Vice President	Nathan Karl Voorhis	Vice President
Roger Scott Walleck #	Vice President		

### DIRECTORS OR TRUSTEES

Robert Samuel Cubbin-Chairman	James Michael Mahoney	Archie Stephen McIntyre	Karen Marwell Spaun
Christopher John Timm	Nathan Karl Voorhis	Roger Scott Walleck #	

State of..... Michigan  
County of..... Oakland

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

_____ (Signature) Christopher John Timm 1. (Printed Name) President (Title)	_____ (Signature) Michael Gerard Costello 2. (Printed Name) Secretary (Title)	_____ (Signature) Steven Christopher Divine 3. (Printed Name) Treasurer (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	381,728,334		381,728,334	396,246,887
2. Stocks:				
2.1 Preferred stocks.....	0		0	8,455
2.2 Common stocks.....	115,744,937		115,744,937	119,562,058
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....4,008,307), cash equivalents (\$.....0) and short-term investments (\$....11,633,094).....	15,641,401		15,641,401	13,790,953
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	8,476,191		8,476,191	6,901,251
9. Receivables for securities.....			0	11,331
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	521,590,863	0	521,590,863	536,520,934
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	4,012,566		4,012,566	3,879,157
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	53,232,927	287,455	52,945,472	42,935,550
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	7,847	(0)	7,847	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	31,940,208		31,940,208	35,609,672
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	2,850,285		2,850,285	5,465,417
18.2 Net deferred tax asset.....	14,251,945		14,251,945	15,479,625
19. Guaranty funds receivable or on deposit.....	310		310	446
20. Electronic data processing equipment and software.....			0	7
21. Furniture and equipment, including health care delivery assets (\$.....0).....	1,971	1,971	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	765,430		765,430	9,776
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	2,342,596	30,000	2,312,596	2,181,345
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	630,996,949	319,426	630,677,523	642,081,930
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	630,996,949	319,426	630,677,523	642,081,930

### DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Miscellaneous Accounts Receivable.....	2,056,888		2,056,888	1,931,345
2502. Security Deposits.....	280,000	30,000	250,000	250,000
2503. State Income Tax Recoverable.....	5,708		5,708	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,342,596	30,000	2,312,596	2,181,345

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....57,536,209).....	242,821,688	250,134,542
2. Reinsurance payable on paid losses and loss adjustment expenses.....	34,171,210	38,051,914
3. Loss adjustment expenses.....	69,177,396	71,164,831
4. Commissions payable, contingent commissions and other similar charges.....	44,562	266,077
5. Other expenses (excluding taxes, licenses and fees).....	156,303	78,054
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	851,926	804,179
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....81,159,758 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	76,844,830	83,841,858
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	19,258,017	17,913,044
13. Funds held by company under reinsurance treaties.....	0	0
14. Amounts withheld or retained by company for account of others.....	346,202	346,202
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	551,157	324,732
20. Derivatives.....		
21. Payable for securities.....	5,623,393	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	314,073	527,921
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	450,160,757	463,453,354
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	450,160,757	463,453,354
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	119,914,779	119,914,779
35. Unassigned funds (surplus).....	57,601,987	55,713,798
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	180,516,766	178,628,576
38. Totals (Page 2, Line 28, Col. 3).....	630,677,523	642,081,930

**DETAILS OF WRITE-INS**

2501. Miscellaneous Payables.....	219,526	416,476
2502. Escheat Claims.....	79,546	111,445
2503. Deferred Income.....	15,000	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	314,073	527,921
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....2,805,302).....	30,719,154	150,118,187	177,616,095
1.2 Assumed..... (written \$.....218,714,655).....	217,535,667	158,448,778	227,241,002
1.3 Ceded..... (written \$.....88,556,670).....	108,294,506	155,934,726	203,235,593
1.4 Net..... (written \$.....132,963,287).....	139,960,315	152,632,239	201,621,503
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....72,453,805):			
2.1 Direct.....	23,867,050	68,041,591	93,514,531
2.2 Assumed.....	106,568,522	91,854,143	134,891,546
2.3 Ceded.....	60,737,784	70,825,859	105,921,470
2.4 Net.....	69,697,789	89,069,875	122,484,607
3. Loss adjustment expenses incurred.....	23,183,237	27,045,578	37,120,649
4. Other underwriting expenses incurred.....	49,421,773	49,937,392	67,925,825
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	142,302,799	166,052,846	227,531,081
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,342,484)	(13,420,607)	(25,909,578)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	9,420,085	10,336,537	13,951,577
10. Net realized capital gains (losses) less capital gains tax of \$.....1,631,338.....	3,029,627	1,765,147	2,282,159
11. Net investment gain (loss) (Lines 9 + 10).....	12,449,713	12,101,684	16,233,736
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....651,455).....	(651,455)	(636,846)	(854,733)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	45,000	45,495	60,495
15. Total other income (Lines 12 through 14).....	(606,455)	(591,350)	(794,238)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	9,500,774	(1,910,273)	(10,470,080)
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	9,500,774	(1,910,273)	(10,470,080)
19. Federal and foreign income taxes incurred.....	(729,884)	(4,151,899)	(6,694,272)
20. Net income (Line 18 minus Line 19) (to Line 22).....	10,230,658	2,241,626	(3,775,808)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	178,628,576	163,161,584	163,161,584
22. Net income (from Line 20).....	10,230,658	2,241,626	(3,775,808)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....477,329.....	2,241,769	3,427,435	5,704,870
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(1,425,019)	(1,273,117)	98,140
27. Change in nonadmitted assets.....	840,781	2,814,577	5,439,790
28. Change in provision for reinsurance.....			
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.....		15,000,000	15,000,000
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....	(10,000,000)		(7,000,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,888,189	22,210,521	15,466,992
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	180,516,766	185,372,105	178,628,576
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous Income.....	45,000	45,495	60,495
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	45,000	45,495	60,495
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	124,453,908	163,333,163	210,955,124
2. Net investment income.....	11,838,055	11,255,750	16,105,757
3. Miscellaneous income.....	(606,455)	(591,350)	(794,238)
4. Total (Lines 1 through 3).....	135,685,509	173,997,562	226,266,643
5. Benefit and loss related payments.....	77,221,883	84,347,157	113,564,864
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	74,687,828	76,067,122	103,052,554
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$..... 1,631,338 tax on capital gains (losses).....	(1,713,678)	(950,000)	(3,555,580)
10. Total (Lines 5 through 9).....	150,196,033	159,464,279	213,061,838
11. Net cash from operations (Line 4 minus Line 10).....	(14,510,524)	14,533,283	13,204,805
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	22,453,628	37,885,198	46,704,638
12.2 Stocks.....	27,022,673	14,610,250	35,225,887
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....	5,634,724	407,124	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	55,111,025	52,902,571	81,930,525
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	10,212,281	106,247,634	118,505,314
13.2 Stocks.....	17,666,153	63,452,661	71,663,686
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....		2,617,762	2,898,268
13.6 Miscellaneous applications.....			11,331
13.7 Total investments acquired (Lines 13.1 to 13.6).....	27,878,434	172,318,056	193,078,599
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	27,232,591	(119,415,486)	(111,148,074)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....		5,000,000	5,000,000
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	10,000,000		7,000,000
16.6 Other cash provided (applied).....	(871,619)	(2,658,768)	(2,411,366)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(10,871,619)	2,341,232	(4,411,366)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,850,448	(102,540,971)	(102,354,634)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	13,790,953	116,145,587	116,145,587
19.2 End of period (Line 18 plus Line 19.1).....	15,641,401	13,604,616	13,790,953

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

20.0001			
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**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

The accompanying financial statements of Century Surety Company ("Company") have been completed in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual except to the extent that Ohio state laws and regulations differ. Effective January 1, 2001, the state of Ohio required that insurance companies domiciled in the state of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures manual – Effective January 1, 2001* (NAIC SAP), subject to any deviations prescribed or permitted by the state of Ohio Insurance Commissioner. The Company has no such deviations as of September 30, 2014.

A reconciliation of the Company's surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below.

	<u>State of Domicile</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
1. Net Income/(Loss), Ohio Basis	OH	\$ 10,230,658	\$ (3,775,808)
2. State Prescribed Practices: NONE		0	0
3. State Permitted Practices: NONE		<u>0</u>	<u>0</u>
4. Net Income/(Loss), NAIC SAP basis (1-2-3=4)	OH	\$ 10,230,658	\$ (3,775,808)
5. Policyholders surplus, Ohio basis	OH	\$ 180,516,766	\$ 178,628,576
6. State Prescribed Practice: NONE		0	0
7. State Permitted Practice: NONE		<u>0</u>	<u>0</u>
8. Policyholders surplus, NAIC SAP basis (5-6-7=8)	OH	\$ 180,516,766	\$ 178,628,576

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

No significant change.

**C. Accounting Policy**

No significant change.

**2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No significant change.

**3. BUSINESS COMBINATIONS AND GOODWILL**

Not applicable.

**4. DISCONTINUED OPERATIONS**

Not applicable.

**5. INVESTMENTS**

A. No significant change.

B. No significant change.

C. No significant change.

D. Loan-backed securities

1. Our asset manager uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-backed and asset-backed securities; inputs come from major third party data providers. The effect of interest rates, volatility, and prepayment speeds are derived using Monte Carlo simulation. Credit loss analysis, resulting effective analytics (spreads, duration, convexity) and cash-flows are reported to clients on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

2. Securities where the Company has either the intent to sell or lacks the ability to retain the securities - Not applicable.

3. Loan-backed securities with a historical or current period other-than-temporary ("OTTI"), currently held by the reporting entity where the present value of the discounted cash flows was/is less than the amortized cost basis of the securities. - Not applicable.

4. All impaired securities for which an OTTI has not been recognized in earnings as a realized loss including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains:

a. Aggregate amount of unrealized loss

1. Less than twelve month	\$ 103,638
2. Twelve months or longer	<u>1,723,961</u>
3. Total	\$ 1,827,599

B. Aggregate fair value of securities with unrealized loss

1. Less than twelve months	\$ 4,395,383
2. Twelve months or longer	<u>24,354,489</u>
3. Total	\$ 28,749,873

5. There are a number of factors that are considered in determining if there is not an OTTI on an investment, including but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

E. The Company has no repurchase agreements, reverse repurchase agreements and/or security lending transactions.

F. No significant change.

G. No significant change.

**NOTES TO FINANCIAL STATEMENTS**

H. Restricted Assets  
 1. Restricted Assets (including Pledged)

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Support S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	b/A Assets Support 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	Additional Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown					0		0		0%	0%
b. Collateral held under security lending agreements					0		0		0%	0%
c. Subject to repurchase agreements					0		0		0%	0%
d. Subject to reverse repurchase agreements					0		0		0%	0%
e. Subject to dollar repurchase agreements					0		0		0%	0%
f. Subject to dollar reverse repurchase agreements					0		0		0%	0%
g. Placed under option contracts					0		0		0%	0%
h. Letter stock or securities restricted as to sale					0		0		0%	0%
i. FHLB capital stock					0		0		0%	0%
j. On deposit with states	6,666,582				6,666,582	7,091,454	(424,872)	6,666,582	1.057%	1.057%
k. On deposit with other regulatory bodies					0		0		0%	0%
l. Pledged as collateral FHLB (including assets backing funding agreements)					0		0		0%	0%
m. Pledged as collateral not captured in other categories	149,326,060				149,326,060	108,188,636	41,137,424	149,326,060	23.665%	23.677%
n. Other restricted assets					0		0		0%	0%
o. Total Restricted Assets	155,992,642	0	0	0	155,992,642	115,280,090	40,712,552	155,992,642	24.722%	24.7347%

(a) Subset of column 1  
 (b) Subset of column 3

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that share similar characteristics, such as Reinsurance and Derivatives are reported in the aggregate)

Description of Assets	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Support S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Support 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	Additional Restricted to Total Admitted Assets	
Reinsurance Agreement	149,326,060				149,326,060	108,188,636	41,137,424	149,326,060	23.665%	23.677%
	149,326,060	0	0	0	149,326,060	108,188,636	41,137,424	149,326,060	23.665%	23.677%

(a) Subset of column 1  
 (b) Subset of column 3

**NOTES TO FINANCIAL STATEMENTS**

3. Detail of Other Restricted Assets (Contracts that share similar characteristics, such as Reinsurance and Derivatives, are reported in the aggregate)

Description of Assets	Gross Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Support S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Support 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	Additional Restricted to Total Admitted Assets
		<b>NONE</b>							0%	0%
	0	0	0	0	0	0	0	0	0%	0%

- I. Working Capital Finance Investments - Not applicable.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

Not applicable.

**7. INVESTMENT INCOME**

No significant change.

**8. DERIVATIVE INSTRUMENTS**

No significant change.

**9. INCOME TAXES**

No significant change.

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

A. No significant change.

B. On August 26, 2014, the Company paid \$10,000,000 in stockholder dividends to its parent, ProCentury Corporation.

C. The Management Services Agreement ("Agreement") currently is effective July 1, 2014 through June 30, 2017. If the Agreement is not terminated by the parties, it automatically extends for additional three (3) year periods thereafter.

D. At September 30, 2014 and 2013, the Company reported \$765,430 and \$559,171, respectively due from parent, subsidiaries and affiliates and \$551,157 and \$757,647 respectively due to parent, subsidiaries and affiliates pursuant to the Intercompany Loan Agreement. Intercompany balances between parent, subsidiaries and affiliates are settled subsequent to the reporting period.

E. Guarantees or Undertakings for Related Parties - Not applicable.

F. The Company does not directly hire employees. Rather, the Company entered into the Agreement with Meadowbrook, Inc. and affiliates, which provides the accounting, financial reporting, underwriting, compliance, reinsurance, sales, claims, loss prevention, and general management services for the Company. Fees paid to Meadowbrook, Inc. and affiliates are determined on a monthly basis, based on the actual costs associated with overall administration of all programs. On a pre-pooled basis, the Company directly incurred \$14,600,119 and \$20,429,577 of such expenses as of September 30, 2014 and 2013, respectively.

Effective October 1, 2009 the Company entered into an Agency Agreement with Meadowbrook, Inc. and its affiliates or subsidiaries (the "Agent") whereby the Company pays the Agent a commission for the production of premium. As of September 30, 2014 and 2013, the Company has paid the Agent \$4,686 and \$115,601, respectively, in commissions.

In addition, the Company's federal income tax return is consolidated with the entities referenced in Note 9(F) of the annual statement. Pursuant to the Tax Allocation Agreement, the Company recognized a tax expense of \$901,454 and a tax benefit of \$3,201,435 as of September 30, 2014 and 2013, respectively, to be remitted to or received from the ultimate parent, Meadowbrook Insurance Group, Inc. ("MIGI").

G. No significant change.

H. No significant change.

I. No significant change.

J. Investments in Impaired SCA Entities - Not applicable.

K. Investments in Foreign SCA Entities - Not applicable.

L. Valuation of Downstream Holding Companies - Not applicable.

**11. DEBT**

A. Not applicable.

B. Funding Agreements issued to Federal Home Loan Bank (FHLB) - Not applicable.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

Not applicable.

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

1. No significant change.

2. Dividend Rate of Preferred Stock - Not applicable.

3. Dividends on common stock are paid as declared by the Board of Directors of the Company. Without prior approval of its domiciliary commissioner, Ohio law limits dividends to shareholders to the greater of 10% of the prior year policyholders' surplus less dividends paid in the prior twelve months or the prior year net income (excluding realized capital gains) less dividends paid in the prior twelve months. These dividends are further limited by a clause in the Ohio law, which prohibits an insurer from declaring dividends unless the value of assets remaining is at least equal to the aggregate amount of debts and liabilities, including capital.

4. The Company paid ordinary dividends, not requiring regulatory approval, of \$10,000,000 to ProCentury Corporation on August 26, 2014.

5. Within the limitations of (3) above, the maximum ordinary dividend payment allowed to shareholders as of September 30, 2014, without prior regulatory approval, is \$862,858 after considering the ordinary dividend payment per (4) above.

**NOTES TO FINANCIAL STATEMENTS**

6. No significant change.  
 7. No significant change.  
 8. No significant change.  
 9. No significant change.  
 10. No significant change.  
 11. No significant change.  
 12. No significant change.  
 13. No significant change.

**14. CONTINGENCIES**

No significant change.

**15. LEASES**

No significant change.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATIONS OF CREDIT RISK**

Not applicable.

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

- A. Transfers of Receivables Reported as Sales - Not applicable.  
 B. Transfers and Servicing of Financial Assets - Not applicable.  
 C. There are no wash sales as of September 30, 2014.

**18. GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

Not applicable.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

Not applicable.

**20. FAIR VALUE MEASUREMENT****A. Inputs Used for Assets and Liabilities Measured at Fair Value****1. Fair Value Measurements at Reporting Date**

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the following table.

**Level 1** - Valuations that are based on unadjusted quoted market prices in active markets for identical securities. The fair value of exchange-traded equities and mutual funds included in the Level 1 category were based on quoted prices that are readily and regularly available in an active market and are thus classified as Level 1.

**Level 2** - Valuations that are based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. The fair value of securities included in the Level 2 category was based on market values obtained from a third-party pricing service. They were evaluated using pricing models that vary by asset class and incorporate available trade, bid and other observable market information. The third-party service monitors market indicators as well as industry and economic events. The Level 2 category includes corporate bonds, government and agency bonds, asset-backed, residential mortgage-backed and commercial mortgage-backed securities and municipal bonds.

**Level 3** - Valuations that are derived from techniques in which one or more of the significant inputs are unobservable and/or involve management judgment and/or are based on non-binding broker quotes.

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds - Industrial & Misc.	0	516,750	398,283	915,033
Bonds - MBS/CMO - Industrial & Misc.	0	0	7,649	7,649
Common Stock - Industrial & Misc.	68,339,927	0	0	68,339,927
	<b>\$ 68,339,927</b>	<b>\$ 516,750</b>	<b>\$ 405,932</b>	<b>\$ 69,262,609</b>

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels. During the current year, there were no transfers into or out of Levels 1 or 2.

**2. Rollforward of Fair Value Measurements in Level 3**

	Beginning Balance as of 1/1/14	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) included in Net Income	Total gains (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance as of 9/30/14
Bonds - Industrial & Misc.	\$ 328,829	\$ 0	\$ 0	\$ 0	\$ 69,455	\$ 0	\$0	\$ 0	\$ 0	\$ 398,284
Bonds - MBS/CMO - Industrial & Misc.	191,211	0	0	64,954	81,896	0	0	(330,086)	0	7,975
<b>Ending Balance</b>	<b>\$ 520,040</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 64,954</b>	<b>\$151,351</b>	<b>\$ 0</b>	<b>\$0</b>	<b>\$(330,086)</b>	<b>\$ 0</b>	<b>\$ 406,259</b>

**3. Policy on Transfers Into and Out of Level 3**

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, there were no transfers into or out of Level 3.

**NOTES TO FINANCIAL STATEMENTS****4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values**

The estimated fair values of the Company's investments are based on prices provided by a third party pricing service and a third party investment manager. The prices provided by these services are based on quoted market prices, when available; non-binding broker quotes, or matrix pricing. The Company has not historically adjusted security prices.

For corporate, government and municipal bonds, the third party pricing service utilizes a pricing model with standard inputs that include benchmark yields, reported trades, issuer spreads, two-sided markets, benchmark securities, market bids / offers, and other reference data observable in the marketplace. The model uses the option adjusted spread methodology and is a multi-dimensional relational model. All bonds valued under these techniques are classified as Level 2.

For asset-backed, residential mortgage-backed and commercial mortgage-backed securities, the third party pricing service valuation methodology includes consideration of interest rate movements, new issue data, monthly remittance reports and other pertinent data that is observable in the marketplace. This information is used to determine the cash flows for each tranche and identifies the inputs to be used such as benchmark yields, prepayment assumptions and collateral performance. All asset-backed, residential mortgage-backed and commercial mortgage-backed securities valued under these methods are classified as Level 2.

For all assets where readily observable pricing methods are not available the third party investment manager will price the asset using a combination of non-binding broker / dealer quotes, benchmarking techniques, and sector specific knowledge. All assets priced by using this methodology are classified as Level 3.

**5. Derivative Fair Values - Not applicable.****B. Other Fair Value Disclosures - Not applicable.****C. Fair Values for All Financial Instruments by Level 1, 2 and 3**

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 387,965,338	\$ 381,728,335	\$ 0	\$ 386,632,932	\$ 1,332,706	\$ 0
Common Stocks	68,339,927	68,339,927	68,339,927	0	0	0
Cash Equivalents & Short-Term Investments	11,633,094	11,633,094	11,633,094	0	0	0
<b>Total Assets</b>	<b>\$ 467,938,359</b>	<b>\$ 461,701,356</b>	<b>\$ 79,973,021</b>	<b>\$ 386,632,932</b>	<b>\$ 1,332,706</b>	<b>\$ 0</b>

**D. Financial Instruments for which Not Practical to Estimate Fair Values - Not applicable.****21. OTHER ITEMS**

- A. No significant change.
- B. No significant change.
- C. No significant change.
- D. No significant change.
- E. State Transferable and Non-Transferable Tax Credits - Not applicable.
- F. Subprime Mortgage Related Exposure - Not applicable.
- G. Offsetting and Netting of Assets and Liabilities - Not applicable.
- H. Joint and Several Liabilities - Not applicable.
- I. Risk Sharing Provisions of the Affordable Care Act - Not applicable.

**22. EVENTS SUBSEQUENT****A. Type I - Recognized Subsequent Events**

There were no events occurring subsequent to the end of the current quarter through the date of this filing meriting disclosure.

**B. Type II - Nonrecognized Subsequent Events**

There were no events occurring subsequent to the end of the current quarter through the date of this filing meriting disclosure.

**23. REINSURANCE****A. Unsecured Reinsurance Recoverables**

The Company's unsecured reinsurance balance in excess of 3% of policyholder surplus with any one reinsurer is estimated at September 30, 2014 as follows:

Reinsurer Name	NAIC Code	Federal ID#	Amount
Star Insurance Company	18023	38-2626205	292,819,042

This amount due from Star is related to the Intercompany Reinsurance Agreement noted in Note 26.

**B. Reinsurance Recoverables in Dispute**

The Company does not have any reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or 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 September 30, 2014.

	Assumed		Ceded		Assumed less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	\$ 95,619,000	\$ 0	\$ 81,160,000	\$ 0	\$ 14,459,000	\$ 0
b. All other	\$ 50,623,000	\$ 10,732,000	\$ 0	\$ 0	\$ 50,623,000	\$ 10,732,000
c. Totals	\$ 146,242,000	\$ 10,732,000	\$ 81,160,000	\$ 0	\$ 65,082,000	\$ 10,732,000
d. Direct Unearned Premium Reserve:	\$ 11,763,000					

In 2013, the Insurance Operations subsidiaries of Meadowbrook Insurance Group, Inc. entered into a 100% policy issuance arrangement with State National Insurance Company, and its affiliates, effective July 1, 2013. A 100% quota share reinsurance agreement(s) was executed with State National Insurance Company, National Specialty Insurance Company and United Specialty Insurance Company (collectively, "SNIC"), wherein certain of our business from our six insurance carriers is now written on SNIC and 100% assumed collectively by our six carriers based on agreed upon percentages. The SNIC policy issuance business has a 5.5% fee, which is reflected as assumed commission on the applicable Company's financial statements. As of September 30, 2014 and December 31, 2013, our six insurance companies collectively have assumed \$214.2 million and \$170.2 million respectively in gross written premium from SNIC of which the Company has a quota share reinsurance 40% share.

**NOTES TO FINANCIAL STATEMENTS**

2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this quarterly statement as a result of existing contractual arrangements is accrued as follows:

	<b>Direct</b>	<b>Assumed</b>	<b>Ceded</b>	<b>Net</b>
a. Contingent Commission	\$ 1,682	\$ 0	\$ 0	\$ 1,682
b. Sliding Scale Commission	\$ 0	\$ 0	\$ 0	\$ 0
c. Other Profit Commission Arrangements	\$ 10,202	\$ 0	\$ 0	\$ 10,202
d. Total	\$ 11,884	\$ 0	\$ 0	\$ 11,884

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

**D. Uncollectible Reinsurance**

The Company did not have any uncollectible reinsurance written off during 2014.

**E. Commutation of Ceded Reinsurance**

The Company did not have any commutations of ceded reinsurance as of September 30, 2014.

**F. Retroactive Reinsurance**

The Company does not have any retroactive reinsurance as of September 30, 2014.

**G. Reinsurance Accounted for as a Deposit**

The Company has no reinsurance agreements that have been accounted for as deposits as of September 30, 2014.

**H. Transfer of Property and Casualty Run-off Agreements - Not applicable.****I. Certified Reinsurer Downgraded or Status Subject to Revocation - Not applicable.****24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

No significant change.

**25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Net incurred losses and loss adjustment expenses attributable to insured events of prior accident years decreased \$0.3 million during calendar year 2014 as a result of re-estimation of unpaid loss and loss adjustment expenses. This decrease recognizes additional paid loss and loss adjustment expenses of \$83.5 million, offset by a decrease in reserves on prior accident years of \$83.8 million. Original estimates of ultimate losses are increased or decreased as additional information becomes known regarding individual claims.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

A. Effective January 1, 2009, the Company and its United States affiliates (Star Insurance Company ("Star"), Savers Property and Casualty Insurance Company, Williamsburg National Insurance Company, Ameritrust Insurance Corporation, and ProCentury Insurance Company) are participants in an Intercompany Reinsurance Agreement, whereby each participating affiliate cedes 100% of its business to Star. Thereafter, Star cedes to each participating affiliate, which have agreed to reinsure Star for their respective participation. The participants and their respective participations effective January 1, 2009 through current are as follows:

<u>Name of Insurer</u>	<u>NAIC Code</u>	<u>Percentage Participation</u>
Star Insurance Co. (Lead insurer)	18023	35.83%
Century Surety Co.	36951	29.07%
Savers Property and Casualty Ins. Co.	16551	13.04%
ProCentury Insurance Co.	21903	9.44%
Williamsburg National Ins. Co.	25780	6.72%
Ameritrust Insurance Corp.	10665	5.90%

B. All business written by each participant is subject to the Intercompany Reinsurance Agreement.

C. After pooling and before redistribution, Star has the following reinsurance ceded inforce with nonaffiliated reinsurers:

- For Liability Coverage (\$10,000,000 xs \$1,000,000 retention)
- For Workers Compensation Coverage (\$99,000,000 xs \$1,000,000 retention)
- For Terrorism Coverage (\$164,000,000 xs \$1,000,000 retention)
- For Property Per Risk Coverage (\$9,000,000 xs \$1,000,000 retention)
- For Property Catastrophe Coverage (\$59,000,000 xs \$5,000,000 retention)
- For Commercial Truck Liability Coverage (\$1,500,000 xs \$500,000 retention)
- For Awards Coverage (\$10,000,000 xs \$5,000,000 retention)
- For Clash Coverage (\$3,000,000 xs \$0 retention)
- For Ocean Marine Coverage (Variable quota share maximum retained line \$1,000,000 part of \$5,000,000)
- For Medical Malpractice Cyber Liability Coverage (\$8,000,000 xs \$2,000,000 retention)
- For Aviation Coverage (Hull: \$4,500,000 xs \$500,000 retention; Liability: \$12,000,000 xs \$1,000,000 retention)
- For USSU Excess Workers Compensation Coverage (\$10,000,000 xs Insured's SIR)
- Various quota share treaties all lines
- Various Facultative agreements all lines
- Various Umbrella agreements.
- Multiple Line Quota Share - 50% quota share agreement for a select portion of business subject to certain limitations, effective December 31, 2012 on inforce, new and renewal basis; 25% quota share agreement for select direct written premium effective January 1, 2013. Effective September 30, 2013 the multiple line quota share agreement terminated on a run-off basis.

D. Under the Intercompany Reinsurance Agreement, only Star has contractual rights of direct recovery from the excess of loss, catastrophe, quota share, facultative and umbrella agreements noted above.

E. There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.

F. Under the Intercompany Reinsurance Agreement, only Star establishes a provision for reinsurance and write-off of uncollectible reinsurance relating to the above noted reinsurance agreements.

**NOTES TO FINANCIAL STATEMENTS**

G. Amounts due to/from lead entity and pool participants as of September 30, 2014:

<u>Name of Insurer</u>	<u>Amounts Receivable</u>	<u>Amounts Payable</u>	<u>Net Receivable/(Payable)</u>
Star Insurance Co. (Lead insurer)	\$ 146,508,130	\$ 138,964,148	\$ 7,543,982
Century Surety Co.	\$ 66,601,695	\$ 53,481,350	\$ 13,120,345
Savers Property and Casualty Ins. Co.	\$ 22,859,157	\$ 30,247,309	\$ (7,388,152)
ProCentury Insurance Co.	\$ 23,268,797	\$ 29,491,582	\$ (6,222,785)
Williamsburg National Ins. Co.	\$ 16,880,672	\$ 18,468,494	\$ (1,587,822)
Ameritrust Insurance Corp.	\$ 9,353,826	\$ 14,819,395	\$ (5,465,569)

**27. STRUCTURED SETTLEMENTS**

No significant change.

**28. HEALTH CARE RECEIVABLES**

Not applicable.

**29. PARTICIPATING ACCIDENT AND HEALTH POLICIES**

Not applicable.

**30. PREMIUM DEFICIENCY RESERVES**

No significant change.

**31. HIGH DEDUCTIBLES**

No significant change.

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES AND UNPAID LOSS ADJUSTMENT EXPENSES**

Not applicable.

**33. ASBESTOS AND ENVIRONMENTAL RESERVES**

No significant change.

**34. SUBSCRIBER SAVINGS ACCOUNTS**

Not applicable.

**35. MULTIPLE PERIL CROP INSURANCE**

Not applicable.

**36. FINANCIAL GUARANTY INSURANCE**

- A1. Unrecorded installment premiums and expected earnings - Not applicable.
- A2. Recorded non-installment premiums and expected earnings - Not applicable.
- A3. Changes in claim liability and discount rate used - Not applicable.
- A4. Risk management activities - Not applicable.
- B. The Company has no insured financial obligations.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 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 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 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

\_\_\_\_\_

\_\_\_\_\_

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 4.2 If yes, provide name of 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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.

\_\_\_\_\_

\_\_\_\_\_

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2013.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2010.....
- 6.3 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). .....1/31/2012.....

- 6.4 By what department or departments?  
Ohio Department of Insurance

\_\_\_\_\_

- 6.5 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 ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]
- 7.1 Has this 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 ]
- 7.2 If yes, give full information:

\_\_\_\_\_

\_\_\_\_\_

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

\_\_\_\_\_

\_\_\_\_\_

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

- 9.1 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.

- 9.11 If the response to 9.1 is No, please explain:

\_\_\_\_\_

\_\_\_\_\_

- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

\_\_\_\_\_

\_\_\_\_\_

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

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**PART 1 - FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

**PART 1 - INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No

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

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12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

13. Amount of real estate and mortgages held in short-term investments: \$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$ .....0	\$ .....0
14.22 Preferred Stock.....	\$ .....0	\$ .....0
14.23 Common Stock.....	\$ .....46,049,711	\$ .....47,405,010
14.24 Short-Term Investments.....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate.....	\$ .....0	\$ .....0
14.26 All Other.....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....46,049,711	\$ .....47,405,010
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$ .....0	\$ .....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No   
If no, attach a description with this statement.

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16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.3 Total payable for securities lending reported on the liability page: \$.....0

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

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

1 Name of Custodian(s)	2 Custodian Address
JPMorgan Chase Bank, N.A.	P.O. Box 710634, Columbus, OH 43271-0634

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
107423	Conning Inc.	One Financial Plaza, Hartford, CT 06103-2627
106810	Munder Capital Management	480 Pierce Street, Birmingham, MI 48009

**PART 1 - INVESTMENT**

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

Yes  No

18.2 If no, list exceptions:

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**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.

\_\_\_\_\_

\_\_\_\_\_

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.

\_\_\_\_\_

\_\_\_\_\_

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

\_\_\_\_\_

\_\_\_\_\_

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	.....XXX..	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date	
1. Alabama.....	AL	E	(4,264)	1,039,102	60,192	1,416,212	1,496,657	1,618,921
2. Alaska.....	AK	E	388,530	691,396	31,153	253,234	1,104,793	810,405
3. Arizona.....	AZ	L	15,196	977,914	71,561	151,925	1,876,509	1,589,755
4. Arkansas.....	AR	E	5,509	600,116	193,669	260,759	507,110	891,701
5. California.....	CA	E	(2,288,635)	17,727,789	13,904,692	11,429,200	30,976,663	37,405,742
6. Colorado.....	CO	E	104,775	1,223,663	102,223	400,462	2,033,627	2,291,918
7. Connecticut.....	CT	E	2,057	710,934	1,072,068	417,137	824,875	1,211,251
8. Delaware.....	DE	E	70,208	137,605	2,300	39,223	208,951	210,342
9. District of Columbia.....	DC	E	(1,997)	161,155	15,000	6,500	228,516	214,071
10. Florida.....	FL	E	774,939	20,446,938	16,090,098	13,726,074	25,218,934	38,015,243
11. Georgia.....	GA	E	162,131	2,555,487	1,003,795	1,796,212	2,266,237	3,311,125
12. Hawaii.....	HI	E	33,780	325,083	18,500	183,150	452,157	475,424
13. Idaho.....	ID	E	(7,401)	290,484	18,500	(1,050)	301,322	358,812
14. Illinois.....	IL	E	246,478	1,735,787	396,426	763,863	2,887,263	3,287,673
15. Indiana.....	IN	L	25,453	209,063	57,292	90,271	239,032	312,164
16. Iowa.....	IA	E	1,450	79,487	7,345	7,345	160,718	202,349
17. Kansas.....	KS	E	(32,857)	409,617	177,299	132,080	675,482	808,479
18. Kentucky.....	KY	E	6,751	615,487	276,132	91,984	1,043,992	1,397,141
19. Louisiana.....	LA	E	87,926	5,611,909	1,202,999	3,588,824	9,124,273	8,833,765
20. Maine.....	ME	E	(2,341)	142,085	60,000	1,782	137,533	117,427
21. Maryland.....	MD	E	(19,423)	738,811	483,992	235,868	1,375,853	798,179
22. Massachusetts.....	MA	E	54,039	719,831	212,621	156,406	1,284,791	1,624,097
23. Michigan.....	MI	E	57,312	1,641,442	434,565	759,327	1,505,678	2,198,003
24. Minnesota.....	MN	E	(7,316)	780,572	23,742	342,079	523,809	638,966
25. Mississippi.....	MS	E	13,648	923,492	744,919	2,188,359	975,072	1,861,026
26. Missouri.....	MO	E	43,151	1,441,497	284,415	484,115	2,545,112	3,490,815
27. Montana.....	MT	E	9,629	456,358	1,890,392	64,835	552,462	796,498
28. Nebraska.....	NE	E	(4,606)	374,279	707,302	1,988,465	605,288	666,742
29. Nevada.....	NV	E	31,599	890,350	707,302	1,988,465	1,409,103	2,048,449
30. New Hampshire.....	NH	E	12,703	199,929	(28,508)	72,024	137,554	188,472
31. New Jersey.....	NJ	E	35,150	3,575,378	3,407,219	1,588,487	5,847,409	5,558,531
32. New Mexico.....	NM	E	15,801	759,953	798,106	43,798	1,505,369	1,619,016
33. New York.....	NY	E	140,358	14,404,872	4,954,715	4,530,067	20,263,612	20,547,063
34. North Carolina.....	NC	E	29,155	2,149,638	658,183	562,499	1,231,730	2,212,525
35. North Dakota.....	ND	E	25,302	496,078	3,045	7,930	440,361	422,009
36. Ohio.....	OH	L	33,729	1,002,902	475,260	1,372,654	1,208,071	1,614,427
37. Oklahoma.....	OK	E	7,817	1,744,364	463,574	2,587,772	2,137,172	3,415,102
38. Oregon.....	OR	E	643,011	1,761,099	362,043	531,133	2,882,938	2,746,781
39. Pennsylvania.....	PA	E	38,760	3,258,884	1,518,360	1,043,176	3,619,932	4,528,280
40. Rhode Island.....	RI	E	48,044	48,044	1,500	1,500	53,083	66,326
41. South Carolina.....	SC	E	32,528	772,083	1,044,388	471,489	3,032,029	1,810,912
42. South Dakota.....	SD	E	2,917	167,595	5,495	7,356	146,535	200,566
43. Tennessee.....	TN	E	7,085	620,893	421,010	418,229	989,354	1,249,249
44. Texas.....	TX	E	654,802	11,492,582	6,002,274	13,396,720	15,410,820	20,246,953
45. Utah.....	UT	E	68,571	491,012	72,183	424,727	696,876	855,189
46. Vermont.....	VT	E	(3,243)	249,420	37,002	6,227	204,865	246,279
47. Virginia.....	VA	E	(20,348)	921,702	272,593	155,449	766,807	1,160,415
48. Washington.....	WA	E	1,307,622	2,464,929	1,564,655	1,844,845	4,896,961	6,790,295
49. West Virginia.....	WV	L	(211)	673	975	14,610	5,463	6,580
50. Wisconsin.....	WI	L	(873)	86,668	15,019	121,084	127,412	185,344
51. Wyoming.....	WY	E	8,945	274,678	(10,000)	505,704	616,785	763,428
52. American Samoa.....	AS	N						
53. Guam.....	GU	N						
54. Puerto Rico.....	PR	N						
55. US Virgin Islands.....	VI	N						
56. Northern Mariana Islands.....	MP	N						
57. Canada.....	CAN	N						
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0
59. Totals.....	(a)	5	2,805,302	110,601,109	61,554,939	70,682,121	158,762,950	193,920,224

**DETAILS OF WRITE-INS**

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

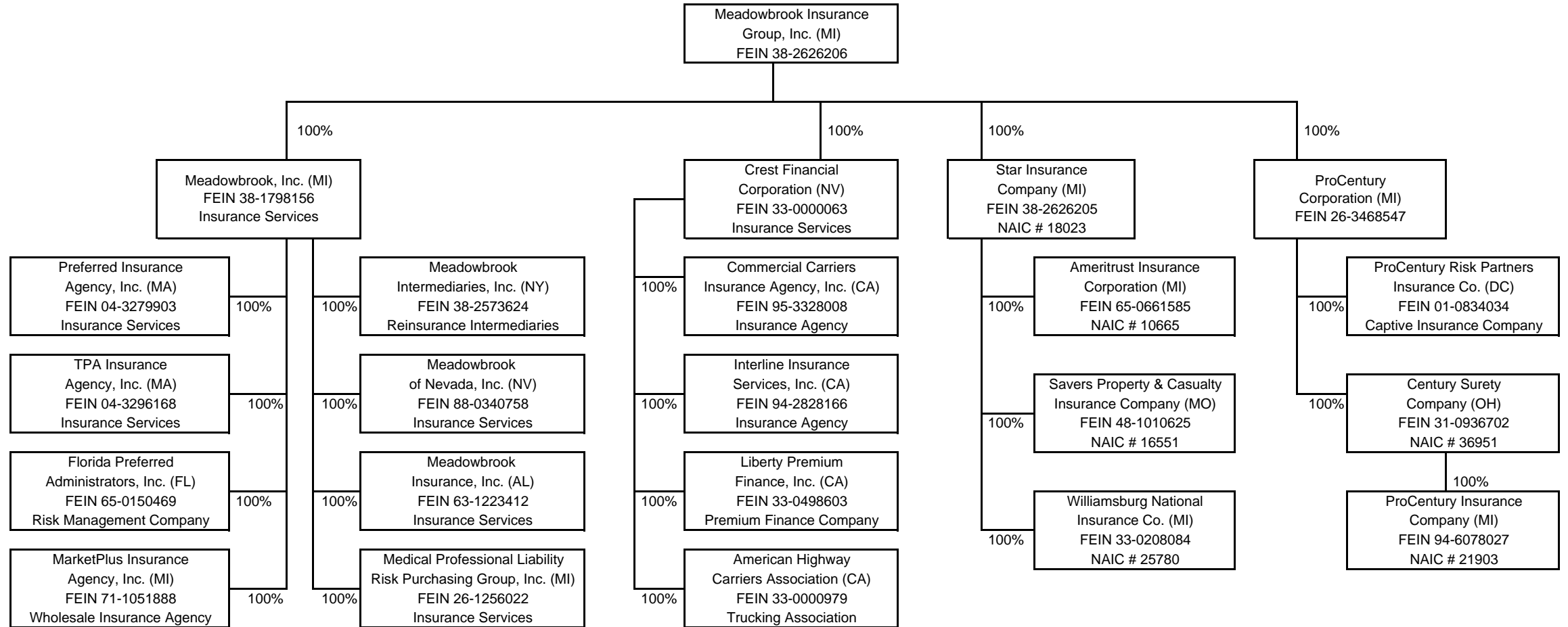
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;  
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed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

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

## SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 – ORGANIZATIONAL CHART

Q11



### SCHEDULE Y

#### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
			38-2626206		949156	NYSE	Meadowbrook Insurance Group, Inc.	MI	UIP					
0748		18023	38-2626205				Star Insurance Company	MI	IA	Meadowbrook Insurance Group, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
0748		16551	48-1010625				Savers Property & Casualty Insurance Company	MO	IA	Star Insurance Company	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
0748		25780	33-0208084				Williamsburg National Insurance Company	MI	IA	Star Insurance Company	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
0748		10665	65-0661585				Ameritrust Insurance Corporation	MI	IA	Star Insurance Company	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			26-3468547				ProCentury Corporation	MI	UDP	Meadowbrook Insurance Group, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			01-0834034				ProCentury Risk Partners Insurance Company	DC	IA	ProCentury Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
0748		36951	31-0936702				Century Surety Company	OH	RE	ProCentury Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
0748		21903	94-6078027				ProCentury Insurance Company	MI	DS	Century Surety Company	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			33-0000063				Crest Financial Corporation	NV	NIA	Meadowbrook Insurance Group, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			95-3328008				Commercial Carriers Insurance Agency, Inc.	CA	NIA	Crest Financial Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			94-2828166				Interline Insurance Services, Inc.	CA	NIA	Crest Financial Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			33-0498603				Liberty Premium Finance, Inc.	CA	NIA	Crest Financial Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			33-0000979				American Highway Carriers Association	CA	NIA	Crest Financial Corporation	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			38-1798156				Meadowbrook, Inc.	MI	NIA	Meadowbrook Insurance Group, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			04-3279903				Preferred Insurance Agency, Inc.	MA	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			04-3296168				TPA Insurance Agency, Inc.	MA	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			65-0150469				Florida Preferred Administrators, Inc.	FL	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			71-1051888				MarketPlus Insurance Agency, Inc.	MI	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			38-2573624				Meadowbrook Intermediaries, Inc.	NY	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			88-0340758				Meadowbrook of Nevada, Inc.	NV	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			63-1223412				Meadowbrook Insurance, Inc.	AL	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	
			26-1256022				Medical Professional Liability Risk Purchasing Group, Inc.	MI	NIA	Meadowbrook, Inc.	Ownership	100.000	Meadowbrook Insurance Group, Inc.	

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<b>Asterisk</b>	<b>Explanation</b>
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**NONE**

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	2,456,115	685,444	27.9	17.7
2. Allied lines.....	547,463	193,389	35.3	74.5
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	7,607,402	6,105,021	80.3	66.5
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....	384,664	184,334	47.9	16.6
9. Inland marine.....	311,179	77,500	24.9	6.6
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	15,679,447	13,980,180	89.2	42.6
17.2 Other liability-claims made.....	1,254,565	4,057,125	323.4	45.1
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....	262,027	(273,440)	(104.4)	5.9
18.2 Products liability-claims made.....	10,553	(2,328)	(22.1)	20.2
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....	1,536,243	(417,484)	(27.2)	37.6
21. Auto physical damage.....	561,007	133,962	23.9	40.0
22. Aircraft (all perils).....			0.0	
23. Fidelity.....	1,101	282	25.6	(70.0)
24. Surety.....	60,343	(807,986)	(1,339.0)	(988.9)
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....	47,046	(48,948)	(104.0)	18.6
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	30,719,154	23,867,050	77.7	45.3

**DETAILS OF WRITE-INS**

3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	101,643	298,800	10,027,705
2. Allied lines.....	946	(22,476)	2,007,430
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	(4,308,823)	(659,606)	23,788,504
6. Mortgage guaranty.....			
8. Ocean marine.....	26,154	72,069	1,341,560
9. Inland marine.....	11,729	(1,749)	1,284,421
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	897,029	2,191,963	56,542,164
17.2 Other liability-claims made.....	707,770	732,448	6,201,916
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....	52,010	106,254	807,525
18.2 Products liability-claims made.....		2,736	30,989
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....	70,133	75,880	5,920,740
21. Auto physical damage.....	(2,964)	(25,697)	2,439,275
22. Aircraft (all perils).....			
23. Fidelity.....	1,200	3,205	627
24. Surety.....	4,025	36,213	75,110
26. Burglary and theft.....			
27. Boiler and machinery.....	(1,834)	(4,738)	133,143
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	(2,440,982)	2,805,302	110,601,109

**DETAILS OF WRITE-INS**

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

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + Prior.....	78,159	51,887	130,046	33,382	418	33,800	62,969	1,095	36,984	101,048	18,193	(13,391)	4,802
2. 2012.....	40,775	44,345	85,120	23,540	418	23,957	33,161	1,095	30,121	64,377	15,925	(12,712)	3,214
3. Subtotals 2012 + Prior.....	118,934	96,233	215,167	56,922	835	57,757	96,130	2,189	67,106	165,425	34,118	(26,103)	8,016
4. 2013.....	31,306	74,827	106,133	18,239	7,516	25,755	10,757	19,703	41,613	72,073	(2,310)	(5,995)	(8,305)
5. Subtotals 2013 + Prior.....	150,240	171,060	321,299	75,162	8,351	83,513	106,887	21,892	108,718	237,498	31,809	(32,098)	(289)
6. 2014.....	XXX	XXX	XXX	XXX	18,668	18,668	XXX	18,602	55,900	74,501	XXX	XXX	XXX
7. Totals.....	150,240	171,060	321,299	75,162	27,020	102,181	106,887	40,494	164,618	311,999	31,809	(32,098)	(289)
8. Prior Year-End's Surplus As Regards Policyholders	178,629										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....21.2 %	2. ....(18.8)%	3. ....(0.1)%
													Col. 13, Line 7 Line 8
													4. ....(0.2)%

Q14

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<b>Response</b>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**



**NONE**

**Century Surety Company**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,901,251	3,063,726
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		2,898,268
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	1,574,940	939,257
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	8,476,191	6,901,251
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	8,476,191	6,901,251

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	515,817,401	388,499,416
2. Cost of bonds and stocks acquired.....	27,878,431	190,168,999
3. Accrual of discount.....	55,498	103,263
4. Unrealized valuation increase (decrease).....	1,144,157	18,700,781
5. Total gain (loss) on disposals.....	4,660,965	3,511,014
6. Deduct consideration for bonds and stocks disposed of.....	49,476,301	81,930,525
7. Deduct amortization of premium.....	2,606,878	3,235,546
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	497,473,274	515,817,401
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	497,473,274	515,817,401

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	344,064,048	41,153,480	43,792,146	(838,873)	343,905,791	344,064,048	340,586,517	348,613,440
2. NAIC 2 (a).....	51,993,295		192,374	6,789	53,728,035	51,993,295	51,807,711	58,050,820
3. NAIC 3 (a).....	670,367			(30,431)	639,020	670,367	639,936	621,323
4. NAIC 4 (a).....								
5. NAIC 5 (a).....	581,897		278,058	9,559	345,478	581,897	313,398	363,300
6. NAIC 6 (a).....	44,194		454	(29,873)	46,369	44,194	13,867	24,582
7. Total Bonds.....	397,353,801	41,153,480	44,263,032	(882,829)	398,664,693	397,353,801	393,361,429	407,673,465
<b>PREFERRED STOCK</b>								
8. NAIC 1.....								
9. NAIC 2.....								
10. NAIC 3.....								
11. NAIC 4.....								8,454
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	8,454
15. Total Bonds and Preferred Stock.....	397,353,801	41,153,480	44,263,032	(882,829)	398,664,693	397,353,801	393,361,429	407,681,919

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:  
NAIC 1 \$.....11,633,094; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE DA - PART 1

### Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	11,633,094	XXX.....	11,633,094		

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	11,426,578	113,392,117
2. Cost of short-term investments acquired.....	86,939,449	250,821,730
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	86,732,933	352,787,269
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	11,633,094	11,426,578
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	11,633,094	11,426,578

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**Sch. E-Verification  
NONE**

**Sch. A-Pt 2  
NONE**

**Sch. A-Pt 3  
NONE**

**Sch. B-Pt 2  
NONE**

**Sch. B-Pt 3  
NONE**

**Sch. BA-Pt 2  
NONE**

**Sch. BA-Pt 3  
NONE**

### SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. States, Territories and Possessions</b>									
97705L 6P 7	WISCONSIN ST.....		08/06/2014	DAIN BOSWORTH.....		906,690	750,000		1FE.....
1799999	Total Bonds - U.S. States, Territories and Possessions.....					906,690	750,000	0	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
06406H BY 4	BANK OF NEW YORK MELLON.....		09/29/2014	US BANCORP INVESTMENTS INC.....		2,868,993	2,750,000	2,441	1FE.....
87612E AZ 9	TARGET CORP.....		09/29/2014	NOMURA SECURITIES DOMESTIC.....		2,734,903	2,750,000	17,058	1FE.....
3899999	Total Bonds - Industrial and Miscellaneous.....					5,603,896	5,500,000	19,498	XXX.....
8399997	Total Bonds - Part 3.....					6,510,586	6,250,000	19,498	XXX.....
8399999	Total Bonds.....					6,510,586	6,250,000	19,498	XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
00206R 10 2	AT&T INC.....		09/02/2014	BARCLAYS AMERICAN.....	2,278,000	79,338	XXX		L.....
00287Y 10 9	ABBVIE INC.....		09/02/2014	BARCLAYS AMERICAN.....	395,000	21,769	XXX		L.....
032654 10 5	ANALOG DEVICES INC.....		09/02/2014	BARCLAYS AMERICAN.....	1,976,000	99,846	XXX		L.....
071813 10 9	BAXTER INTERNATIONAL INC.....		09/02/2014	BARCLAYS AMERICAN.....	675,000	50,098	XXX		L.....
097023 10 5	BOEING CO/THE.....		09/02/2014	BARCLAYS AMERICAN.....	1,325,000	165,782	XXX		L.....
189054 10 9	CLOROX COMPANY.....		09/02/2014	BARCLAYS AMERICAN.....	651,000	57,663	XXX		L.....
191216 10 0	COCA-COLA CO/THE.....		09/02/2014	BARCLAYS AMERICAN.....	591,000	24,617	XXX		L.....
194162 10 3	COLGATE-PALMOLIVE CO.....		09/02/2014	BARCLAYS AMERICAN.....	2,067,000	133,020	XXX		L.....
263534 10 9	DU PONT (E.I.) DE NEMOURS.....		09/02/2014	BARCLAYS AMERICAN.....	1,810,000	119,316	XXX		L.....
291011 10 4	EMERSON ELECTRIC CO.....		09/02/2014	BARCLAYS AMERICAN.....	1,793,000	115,284	XXX		L.....
30231G 10 2	EXXON MOBIL CORP.....		09/02/2014	BARCLAYS AMERICAN.....	816,000	80,185	XXX		L.....
370334 10 4	GENERAL MILLS INC.....		09/02/2014	BARCLAYS AMERICAN.....	1,714,000	91,580	XXX		L.....
427866 10 8	HERSHEY CO/THE.....		09/02/2014	BARCLAYS AMERICAN.....	16,217,000	1,487,026	XXX		L.....
452308 10 9	ILLINOIS TOOL WORKS.....		09/02/2014	BARCLAYS AMERICAN.....	16,809,000	1,485,203	XXX		L.....
459200 10 1	INTL BUSINESS MACHINES CORP.....		09/02/2014	BARCLAYS AMERICAN.....	18,000	3,447	XXX		L.....
478160 10 4	JOHNSON & JOHNSON.....		09/02/2014	BARCLAYS AMERICAN.....	333,000	34,398	XXX		L.....
494368 10 3	KIMBERLY-CLARK CORP.....		09/02/2014	BARCLAYS AMERICAN.....	991,000	107,032	XXX		L.....
50076Q 10 6	KRAFT FOODS GROUP INC.....		09/02/2014	BARCLAYS AMERICAN.....	1,122,000	65,712	XXX		L.....
577081 10 2	MATTEL INC.....		09/02/2014	BARCLAYS AMERICAN.....	6,163,000	212,824	XXX		L.....
580135 10 1	MCDONALDS CORP.....		09/02/2014	BARCLAYS AMERICAN.....	1,950,000	180,923	XXX		L.....
58933Y 10 5	MERCK & CO. INC.....		09/02/2014	BARCLAYS AMERICAN.....	70,000	4,182	XXX		L.....
674599 10 5	OCCIDENTAL PETROLEUM CORP.....		09/02/2014	BARCLAYS AMERICAN.....	134,000	13,711	XXX		L.....
681919 10 6	OMNICOM GROUP.....		09/02/2014	BARCLAYS AMERICAN.....	539,000	38,898	XXX		L.....
717081 10 3	PFIZER INC.....		09/02/2014	BARCLAYS AMERICAN.....	2,485,000	72,848	XXX		L.....
718172 10 9	PHILIP MORRIS INTERNATIONAL.....		09/02/2014	BARCLAYS AMERICAN.....	1,171,000	100,050	XXX		L.....
742718 10 9	PROCTER & GAMBLE CO/THE.....		09/02/2014	BARCLAYS AMERICAN.....	97,000	8,055	XXX		L.....
755111 50 7	RAYTHEON COMPANY.....		09/02/2014	BARCLAYS AMERICAN.....	800,000	77,050	XXX		L.....
871829 10 7	SYSCO CORP.....		09/02/2014	BARCLAYS AMERICAN.....	881,000	33,590	XXX		L.....
882508 10 4	TEXAS INSTRUMENTS INC.....		09/02/2014	BARCLAYS AMERICAN.....	563,000	26,935	XXX		L.....
88579Y 10 1	3M CO.....		09/02/2014	BARCLAYS AMERICAN.....	248,000	35,746	XXX		L.....

QE04

### SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
911312 10 6	UNITED PARCEL SERVICE-CL B.....		...09/02/2014	BARCLAYS AMERICAN.....	.....1,418,000	.....139,048	.....XXX.....	.....	L.....
913017 10 9	UNITED TECHNOLOGIES CORP.....		...09/02/2014	BARCLAYS AMERICAN.....	.....1,395,000	.....152,018	.....XXX.....	.....	L.....
92343V 10 4	VERIZON COMMUNICATIONS INC.....		...09/02/2014	BARCLAYS AMERICAN.....	.....1,401,000	.....69,579	.....XXX.....	.....	L.....
931142 10 3	WAL-MART STORES INC.....		...09/02/2014	BARCLAYS AMERICAN.....	.....1,001,000	.....75,790	.....XXX.....	.....	L.....
9099999	Total Common Stocks - Industrial and Miscellaneous.....					.....5,462,564	.....XXX.....	.....0	.....XXX.....
9799997	Total Common Stocks - Part 3.....					.....5,462,564	.....XXX.....	.....0	.....XXX.....
9799999	Total Common Stocks.....					.....5,462,564	.....XXX.....	.....0	.....XXX.....
9899999	Total Preferred and Common Stocks.....					.....5,462,564	.....XXX.....	.....0	.....XXX.....
9999999	Total Bonds, Preferred and Common Stocks.....					.....11,973,150	.....XXX.....	.....19,498	.....XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

QE04.1

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Government</b>																					
38373M 5G 1	GNR 2009-7 C.....		09/01/2014	MBS PAYMENT.....		41,446	41,446	43,207	41,683		(237)		(237)		41,446			0	1,458	07/16/2043	1.....
38373M 5U 0	GNR 2009-5 B.....		09/01/2014	MBS PAYMENT.....		3,029	3,029	2,980	2,998		31		31		3,029			0	102	08/16/2049	1.....
38374B LQ 4	GNR 2003-60 MA.....		09/01/2014	MBS PAYMENT.....		2,754	2,754	2,661	2,741		13		13		2,754			0	68	07/16/2033	1.....
38374K DC 4	GNR 2004-104 GA.....		09/01/2014	MBS PAYMENT.....		25,593	25,593	24,793	25,458		135		135		25,593			0	772	11/20/2034	1.....
38376G VZ 0	GNR 2010-122 C.....		09/01/2014	MBS PAYMENT.....		355,174	355,174	356,575	355,374		(200)		(200)		355,174			0	6,139	11/16/2037	1.....
0599999. Total Bonds - U.S. Government.....						427,996	427,996	430,216	428,254	0	(258)	0	(258)	0	427,996	0	0	0	8,539	XXX...	XXX...
<b>Bonds - U.S. States, Territories and Possessions</b>																					
604129 ED 4	MINNESOTA ST.....		08/01/2014	MATURITY.....		1,100,000	1,100,000	1,201,970	1,109,880		(9,880)		(9,880)		1,100,000			0	55,000	08/01/2014	1FE.....
1799999. Total Bonds - U.S. States, Territories and Possessions.....						1,100,000	1,100,000	1,201,970	1,109,880	0	(9,880)	0	(9,880)	0	1,100,000	0	0	0	55,000	XXX...	XXX...
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
31292L 5D 3	FG C04444.....		09/01/2014	MBS PAYMENT.....		82,422	82,422	86,002	82,668		(246)		(246)		82,422			0	1,685	01/01/2043	1.....
31294K RE 7	FG E01385.....		09/01/2014	MBS PAYMENT.....		9,600	9,600	9,534	9,586		14		14		9,600			0	288	06/01/2018	1.....
31294K ZT 5	FG E01654.....		09/01/2014	MBS PAYMENT.....		6,803	6,803	6,802	6,803				0		6,803			0	227	06/01/2019	1.....
312962 6K 4	FG B10874.....		09/01/2014	MBS PAYMENT.....		5,276	5,276	5,256	5,272		4		4		5,276			0	158	11/01/2018	1.....
312962 WC 3	FG B10643.....		09/01/2014	MBS PAYMENT.....		10,451	10,451	10,631	10,481		(29)		(29)		10,451			0	343	11/01/2018	1.....
312964 6W 4	FG B12685.....		09/01/2014	MBS PAYMENT.....		17,841	17,841	18,022	17,866		(25)		(25)		17,841			0	595	02/01/2019	1.....
312964 UH 0	FG B12384.....		09/01/2014	MBS PAYMENT.....		6,722	6,722	6,787	6,734		(12)		(12)		6,722			0	202	02/01/2019	1.....
312968 5L 0	FG B16251.....		09/01/2014	MBS PAYMENT.....		34,185	34,185	34,620	34,244		(60)		(60)		34,185			0	1,138	07/01/2019	1.....
31297H YK 9	FG A29714.....		09/01/2014	MBS PAYMENT.....		2,246	2,246	2,231	2,245				0		2,246			0	75	01/01/2030	1.....
31297U Y8 7	FG A38835.....		09/01/2014	MBS PAYMENT.....		16,918	16,918	16,699	16,878		41		41		16,918			0	570	05/01/2035	1.....
31371K 2R 1	FN 254684.....		09/01/2014	MBS PAYMENT.....		8,241	8,241	8,381	8,260		(19)		(19)		8,241			0	274	03/01/2018	1.....
31371K Y4 7	FN 254631.....		09/01/2014	MBS PAYMENT.....		8,422	8,422	8,573	8,442		(20)		(20)		8,422			0	280	02/01/2018	1.....
31376K B3 9	FN 357458.....		09/01/2014	MBS PAYMENT.....		3,521	3,521	3,536	3,522		(2)		(2)		3,521			0	105	11/01/2018	1.....
31385X GU 5	FN 555611.....		09/01/2014	MBS PAYMENT.....		3,207	3,207	3,222	3,209		(1)		(1)		3,207			0	96	07/01/2018	1.....
31390V K3 7	FN 657414.....		09/01/2014	MBS PAYMENT.....		8,203	8,203	8,490	8,239		(36)		(36)		8,203			0	296	11/01/2017	1.....
31391H 2X 1	FN 667790.....		09/01/2014	MBS PAYMENT.....		5,060	5,060	5,151	5,074		(14)		(14)		5,060			0	171	02/01/2018	1.....
31391Y 5W 3	FN 681361.....		09/01/2014	MBS PAYMENT.....		5,254	5,254	5,349	5,269		(15)		(15)		5,254			0	176	03/01/2018	1.....
31393E B3 2	FNR 2003-94 CE.....		09/01/2014	MBS PAYMENT.....		3,594	3,594	3,674	3,605		(11)		(11)		3,594			0	120	10/25/2033	1.....
31394C CH 3	FNR 2005-3 HC.....		09/01/2014	MBS PAYMENT.....		38,488	38,488	37,259	38,254		234		234		38,488			0	1,153	01/25/2035	1.....
31395P EM 0	FHR 2952 PA.....		09/01/2014	MBS PAYMENT.....		12,811	12,811	12,483	12,749		63		63		12,811			0	409	02/15/2035	1.....
31398N XW 9	FNA 2010-M5 A1.....		09/01/2014	MBS PAYMENT.....		841,772	841,772	845,981	842,581		(808)		(808)		841,772			0	16,126	07/25/2020	1.....
31400J GV 5	FN 688812.....		09/01/2014	MBS PAYMENT.....		5,881	5,881	5,982	5,893		(12)		(12)		5,881			0	196	02/01/2018	1.....
31400P BE 4	FN 693137.....		09/01/2014	MBS PAYMENT.....		12,442	12,442	12,665	12,470		(28)		(28)		12,442			0	423	03/01/2018	1.....
31401B P5 8	FN 703444.....		09/01/2014	MBS PAYMENT.....		2,078	2,078	2,126	2,084		(6)		(6)		2,078			0	68	05/01/2018	1.....
31401L E6 6	FN 711257.....		09/01/2014	MBS PAYMENT.....		3,797	3,797	3,818	3,799		(2)		(2)		3,797			0	127	07/01/2018	1.....

QE05

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31401M CE 9	FN 712069.....		09/01/2014	MBS PAYMENT.....		32,517	32,517	32,497	32,511		6		6		32,517			0	1,158	07/01/2018	1.....
31402J 2C 0	FN 730771.....		09/01/2014	MBS PAYMENT.....		18,738	18,738	19,031	18,786		(48)		(48)		18,738			0	581	08/01/2018	1.....
31402Q 4B 4	FN 735318.....		09/01/2014	MBS PAYMENT.....		13,377	13,377	13,235	13,351		27		27		13,377			0	403	11/01/2019	1.....
31402R LY 3	FN 735743.....		09/01/2014	MBS PAYMENT.....		27,345	27,345	27,050	27,289		56		56		27,345			0	817	08/01/2020	1.....
31404D ED 6	FN 765232.....		09/01/2014	MBS PAYMENT.....		7,078	7,078	7,131	7,085		(8)		(8)		7,078			0	209	02/01/2019	1.....
31404S TP 0	FN 777358.....		09/01/2014	MBS PAYMENT.....		9,069	9,069	8,988	9,053		16		16		9,069			0	267	05/01/2019	1.....
31405S HL 1	FN 797735.....		09/01/2014	MBS PAYMENT.....		34,054	34,054	34,596	34,114		(60)		(60)		34,054			0	1,045	02/01/2020	1.....
31417C MW 2	FN AB5772.....		09/01/2014	MBS PAYMENT.....		170,377	170,377	179,042	171,263		(886)		(886)		170,377			0	3,335	08/01/2027	1.....
31417E CK 5	FN AB7273.....		09/01/2014	MBS PAYMENT.....		65,516	65,516	68,392	65,688		(172)		(172)		65,516			0	1,326	12/01/2042	1.....
31417E VQ 1	FN AB7822.....		09/01/2014	MBS PAYMENT.....		157,638	157,638	163,328	158,261		(623)		(623)		157,638			0	2,670	02/01/2028	1.....
31417F NN 4	FN AB8496.....		09/01/2014	MBS PAYMENT.....		132,695	132,695	137,526	133,220		(525)		(525)		132,695			0	2,203	02/01/2028	1.....
31418A PX 0	FN MA1337.....		09/01/2014	MBS PAYMENT.....		78,258	78,258	81,107	78,558		(301)		(301)		78,258			0	1,316	02/01/2028	1.....
31419A K2 2	FN AE0312.....		09/01/2014	MBS PAYMENT.....		26,054	26,054	26,829	26,153		(99)		(99)		26,054			0	696	09/01/2040	1.....
31419G XX 7	FN AE6093.....		09/01/2014	MBS PAYMENT.....		6,531	6,531	6,775	6,565		(33)		(33)		6,531			0	152	10/01/2025	1.....
60415N XR 8	MINNESOTA ST HSG FIN AGY.....		09/02/2014	CALLED BY ISSUER at 100.000.....		30,000	30,000	31,109	30,146		(146)		(146)		30,000			0	1,885	01/01/2036	1FE.....
880459 X2 3	TENNESSEE ST HSG DEV AGY.....		07/01/2014	CALLED BY ISSUER at 100.000.....		20,000	20,000	21,166	20,074		(74)		(74)		20,000			0	1,285	07/01/2034	1FE.....
982674 DN 0	WYANDOTTE CNTY/KANSAS CITY KS.....		09/02/2014	CALLED BY ISSUER at 100.000.....		2,205,000	2,205,000	2,256,134	2,211,001		(6,001)		(6,001)		2,205,000			0	110,250	09/01/2024	1FE.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....						4,189,482	4,189,482	4,277,210	4,199,345	0	(9,861)	0	(9,861)	0	4,189,482	0	0	0	154,899	XXX...	XXX...
<b>Bonds - Industrial and Miscellaneous</b>																					
00253C HW 0	AMT 2002-2 A2.....		07/01/2014	MBS PAYMENT.....		96	96	96	96				0		96			0	3	03/25/2033	1FM.....
00441R AJ 6	ACERV 2001-RV1 E.....		09/20/2014	MBS PAYMENT.....		30,118	30,118	23,186	23,186				0		23,186	6,932	6,932	1,958	09/20/2021	5*.....	
126380 AB 0	CSMC 2006-9 2A1.....		09/25/2014	VARIOUS.....		1,065,456	1,098,029	1,069,892	1,052,672		(2,588)		(2,588)		1,050,083	15,372	15,372	50,026	02/01/2038	1FM.....	
22541N UA 5	CSFB 2002-30 DB1.....		09/25/2014	VARIOUS.....		197,306	191,233	194,819	192,532		(158)		(158)		192,374	4,932	4,932	11,677	11/25/2032	2FM.....	
225458 PD 4	CSFB 2005-AGE1 B3.....		08/05/2014	VARIOUS.....		319,960	288,824	262,221	178,031	76,974			76,974		255,006	64,955	64,955	533	02/25/2032	5FM.....	
31846L BT 2	FAMLT 1998-1F NOTE.....		09/01/2014	MBS PAYMENT.....		259	259	268	260				0		259			0	12	06/20/2029	1FM.....
32054Y AC 7	FIB 2000-1 A.....		09/16/2014	MBS PAYMENT.....		844	844	174					0			844	844			07/15/2026	6FE.....
456606 DD 1	INHEL 2001-C M2.....		09/29/2014	VARIOUS.....		3,369	3,369	3,019	3,369				0		3,369			0		12/25/2032	1FM.....
466157 AC 8	WENT5 2001-AA A2.....		09/15/2014	MBS PAYMENT.....		4,496	4,496	4,519	4,496				0		4,496			0	192	08/15/2026	1FE.....
55265K T4 1	MASTR 2003-10 3A1.....		09/25/2014	VARIOUS.....		204,934	200,909	203,075	202,918		(371)		(371)		202,547	2,387	2,387	9,067	11/25/2033	1FM.....	
68389F EY 6	OOMLT 2004-1 M7.....		09/29/2014	VARIOUS.....		854	854	754	163	691			691		854			0		01/25/2034	1FM.....
68619A AG 2	ORGN 2001-A M1.....		09/29/2014	VARIOUS.....		3,552	3,552	1,735	3,552				0		3,552			0		03/15/2032	6FE.....
86358R EA 1	SASC 2001-SB1 B1.....		09/01/2014	MBS PAYMENT.....		2,861	2,861	2,297	3,199		(338)		(338)		2,861			0	64	08/25/2031	1FM.....
86359A ME 0	SASC 2003-AL1 A.....		09/25/2014	VARIOUS.....		130,217	134,410	128,782	130,529		728		728		131,257	(1,040)	(1,040)	3,719	04/25/2031	1FM.....	
88576P AB 9	HENDR 2003-AA NOTE.....		09/15/2014	MBS PAYMENT.....		7,892	7,892	7,892	7,878		14		14		7,892			0	259	11/15/2033	1FE.....
3899999. Total Bonds - Industrial and Miscellaneous.....						1,972,214	1,967,746	1,902,729	1,802,881	77,665	(2,713)	0	74,952	0	1,877,832	0	94,382	94,382	77,510	XXX...	XXX...
8399997. Total Bonds - Part 4.....						7,689,692	7,685,224	7,812,125	7,540,360	77,665	(22,712)	0	54,953	0	7,595,310	0	94,382	94,382	295,948	XXX...	XXX...

QE05.1

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
8399999. Total Bonds						7,689,692	7,685,224	7,812,125	7,540,360	77,665	(22,712)	0	54,953	0	7,595,310	0	94,382	94,382	295,948	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
002824	10 0		09/02/2014	ABBOTT LABORATORIES	798,000	33,606	XXX	30,437	30,587	(150)			(150)		30,437		3,169	3,169	527	XXX	L
02209S	10 3		09/02/2014	ALTRIA GROUP INC	301,000	13,007	XXX	10,291	11,555	(1,264)			(1,264)		10,291		2,716	2,716	433	XXX	L
039483	10 2		09/02/2014	ARCHER-DANIELS-MIDLAND CO	31,835,000	1,594,169	XXX	1,269,344					0		1,269,344		324,825	324,825	15,281	XXX	L
053015	10 3		09/02/2014	AUTOMATIC DATA PROCESSING	295,000	24,632	XXX	18,066	23,839	(5,773)			(5,773)		18,066		6,567	6,567	425	XXX	L
12572Q	10 5		09/02/2014	CME GROUP INC	578,000	44,242	XXX	34,108	45,350	(11,242)			(11,242)		34,108		10,135	10,135	2,046	XXX	L
166764	10 0		09/02/2014	CHEVRON CORP	74,000	9,433	XXX	8,571	9,243	(673)			(673)		8,571		862	862	232	XXX	L
369550	10 8		09/02/2014	GENERAL DYNAMICS CORP	12,106,000	1,485,362	XXX	799,032	1,156,728	(357,696)			(357,696)		799,032		686,330	686,330	21,791	XXX	L
437076	10 2		09/02/2014	HOME DEPOT INC	1,369,000	124,917	XXX	110,662					0		110,662		14,255	14,255	1,287	XXX	L
458140	10 0		09/02/2014	INTEL CORP	9,551,000	329,791	XXX	202,386	247,944	(45,558)			(45,558)		202,386		127,405	127,405	6,447	XXX	L
532457	10 8		09/02/2014	ELI LILLY & CO	807,000	51,388	XXX	43,667	41,157	2,510			2,510		43,667		7,721	7,721	1,186	XXX	L
539830	10 9		09/02/2014	LOCKHEED MARTIN CORP	201,000	34,926	XXX	17,491	29,881	(12,390)			(12,390)		17,491		17,435	17,435	802	XXX	L
594918	10 4		09/02/2014	MICROSOFT CORP	2,167,000	97,302	XXX	59,614	81,111	(21,497)			(21,497)		59,614		37,687	37,687	1,820	XXX	L
670346	10 5		09/02/2014	NUCOR CORP	28,412,000	1,533,302	XXX	1,310,708	1,436,669	(201,061)			(201,061)		1,310,708		222,594	222,594	30,607	XXX	L
713448	10 8		09/02/2014	PEPSICO INC	269,000	24,947	XXX	19,680	22,311	(2,631)			(2,631)		19,680		5,267	5,267	482	XXX	L
87612E	10 6		09/02/2014	TARGET CORP	604,000	36,319	XXX	37,696	38,215	(519)			(519)		37,696		(1,377)	(1,377)	834	XXX	L
9099999. Total Common Stocks - Industrial and Miscellaneous						5,437,343	XXX	3,971,755	3,174,590	(657,944)	0	0	(657,944)	0	3,971,752	0	1,465,590	1,465,590	84,200	XXX	XXX
9799997 Total Common Stocks - Part 4						5,437,343	XXX	3,971,755	3,174,590	(657,944)	0	0	(657,944)	0	3,971,752	0	1,465,590	1,465,590	84,200	XXX	XXX
9799999. Total Common Stocks						5,437,343	XXX	3,971,755	3,174,590	(657,944)	0	0	(657,944)	0	3,971,752	0	1,465,590	1,465,590	84,200	XXX	XXX
9899999. Total Preferred and Common Stocks						5,437,343	XXX	3,971,755	3,174,590	(657,944)	0	0	(657,944)	0	3,971,752	0	1,465,590	1,465,590	84,200	XXX	XXX
9999999. Total Bonds, Preferred and Common Stocks						13,127,035	XXX	11,783,880	10,714,950	(580,279)	(22,712)	0	(602,991)	0	11,567,062	0	1,559,972	1,559,972	380,148	XXX	XXX

QE05.2

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Pt A-Sn 1  
NONE**

**Sch. DB-Pt A-Sn 1-Footer A  
NONE**

**Sch. DB-Pt A-Sn 1-Footer B  
NONE**

**Sch. DB-Pt B-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1-Footer A  
NONE**

**Sch. DB-Pt B-Sn 1-Footer B  
NONE**

**Sch. DB-Pt B-Sn 1B-Broker List  
NONE**

**Sch. DB-Pt D-Sn 1  
NONE**

**Sch. DB-Pt D-Sn 2  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
JPMorgan Chase Bank, N.A. .... Columbus, OH .....					5,858,629	6,220,399	4,008,307	XXX.
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	0	0	5,858,629	6,220,399	4,008,307	XXX.
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	0	0	5,858,629	6,220,399	4,008,307	XXX.
0599999. Total Cash.....	...XXX.....	...XXX.....	0	0	5,858,629	6,220,399	4,008,307	XXX.

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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**NONE**

QE13