



ANNUAL STATEMENT

For the Year Ended December 31, 2014  
of the Condition and Affairs of the

National Interstate Insurance Company of Hawaii, Inc

NAIC Group Code.....84, 84  
(Current Period) (Prior Period)

NAIC Company Code..... 11051

Employer's ID Number..... 99-0345306

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... September 20, 1999

Commenced Business..... July 28, 2000

Statutory Home Office

3250 Interstate Drive..... Richfield ..... OH ..... US ..... 44286  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

3250 Interstate Drive..... Richfield ..... OH ..... US..... 44286  
(Street and Number) (City or Town, State, Country and Zip Code)

330-659-8900  
(Area Code) (Telephone Number)

Mail Address

3250 Interstate Drive..... Richfield ..... OH ..... US ..... 44286  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

3250 Interstate Drive..... Richfield ..... OH ..... US ..... 44286  
(Street and Number) (City or Town, State, Country and Zip Code)

330-659-8900  
(Area Code) (Telephone Number)

Internet Web Site Address

www.natl.com

Statutory Statement Contact

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(Name)  
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(E-Mail Address)

330-659-8900 -1204  
(Area Code) (Telephone Number) (Extension)  
330-659-8904  
(Fax Number)

OFFICERS

| Name                      | Title                 | Name                       | Title                            |
|---------------------------|-----------------------|----------------------------|----------------------------------|
| 1. David Warner Michelson | President             | 2. Arthur Jeffrey Gonzales | VP, General Counsel, & Secretary |
| 3. Julie Ann McGraw       | VP, CFO, & Treasurer  | 4. Anthony Joseph Mercurio | Executive VP & COO               |
| OTHER                     |                       |                            |                                  |
| Terry Eugene Phillips     | Senior Vice President | Gary Norman Monda          | VP, CIO, & Assistant Treasurer   |

DIRECTORS OR TRUSTEES

|                         |                       |                         |                        |
|-------------------------|-----------------------|-------------------------|------------------------|
| Arthur Jeffrey Gonzales | Julie Ann McGraw      | Anthony Joseph Mercurio | David Warner Michelson |
| Gary Norman Monda       | Terry Eugene Phillips |                         |                        |

State of..... Ohio  
County of..... Summit

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)  
David Warner Michelson

1. (Printed Name)  
President

(Title)

(Signature)  
Arthur Jeffrey Gonzales

2. (Printed Name)  
VP, General Counsel, & Secretary

(Title)

(Signature)  
Julie Ann McGraw

3. (Printed Name)  
VP, CFO, & Treasurer

(Title)

Subscribed and sworn to before me

This 13th day of February 2015

a. Is this an original filing?

Yes [ X ] No [ ]

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

|                                                                                                                                                             | Current Year |                    |                                   | Prior Year          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|-----------------------------------|---------------------|
|                                                                                                                                                             | 1            | 2                  | 3                                 | 4                   |
|                                                                                                                                                             | Assets       | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D).....                                                                                                                                  | 29,227,870   |                    | 29,227,870                        | 24,383,146          |
| 2. Stocks (Schedule D):                                                                                                                                     |              |                    |                                   |                     |
| 2.1 Preferred stocks.....                                                                                                                                   |              |                    | .0                                |                     |
| 2.2 Common stocks.....                                                                                                                                      |              |                    | .0                                |                     |
| 3. Mortgage loans on real estate (Schedule B):                                                                                                              |              |                    |                                   |                     |
| 3.1 First liens.....                                                                                                                                        |              |                    | .0                                |                     |
| 3.2 Other than first liens.....                                                                                                                             |              |                    | .0                                |                     |
| 4. Real estate (Schedule A):                                                                                                                                |              |                    |                                   |                     |
| 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 (\$.....108,268, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....4,773,423, Schedule DA)..... | 4,881,691    |                    | 4,881,691                         | 3,103,116           |
| 6. Contract loans (including \$.....0 premium notes).....                                                                                                   |              |                    | .0                                |                     |
| 7. Derivatives (Schedule DB).....                                                                                                                           |              |                    | .0                                |                     |
| 8. Other invested assets (Schedule BA).....                                                                                                                 |              |                    | .0                                |                     |
| 9. Receivables for securities.....                                                                                                                          |              |                    | .0                                |                     |
| 10. Securities lending reinvested collateral assets (Schedule DL).....                                                                                      |              |                    | .0                                |                     |
| 11. Aggregate write-ins for invested assets.....                                                                                                            | .0           | .0                 | .0                                | .0                  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....                                                                                                | 34,109,561   | .0                 | 34,109,561                        | 27,486,262          |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....                                                                                   |              |                    | .0                                |                     |
| 14. Investment income due and accrued.....                                                                                                                  | 199,291      |                    | 199,291                           | 162,380             |
| 15. Premiums and considerations:                                                                                                                            |              |                    |                                   |                     |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....                                                                             | 403,671      | 110,978            | 292,693                           | 372,172             |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....        | 10,037,486   | 7,332              | 10,030,154                        | 8,875,866           |
| 15.3 Accrued retrospective premiums.....                                                                                                                    |              |                    | .0                                |                     |
| 16. Reinsurance:                                                                                                                                            |              |                    |                                   |                     |
| 16.1 Amounts recoverable from reinsurers.....                                                                                                               | 163,358      |                    | 163,358                           | 594,788             |
| 16.2 Funds held by or deposited with reinsured companies.....                                                                                               | 83,891       |                    | 83,891                            | 45,698              |
| 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.....                                                                           | 19,229       |                    | 19,229                            |                     |
| 18.2 Net deferred tax asset.....                                                                                                                            | 604,390      | 83,187             | 521,203                           | 529,486             |
| 19. Guaranty funds receivable or on deposit.....                                                                                                            |              |                    | .0                                |                     |
| 20. Electronic data processing equipment and software.....                                                                                                  |              |                    | .0                                |                     |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....                                                                          |              |                    | .0                                |                     |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....                                                                             |              |                    | .0                                |                     |
| 23. Receivables from parent, subsidiaries and affiliates.....                                                                                               | 3,024        |                    | 3,024                             | 2,820,681           |
| 24. Health care (\$.....0) and other amounts receivable.....                                                                                                |              |                    | .0                                |                     |
| 25. Aggregate write-ins for other than invested assets.....                                                                                                 | 100,600      | 3,662              | 96,938                            | 56,018              |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....                                         | 45,724,502   | 205,159            | 45,519,343                        | 40,943,352          |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                                                            |              |                    | .0                                |                     |
| 28. TOTALS (Lines 26 and 27).....                                                                                                                           | 45,724,502   | 205,159            | 45,519,343                        | 40,943,352          |

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. Receivable from insured for deductible payments.....               | 51,905  | 3,662 | 48,243 | 32,849 |
| 2502. Miscellaneous Receivable .....                                     | 25,991  |       | 25,991 |        |
| 2503. Commission receivable.....                                         | 22,704  |       | 22,704 | 23,169 |
| 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).....       | 100,600 | 3,662 | 96,938 | 56,018 |

LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                                                                                | 1<br>Current Year | 2<br>Prior Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....                                                                                                                                                                                                                                                                                    | 8,516,625         | 7,771,555       |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....                                                                                                                                                                                                                         |                   |                 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....                                                                                                                                                                                                                                                                  | 1,956,899         | 1,811,408       |
| 4. Commissions payable, contingent commissions and other similar charges.....                                                                                                                                                                                                                                                  | 319,593           | 292,194         |
| 5. Other expenses (excluding taxes, licenses and fees).....                                                                                                                                                                                                                                                                    | 153,147           | 159,680         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....                                                                                                                                                                                                                                                  | 154,103           | 170,674         |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....                                                                                                                                                                                                                      |                   | 219,561         |
| 7.2 Net deferred tax liability.....                                                                                                                                                                                                                                                                                            |                   |                 |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....                                                                                                                                                                                                                                                                  |                   |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....13,962,855 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)..... | 3,760,138         | 3,571,118       |
| 10. Advance premium.....                                                                                                                                                                                                                                                                                                       | 13,125            | 10,289          |
| 11. Dividends declared and unpaid:                                                                                                                                                                                                                                                                                             |                   |                 |
| 11.1 Stockholders.....                                                                                                                                                                                                                                                                                                         |                   |                 |
| 11.2 Policyholders.....                                                                                                                                                                                                                                                                                                        |                   |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....                                                                                                                                                                                                                                                        | 1,192,238         | 1,082,933       |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....                                                                                                                                                                                                                                      | 15,672,035        | 13,115,440      |
| 14. Amounts withheld or retained by company for account of others.....                                                                                                                                                                                                                                                         | 818,211           | 650,061         |
| 15. Remittances and items not allocated.....                                                                                                                                                                                                                                                                                   |                   |                 |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....                                                                                                                                                                                                                                         | 361,000           | 718,000         |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....                                                                                                                                                                                                                                               |                   |                 |
| 18. Drafts outstanding.....                                                                                                                                                                                                                                                                                                    |                   |                 |
| 19. Payable to parent, subsidiaries and affiliates.....                                                                                                                                                                                                                                                                        | 436,491           | 78,524          |
| 20. Derivatives.....                                                                                                                                                                                                                                                                                                           |                   |                 |
| 21. Payable for securities.....                                                                                                                                                                                                                                                                                                |                   |                 |
| 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.....                                                                                                                                                                                                                                                                                   | 0                 | 0               |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....                                                                                                                                                                                                                                           | 33,353,606        | 29,651,438      |
| 27. Protected cell liabilities.....                                                                                                                                                                                                                                                                                            |                   |                 |
| 28. Total liabilities (Lines 26 and 27).....                                                                                                                                                                                                                                                                                   | 33,353,606        | 29,651,438      |
| 29. Aggregate write-ins for special surplus funds.....                                                                                                                                                                                                                                                                         | 0                 | 0               |
| 30. Common capital stock.....                                                                                                                                                                                                                                                                                                  | 3,500,000         | 3,500,000       |
| 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.....                                                                                                                                                                                                                                                                                 | 3,141,935         | 3,141,936       |
| 35. Unassigned funds (surplus).....                                                                                                                                                                                                                                                                                            | 5,523,802         | 4,649,979       |
| 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) (Page 4, Line 39).....                                                                                                                                                                                                                                          | 12,165,737        | 11,291,914      |
| 38. TOTALS (Page 2, Line 28, Col. 3).....                                                                                                                                                                                                                                                                                      | 45,519,343        | 40,943,352      |

DETAILS OF WRITE-INS

|                                                                          |   |   |
|--------------------------------------------------------------------------|---|---|
| 2501. ....                                                               |   |   |
| 2502. ....                                                               |   |   |
| 2503. ....                                                               |   |   |
| 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).....       | 0 | 0 |
| 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

| UNDERWRITING INCOME         |                                                                                                                                                          |  | 1            | 2          |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|------------|
|                             |                                                                                                                                                          |  | Current Year | Prior Year |
| 1.                          | Premiums earned (Part 1, Line 35, Column 4).....                                                                                                         |  | 8,130,987    | 7,843,069  |
| DEDUCTIONS                  |                                                                                                                                                          |  |              |            |
| 2.                          | Losses incurred (Part 2, Line 35, Column 7).....                                                                                                         |  | 5,305,857    | 4,607,671  |
| 3.                          | Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....                                                                                       |  | 1,091,687    | 942,179    |
| 4.                          | Other underwriting expenses incurred (Part 3, Line 25, Column 2).....                                                                                    |  | 2,170,433    | 2,152,687  |
| 5.                          | Aggregate write-ins for underwriting deductions.....                                                                                                     |  | 0            | 0          |
| 6.                          | Total underwriting deductions (Lines 2 through 5).....                                                                                                   |  | 8,567,977    | 7,702,537  |
| 7.                          | Net income of protected cells.....                                                                                                                       |  |              |            |
| 8.                          | Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....                                                                                      |  | (436,990)    | 140,532    |
| INVESTMENT INCOME           |                                                                                                                                                          |  |              |            |
| 9.                          | Net investment income earned (Exhibit of Net Investment Income, Line 17).....                                                                            |  | 795,809      | 654,190    |
| 10.                         | Net realized capital gains (losses) less capital gains tax of \$.....8,253 (Exhibit of Capital Gains (Losses)).....                                      |  | 15,326       | 141,450    |
| 11.                         | Net investment gain (loss) (Lines 9 + 10).....                                                                                                           |  | 811,136      | 795,641    |
| OTHER INCOME                |                                                                                                                                                          |  |              |            |
| 12.                         | Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....                                |  | 0            |            |
| 13.                         | Finance and service charges not included in premiums.....                                                                                                |  | 30,755       | 34,240     |
| 14.                         | Aggregate write-ins for miscellaneous income.....                                                                                                        |  | (279,573)    | (136,681)  |
| 15.                         | Total other income (Lines 12 through 14).....                                                                                                            |  | (248,818)    | (102,441)  |
| 16.                         | Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     |  | 125,327      | 833,731    |
| 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)..... |  | 125,327      | 833,731    |
| 19.                         | Federal and foreign income taxes incurred.....                                                                                                           |  | (55,994)     | 160,704    |
| 20.                         | Net income (Line 18 minus Line 19) (to Line 22).....                                                                                                     |  | 181,321      | 673,027    |
| CAPITAL AND SURPLUS ACCOUNT |                                                                                                                                                          |  |              |            |
| 21.                         | Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....                                                                |  | 11,291,914   | 10,925,324 |
| 22.                         | Net income (from Line 20).....                                                                                                                           |  | 181,321      | 673,027    |
| 23.                         | Net transfers (to) from Protected Cell accounts.....                                                                                                     |  |              |            |
| 24.                         | Change in net unrealized capital gains or (losses) less capital gains tax of \$.....2,080.....                                                           |  | 3,864        | (3,864)    |
| 25.                         | Change in net unrealized foreign exchange capital gain (loss).....                                                                                       |  |              |            |
| 26.                         | Change in net deferred income tax.....                                                                                                                   |  | (11,665)     | 275        |
| 27.                         | Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....                                                                     |  | 343,302      | (388,356)  |
| 28.                         | Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....                                                                      |  | 357,000      | 85,508     |
| 29.                         | Change in surplus notes.....                                                                                                                             |  |              |            |
| 30.                         | Surplus (contributed to) withdrawn from protected cells.....                                                                                             |  |              |            |
| 31.                         | Cumulative effect of changes in accounting principles.....                                                                                               |  |              |            |
| 32.                         | Capital changes:                                                                                                                                         |  |              |            |
| 32.1                        | Paid in.....                                                                                                                                             |  |              |            |
| 32.2                        | Transferred from surplus (Stock Dividend).....                                                                                                           |  |              |            |
| 32.3                        | Transferred to surplus.....                                                                                                                              |  |              |            |
| 33.                         | Surplus adjustments:                                                                                                                                     |  |              |            |
| 33.1                        | Paid in.....                                                                                                                                             |  |              |            |
| 33.2                        | Transferred to capital (Stock Dividend).....                                                                                                             |  |              |            |
| 33.3.                       | Transferred from capital.....                                                                                                                            |  |              |            |
| 34.                         | Net remittances from or (to) Home Office.....                                                                                                            |  |              |            |
| 35.                         | Dividends to stockholders.....                                                                                                                           |  |              |            |
| 36.                         | Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....                                                                     |  |              |            |
| 37.                         | Aggregate write-ins for gains and losses in surplus.....                                                                                                 |  | 0            | 0          |
| 38.                         | Change in surplus as regards policyholders for the year (Lines 22 through 37).....                                                                       |  | 873,822      | 366,590    |
| 39.                         | Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....                                                 |  | 12,165,737   | 11,291,914 |

| DETAILS OF WRITE-INS |                                                                    |  |           |           |
|----------------------|--------------------------------------------------------------------|--|-----------|-----------|
| 0501.                | .....                                                              |  |           |           |
| 0502.                | .....                                                              |  |           |           |
| 0503.                | .....                                                              |  |           |           |
| 0598.                | Summary of remaining write-ins for Line 5 from overflow page.....  |  | 0         | 0         |
| 0599.                | Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....        |  | 0         | 0         |
| 1401.                | Roadside assistance fees.....                                      |  | 17,310    | 12,618    |
| 1402.                | Interest from funds held.....                                      |  | (296,884) | (149,299) |
| 1403.                | .....                                                              |  |           |           |
| 1498.                | Summary of remaining write-ins for Line 14 from overflow page..... |  | 0         | 0         |
| 1499.                | Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....       |  | (279,573) | (136,681) |
| 3701.                | .....                                                              |  |           |           |
| 3702.                | .....                                                              |  |           |           |
| 3703.                | .....                                                              |  |           |           |
| 3798.                | Summary of remaining write-ins for Line 37 from overflow page..... |  | 0         | 0         |
| 3799.                | Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....       |  | 0         | 0         |

CASH FLOW

|                                                                                                                | 1<br>Current Year | 2<br>Prior Year |
|----------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| CASH FROM OPERATIONS                                                                                           |                   |                 |
| 1. Premiums collected net of reinsurance.....                                                                  | 7,669,739         | 5,994,411       |
| 2. Net investment income.....                                                                                  | 881,533           | 962,633         |
| 3. Miscellaneous income.....                                                                                   | (248,818)         | (102,441)       |
| 4. Total (Lines 1 through 3).....                                                                              | 8,302,454         | 6,854,603       |
| 5. Benefit and loss related payments.....                                                                      | 4,167,550         | 4,594,695       |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    |                   |                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 3,112,333         | 2,991,495       |
| 8. Dividends paid to policyholders.....                                                                        |                   |                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....8,253 tax on capital gains (losses).....    | 191,049           | 434,384         |
| 10. Total (Lines 5 through 9).....                                                                             | 7,470,932         | 8,020,574       |
| 11. Net cash from operations (Line 4 minus Line 10).....                                                       | 831,522           | (1,165,971)     |
| CASH FROM INVESTMENTS                                                                                          |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:                                                         |                   |                 |
| 12.1 Bonds.....                                                                                                | 5,418,647         | 12,003,139      |
| 12.2 Stocks.....                                                                                               |                   |                 |
| 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.....                                                                               |                   |                 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....                                                       | 5,418,647         | 12,003,139      |
| 13. Cost of investments acquired (long-term only):                                                             |                   |                 |
| 13.1 Bonds.....                                                                                                | 10,356,483        | 10,389,779      |
| 13.2 Stocks.....                                                                                               |                   |                 |
| 13.3 Mortgage loans.....                                                                                       |                   |                 |
| 13.4 Real estate.....                                                                                          |                   |                 |
| 13.5 Other invested assets.....                                                                                |                   |                 |
| 13.6 Miscellaneous applications.....                                                                           |                   |                 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....                                                      | 10,356,483        | 10,389,779      |
| 14. Net increase (decrease) in contract loans and premium notes.....                                           |                   |                 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | (4,937,837)       | 1,613,360       |
| CASH FROM FINANCING AND MISCELLANEOUS SOURCES                                                                  |                   |                 |
| 16. Cash provided (applied):                                                                                   |                   |                 |
| 16.1 Surplus notes, capital notes.....                                                                         |                   |                 |
| 16.2 Capital and paid in surplus, less treasury stock.....                                                     |                   |                 |
| 16.3 Borrowed funds.....                                                                                       |                   |                 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               |                   |                 |
| 16.5 Dividends to stockholders.....                                                                            |                   |                 |
| 16.6 Other cash provided (applied).....                                                                        | 5,884,890         | 984,755         |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | 5,884,890         | 984,755         |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS                                            |                   |                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....   | 1,778,575         | 1,432,145       |
| 19. Cash, cash equivalents and short-term investments:                                                         |                   |                 |
| 19.1 Beginning of year.....                                                                                    | 3,103,116         | 1,670,970       |
| 19.2 End of year (Line 18 plus Line 19.1).....                                                                 | 4,881,691         | 3,103,116       |

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

|               |  |  |
|---------------|--|--|
| 20.0001 ..... |  |  |
|---------------|--|--|

National Interstate Insurance Company of Hawaii, Inc  
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

| Line of Business |                                                            | 1<br><br>Net<br>Premiums<br>Written per<br>Column 6, Part 1B | 2<br><br>Unearned Premiums<br>December 31<br>Prior Year-<br>per Col. 3,<br>Last Year's Part 1 | 3<br><br>Unearned Premiums<br>December 31<br>Current Year-<br>per Col. 5,<br>Part 1A | 4<br><br>Premiums<br>Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|------------------|------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| 1.               | Fire.....                                                  | 3,403                                                        | 1,353                                                                                         | 1,910                                                                                | 2,846                                                           |
| 2.               | Allied lines.....                                          | 4,527                                                        | 3,313                                                                                         | 2,899                                                                                | 4,941                                                           |
| 3.               | Farmowners multiple peril.....                             |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 4.               | Homeowners multiple peril.....                             |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 5.               | Commercial multiple peril.....                             | 88,245                                                       | 26,729                                                                                        | 50,549                                                                               | 64,425                                                          |
| 6.               | Mortgage guaranty.....                                     |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 8.               | Ocean marine.....                                          | 145                                                          |                                                                                               |                                                                                      | 145                                                             |
| 9.               | Inland marine.....                                         | 87,068                                                       | 48,724                                                                                        | 43,349                                                                               | 92,443                                                          |
| 10.              | Financial guaranty.....                                    |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 11.1             | Medical professional liability - occurrence.....           |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 11.2             | Medical professional liability - claims-made.....          |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 12.              | Earthquake.....                                            |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 13.              | Group accident and health.....                             |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 14.              | Credit accident and health (group and individual).....     |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 15.              | Other accident and health.....                             | 10,362                                                       | 4,931                                                                                         | 4,931                                                                                | 10,362                                                          |
| 16.              | Workers' compensation.....                                 | 2,459,775                                                    | 947,546                                                                                       | 1,104,919                                                                            | 2,302,402                                                       |
| 17.1             | Other liability - occurrence.....                          | 344,863                                                      | 149,557                                                                                       | 181,014                                                                              | 313,407                                                         |
| 17.2             | Other liability - claims-made.....                         | 1,681                                                        | 383                                                                                           | 904                                                                                  | 1,160                                                           |
| 17.3             | Excess workers' compensation.....                          |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 18.1             | Products liability - occurrence.....                       |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 18.2             | Products liability - claims-made.....                      |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 19.1, 19.2       | Private passenger auto liability.....                      | 98,771                                                       | 47,957                                                                                        | 48,088                                                                               | 98,640                                                          |
| 19.3, 19.4       | Commercial auto liability.....                             | 3,864,735                                                    | 1,713,013                                                                                     | 1,694,838                                                                            | 3,882,910                                                       |
| 21.              | Auto physical damage.....                                  | 1,352,757                                                    | 625,720                                                                                       | 625,089                                                                              | 1,353,389                                                       |
| 22.              | Aircraft (all perils).....                                 |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 23.              | Fidelity.....                                              |                                                              | 215                                                                                           | 215                                                                                  | 0                                                               |
| 24.              | Surety.....                                                | 1,420                                                        | 676                                                                                           | 626                                                                                  | 1,469                                                           |
| 26.              | Burglary and theft.....                                    | 978                                                          | 350                                                                                           | 609                                                                                  | 719                                                             |
| 27.              | Boiler and machinery.....                                  | 1,277                                                        | 650                                                                                           | 199                                                                                  | 1,727                                                           |
| 28.              | Credit.....                                                |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 29.              | International.....                                         |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 30.              | Warranty.....                                              |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 31.              | Reinsurance - nonproportional assumed property.....        |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 32.              | Reinsurance - nonproportional assumed liability.....       |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 33.              | Reinsurance - nonproportional assumed financial lines..... |                                                              |                                                                                               |                                                                                      | 0                                                               |
| 34.              | Aggregate write-ins for other lines of business.....       | 0                                                            | 0                                                                                             | 0                                                                                    | 0                                                               |
| 35.              | TOTALS.....                                                | 8,320,006                                                    | 3,571,118                                                                                     | 3,760,138                                                                            | 8,130,987                                                       |

DETAILS OF WRITE-INS

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

National Interstate Insurance Company of Hawaii, Inc  
UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business |                                                            | 1                                                                           | 2                                                                             | 3                              | 4                                                                                      | 5                                                                |
|------------------|------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------|
|                  |                                                            | Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | Earned But<br>Unbilled Premium | Reserve for<br>Rate Credits<br>and Retrospective<br>Adjustments Based<br>on Experience | Total Reserve<br>for Unearned<br>Premiums<br>Cols. 1 + 2 + 3 + 4 |
| 1.               | Fire.....                                                  | 1,910                                                                       |                                                                               |                                |                                                                                        | 1,910                                                            |
| 2.               | Allied lines.....                                          | 2,899                                                                       |                                                                               |                                |                                                                                        | 2,899                                                            |
| 3.               | Farmowners multiple peril.....                             |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 4.               | Homeowners multiple peril.....                             |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 5.               | Commercial multiple peril.....                             | 50,549                                                                      |                                                                               |                                |                                                                                        | 50,549                                                           |
| 6.               | Mortgage guaranty.....                                     |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 8.               | Ocean marine.....                                          |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 9.               | Inland marine.....                                         | 43,349                                                                      |                                                                               |                                |                                                                                        | 43,349                                                           |
| 10.              | Financial guaranty.....                                    |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 11.1             | Medical professional liability - occurrence.....           |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 11.2             | Medical professional liability - claims-made.....          |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 12.              | Earthquake.....                                            |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 13.              | Group accident and health.....                             |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 14.              | Credit accident and health (group and individual).....     |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 15.              | Other accident and health.....                             | 4,931                                                                       |                                                                               |                                |                                                                                        | 4,931                                                            |
| 16.              | Workers' compensation.....                                 | 1,104,919                                                                   |                                                                               |                                |                                                                                        | 1,104,919                                                        |
| 17.1             | Other liability - occurrence.....                          | 181,014                                                                     |                                                                               |                                |                                                                                        | 181,014                                                          |
| 17.2             | Other liability - claims-made.....                         | 904                                                                         |                                                                               |                                |                                                                                        | 904                                                              |
| 17.3             | Excess workers' compensation.....                          |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 18.1             | Products liability - occurrence.....                       |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 18.2             | Products liability - claims-made.....                      |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 19.1, 19.2       | Private passenger auto liability.....                      | 48,088                                                                      |                                                                               |                                |                                                                                        | 48,088                                                           |
| 19.3, 19.4       | Commercial auto liability.....                             | 1,694,838                                                                   |                                                                               |                                |                                                                                        | 1,694,838                                                        |
| 21.              | Auto physical damage.....                                  | 625,089                                                                     |                                                                               |                                |                                                                                        | 625,089                                                          |
| 22.              | Aircraft (all perils).....                                 |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 23.              | Fidelity.....                                              | 215                                                                         |                                                                               |                                |                                                                                        | 215                                                              |
| 24.              | Surety.....                                                | 626                                                                         |                                                                               |                                |                                                                                        | 626                                                              |
| 26.              | Burglary and theft.....                                    | 609                                                                         |                                                                               |                                |                                                                                        | 609                                                              |
| 27.              | Boiler and machinery.....                                  | 199                                                                         |                                                                               |                                |                                                                                        | 199                                                              |
| 28.              | Credit.....                                                |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 29.              | International.....                                         |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 30.              | Warranty.....                                              |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 31.              | Reinsurance - nonproportional assumed property.....        |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 32.              | Reinsurance - nonproportional assumed liability.....       |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 33.              | Reinsurance - nonproportional assumed financial lines..... |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 34.              | Aggregate write-ins for other lines of business.....       | 0                                                                           | 0                                                                             | 0                              | 0                                                                                      | 0                                                                |
| 35.              | TOTALS.....                                                | 3,760,138                                                                   | 0                                                                             | 0                              | 0                                                                                      | 3,760,138                                                        |
| 36.              | Accrued retrospective premiums based on experience.....    |                                                                             |                                                                               |                                |                                                                                        |                                                                  |
| 37.              | Earned but unbilled premiums.....                          |                                                                             |                                                                               |                                |                                                                                        | 0                                                                |
| 38.              | Balance (sum of Lines 35 through 37).....                  |                                                                             |                                                                               |                                |                                                                                        | 3,760,138                                                        |

DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: Daily Pro Rata

National Interstate Insurance Company of Hawaii, Inc  
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

| Line of Business |                                                            | 1<br><br>Direct<br>Business<br>(a) | Reinsurance Assumed         |                                 | Reinsurance Ceded         |                               | 6<br><br>Net Premiums<br>Written<br>(Cols. 1 + 2 + 3<br>- 4 - 5) |
|------------------|------------------------------------------------------------|------------------------------------|-----------------------------|---------------------------------|---------------------------|-------------------------------|------------------------------------------------------------------|
|                  |                                                            |                                    | 2<br><br>From<br>Affiliates | 3<br><br>From<br>Non-Affiliates | 4<br><br>To<br>Affiliates | 5<br><br>To<br>Non-Affiliates |                                                                  |
| 1.               | Fire.....                                                  | 1,224                              | 3,403                       |                                 | 944                       | 280                           | 3,403                                                            |
| 2.               | Allied lines.....                                          | 730                                | 4,527                       |                                 | 423                       | 307                           | 4,527                                                            |
| 3.               | Farmowners multiple peril.....                             |                                    |                             |                                 |                           |                               | 0                                                                |
| 4.               | Homeowners multiple peril.....                             |                                    |                             |                                 |                           |                               | 0                                                                |
| 5.               | Commercial multiple peril.....                             | 267,336                            | 88,245                      |                                 | 176,016                   | 91,320                        | 88,245                                                           |
| 6.               | Mortgage guaranty.....                                     |                                    |                             |                                 |                           |                               | 0                                                                |
| 8.               | Ocean marine.....                                          |                                    | 145                         |                                 |                           |                               | 145                                                              |
| 9.               | Inland marine.....                                         | 46,896                             | 87,068                      |                                 | 38,415                    | 8,480                         | 87,068                                                           |
| 10.              | Financial guaranty.....                                    |                                    |                             |                                 |                           |                               | 0                                                                |
| 11.1             | Medical professional liability - occurrence.....           |                                    |                             |                                 |                           |                               | 0                                                                |
| 11.2             | Medical professional liability - claims-made.....          |                                    |                             |                                 |                           |                               | 0                                                                |
| 12.              | Earthquake.....                                            |                                    |                             |                                 |                           |                               | 0                                                                |
| 13.              | Group accident and health.....                             |                                    |                             |                                 |                           |                               | 0                                                                |
| 14.              | Credit accident and health (group and individual).....     |                                    |                             |                                 |                           |                               | 0                                                                |
| 15.              | Other accident and health.....                             |                                    | 10,362                      |                                 |                           |                               | 10,362                                                           |
| 16.              | Workers' compensation.....                                 | 9,542,149                          | 2,459,775                   | 1,559,254                       | 9,459,343                 | 1,642,060                     | 2,459,775                                                        |
| 17.1             | Other liability - occurrence.....                          | 1,185,952                          | 344,863                     |                                 | 316,180                   | 869,772                       | 344,863                                                          |
| 17.2             | Other liability - claims-made.....                         | 745                                | 1,681                       |                                 | 623                       | 122                           | 1,681                                                            |
| 17.3             | Excess workers' compensation.....                          |                                    |                             |                                 |                           |                               | 0                                                                |
| 18.1             | Products liability - occurrence.....                       |                                    |                             |                                 |                           |                               | 0                                                                |
| 18.2             | Products liability - claims-made.....                      |                                    |                             |                                 |                           |                               | 0                                                                |
| 19.1, 19.2       | Private passenger auto liability.....                      | 582,675                            | 98,771                      |                                 | 483,292                   | 99,383                        | 98,771                                                           |
| 19.3, 19.4       | Commercial auto liability.....                             | 14,094,993                         | 3,864,735                   | 129,586                         | 12,291,887                | 1,932,691                     | 3,864,735                                                        |
| 21.              | Auto physical damage.....                                  | 3,639,244                          | 1,352,757                   | 4,621                           | 3,446,186                 | 197,679                       | 1,352,757                                                        |
| 22.              | Aircraft (all perils).....                                 |                                    |                             |                                 |                           |                               | 0                                                                |
| 23.              | Fidelity.....                                              |                                    |                             |                                 |                           |                               | 0                                                                |
| 24.              | Surety.....                                                |                                    | 1,420                       |                                 |                           |                               | 1,420                                                            |
| 26.              | Burglary and theft.....                                    |                                    | 978                         |                                 |                           |                               | 978                                                              |
| 27.              | Boiler and machinery.....                                  | 5,923                              | 1,277                       |                                 |                           | 5,923                         | 1,277                                                            |
| 28.              | Credit.....                                                |                                    |                             |                                 |                           |                               | 0                                                                |
| 29.              | International.....                                         |                                    |                             |                                 |                           |                               | 0                                                                |
| 30.              | Warranty.....                                              |                                    |                             |                                 |                           |                               | 0                                                                |
| 31.              | Reinsurance - nonproportional assumed property.....        | XXX                                |                             |                                 |                           |                               | 0                                                                |
| 32.              | Reinsurance - nonproportional assumed liability.....       | XXX                                |                             |                                 |                           |                               | 0                                                                |
| 33.              | Reinsurance - nonproportional assumed financial lines..... | XXX                                |                             |                                 |                           |                               | 0                                                                |
| 34.              | Aggregate write-ins for other lines of business.....       | 0                                  | 0                           | 0                               | 0                         | 0                             | 0                                                                |
| 35.              | TOTALS.....                                                | 29,367,867                         | 8,320,006                   | 1,693,461                       | 26,213,311                | 4,848,017                     | 8,320,006                                                        |

DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]  
If yes: 1. The amount of such installment premiums \$.....0.  
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - LOSSES PAID AND INCURRED**

|                      |                                                                    | Losses Paid Less Salvage |                     |                       |                                | 5                                                | 6                            | 7                                              | 8                                                                                  |
|----------------------|--------------------------------------------------------------------|--------------------------|---------------------|-----------------------|--------------------------------|--------------------------------------------------|------------------------------|------------------------------------------------|------------------------------------------------------------------------------------|
|                      |                                                                    | 1                        | 2                   | 3                     | 4                              |                                                  |                              |                                                |                                                                                    |
| Line of Business     |                                                                    | Direct Business          | Reinsurance Assumed | Reinsurance Recovered | Net Payments (Cols. 1 + 2 - 3) | Net Losses Unpaid Current Year (Part 2A, Col. 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Cols. 4 + 5 - 6) | Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
| 1.                   | Fire.....                                                          |                          | 2,776               |                       | 2,776                          |                                                  |                              | 2,776                                          | 97.6                                                                               |
| 2.                   | Allied lines.....                                                  |                          | 478                 |                       | 478                            |                                                  |                              | 478                                            | 9.7                                                                                |
| 3.                   | Farmowners multiple peril.....                                     |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 4.                   | Homeowners multiple peril.....                                     |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 5.                   | Commercial multiple peril.....                                     | 360                      | 22,528              | 360                   | 22,528                         | 32,976                                           | 21,564                       | 33,940                                         | 52.7                                                                               |
| 6.                   | Mortgage guaranty.....                                             |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 8.                   | Ocean marine.....                                                  |                          |                     |                       | 0                              | 1,246                                            | 1,068                        | 178                                            | 122.2                                                                              |
| 9.                   | Inland marine.....                                                 | (664,381)                | 28,122              | (664,381)             | 28,122                         | 27,517                                           | 38,829                       | 16,810                                         | 18.2                                                                               |
| 10.                  | Financial guaranty.....                                            |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 11.1                 | Medical professional liability - occurrence.....                   |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 11.2                 | Medical professional liability - claims-made.....                  |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 12.                  | Earthquake.....                                                    |                          |                     |                       | 0                              | 35                                               | 16                           | 19                                             | 0.0                                                                                |
| 13.                  | Group accident and health.....                                     |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 14.                  | Credit accident and health (group and individual).....             |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 15.                  | Other accident and health.....                                     |                          | 1,700               |                       | 1,700                          | 7,760                                            | 6,839                        | 2,621                                          | 25.3                                                                               |
| 16.                  | Workers' compensation.....                                         | 2,871,234                | 1,328,145           | 3,290,075             | 909,304                        | 3,003,830                                        | 2,573,769                    | 1,339,365                                      | 58.2                                                                               |
| 17.1                 | Other liability - occurrence.....                                  | 201,837                  | 150,057             | 201,837               | 150,057                        | 311,016                                          | 260,108                      | 200,965                                        | 64.1                                                                               |
| 17.2                 | Other liability - claims-made.....                                 |                          | 11,565              |                       | 11,565                         | 9,448                                            | 14,794                       | 6,218                                          | 536.1                                                                              |
| 17.3                 | Excess workers' compensation.....                                  |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 18.1                 | Products liability - occurrence.....                               |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 18.2                 | Products liability - claims-made.....                              |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 19.1, 19.2           | Private passenger auto liability.....                              | 43,913                   | 51,691              | 43,913                | 51,691                         | 94,767                                           | 89,423                       | 57,035                                         | 57.8                                                                               |
| 19.3, 19.4           | Commercial auto liability.....                                     | 7,567,638                | 2,668,943           | 7,619,849             | 2,616,732                      | 4,903,339                                        | 4,557,039                    | 2,963,032                                      | 76.3                                                                               |
| 21.                  | Auto physical damage.....                                          | 1,759,353                | 767,700             | 1,761,516             | 765,537                        | 124,256                                          | 208,043                      | 681,750                                        | 50.4                                                                               |
| 22.                  | Aircraft (all perils).....                                         |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 23.                  | Fidelity.....                                                      |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 24.                  | Surety.....                                                        |                          |                     |                       | 0                              | 348                                              |                              | 348                                            | 23.7                                                                               |
| 26.                  | Burglary and theft.....                                            |                          | 298                 |                       | 298                            | 87                                               | 63                           | 322                                            | 44.8                                                                               |
| 27.                  | Boiler and machinery.....                                          | 5,985                    |                     | 5,985                 | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 28.                  | Credit.....                                                        |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 29.                  | International.....                                                 |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 30.                  | Warranty.....                                                      |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 31.                  | Reinsurance - nonproportional assumed property.....                | XXX                      |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 32.                  | Reinsurance - nonproportional assumed liability.....               | XXX                      |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 33.                  | Reinsurance - nonproportional assumed financial lines.....         | XXX                      |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 34.                  | Aggregate write-ins for other lines of business.....               | 0                        | 0                   | 0                     | 0                              | 0                                                | 0                            | 0                                              | 0.0                                                                                |
| 35.                  | TOTALS.....                                                        | 11,785,940               | 5,034,002           | 12,259,155            | 4,560,787                      | 8,516,625                                        | 7,771,555                    | 5,305,857                                      | 65.3                                                                               |
| DETAILS OF WRITE-INS |                                                                    |                          |                     |                       |                                |                                                  |                              |                                                |                                                                                    |
| 3401.                | .....                                                              |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 3402.                | .....                                                              |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 3403.                | .....                                                              |                          |                     |                       | 0                              |                                                  |                              | 0                                              | 0.0                                                                                |
| 3498.                | Summary of remaining write-ins for Line 34 from overflow page..... | 0                        | 0                   | 0                     | 0                              | 0                                                | 0                            | 0                                              | XXX                                                                                |
| 3499.                | Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....       | 0                        | 0                   | 0                     | 0                              | 0                                                | 0                            | 0                                              | 0.0                                                                                |

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

|                      |                                                                    | Reported Losses |                        |                                   |                                                                           | Incurred But Not Reported |                        |                      | 8                                             | 9                                            |
|----------------------|--------------------------------------------------------------------|-----------------|------------------------|-----------------------------------|---------------------------------------------------------------------------|---------------------------|------------------------|----------------------|-----------------------------------------------|----------------------------------------------|
|                      |                                                                    | 1               | 2                      | 3                                 | 4                                                                         | 5                         | 6                      | 7                    |                                               |                                              |
| Line of Business     |                                                                    | Direct          | Reinsurance<br>Assumed | Deduct Reinsurance<br>Recoverable | Net Losses Excluding<br>Incurred but<br>not Reported<br>(Cols. 1 + 2 - 3) | Direct                    | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Losses<br>Unpaid<br>(Cols. 4 + 5 + 6 - 7) | Net<br>Unpaid Loss<br>Adjustment<br>Expenses |
| 1.                   | Fire.....                                                          |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 2.                   | Allied lines.....                                                  |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 3.                   | Farmowners multiple peril.....                                     |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 4.                   | Homeowners multiple peril.....                                     |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 5.                   | Commercial multiple peril.....                                     |                 | 13,079                 |                                   | 13,079                                                                    | 47,685                    | 19,897                 | 47,685               | 32,976                                        | 7,591                                        |
| 6.                   | Mortgage guaranty.....                                             |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 8.                   | Ocean marine.....                                                  |                 | (1)                    |                                   | (1)                                                                       |                           | 1,247                  |                      | 1,246                                         | 129                                          |
| 9.                   | Inland marine.....                                                 |                 | 11,599                 |                                   | 11,599                                                                    | 30,676                    | 15,918                 | 30,676               | 27,517                                        | 10,065                                       |
| 10.                  | Financial guaranty.....                                            |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 11.1                 | Medical professional liability - occurrence.....                   |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 11.2                 | Medical professional liability - claims-made.....                  |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 12.                  | Earthquake.....                                                    |                 | 2                      |                                   | 2                                                                         | 233                       | 33                     | 233                  | 35                                            | 5                                            |
| 13.                  | Group accident and health.....                                     |                 |                        |                                   | .0                                                                        |                           |                        |                      | (a).0                                         |                                              |
| 14.                  | Credit accident and health (group and individual).....             |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 15.                  | Other accident and health.....                                     |                 | 1,960                  |                                   | 1,960                                                                     |                           | 5,800                  |                      | (a).7,760                                     | 3,586                                        |
| 16.                  | Workers' compensation.....                                         | 3,550,815       | 2,137,533              | 4,378,180                         | 1,310,168                                                                 | 5,348,514                 | 2,382,377              | 6,037,229            | 3,003,830                                     | 567,636                                      |
| 17.1                 | Other liability - occurrence.....                                  | 346,162         | 138,051                | 346,162                           | 138,051                                                                   | 1,210,486                 | 172,965                | 1,210,486            | 311,016                                       | 90,032                                       |
| 17.2                 | Other liability - claims-made.....                                 |                 | 4,980                  |                                   | 4,980                                                                     | 14,181                    | 4,467                  | 14,181               | 9,448                                         | 1,658                                        |
| 17.3                 | Excess workers' compensation.....                                  |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 18.1                 | Products liability - occurrence.....                               |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 18.2                 | Products liability - claims-made.....                              |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 19.1, 19.2           | Private passenger auto liability.....                              | 473,307         | 51,129                 | 473,307                           | 51,129                                                                    | 164,184                   | 43,638                 | 164,184              | 94,767                                        | 23,638                                       |
| 19.3, 19.4           | Commercial auto liability.....                                     | 10,867,286      | 2,655,768              | 10,928,626                        | 2,594,428                                                                 | 9,969,254                 | 2,368,929              | 10,029,271           | 4,903,339                                     | 1,205,014                                    |
| 21.                  | Auto physical damage.....                                          | 233,450         | 109,572                | 233,501                           | 109,521                                                                   | 200,466                   | 15,200                 | 200,932              | 124,256                                       | 47,378                                       |
| 22.                  | Aircraft (all perils).....                                         |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 23.                  | Fidelity.....                                                      |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 24.                  | Surety.....                                                        |                 |                        |                                   | .0                                                                        |                           | 348                    |                      | 348                                           | 151                                          |
| 26.                  | Burglary and theft.....                                            |                 | 3                      |                                   | 3                                                                         | 1,139                     | 84                     | 1,139                | 87                                            | 15                                           |
| 27.                  | Boiler and machinery.....                                          |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 28.                  | Credit.....                                                        |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 29.                  | International.....                                                 |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 30.                  | Warranty.....                                                      |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 31.                  | Reinsurance - nonproportional assumed property.....                | .XXX            |                        |                                   | .0                                                                        | .XXX                      |                        |                      | .0                                            |                                              |
| 32.                  | Reinsurance - nonproportional assumed liability.....               | .XXX            |                        |                                   | .0                                                                        | .XXX                      |                        |                      | .0                                            |                                              |
| 33.                  | Reinsurance - nonproportional assumed financial lines.....         | .XXX            |                        |                                   | .0                                                                        | .XXX                      |                        |                      | .0                                            |                                              |
| 34.                  | Aggregate write-ins for other lines of business.....               | 0               | 0                      | 0                                 | 0                                                                         | 0                         | 0                      | 0                    | 0                                             | 0                                            |
| 35.                  | TOTALS.....                                                        | 15,471,019      | 5,123,676              | 16,359,776                        | 4,234,919                                                                 | 16,986,820                | 5,030,903              | 17,736,017           | 8,516,625                                     | 1,956,899                                    |
| DETAILS OF WRITE-INS |                                                                    |                 |                        |                                   |                                                                           |                           |                        |                      |                                               |                                              |
| 3401.                | .....                                                              |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 3402.                | .....                                                              |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 3403.                | .....                                                              |                 |                        |                                   | .0                                                                        |                           |                        |                      | .0                                            |                                              |
| 3498.                | Summary of remaining write-ins for Line 34 from overflow page..... | 0               | 0                      | 0                                 | 0                                                                         | 0                         | 0                      | 0                    | 0                                             | 0                                            |
| 3499.                | Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....       | 0               | 0                      | 0                                 | 0                                                                         | 0                         | 0                      | 0                    | 0                                             | 0                                            |

(a) Including \$.0 for present value of life indemnity claims.

National Interstate Insurance Company of Hawaii, Inc  
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

|                                                                                                 | 1                           | 2                                 | 3                      | 4                 |
|-------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------|------------------------|-------------------|
|                                                                                                 | Loss Adjustment<br>Expenses | Other<br>Underwriting<br>Expenses | Investment<br>Expenses | Total             |
| 1. Claim adjustment services:                                                                   |                             |                                   |                        |                   |
| 1.1 Direct.....                                                                                 | 2,601,600                   |                                   |                        | 2,601,600         |
| 1.2 Reinsurance assumed.....                                                                    | 760,079                     |                                   |                        | 760,079           |
| 1.3 Reinsurance ceded.....                                                                      | 2,609,694                   |                                   |                        | 2,609,694         |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....                                        | 751,985                     | 0                                 | 0                      | 751,985           |
| 2. Commission and brokerage:                                                                    |                             |                                   |                        |                   |
| 2.1 Direct, excluding contingent.....                                                           |                             | 2,159,459                         |                        | 2,159,459         |
| 2.2 Reinsurance assumed, excluding contingent.....                                              |                             | 1,297,487                         |                        | 1,297,487         |
| 2.3 Reinsurance ceded, excluding contingent.....                                                |                             | 2,708,754                         |                        | 2,708,754         |
| 2.4 Contingent - direct.....                                                                    |                             |                                   |                        | 0                 |
| 2.5 Contingent - reinsurance assumed.....                                                       |                             | 14,941                            |                        | 14,941            |
| 2.6 Contingent - reinsurance ceded.....                                                         |                             |                                   |                        | 0                 |
| 2.7 Policy and membership fees.....                                                             |                             | 1,601                             |                        | 1,601             |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....                 | 0                           | 764,735                           | 0                      | 764,735           |
| 3. Allowances to manager and agents.....                                                        |                             | 1,108                             |                        | 1,108             |
| 4. Advertising.....                                                                             | 85                          | 8,891                             | 62                     | 9,038             |
| 5. Boards, bureaus and associations.....                                                        | 3,008                       | 130,197                           |                        | 133,205           |
| 6. Surveys and underwriting reports.....                                                        | 108                         | 31,445                            |                        | 31,553            |
| 7. Audit of assureds' records.....                                                              |                             | 10,463                            |                        | 10,463            |
| 8. Salary and related items:                                                                    |                             |                                   |                        |                   |
| 8.1 Salaries.....                                                                               | 246,384                     | 504,559                           | 9,633                  | 760,576           |
| 8.2 Payroll taxes.....                                                                          | 18,466                      | 38,118                            | 631                    | 57,215            |
| 9. Employee relations and welfare.....                                                          | 28,803                      | 76,232                            | 796                    | 105,830           |
| 10. Insurance.....                                                                              | 326                         | 5,116                             |                        | 5,441             |
| 11. Directors' fees.....                                                                        |                             | 267                               |                        | 267               |
| 12. Travel and travel items.....                                                                | 3,603                       | 49,461                            | 329                    | 53,394            |
| 13. Rent and rent items.....                                                                    | 1,073                       | 23,383                            | -                      | 24,456            |
| 14. Equipment.....                                                                              | 133                         | 1,043                             | 30                     | 1,206             |
| 15. Cost or depreciation of EDP equipment and software.....                                     | 2,530                       | 57,480                            | 1,739                  | 61,749            |
| 16. Printing and stationery.....                                                                | 3,043                       | 15,005                            | 167                    | 18,215            |
| 17. Postage, telephone and telegraph, exchange and express.....                                 | 1,468                       | 16,441                            | 8                      | 17,917            |
| 18. Legal and auditing.....                                                                     | 2,875                       | 67,948                            | 54,871                 | 125,694           |
| 19. Totals (Lines 3 to 18).....                                                                 | 311,905                     | 1,037,155                         | 68,267                 | 1,417,327         |
| 20. Taxes, licenses and fees:                                                                   |                             |                                   |                        |                   |
| 20.1 State and local insurance taxes deducting guaranty association credits<br>of \$.....0..... | (34)                        | 287,367                           |                        | 287,333           |
| 20.2 Insurance department licenses and fees.....                                                | 2,476                       | 10,662                            |                        | 13,138            |
| 20.3 Gross guaranty association assessments.....                                                | 71                          | 18,610                            |                        | 18,681            |
| 20.4 All other (excluding federal and foreign income and real estate).....                      | 181                         | 17,451                            |                        | 17,633            |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                            | 2,695                       | 334,090                           | 0                      | 336,785           |
| 21. Real estate expenses.....                                                                   | 24,600                      | 31,045                            | 249                    | 55,894            |
| 22. Real estate taxes.....                                                                      |                             |                                   |                        | 0                 |
| 23. Reimbursements by uninsured plans.....                                                      |                             |                                   |                        | 0                 |
| 24. Aggregate write-ins for miscellaneous expenses.....                                         | 502                         | 3,408                             | 0                      | 3,910             |
| 25. Total expenses incurred.....                                                                | 1,091,687                   | 2,170,433                         | 68,516                 | (a).....3,330,636 |
| 26. Less unpaid expenses - current year.....                                                    | 1,956,899                   | 626,844                           |                        | 2,583,743         |
| 27. Add unpaid expenses - prior year.....                                                       | 1,811,408                   | 622,548                           |                        | 2,433,956         |
| 28. Amounts receivable relating to uninsured plans, prior year.....                             |                             |                                   |                        | 0                 |
| 29. Amounts receivable relating to uninsured plans, current year.....                           |                             |                                   |                        | 0                 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                     | 946,196                     | 2,166,137                         | 68,516                 | 3,180,849         |

DETAILS OF WRITE-INS

|                                                                          |     |       |   |       |
|--------------------------------------------------------------------------|-----|-------|---|-------|
| 2401. Miscellaneous expenses.....                                        | 502 | 3,408 |   | 3,910 |
| 2402. ....                                                               |     |       |   | 0     |
| 2403. ....                                                               |     |       |   | 0     |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | 0   | 0     | 0 | 0     |
| 2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....       | 502 | 3,408 | 0 | 3,910 |

(a) Includes management fees of \$.....2,801,635 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

|                                                                              | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|------------------------------------------------------------------------------|-------------------------------|----------------------------|
| 1. U.S. government bonds.....                                                | (a).....10,230                | .....12,432                |
| 1.1 Bonds exempt from U.S. tax.....                                          | (a).....301,325               | .....318,040               |
| 1.2 Other bonds (unaffiliated).....                                          | (a).....515,428               | .....533,489               |
| 1.3 Bonds of affiliates.....                                                 | (a).....                      | .....                      |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....                      | .....                      |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....                      | .....                      |
| 2.2 Common stocks (unaffiliated).....                                        | .....                         | .....                      |
| 2.21 Common stocks of affiliates.....                                        | .....                         | .....                      |
| 3. Mortgage loans.....                                                       | (c).....                      | .....                      |
| 4. Real estate.....                                                          | (d).....                      | .....                      |
| 5. Contract loans.....                                                       | .....                         | .....                      |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....431                   | .....365                   |
| 7. Derivative instruments.....                                               | (f).....                      | .....                      |
| 8. Other invested assets.....                                                | .....                         | .....                      |
| 9. Aggregate write-ins for investment income.....                            | .....0                        | .....0                     |
| 10. Total gross investment income.....                                       | .....827,414                  | .....864,325               |
| 11. Investment expenses.....                                                 | .....                         | (g).....68,516             |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | .....                         | (g).....                   |
| 13. Interest expense.....                                                    | .....                         | (h).....                   |
| 14. Depreciation on real estate and other invested assets.....               | .....                         | (i).....0                  |
| 15. Aggregate write-ins for deductions from investment income.....           | .....                         | .....0                     |
| 16. Total deductions (Lines 11 through 15).....                              | .....                         | .....68,516                |
| 17. Net investment income (Line 10 minus Line 16).....                       | .....                         | .....795,809               |

DETAILS OF WRITE-INS

|                                                                                                                                                                               |        |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| 0901. ....                                                                                                                                                                    | .....  | .....  |
| 0902. ....                                                                                                                                                                    | .....  | .....  |
| 0903. ....                                                                                                                                                                    | .....  | .....  |
| 0998. Summary of remaining write-ins for Line 9 from overflow page.....                                                                                                       | .....0 | .....0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....                                                                                                             | .....0 | .....0 |
| 1501. ....                                                                                                                                                                    | .....  | .....  |
| 1502. ....                                                                                                                                                                    | .....  | .....  |
| 1503. ....                                                                                                                                                                    | .....  | .....  |
| 1598. Summary of remaining write-ins for Line 15 from overflow page.....                                                                                                      | .....  | .....0 |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....                                                                                                            | .....  | .....0 |
| (a) Includes \$.....75,005 accrual of discount less \$.....197,640 amortization of premium and less \$.....52,397 paid for accrued interest on purchases.                     | .....  | .....  |
| (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.                                    | .....  | .....  |
| (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.                                     | .....  | .....  |
| (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.                                                           | .....  | .....  |
| (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.                                     | .....  | .....  |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.                                                                                              | .....  | .....  |
| (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts. | .....  | .....  |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.                                                                                       | .....  | .....  |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.                                                                         | .....  | .....  |

EXHIBIT OF CAPITAL GAINS (LOSSES)

|                                                           | 1<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|-----------------------------------------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------|
| 1. U.S. government bonds.....                             | .....(2)                                                | .....                                 | .....(2)                                                      | .....                                               | .....                                                                   |
| 1.1 Bonds exempt from U.S. tax.....                       | .....21,112                                             | .....                                 | .....21,112                                                   | .....                                               | .....                                                                   |
| 1.2 Other bonds (unaffiliated).....                       | .....2,468                                              | .....                                 | .....2,468                                                    | .....5,944                                          | .....                                                                   |
| 1.3 Bonds of affiliates.....                              | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 2.1 Preferred stocks (unaffiliated).....                  | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 2.11 Preferred stocks of affiliates.....                  | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 2.2 Common stocks (unaffiliated).....                     | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 2.21 Common stocks of affiliates.....                     | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 3. Mortgage loans.....                                    | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 4. Real estate.....                                       | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 5. Contract loans.....                                    | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 6. Cash, cash equivalents and short-term investments..... | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 7. Derivative instruments.....                            | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 8. Other invested assets.....                             | .....                                                   | .....                                 | .....0                                                        | .....                                               | .....                                                                   |
| 9. Aggregate write-ins for capital gains (losses).....    | .....0                                                  | .....0                                | .....0                                                        | .....0                                              | .....0                                                                  |
| 10. Total capital gains (losses).....                     | .....23,579                                             | .....0                                | .....23,579                                                   | .....5,944                                          | .....0                                                                  |

DETAILS OF WRITE-INS

|                                                                        |        |        |        |        |        |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| 0901. ....                                                             | .....  | .....  | .....0 | .....  | .....  |
| 0902. ....                                                             | .....  | .....  | .....0 | .....  | .....  |
| 0903. ....                                                             | .....  | .....  | .....0 | .....  | .....  |
| 0998. Summary of remaining write-ins for Line 9 from overflow page.... | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....      | .....0 | .....0 | .....0 | .....0 | .....0 |

EXHIBIT OF NONADMITTED ASSETS

|                                                                                                                             | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
| 1. Bonds (Schedule D).....                                                                                                  |                                                  |                                                | .....0                                                          |
| 2. Stocks (Schedule D):                                                                                                     |                                                  |                                                |                                                                 |
| 2.1 Preferred stocks.....                                                                                                   |                                                  |                                                | .....0                                                          |
| 2.2 Common stocks.....                                                                                                      |                                                  |                                                | .....0                                                          |
| 3. Mortgage loans on real estate (Schedule B):                                                                              |                                                  |                                                |                                                                 |
| 3.1 First liens.....                                                                                                        |                                                  |                                                | .....0                                                          |
| 3.2 Other than first liens.....                                                                                             |                                                  |                                                | .....0                                                          |
| 4. Real estate (Schedule A):                                                                                                |                                                  |                                                |                                                                 |
| 4.1 Properties occupied by the company.....                                                                                 |                                                  |                                                | .....0                                                          |
| 4.2 Properties held for the production of income.....                                                                       |                                                  |                                                | .....0                                                          |
| 4.3 Properties held for sale.....                                                                                           |                                                  |                                                | .....0                                                          |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          |                                                  |                                                | .....0                                                          |
| 6. Contract loans.....                                                                                                      |                                                  |                                                | .....0                                                          |
| 7. Derivatives (Schedule DB).....                                                                                           |                                                  |                                                | .....0                                                          |
| 8. Other invested assets (Schedule BA).....                                                                                 |                                                  |                                                | .....0                                                          |
| 9. Receivables for securities.....                                                                                          |                                                  |                                                | .....0                                                          |
| 10. Securities lending reinvested collateral assets (Schedule DL).....                                                      |                                                  |                                                | .....0                                                          |
| 11. Aggregate write-ins for invested assets.....                                                                            | .....0                                           | .....0                                         | .....0                                                          |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....                                                                | .....0                                           | .....0                                         | .....0                                                          |
| 13. Title plants (for Title insurers only).....                                                                             |                                                  |                                                | .....0                                                          |
| 14. Investment income due and accrued.....                                                                                  |                                                  |                                                | .....0                                                          |
| 15. Premiums and considerations:                                                                                            |                                                  |                                                |                                                                 |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....                                             | .....110,978                                     | .....430,710                                   | .....319,732                                                    |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       | .....7,332                                       |                                                | .....(7,332)                                                    |
| 15.3 Accrued retrospective premiums.....                                                                                    |                                                  |                                                | .....0                                                          |
| 16. Reinsurance:                                                                                                            |                                                  |                                                |                                                                 |
| 16.1 Amounts recoverable from reinsurers.....                                                                               |                                                  |                                                | .....0                                                          |
| 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.....                                           |                                                  |                                                | .....0                                                          |
| 18.2 Net deferred tax asset.....                                                                                            | .....83,187                                      | .....88,649                                    | .....5,462                                                      |
| 19. Guaranty funds receivable or on deposit.....                                                                            |                                                  |                                                | .....0                                                          |
| 20. Electronic data processing equipment and software.....                                                                  |                                                  |                                                | .....0                                                          |
| 21. Furniture and equipment, including health care delivery assets.....                                                     |                                                  |                                                | .....0                                                          |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....                                             |                                                  |                                                | .....0                                                          |
| 23. Receivables from parent, subsidiaries and affiliates.....                                                               |                                                  |                                                | .....0                                                          |
| 24. Health care and other amounts receivable.....                                                                           |                                                  |                                                | .....0                                                          |
| 25. Aggregate write-ins for other than invested assets.....                                                                 | .....3,662                                       | .....29,102                                    | .....25,440                                                     |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | .....205,159                                     | .....548,461                                   | .....343,302                                                    |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                            |                                                  |                                                | .....0                                                          |
| 28. TOTALS (Lines 26 and 27).....                                                                                           | .....205,159                                     | .....548,461                                   | .....343,302                                                    |

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      |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....       | .....0     | .....0      | .....0      |
| 2501. Receivable from insured for deductible payments.....               | .....3,662 | .....29,102 | .....25,440 |
| 2502. ....                                                               |            |             | .....0      |
| 2503. ....                                                               |            |             | .....0      |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | .....0     | .....0      | .....0      |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....       | .....3,662 | .....29,102 | .....25,440 |

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Annual Statement of National Interstate Insurance Company of Hawaii (Company) has been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in the Company's financial statements as shown below:

|                                         | State of<br>Domicile | 2014                 | 2013                 |
|-----------------------------------------|----------------------|----------------------|----------------------|
| 1. Net income state basis               | Ohio                 | \$ 181,321           | \$ 673,027           |
| 2. Effect of state prescribed practices |                      | -                    | -                    |
| 3. Effect of state permitted practices  |                      | -                    | -                    |
| 4. Net income, NAIC SAP                 |                      | <u>\$ 181,321</u>    | <u>\$ 673,027</u>    |
| 5. Statutory surplus state basis        | Ohio                 | \$ 12,165,737        | \$ 11,291,914        |
| 6. Effect of state prescribed practices |                      | -                    | -                    |
| 7. Effect of state permitted practices  |                      | -                    | -                    |
| 8. Statutory surplus, NAIC SAP          |                      | <u>\$ 12,165,737</u> | <u>\$ 11,291,914</u> |

B. Use of Estimates

The preparation of financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* requires management to make estimates and assumptions that affect amounts reported in these financial statements and notes. Actual results could differ from the estimates and assumptions used.

C. Accounting Policies

Premiums that are written, assumed and ceded under the Company's insurance policies and reinsurance contracts are earned over the terms of the related policies and contracts on a pro rata basis. Unearned reserves are liabilities established, as the portion of premiums written that have not yet been earned.

Unlike the recognition of premiums revenue, expenses incurred while producing new insurance business such as commissions and premium taxes are charged to operations as incurred and ceding allowances received or receivable are credited to operations through reductions in expenses incurred.

In addition, the Company uses the following accounting policies:

- Short-term investments are stated at cost.
- Investment grade bonds are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- Not applicable as the Company does not have any investments in common stocks.
- Not applicable as the Company does not have any investments in preferred stocks.
- Not applicable as the Company investment portfolio does not include any mortgage loans.
- Investment grade loan-backed securities are stated at amortized value. The prospective adjustment method is used for all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- Not applicable as the Company does not have any investments in subsidiaries, controlled or affiliated companies.
- Not applicable as the Company does not have any investments in joint ventures, partnerships or limited liability companies.
- Not applicable as the Company does not invest in derivative instruments.
- The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
- Unpaid losses and loss adjustment expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses include an amount

NOTES TO FINANCIAL STATEMENTS

determined using individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates and the ultimate liability may be in excess of or less than the amounts provided, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are reflected in the period determined.

12. The Company has a capitalization policy for prepaid expenses and purchases of items such as office equipment, software/hardware, furniture, vehicles, and other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. Not applicable as the Company is a property and casualty insurance company only and does not write major medical and/or prescription drug coverage.

Note 2 – Accounting Changes and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable as the Company has never entered into any business combinations.

B. Statutory Mergers

Not applicable

C. Impairment Loss

Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.
3. The Company does not have any loan-backed securities with an other-than-temporary (“OTTI”) impairment recognized in 2014.
4. The following table shows all loan-backed securities with an unrealized loss:

a. The aggregate amount of unrealized losses:

|                        |    |          |
|------------------------|----|----------|
| 1. Less than 12 months | \$ | (4,211)  |
| 2. 12 months or longer |    | (48,705) |

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

|                        |    |           |
|------------------------|----|-----------|
| 1. Less than 12 months | \$ | 673,990   |
| 2. 12 months or longer |    | 1,273,201 |

NOTES TO FINANCIAL STATEMENTS

5. Based on historical payment data and analysis of expected future cash flows of the underlying collateral, independent credit ratings and other facts and analysis, including management's current intent and ability to hold these securities for a period of time sufficient to allow for anticipated recovery, management believes that, based upon information currently available, the Company will recover its cost basis in all of these securities and no additional charges for other-than-temporary impairments will be required at December 31, 2014.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company does not have any repurchase agreement and/or securities lending transactions at December 31, 2014.

F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted Assets (Including Pledged)

|                                                                                  | GrossRestricted             |                                                    |                                                 |                                                           |                |                       |                                 |                                        | Percentage                       |                                              |    |
|----------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|----------------|-----------------------|---------------------------------|----------------------------------------|----------------------------------|----------------------------------------------|----|
|                                                                                  | Current Year                |                                                    |                                                 |                                                           |                | 6                     | 7                               |                                        | 8                                | 9                                            | 10 |
|                                                                                  | 1                           | 2                                                  | 3                                               | 4                                                         | 5              |                       |                                 |                                        |                                  |                                              |    |
|                                                                                  | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restrict ed Assets | Protected Cell Account Assets supporting G/A Activity (b) | Total (1plus3) | Total from prior year | Increase/ (Decrease) (5 minus6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |    |
| a. Subject to contractual obligation for which liability isnot shown             |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| b. Collateral held under security lending agreements                             |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| c. Subject to repurchase agreements                                              |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| d. Subject to reverse repurchase agreements                                      |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| e. Subject to dollar repurchase agreements                                       |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| f. Subject to dollar reverse repurchase agreements                               |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| g. Placed under option contracts                                                 |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| h. Letter stock or securitiesrestricted asto sale - excluding FHLB capital stock |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| i. FHLB capital stock                                                            |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| j. On deposit with states                                                        | 3,244,124                   |                                                    |                                                 |                                                           | 3,244,124      | 2,679,560             | 564,564                         | 3,244,124                              | 7.095%                           | 7.127%                                       |    |
| k. On deposit with other regulatory bodies                                       | 603,104                     |                                                    |                                                 |                                                           | 603,104        |                       | 603,104                         | 603,104                                | 1.319%                           | 1.325%                                       |    |
| l. Pledged as collateral to FHLB (including assets backing funding               |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| m. Pledged as collateral not capt ured in other                                  |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| n. Other restricted assets                                                       |                             |                                                    |                                                 |                                                           |                |                       |                                 |                                        |                                  |                                              |    |
| o. Total Restricted Assets                                                       | 3,847,228                   |                                                    |                                                 |                                                           | 3,847,228      | 2,679,560             | 1,167,668                       | 3,847,228                              | 8.414%                           | 8.452%                                       |    |

(a) Subset of column 1

(b) Subset of column 3

NOTES TO FINANCIAL STATEMENTS

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

|                      | Gross Restricted            |                                                    |                                                |                                                           |                 |                       |                                  |                                        | Percentage                       |                                              |    |
|----------------------|-----------------------------|----------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------|-----------------------|----------------------------------|----------------------------------------|----------------------------------|----------------------------------------------|----|
|                      | Current Year                |                                                    |                                                |                                                           |                 | 6                     | 7                                |                                        | 8                                | 9                                            | 10 |
|                      | 1                           | 2                                                  | 3                                              | 4                                                         | 5               |                       |                                  |                                        |                                  |                                              |    |
|                      |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |
| Collateral Agreement | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets supporting G/A Activity (b) | Total (1plus 3) | Total from prior year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |    |
|                      |                             |                                                    |                                                | None                                                      |                 |                       |                                  |                                        |                                  |                                              |    |
|                      |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |
|                      |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |
| Total                |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |

(a) Subset of column 1

(b) Subset of column 3

3. Detail of Other Restricted Assets

|                      | Gross Restricted            |                                                    |                                                |                                                           |                 |                       |                                  |                                        | Percentage                       |                                              |    |
|----------------------|-----------------------------|----------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------|-----------------------|----------------------------------|----------------------------------------|----------------------------------|----------------------------------------------|----|
|                      | Current Year                |                                                    |                                                |                                                           |                 | 6                     | 7                                |                                        | 8                                | 9                                            | 10 |
|                      | 1                           | 2                                                  | 3                                              | 4                                                         | 5               |                       |                                  |                                        |                                  |                                              |    |
| Collateral Agreement | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets supporting G/A Activity (b) | Total (1plus 3) | Total from prior year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |    |
|                      |                             |                                                    |                                                | None                                                      |                 |                       |                                  |                                        |                                  |                                              |    |
|                      |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |
|                      |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |
| Total                |                             |                                                    |                                                |                                                           |                 |                       |                                  |                                        |                                  |                                              |    |

(a) Subset of column 1

(b) Subset of column 3

I. Working Capital Finance Investments

The Company does not have any working capital finance investments at December 31, 2014.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any derivative, repurchase agreements, reverse repurchase agreements, securities borrowing or securities lending assets or liabilities at December 31, 2014.

K. Structured Notes

The Company does not have any structured notes at December 31, 2014.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable

B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not applicable as the Company’s due and accrued investment income is current and therefore, none is excluded.

Note 8 – Derivative Instruments

A - F. Not applicable as the Company does not invest in derivative instruments.

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes

A. Deferred Tax Asset/(Liability)

1. Components of Net Deferred Tax Assets (Liability)

|                                                | 2014            |                |                           | 2013            |                |                           | Change          |                |                           |
|------------------------------------------------|-----------------|----------------|---------------------------|-----------------|----------------|---------------------------|-----------------|----------------|---------------------------|
|                                                | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col 1+2)<br>Total | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col 1+2)<br>Total | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col 1+2)<br>Total |
| (a) Gross Deferred Tax Assets                  | 604,390         | -              | 604,390                   | 616,055         | 2,080          | 618,135                   | (11,665)        | (2,080)        | (13,745)                  |
| (b) Statutory Valuation Allowance Adjustment   | -               | -              | -                         | -               | -              | -                         | -               | -              | -                         |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b) | 604,390         | -              | 604,390                   | 616,055         | 2,080          | 618,135                   | (11,665)        | (2,080)        | (13,745)                  |
| (d) Deferred Tax Assets Nonadmitted            | 83,187          | -              | 83,187                    | 86,569          | 2,080          | 88,649                    | (3,382)         | (2,080)        | (5,462)                   |
| (e) Subtotal (Net Deferred Tax Assets) (1c-1d) | 521,203         | -              | 521,203                   | 529,486         | -              | 529,486                   | (8,283)         | -              | (8,283)                   |
| (f) Deferred Tax Liabilities                   | -               | -              | -                         | -               | -              | -                         | -               | -              | -                         |
| (g) Net Admitted Deferred Tax Assets (1e-1f)   | 521,203         | -              | 521,203                   | 529,486         | -              | 529,486                   | (8,283)         | -              | (8,283)                   |

2. Admission Calculation Components:

|                                                                                                                                                                                                                  | 2014            |                |                           | 2013            |                |                           | Change                       |                             |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|---------------------------|-----------------|----------------|---------------------------|------------------------------|-----------------------------|--------------------------|
|                                                                                                                                                                                                                  | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col 1+2)<br>Total | (4)<br>Ordinary | (5)<br>Capital | (6)<br>(Col 4+5)<br>Total | (7)<br>(Col 1-4)<br>Ordinary | (8)<br>(Col 2-5)<br>Capital | (9)<br>Col 7+8)<br>Total |
| A. Federal income taxes paid in prior years recoverable through loss carrybacks                                                                                                                                  | 86,851          | -              | 86,851                    | 398,549         | -              | 398,549                   | (311,698)                    | -                           | (311,698)                |
| B. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below: | 434,352         | -              | 434,352                   | 130,937         | -              | 130,937                   | 303,415                      | -                           | 303,415                  |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date                                                                                                                   | 434,352         | -              | 434,352                   | 130,937         |                | 130,937                   | 303,415                      | -                           | 303,415                  |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold                                                                                                                                           | XXX             | XXX            | 1,690,668                 | XXX             | XXX            | 1,614,364                 | XXX                          | XXX                         | 76,304                   |
| C. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities                                                            | -               | -              | -                         |                 |                | -                         | -                            | -                           | -                        |
| D. Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a)+2(b)+2(c))                                                                                                                  | 521,203         | -              | 521,203                   | 529,486         | -              | 529,486                   | (8,283)                      | -                           | (8,283)                  |

3. Other Admissibility Criteria:

|                                                                                                                     | 2014          | 2013          |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| a. Ratio percentage used to determine recovery period and threshold limitation amount                               | 867%          | 852%          |
| b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 11,644,534 | \$ 10,762,428 |

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

|                                                                                                                                 | 2014     |         |         | 2013     |         |         | Change   |         |          |
|---------------------------------------------------------------------------------------------------------------------------------|----------|---------|---------|----------|---------|---------|----------|---------|----------|
|                                                                                                                                 | Ordinary | Capital | Total % | Ordinary | Capital | Total % | Ordinary | Capital | Total %  |
| a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage. |          |         |         |          |         |         |          |         |          |
| A. Adjusted gross DTAs amount from Note 9A1(c)                                                                                  | 604,390  | -       | 604,390 | 616,055  | 2,080   | 618,135 | (11,665) | (2,080) | (13,745) |
| B. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.                    | 0.0%     | 0.0%    | 0.0%    | 0.0%     | 0.0%    | 0.0%    | 0.0%     | 0.0%    | 0.0%     |
| C. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e).                                                                    | 521,203  | -       | 521,203 | 529,486  | -       | 529,486 | (8,283)  | -       | (8,283)  |
| 4. Percentage of net adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.            | 0.0%     | 0.0%    | 0.0%    | 0.0%     | 0.0%    | 0.0%    | 0.0%     | 0.0%    | 0.0%     |

b. Does the company's tax-planning strategies include the use of reinsurance? Yes [ ] No [X]

B. Unrecognized Deferred Tax Liabilities

Not applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

|                                                | (1)<br>2014 | (2)<br>2013 | (3)<br>(Col 1-2)<br>Change |
|------------------------------------------------|-------------|-------------|----------------------------|
| (a) Federal                                    | (55,994)    | 160,704     | (216,698)                  |
| (b) Foreign                                    | -           | -           | -                          |
| (c) Subtotal                                   | (55,994)    | 160,704     | (216,698)                  |
| (d) Federal income tax on net capital gains    | 8,253       | 76,166      | (76,166)                   |
| (e) Utilization of capital loss carry-forwards | -           | -           | -                          |
| (f) Other                                      | -           | -           | -                          |
| (g) Federal and Foreign income taxes incurred  | (47,741)    | 236,870     | (292,864)                  |

NOTES TO FINANCIAL STATEMENTS

2.

| Deferred Tax Assets: |                                                          | (1)<br>2014 | (2)<br>2013 | (3)<br>(Col 1-2)<br>Change |
|----------------------|----------------------------------------------------------|-------------|-------------|----------------------------|
| (a)                  | Ordinary:                                                |             |             |                            |
| (1)                  | Discounting of unpaid losses                             | 297,098     | 309,174     | (12,076)                   |
| (2)                  | Unearned premium reserve                                 | 264,090     | 250,698     | 13,392                     |
| (3)                  | Policyholder reserves                                    | -           | -           | -                          |
| (4)                  | Investments                                              | -           | -           | -                          |
| (5)                  | Deferred acquisition costs                               | -           | -           | -                          |
| (6)                  | Policyholder dividends accrual                           | -           | -           | -                          |
| (7)                  | Fixed assets                                             | -           | -           | -                          |
| (8)                  | Compensation and benefits accrual                        | 10,660      | 11,301      | (641)                      |
| (9)                  | Pension accrual                                          | -           | -           | -                          |
| (10)                 | Receivables - nonadmitted                                | -           | -           | -                          |
| (11)                 | Net operating loss carry-forward                         | -           | -           | -                          |
| (12)                 | Tax credit carry-forward                                 | -           | -           | -                          |
| (13)                 | Other (including items <5% of total ordinary tax assets) | 32,542      | 44,882      | (12,340)                   |
| (14)                 | Other assets – nonadmitted                               |             | -           |                            |
| (99)                 | Subtotal                                                 | 604,390     | 616,055     | (11,665)                   |
|                      |                                                          |             |             |                            |
| (b)                  | Statutory valuation allowance adjustment                 | -           | -           | -                          |
| (c)                  | Nonadmitted                                              | 83,187      | 86,569      | (3,382)                    |
|                      |                                                          |             |             |                            |
| (d)                  | Admitted ordinary deferred tax assets (2a99-2b-2c)       | 521,203     | 529,486     | (8,283)                    |
|                      |                                                          |             |             |                            |
| (e)                  | Capital:                                                 |             |             |                            |
|                      | -                                                        | -           | 2,080       | (2,080)                    |
|                      | -                                                        | -           | -           | -                          |
|                      | -                                                        | -           | -           | -                          |
|                      | -                                                        | -           | -           | -                          |
| (99)                 | Subtotal                                                 | -           | 2,080       | (2,080)                    |
|                      |                                                          |             |             |                            |
| (f)                  | Statutory valuation allowance adjustment                 | -           | -           | -                          |
| (g)                  | Nonadmitted                                              | -           | 2,080       | (2,080)                    |
|                      |                                                          |             |             |                            |
| (h)                  | Admitted capital deferred tax assets (2e99-2f-2g)        | -           | -           | -                          |
|                      |                                                          |             |             |                            |
| (i)                  | Admitted deferred tax assets (2d+2h)                     | 521,203     | 529,486     | (8,283)                    |

3.

| Deferred Tax Liabilities: |                                                          | 2014 | 2013 | Change |
|---------------------------|----------------------------------------------------------|------|------|--------|
| (a)                       | Ordinary:                                                |      |      |        |
| (1)                       | Investments                                              | -    | -    | -      |
| (2)                       | Fixed assets                                             | -    | -    | -      |
| (3)                       | Deferred and uncollected premium                         | -    | -    | -      |
| (4)                       | Policyholder reserves                                    | -    | -    | -      |
| (5)                       | Other (including items <5% of total ordinary tax assets) | -    | -    | -      |
| (6)                       | Additional acquisition costs-installment premiums        | -    | -    | -      |
| (7)                       | Discount of accrued salvage and subrogation              | -    | -    | -      |
| (8)                       | Guaranty funds receivable                                | -    | -    | -      |
| (99)                      | Subtotal                                                 | -    | -    | -      |
|                           |                                                          |      |      |        |
| (b)                       | Capital:                                                 |      |      |        |
| (1)                       | Investments                                              | -    | -    | -      |
| (2)                       | Real estate                                              | -    | -    | -      |
| (3)                       | Other (including items <5% of total capital tax assets)  | -    | -    | -      |
| (99)                      | Subtotal                                                 | -    | -    | -      |
|                           |                                                          |      |      |        |
| (c)                       | Deferred tax liabilities (3a99+3b99)                     | -    | -    | -      |

4. Net Deferred Tax Assets/Liabilities (2i-3c)    \$ 521,203        \$ 529,486        \$ (8,283)

NOTES TO FINANCIAL STATEMENTS

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

|                                                    | 2014                   |                           |
|----------------------------------------------------|------------------------|---------------------------|
|                                                    | Amount In<br>Thousands | Effective<br>Tax Rate (%) |
| Provision computed at statutory rate               | 46,625                 | 35.0                      |
| Tax exempt income deduction                        | (94,617)               | (71.0)                    |
| Other                                              | 20,485                 | 15.4                      |
| Totals                                             | (27,507)               | (20.6)                    |
| Federal and foreign income taxes incurred          | (55,994)               | (42.0)                    |
| Realized capital gains (losses) tax                | 8,253                  | 6.2                       |
| Change in net deferred income taxes ex. Unrealized | 20,234                 | 15.2                      |
| Total statutory income taxes                       | (27,507)               | (20.6)                    |

E. Operating Loss and Tax Credit Carryforwards

- 1. At December 31, 2014, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- 2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses:

| Year | Amount  | Ordinary | Capital |
|------|---------|----------|---------|
| 2014 | -       | -        | -       |
| 2013 | 223,991 | 152,177  | 71,813  |
| 2012 | 57,010  | -        | 57,010  |

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

F. Consolidated Federal Income Tax Return

- 1. The Company's federal income tax return is consolidated with the Corporation (see Note 10) and the Corporation's other wholly owned subsidiaries.
- 2. The method of allocation among companies is subject to a written agreement approved by the Board of Directors, whereby allocation of income taxes to companies in the group is based on taxable income or loss.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

A. Nature of Relationships

The Company's parent company, National Interstate Insurance Company (NIIC) is a wholly owned subsidiary of National Interstate Corporation (the Corporation), a publicly traded (Nasdaq: NATL) insurance holding company. NIIC also owns 100% of Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC). Other subsidiaries of the Corporation include Hudson Indemnity Limited (HIL), National Interstate Insurance Agency, Inc. (NIIA), Explorer RV Insurance Agency, Inc., American Highways Insurance Agency, Inc., Safety, Claims and Litigation Services, LLC (MT), Safety, Claims and Litigation Services, LLC (OH), Hudson Management Group, Ltd., TransProtection Service Company, and Vanliner Reinsurance Ltd.

As of December 31, 2014, Great American Insurance Company (GAIC), a wholly owned subsidiary of American Financial Group, Inc. (NYSE: AFG), owned 51.4% of the outstanding shares of the Corporation.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company had the following inter-company receivables (payables) at December 31,

|                                            | 2014         | 2013         |
|--------------------------------------------|--------------|--------------|
| National Interstate Insurance Company      | \$ (342,585) | \$ 2,813,492 |
| National Interstate Corporation            | (92,979)     | (70,130)     |
| Vanliner Insurance Company                 | -            | (7,300)      |
| National Interstate Insurance Agency, Inc. | 2,730        | 7,189        |
| American Highways Insurance Agency, Inc.   | 294          | (288)        |
| Explorer RV Insurance Agency, Inc.         | (927)        | (806)        |
| Totals                                     | \$ (433,467) | \$ 2,742,157 |

These arrangements are subject to written agreements which require that intercompany balances be settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable (See Note 14A)

F. Management, Service Contracts, Cost Sharing Arrangements

The Company is party with some of its affiliate companies to a Cash Management Agreement dated September 1, 2000 under which NIIC manages all cash accounts for the other parties to the Agreement. Expenses incurred and fees charged to the participants are allocated among the parties at cost.

The Company has a cost sharing agreement with some of its affiliates under which costs are allocated between companies to reflect the actual costs to operate each company. Allocated expenses paid in 2014 related to these agreements amounted to \$2,801,635.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by NIIC (see Note 10A).

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

J. Writedowns for Impairment of Investments in Affiliates

Not applicable

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable

**Note 11 – Debt**

A. Not applicable as the Company has no debt.

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

Not applicable

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## NOTES TO FINANCIAL STATEMENTS

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

A – F. Not applicable

G. Consolidated / Holding Company Plans

The Company's employees participate in the National Interstate Savings and Profit Sharing Plan (the Savings Plan) Sponsored by the Corporation. Contributions to the profit sharing portion of the Savings Plan are made at the discretion of the Corporation and are based on a percentage of employees' earnings after their eligibility date. Contributions made prior to December 31, 2006, vest after five years of service and contributions made subsequent to December 31, 2006, vest after three years of service. The Company has no liability for future contributions to the Savings Plan. The Company's profit sharing expense was \$16,788 and \$16,694 in 2014 and 2013, respectively.

H – I. Not applicable

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

A. Outstanding Shares

The Company has 500,000 Common shares with a par value of \$7 a share, authorized, issued and outstanding at December 31, 2014.

B. Dividend Rate of Preferred Stock

Not applicable as no preferred shares are authorized.

C, D, E and F. Dividend Restrictions

The payment of dividends by Ohio domiciled insurance companies, without the prior approval of the Superintendent of Insurance, is limited to the greater of 10% of statutory surplus as of the most recent year end or the net income for the prior year. The Ohio Insurance Holding Company law requires an insurance company's surplus to be reasonable in relation to its liabilities and adequate for its financial needs following any dividend that it may pay to its parent. The maximum dividend payment that may be made without prior approval in 2015 is \$1,216,574.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

Not applicable

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized loss is \$5,944 before deducting applicable deferred taxes of \$2,080.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

**Note 14 – Liabilities, Contingencies and Assessments**

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of its affiliates or on indebtedness of others.

B. Guaranty Fund and Other Assessments

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

NOTES TO FINANCIAL STATEMENTS

The Company has accrued a liability for guaranty fund and other assessments of \$92,974 and \$128,231, for the current and prior year, respectively. The liability is included in the taxes, licenses and fees liability. The amounts represent management's best estimates based on information received from the states in which the pooled group (refer to Note 26) writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

There were no charges to income due to other-than-temporary impairments in 2014 or 2013. Considerations the Company used in the impairment evaluation process included, but were not limited to, whether the issuer is experiencing significant financial difficulties, the economic stability of an entire industry sector or subsection, and the extent to which the unrealized loss is credit-driven or a result of changes in market interest rates.

At the end of the current and prior year, the Company had admitted assets of \$10,322,847 and \$9,248,038, respectively in premiums due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectable premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amounts totaling \$118,310 and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial position.

**Note 15 – Leases**

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under a non-cancelable operating lease that expires in July 2018. The lease contains a reasonable escalation in rent over the term of the agreement. Rental expense for the current year and the prior year was \$264,293 and \$158,272, respectively. There are no contingent rental payments or unusual renewal options, unusual restrictions and there has been no early termination of the existing lease.
2. Future minimum rental payments are as follows:

| Year  | Amount     |
|-------|------------|
| 2015  | \$ 171,521 |
| 2016  | 176,768    |
| 2017  | 181,859    |
| 2018  | 108,003    |
| 2019  | -          |
| Total | \$ 638,151 |

3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements

Not applicable

**Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk**

Not applicable as the Company does not invest in these types of financial instruments.

NOTES TO FINANCIAL STATEMENTS

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

Note 18 – Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

A. The Company does not use managing general agents or third party administrators to write or administer their insurance products.

Note 20 – Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Level 1, 2 and 3

The Company must determine the appropriate level in the fair value hierarchy for each applicable measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's management is responsible for the valuation process and uses data from outside sources (including nationally recognized pricing services and broker/dealers) in establishing fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The Company did not hold any investments measured at fair value at December 31, 2014.

The following table provides information as of December 31, 2013 about the Company's investments measured at fair value.

| Assets at fair value                | Level 1 | Level 2    | Level 3 | Fair Value |
|-------------------------------------|---------|------------|---------|------------|
| Perpetual Preferred Stock           |         |            |         |            |
| Industrial and Misc                 | \$ -    | \$ -       | \$ -    | \$ -       |
| Parent, Subsidiaries and Affiliates | -       | -          | -       | -          |
| Total Perpetual Preferred Stocks    | \$ -    | \$ -       | \$ -    | \$ -       |
| Bonds                               |         |            |         |            |
| U.S. Governments                    | \$ -    | \$ -       | \$ -    | \$ -       |
| Industrial and Misc                 | -       | 497,500    | -       | 497,500    |
| Hybrid Securities                   | -       | -          | -       | -          |
| Parent, Subsidiaries and Affiliates | -       | -          | -       | -          |
| Total Bonds                         | \$ -    | \$ 497,500 | \$ -    | \$ 497,500 |
| Total assets at fair value          | \$ -    | \$ 497,500 | \$ -    | \$ 497,500 |

NOTES TO FINANCIAL STATEMENTS

The Company uses the end of the reporting period as its policy for determining transfers into and out of each level. There were no transfers between Level 1 and Level 2 during the year ended December 31, 2014 and 2013, respectively.

2. Rollforward of Level 3 Items

The Company did not hold any Level 3 securities at December 31, 2014 or at December 31, 2013.

3. Policy on Determining when Transfers between Levels are Recognized

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. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company is responsible for the valuation process and uses data from outside sources (including nationally recognized pricing services and broker/dealers) in establishing fair value. Pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and prices obtained from external sources are reviewed by the Company's internal and affiliated investment professionals who are familiar with the securities being priced and the markets in which they trade to ensure the fair value determination is representative of an exit price. To validate the appropriateness of the prices obtained, the Company's internal investment professionals, who report to the Chief Investment Officer, compare the valuation received to independent third party pricing sources and consider widely published indices (as benchmarks), recent trades, changes in interest rates, general economic conditions and the credit quality of the specific issuers. If the Company believes that significant discrepancies exist, the Company will perform additional procedures, which may include specific inquiry of the pricing source, to resolve the discrepancies.

Level 1 consists of publicly traded equity securities and highly liquid, direct obligations of the U.S. Government whose fair value is based on quoted prices that are readily and regularly available in an active market. Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and include U.S. government agency securities, fixed maturity investments and perpetual preferred stocks that are not actively traded. The Company primarily uses the market approach valuation technique for all investments.

The Company did not hold any Level 3 securities at December 31, 2014 or at December 31, 2013.

5. Derivative Fair Values

Not applicable.

B. The Company has no additional fair value disclosures.

C. Other Fair Value Disclosures

The table below reflects, as of December 31, 2014, the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method.

|                               | Fair Value    | Admitted Value | Level 1      | Level 2       | Level 3 | Not Practical |
|-------------------------------|---------------|----------------|--------------|---------------|---------|---------------|
| Bonds                         | \$ 29,955,538 | \$ 29,227,870  | \$ 603,375   | \$ 29,352,163 | \$ -    | \$ -          |
| Preferred stock               | -             | -              | -            | -             | -       | -             |
| Common stock                  | -             | -              | -            | -             | -       | -             |
| Cash & short term investments | 4,881,691     | 4,881,691      | 4,881,691    | -             | -       | -             |
| Totals                        | \$ 34,837,229 | \$ 34,109,561  | \$ 5,485,066 | \$ 29,352,163 | \$ -    | \$ -          |

NOTES TO FINANCIAL STATEMENTS

The table below reflects, as of December 31, 2013, the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method.

|                               | Fair Value    | Admitted Value | Level 1      | Level 2       | Level 3 | Not Practical |
|-------------------------------|---------------|----------------|--------------|---------------|---------|---------------|
| Bonds                         | \$ 24,729,595 | \$ 24,383,146  | \$ -         | \$ 24,729,595 | \$ -    | \$ -          |
| Preferred stock               | -             | -              | -            | -             | -       | -             |
| Common stock                  | -             | -              | -            | -             | -       | -             |
| Cash & short term investments | 3,103,116     | 3,103,116      | 3,103,116    | -             | -       | -             |
| Totals                        | \$ 27,832,711 | \$ 27,486,262  | \$ 3,103,116 | \$ 24,729,595 | \$ -    | \$ -          |

D. Reasons Not Practical to Estimate Fair Values

Not applicable.

**Note 21 – Other Items**

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures and Unusual Items

Investments carried at \$3,847,228 and \$2,679,560 at the end of December 31, 2014 and 2013, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax Credits

Not applicable

F. Sub-Prime Exposure

1. The Company invests in mortgage-backed securities that could potentially be adversely affected by subprime mortgage exposure. The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. Conservative investment practices limit the Company's exposure to such losses.
2. The Company does not have any investments with direct exposure in subprime mortgage loans.
3. Direct exposure to subprime mortgage risk through other investments in the following securities:

|                                                             | Actual Cost | Book/Adjusted Carrying Value | Fair Value | OTTI Losses Recognized |
|-------------------------------------------------------------|-------------|------------------------------|------------|------------------------|
| Residential mortgage backed securities                      | \$ 746,234  | \$ 770,470                   | \$ 742,632 | \$ -                   |
| Commercial mortgage backed securities                       | -           | -                            | -          | -                      |
| Collateralized debt obligations                             | -           | -                            | -          | -                      |
| Structured securities (including principal protected notes) | -           | -                            | -          | -                      |
| Equity investments in SCA Entities                          | -           | -                            | -          | -                      |
| Other Assets                                                | -           | -                            | -          | -                      |
| Totals                                                      | \$ 746,234  | \$ 770,470                   | \$ 742,632 | \$ -                   |

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

**Note 22 – Events Subsequent**

Subsequent events have been considered through February 13, 2015, the date of issuance of these financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

NOTES TO FINANCIAL STATEMENTS

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has the following unsecured aggregate reinsurance recoverable for paid and unpaid losses including IBNR, loss adjustment expenses, and unearned premiums from an individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders’ surplus.

| NAIC Code | Federal ID # | Name of Reinsurer                     | Amount       |
|-----------|--------------|---------------------------------------|--------------|
| 32620     | 34-1607395   | National Interstate Insurance Co      | \$32,058,814 |
| 25364     | 13-1675535   | Swiss Reinsurance America Corp        | 788,874      |
| 10357     | 52-1952955   | Platinum Underwriters Reinsurance Co. | 526,182      |
| 00000     | AA-1340125   | Hannover Ruckversicherungs AG         | 458,486      |

B. Reinsurance Recoverables in Dispute

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

C. Reinsurance Assumed and Ceded and Protected Cells

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

|            | Assumed Reinsurance |            | Ceded Reinsurance |             | Net           |             |
|------------|---------------------|------------|-------------------|-------------|---------------|-------------|
|            | Premium             | Commission | Premium           | Commission  | Premium       | Commission  |
|            | Reserve             | Equity     | Reserve           | Equity      | Reserve       | Equity      |
| Affiliates | \$3,760,138         | \$338,137  | \$12,154,855      | \$1,007,120 | \$(8,394,718) | \$(668,983) |
| All Other  | 484,470             | 157,790    | 1,807,999         | 135,235     | (1,323,529)   | 22,555      |
| Totals     | \$4,244,608         | \$495,928  | \$13,962,855      | \$1,142,356 | \$(9,718,247) | \$(646,428) |

Direct Unearned Premium Reserve \$13,478,385

2. Amounts accrued at the end of the current year for additional or return on commission resulting from existing contractual arrangements are as follows:

|                           | Direct | Assumed   | Ceded | Net       |
|---------------------------|--------|-----------|-------|-----------|
| Contingent commissions    | \$ -   | \$ 55,231 | \$ -  | \$ 55,231 |
| Sliding scale adjustments | -      | -         | -     | -         |
| Other profit commissions  | -      | -         | -     | -         |
| Totals                    | \$ -   | \$ 55,231 | \$ -  | \$ 55,231 |

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

D. Uncollectible Reinsurance

The Company has no reinsurance in dispute nor does it deem any of its reinsurance recoverables to be uncollectible.

NOTES TO FINANCIAL STATEMENTS

E. Commutation of Ceded Reinsurance

During 2014 the Company commuted several treaties with the reinsurers listed below. The Company recognized the amounts received from the reinsurers, as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The Company also increased its loss and loss adjustment expense reserves by the same amount (thereby increasing losses and loss adjustment expense incurred) to recognize the effect of releasing the reinsurer from its obligation under the treaty. The net effect of the commutations was \$-0-. The amounts received are shown below by reinsurer and treaty year.

| Reinsurer and Treaty Year        | Amount         |
|----------------------------------|----------------|
| TRAX Insurance Ltd (2010 – 2011) | \$4,322        |
| Wheels Ins Ltd (2010 – 2011)     | 724            |
| Total                            | <u>\$5,046</u> |

F. Retroactive Reinsurance

Not applicable as the Company does not have any retroactive reinsurance agreements.

G. Reinsurance Accounted for as a Deposit

Not applicable as the Company does not have any reinsurance contracts that are accounted for as a deposit.

H. Run-off Agreements

Not applicable as the Company did not have any run-off agreements in the current year.

I. Certified Reinsurer Rating Downgraded of Status Subject to Revocation

Not applicable.

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A - E. Not applicable as the Company has not entered any contracts that are retrospectively rated or subject to redetermination.

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

Not applicable

**Note 25 –Losses and Loss Adjustment Expenses**

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses (LAE), net of reinsurance recoverables, for 2014 and 2013:

|                                                                                   | December 31          |                     |
|-----------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                   | 2014                 | 2013                |
| Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year | \$ 9,582,963         | \$ 9,345,677        |
| Add provision for claims, net of reinsurance occurring in:                        |                      |                     |
| Current year                                                                      | 5,790,000            | 5,515,000           |
| Prior years                                                                       | 607,544              | 34,850              |
| Net incurred losses during the current year                                       | 6,397,544            | 5,549,850           |
| Deduct payments for claims, net of reinsurance, occurring in:                     |                      |                     |
| Current year                                                                      | 1,566,000            | 1,784,000           |
| Prior years                                                                       | 3,940,983            | 3,528,564           |
| Net claim payments during the current year                                        | 5,506,983            | 5,312,564           |
| Outstanding losses and LAE, net of reinsurance recoverables, at end of year       | <u>\$ 10,473,524</u> | <u>\$ 9,582,963</u> |

NOTES TO FINANCIAL STATEMENTS

The foregoing reconciliation shows that a \$607,544 unfavorable development in the December 31, 2013 balances emerged in 2014, and a \$34,850 unfavorable development in the December 31, 2012 balances emerged in 2013. The unfavorable development in 2014 and 2013 resulted from the combination of settling cases and adjusting current estimates of case and incurred but not reported (IBNR) reserves for amounts more than the case and IBNR estimates carried at the end of the prior year. Management of the Company evaluates case and IBNR estimates based on data from a variety of sources including the Company's historical experience, knowledge of various factors, and industry data extrapolated from other insurers writing similar lines of business.

**Note 26 – Intercompany Pooling Arrangements**

Effective January 1, 2011, the Company entered into an amended pooling agreement with its parent, NIIC and NIIC's two insurance subsidiaries, TCC and VIC. The following summarizes the participation percentages:

| Name of Insurer                                       | NAIC Code | % Participation |
|-------------------------------------------------------|-----------|-----------------|
| Triumphe Casualty Company                             | 41106     | 2%              |
| National Interstate Insurance Company of Hawaii, Inc. | 11051     | 2%              |
| Vanliner Insurance Company                            | 21172     | 26%             |
| National Interstate Insurance Company (Lead)          | 32620     | 70%             |

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of December 31, 2014 the Company had a \$936,749 receivable under the pooling agreement from NIIC, the lead company. NIIC had receivables of \$778,746 and \$313,035 due from VIC and TCC, respectively under the pooling agreement. These amounts are settled on a quarterly basis.

**Note 27 – Structured Settlements**

A. Reserves Released Due to Purchase of Annuities

Not applicable as the Company does not have any structured settlements.

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

None

**Note 28 – Health Care Receivables**

A - B. Not applicable as the Company does not write pharmaceutical or shared risk health insurance coverage.

**Note 29 – Participating Policies**

Not applicable as the Company does not have participating policies.

**Note 30 – Premium Deficiency Reserves**

As of December 31, 2014, the Company does not have any premium deficiency reserves.

|                                                                |         |           |
|----------------------------------------------------------------|---------|-----------|
| Liability carried for premium deficiency reserves              | \$      | -         |
| Date of the most recent evaluation of this liability           |         | 1/20/2015 |
| Was anticipated investment income utilized in the calculation? | Yes [ ] | No [X]    |

**Note 31 – High Deductibles**

Not applicable

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

A - C. Not applicable as the Company does not discount its liabilities for unpaid loss and loss adjustment expenses.

**Note 33 – Asbestos/Environmental Reserves**

A - F. Not applicable as the Company does not have on the books, nor has it ever written an insured for which it has identified a potential for the existence of a liability due to asbestos or environmental losses.

**Note 34 – Subscriber Savings Accounts**

Not applicable

NOTES TO FINANCIAL STATEMENTS

**Note 35 – Multiple Peril Crop Insurance**

Not applicable

**Note 36 – Financial Guaranty Insurance**

A - B. Not applicable





PART 1 - COMMON INTERROGATORIES - FINANCIAL

22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [ ☐ ]    No [ ☒ ]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

.....

22.22

Amount paid as expenses

.....

22.23

Other amounts paid

.....

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ ☒ ]    No [ ☐ ]

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount.

\$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [ ☒ ]    No [ ☐ ]

24.02

If no, give full and complete information relating thereto.

.....

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

.....

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

.....

24.06

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

.....

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]

24.10

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

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

.....

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

.....

24.103

Total payable for securities lending reported on the liability page.

.....

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes [ ☒ ]    No [ ☐ ]

25.2

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

25.21

Subject to repurchase agreements

\$.....0

25.22

Subject to reverse repurchase agreements

\$.....0

25.23

Subject to dollar repurchase agreements

\$.....0

25.24

Subject to reverse dollar repurchase agreements

\$.....0

25.25

Placed under option agreements

\$.....0

25.26

Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$.....0

25.27

FHLB Capital Stock

\$.....0

25.28

On deposit with states

\$.....3,244,124

25.29

On deposit with other regulatory bodies

\$.....603,104

25.30

Pledged as collateral - excluding collateral pledged to an FHLB

\$.....0

25.31

Pledged as collateral to FHLB - including assets backing funding agreements

\$.....0

25.32

Other

\$.....0

25.3

For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  |             |

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ☐ ]    No [ ☒ ]

26.2

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

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ☐ ]    No [ ☒ ]

27.2

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

.....

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ ☒ ]    No [ ☐ ]

28.01

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address                                                    |
|---------------------------|-----------------------------------------------------------------------------|
| Key Bank                  | PO Box 6717 Cleveland, OH 44101                                             |
| US Bank                   | Two Liberty Place, 50 South 16th Street, Suite 2000, Philadelphia, PA 19102 |

28.02

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [ ☒ ]    No [ ☐ ]

28.04

If yes, give full and complete information relating thereto:

| 1<br>Old Custodian  | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason                                 |
|---------------------|--------------------|---------------------|---------------------------------------------|
| First Hawaiian Bank |                    | 11/30/2014          | Funds transfered / Account no longer needed |

28.05

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

| 1<br>Central Registration Depository Number(s) | 2<br>Name                             | 3<br>Address                                 |
|------------------------------------------------|---------------------------------------|----------------------------------------------|
| 161853                                         | American Money Management Corporation | 301 East Fourth Street, Cincinnati, OH 45202 |

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [ ☐ ] No [ ☒ ]

29.2 If yes, complete the following schedule:

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

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

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

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

|                            | 1                                | 2               | 3                                                                                  |
|----------------------------|----------------------------------|-----------------|------------------------------------------------------------------------------------|
|                            | Statement<br>(Admitted)<br>Value | Fair<br>Value   | Excess of Statement<br>over Fair Value (-),<br>or Fair Value over<br>Statement (+) |
| 30.1 Bonds.....            | .....34,001,293                  | .....34,728,961 | .....727,668                                                                       |
| 30.2 Preferred stocks..... | .....                            | .....           | .....0                                                                             |
| 30.3 Totals.....           | .....34,001,293                  | .....34,728,961 | .....727,668                                                                       |

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

The source used to determine the fair value is primarily from pricing services and to a lesser extent broker quotes when necessary.

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

Yes [ ☒ ] No [ ☐ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [ ☐ ] No [ ☒ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. For the securities that were priced using broker prices, the investment professionals affiliated with the reporting entity obtain data from brokers that are familiar with the securities being priced and the markets in which they trade.

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

Yes [ ☒ ] No [ ☐ ]

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

\$.....9,545

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

| 1                                   | 2           |
|-------------------------------------|-------------|
| Name                                | Amount Paid |
| NCCI Holdings Inc                   | 5,371       |
| Independent Statistical Service Inc | 3,804       |

34.1 Amount of payments for legal expenses, if any?

\$.....0

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

| 1    | 2           |
|------|-------------|
| Name | Amount Paid |
|      | 0           |

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

\$.....0

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

| 1    | 2           |
|------|-------------|
| Name | Amount Paid |
|      | 0           |

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ☐ ]

No [ ☒ X ]

1.2

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

\$.....0

1.3

What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

.....

1.31

Reason for excluding:

.....

1.4

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

.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

.....

1.62

Total incurred claims

.....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

.....

1.65

Total incurred claims

.....

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

.....

1.72

Total incurred claims

.....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

.....

1.75

Total incurred claims

.....

1.76

Number of covered lives

.....

2.

Health test:

2.1

Premium Numerator.....

2.2

Premium Denominator.....

2.3

Premium Ratio (2.1/2.2).....

2.4

Reserve Numerator.....

2.5

Reserve Denominator.....

2.6

Reserve Ratio (2.4/2.5).....

1

Current Year

.....

\$.....8,130,987

.....0.0

\$.....16,277

\$.....14,233,661

.....0.1

2

Prior Year

.....

.....7,843,069

.....0.0

.....15,425

.....13,154,081

.....0.1

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [ ☐ ]

No [ ☒ X ]

3.2

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

3.21

Participating policies

.....

3.22

Non-participating policies

.....

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes [ ☐ ]

No [ ☐ ]

4.2

Does the reporting entity issue non-assessable policies?

Yes [ ☐ ]

No [ ☐ ]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

.....%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

.....

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes [ ☐ ]

No [ ☐ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ X ]

5.22

As a direct expense of the exchange

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ X ]

5.3

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

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [ ☐ ]

No [ ☒ X ]

5.5

If yes, give full information:

.....

6.1

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

The company is party to intercompany pooling agreements where as it retains no more than \$20,000 per occurrence. In addition, the pool purchases up to \$20M per person WC coverage & up to \$50M multiple person WC coverage subject to a \$10M maximum any one life.

6.2

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

The company uses Instrat Analysis from Guy Carpenter using RMS Risklink and Gen Re v.13 model to identify locations and concentrations. It also limits its writing of property insurance and reinsurance under catastrophic reinsurance losses in excess of \$500,000 in Hawaii and select property from products on the mainland and \$750,000 elsewhere.

6.3

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

The Company has property per risk protection of \$14.85M X \$150K which will vary by product. In addition, the Company has CAT protection for \$14.5M X \$500K. The Company also purchases facultative protection for various recreational vehicle rallies throughout the year.

6.4

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

Yes [ ☒ X ]

No [ ☐ ]

6.5

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

.....

7.1

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

Yes [ ☒ X ]

No [ ☐ ]

7.2

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

.....35

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [ ☒ X ]

No [ ☐ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [ ]

No [ X ]

8.2

If yes, give full information:

9.1

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

Yes [ X ]

No [ ]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [ X ]

No [ ]

9.3

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

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [ ]

No [ X ]

9.5

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

9.6

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

Yes [ ]

No [ X ]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [ X ]

No [ ]

N/A [ ]

11.1

Has this reporting entity guaranteed policies issued by any other reporting entity and now in force?

Yes [ ]

No [ X ]

11.2

If yes, give full information:

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:  
12.11 Unpaid losses  
12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....0

\$.....0

12.2

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

\$.....0

12.3

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

Yes [ ]

No [ X ]

N/A [ ]

12.4

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

.....%

.....%

12.5

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

Yes [ X ]

No [ ]

12.6

If yes, state the amount thereof at December 31 of current year:  
12.61 Letters of credit  
12.62 Collateral and other funds

\$.....0

\$.....134,174

13.1

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

\$.....100,000

13.2

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

Yes [ ]

No [ X ]

13.3

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

.....1

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [ X ]

No [ ]

14.2

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

The allocation would be based on the percentage of the individual company's claim to the total of all claims.

14.3

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

Yes [ X ]

No [ ]

14.4

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

Yes [ ]

No [ ]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ]

No [ X ]

15.2

If yes, give full information:

16.1

Does the reporting entity write any warranty business?

Yes [ ]

No [ X ]

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

|                       | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home.....       |                                |                              |                                |                                 |                               |
| 16.12 Products.....   |                                |                              |                                |                                 |                               |
| 16.13 Automobile..... |                                |                              |                                |                                 |                               |
| 16.14 Other*.....     |                                |                              |                                |                                 |                               |

\* Disclose type of coverage: .....

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?

Yes [ ]

No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11

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

17.12

Unfunded portion of Interrogatory 17.11

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14

Case reserves portion of Interrogatory 17.11

17.15

Incurred but not reported portion of Interrogatory 17.11

17.16

Unearned premium portion of Interrogatory 17.11

17.17

Contingent commission portion of Interrogatory 17.11

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

17.18

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

17.19

Unfunded portion of Interrogatory 17.18

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21

Case reserves portion of Interrogatory 17.18

17.22

Incurred but not reported portion of Interrogatory 17.18

17.23

Unearned premium portion of Interrogatory 17.18

17.24

Contingent commission portion of Interrogatory 17.18

18.1

Do you act as a custodian for health savings account?

Yes [ ]

No [ X ]

18.2

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

18.3

Do you act as an administrator for health savings accounts?

Yes [ ]

No [ X ]

18.4

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

FIVE-YEAR HISTORICAL DATA

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

|                                                                                                                                                                             | 1<br>2014  | 2<br>2013   | 3<br>2012   | 4<br>2011  | 5<br>2010  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|-------------|------------|------------|
| <b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>                                                                                                         |            |             |             |            |            |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                       | 33,865,179 | 29,073,505  | 24,914,775  | 23,056,931 | 18,473,931 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                         | 5,141,447  | 5,083,834   | 5,657,472   | 6,078,384  | 5,801,138  |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                   | 362,927    | 228,610     | 199,459     | 123,863    | 8,696      |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                  | 11,782     | 12,433      | 16,494      | 11,371     | 7,232      |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                               |            |             |             |            |            |
| 6. Total (Line 35).....                                                                                                                                                     | 39,381,334 | 34,398,381  | 30,788,199  | 29,270,549 | 24,290,997 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>                                                                                                                       |            |             |             |            |            |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                       | 6,769,825  | 6,406,858   | 5,922,236   | 6,310,344  | 3,406,055  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                         | 1,448,732  | 1,455,806   | 1,470,842   | 1,637,560  | 1,376,494  |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                   | 89,667     | 57,741      | 39,415      | 47,733     | 8,696      |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                 | 11,782     | 12,433      | 16,494      | 11,371     | 7,232      |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                              |            |             |             |            |            |
| 12. Total (Line 35).....                                                                                                                                                    | 8,320,006  | 7,932,837   | 7,448,986   | 8,007,009  | 4,798,477  |
| <b>Statement of Income (Page 4)</b>                                                                                                                                         |            |             |             |            |            |
| 13. Net underwriting gain (loss) (Line 8).....                                                                                                                              | (436,990)  | 140,532     | 606,515     | 419,522    | 290,423    |
| 14. Net investment gain (loss) (Line 11).....                                                                                                                               | 811,136    | 795,641     | 894,519     | 877,087    | 739,323    |
| 15. Total other income (Line 15).....                                                                                                                                       | (248,818)  | (102,441)   | (83,747)    | (87,917)   | (52,547)   |
| 16. Dividends to policyholders (Line 17).....                                                                                                                               |            |             |             |            |            |
| 17. Federal and foreign income taxes incurred (Line 19).....                                                                                                                | (55,994)   | 160,704     | 356,610     | 553,876    | 251,560    |
| 18. Net income (Line 20).....                                                                                                                                               | 181,321    | 673,027     | 1,060,676   | 654,816    | 725,639    |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>                                                                                                                                  |            |             |             |            |            |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....                                                                                  | 45,519,343 | 40,943,352  | 36,258,875  | 34,537,380 | 27,843,620 |
| 20. Premiums and considerations (Page 2, Col. 3):                                                                                                                           |            |             |             |            |            |
| 20.1 In course of collection (Line 15.1).....                                                                                                                               | 292,693    | 372,172     | 564,478     | 782,442    | 1,333,647  |
| 20.2 Deferred and not yet due (Line 15.2).....                                                                                                                              | 10,030,154 | 8,875,866   | 6,671,164   | 3,227,661  | 3,188,216  |
| 20.3 Accrued retrospective premiums (Line 15.3).....                                                                                                                        |            |             |             |            |            |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....                                                                                              | 33,353,606 | 29,651,438  | 25,333,551  | 23,079,424 | 15,803,965 |
| 22. Losses (Page 3, Line 1).....                                                                                                                                            | 8,516,625  | 7,771,555   | 7,606,058   | 7,675,229  | 3,096,880  |
| 23. Loss adjustment expenses (Page 3, Line 3).....                                                                                                                          | 1,956,899  | 1,811,408   | 1,739,619   | 1,816,194  | 970,891    |
| 24. Unearned premiums (Page 3, Line 9).....                                                                                                                                 | 3,760,138  | 3,571,118   | 3,481,351   | 3,201,546  | 2,210,849  |
| 25. Capital paid up (Page 3, Lines 30 & 31).....                                                                                                                            | 3,500,000  | 3,500,000   | 3,500,000   | 3,500,000  | 3,500,000  |
| 26. Surplus as regards policyholders (Page 3, Line 37).....                                                                                                                 | 12,165,737 | 11,291,914  | 10,925,324  | 11,457,957 | 12,039,656 |
| <b>Cash Flow (Page 5)</b>                                                                                                                                                   |            |             |             |            |            |
| 27. Net cash from operations (Line 11).....                                                                                                                                 | 831,522    | (1,165,971) | (2,815,711) | 7,669,718  | 945,733    |
| <b>Risk-Based Capital Analysis</b>                                                                                                                                          |            |             |             |            |            |
| 28. Total adjusted capital.....                                                                                                                                             | 12,165,737 | 11,291,914  | 10,925,324  | 11,457,957 | 12,039,656 |
| 29. Authorized control level risk-based capital.....                                                                                                                        | 1,342,469  | 1,262,472   | 983,938     | 936,011    | 670,989    |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |            |             |             |            |            |
| 30. Bonds (Line 1).....                                                                                                                                                     | 85.7       | 88.7        | 94.0        | 99.6       | 98.7       |
| 31. Stocks (Lines 2.1 & 2.2).....                                                                                                                                           |            |             |             |            |            |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....                                                                                                                    |            |             |             |            |            |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....                                                                                                                                 |            |             |             |            |            |
| 34. Cash, cash equivalents and short-term investments (Line 5).....                                                                                                         | 14.3       | 11.3        | 6.0         | 0.4        | 1.3        |
| 35. Contract loans (Line 6).....                                                                                                                                            |            |             |             |            |            |
| 36. Derivatives (Line 7).....                                                                                                                                               |            |             |             |            |            |
| 37. Other invested assets (Line 8).....                                                                                                                                     |            |             |             |            |            |
| 38. Receivable for securities (Line 9).....                                                                                                                                 |            |             |             |            |            |
| 39. Securities lending reinvested collateral assets (Line 10).....                                                                                                          |            |             |             |            |            |
| 40. Aggregate write-ins for invested assets (Line 11).....                                                                                                                  |            |             |             |            |            |
| 41. Cash, cash equivalents and invested assets (Line 12).....                                                                                                               | 100.0      | 100.0       | 100.0       | 100.0      | 100.0      |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>                                                                                                                   |            |             |             |            |            |
| 42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....                                                                                                                |            |             |             |            |            |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....                                                                                                     |            |             |             |            |            |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....                                                                                                        |            |             |             |            |            |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....                                                          |            |             |             |            |            |
| 46. Affiliated mortgage loans on real estate.....                                                                                                                           |            |             |             |            |            |
| 47. All other affiliated.....                                                                                                                                               |            |             |             |            |            |
| 48. Total of above lines 42 to 47.....                                                                                                                                      | 0          | 0           | 0           | 0          | 0          |
| 49. Total investment in parent included in Lines 42 to 47 above.....                                                                                                        |            |             |             |            |            |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)..... | 0.0        |             |             |            |            |

FIVE-YEAR HISTORICAL DATA

(Continued)

|                                                                                                                                                                                                   | 1          | 2          | 3           | 4           | 5         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|-------------|-------------|-----------|
|                                                                                                                                                                                                   | 2014       | 2013       | 2012        | 2011        | 2010      |
| <b>Capital and Surplus Accounts (Page 4)</b>                                                                                                                                                      |            |            |             |             |           |
| 51. Net unrealized capital gains (losses) (Line 24).....                                                                                                                                          | 3,864      | (3,864)    |             |             |           |
| 52. Dividends to stockholders (Line 35).....                                                                                                                                                      |            |            | (1,100,000) | (1,200,000) |           |
| 53. Change in surplus as regards policyholders for the year (Line 38).....                                                                                                                        | 873,822    | 366,590    | (532,633)   | (581,699)   | 744,828   |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>                                                                                                                                        |            |            |             |             |           |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                                            | 14,895,022 | 16,032,987 | 12,872,694  | 4,170,733   | 4,921,095 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                                              | 1,894,347  | 5,239,922  | 4,921,276   | 4,733,840   | 3,685,824 |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                                        | 28,874     | 13,379     | 15,168      | 4,451       | 1,661     |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                                       | 1,700      | 313        | 144         | 429         | 373       |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                                                    |            |            |             |             |           |
| 59. Total (Line 35).....                                                                                                                                                                          | 16,819,942 | 21,286,601 | 17,809,282  | 8,909,453   | 8,608,953 |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>                                                                                                                                                   |            |            |             |             |           |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                                            | 3,739,348  | 3,592,342  | 2,805,066   | (1,935,612) | 1,074,749 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                                              | 797,211    | 844,719    | 922,674     | 1,042,730   | 762,448   |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                                        | 22,528     | 4,800      | 11,883      | (15,049)    | 1,661     |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                                       | 1,700      | 313        | 144         | 429         | 373       |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                                                    |            |            |             |             |           |
| 65. Total (Line 35).....                                                                                                                                                                          | 4,560,787  | 4,442,174  | 3,739,767   | (907,502)   | 1,839,231 |
| <b>Operating Percentages</b><br>(Page 4) (Item divided by Page 4, Line 1) x 100.0                                                                                                                 |            |            |             |             |           |
| 66. Premiums earned (Line 1).....                                                                                                                                                                 | 100.0      | 100.0      | 100.0       | 100.0       | 100.0     |
| 67. Losses incurred (Line 2).....                                                                                                                                                                 | 65.3       | 58.7       | 51.2        | 52.3        | 50.3      |
| 68. Loss expenses incurred (Line 3).....                                                                                                                                                          | 13.4       | 12.0       | 11.0        | 11.3        | 10.3      |
| 69. Other underwriting expenses incurred (Line 4).....                                                                                                                                            | 26.7       | 27.4       | 29.3        | 30.4        | 33.0      |
| 70. Net underwriting gain (loss) (Line 8).....                                                                                                                                                    | (5.4)      | 1.8        | 8.5         | 6.0         | 6.4       |
| <b>Other Percentages</b>                                                                                                                                                                          |            |            |             |             |           |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15<br>divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....                                                    | 29.1       | 28.4       | 29.3        | 27.7        | 32.3      |
| 72. Losses and loss expenses incurred to premiums earned<br>(Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....                                                                          | 78.7       | 70.8       | 62.2        | 63.6        | 60.6      |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B,<br>Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....                                                         | 68.4       | 70.3       | 68.2        | 69.9        | 39.9      |
| <b>One Year Loss Development (000 omitted)</b>                                                                                                                                                    |            |            |             |             |           |
| 74. Development in estimated losses and loss expenses incurred prior<br>to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....                                                       | 591        | 52         | (230)       | (187)       | (94)      |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus<br>of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....                      | 5.2        | 0.5        | (2.0)       | (1.6)       | (0.8)     |
| <b>Two Year Loss Development (000 omitted)</b>                                                                                                                                                    |            |            |             |             |           |
| 76. Development in estimated losses and loss expenses incurred 2 years before the<br>current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....                              | 553        | (179)      | (618)       | (615)       | (160)     |
| 77. Percent of development of losses and loss expenses incurred to<br>reported policyholders' surplus of second prior year end<br>(Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)..... | 5.1        | (1.6)      | (5.1)       | (5.4)       | (1.5)     |

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

Yes[ ] No[ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

| Years in Which<br>Premiums<br>Were<br>Earned and<br>Losses Were<br>Incurred | Premiums Earned          |                  |                      | Loss and Loss Expense Payments |                  |                                          |                 |                                 |             |                                           |                                                       | 12<br>Number<br>of<br>Claims<br>Reported-<br>Direct and<br>Assumed |
|-----------------------------------------------------------------------------|--------------------------|------------------|----------------------|--------------------------------|------------------|------------------------------------------|-----------------|---------------------------------|-------------|-------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------|
|                                                                             | 1                        | 2                | 3                    | Loss Payments                  |                  | Defense and Cost<br>Containment Payments |                 | Adjusting and Other<br>Payments |             | 10                                        | 11                                                    |                                                                    |
|                                                                             | Direct<br>and<br>Assumed | Ceded            | Net<br>(Cols. 1 - 2) | 4<br>Direct<br>and<br>Assumed  | 5<br>Ceded       | 6<br>Direct<br>and<br>Assumed            | 7<br>Ceded      | 8<br>Direct<br>and<br>Assumed   | 9<br>Ceded  | Salvage<br>and<br>Subrogation<br>Received | Total<br>Net Paid<br>(Cols. 4 - 5 +<br>6 - 7 + 8 - 9) |                                                                    |
| 1. Prior.....                                                               | .....XXX.....            | .....XXX.....    | .....XXX.....        | .....30.....                   | .....            | .....1.....                              | .....           | .....3.....                     | .....       | .....                                     | .....34.....                                          | .....XXX.....                                                      |
| 2. 2005.....                                                                | .....6,489.....          | .....445.....    | .....6,044.....      | .....3,085.....                | .....158.....    | .....360.....                            | .....           | .....341.....                   | .....       | .....102.....                             | .....3,628.....                                       | .....XXX.....                                                      |
| 3. 2006.....                                                                | .....10,041.....         | .....3,435.....  | .....6,606.....      | .....4,087.....                | .....1,094.....  | .....479.....                            | .....121.....   | .....396.....                   | .....       | .....121.....                             | .....3,747.....                                       | .....XXX.....                                                      |
| 4. 2007.....                                                                | .....16,483.....         | .....9,556.....  | .....6,927.....      | .....5,788.....                | .....2,472.....  | .....860.....                            | .....428.....   | .....408.....                   | .....       | .....126.....                             | .....4,156.....                                       | .....XXX.....                                                      |
| 5. 2008.....                                                                | .....13,809.....         | .....6,343.....  | .....7,466.....      | .....8,188.....                | .....4,202.....  | .....2,662.....                          | .....2,209..... | .....471.....                   | .....       | .....140.....                             | .....4,910.....                                       | .....XXX.....                                                      |
| 6. 2009.....                                                                | .....13,229.....         | .....5,854.....  | .....7,375.....      | .....6,631.....                | .....2,978.....  | .....1,139.....                          | .....703.....   | .....481.....                   | .....       | .....108.....                             | .....4,570.....                                       | .....XXX.....                                                      |
| 7. 2010.....                                                                | .....13,255.....         | .....5,992.....  | .....7,263.....      | .....8,507.....                | .....4,314.....  | .....1,477.....                          | .....991.....   | .....454.....                   | .....       | .....124.....                             | .....5,133.....                                       | .....XXX.....                                                      |
| 8. 2011.....                                                                | .....14,657.....         | .....7,641.....  | .....7,016.....      | .....9,545.....                | .....5,798.....  | .....1,590.....                          | .....1,200..... | .....413.....                   | .....       | .....113.....                             | .....4,550.....                                       | .....XXX.....                                                      |
| 9. 2012.....                                                                | .....14,240.....         | .....7,072.....  | .....7,168.....      | .....10,218.....               | .....7,277.....  | .....951.....                            | .....700.....   | .....326.....                   | .....       | .....105.....                             | .....3,518.....                                       | .....XXX.....                                                      |
| 10. 2013.....                                                               | .....16,492.....         | .....8,649.....  | .....7,843.....      | .....5,122.....                | .....2,475.....  | .....444.....                            | .....287.....   | .....310.....                   | .....       | .....85.....                              | .....3,114.....                                       | .....XXX.....                                                      |
| 11. 2014.....                                                               | .....19,539.....         | .....11,407..... | .....8,132.....      | .....3,688.....                | .....2,396.....  | .....248.....                            | .....191.....   | .....217.....                   | .....       | .....45.....                              | .....1,566.....                                       | .....XXX.....                                                      |
| 12. Totals.....                                                             | .....XXX.....            | .....XXX.....    | .....XXX.....        | .....64,889.....               | .....33,164..... | .....10,210.....                         | .....6,830..... | .....3,820.....                 | .....0..... | .....1,069.....                           | .....38,925.....                                      | .....XXX.....                                                      |

|               | Losses Unpaid                  |                 |                                |                 | Defense and Cost Containment Unpaid |                |                                |               | Adjusting and Other<br>Unpaid |             | 23                                           | 24                                                  | 25                                                           |
|---------------|--------------------------------|-----------------|--------------------------------|-----------------|-------------------------------------|----------------|--------------------------------|---------------|-------------------------------|-------------|----------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------|
|               | Case Basis                     |                 | Bulk + IBNR                    |                 | Case Basis                          |                | Bulk + IBNR                    |               | 21                            | 22          | Salvage<br>and<br>Subrogation<br>Anticipated | Total<br>Net<br>Losses<br>and<br>Expenses<br>Unpaid | Number of<br>Claims<br>Outstanding-<br>Direct and<br>Assumed |
|               | 13<br>Direct<br>and<br>Assumed | 14<br>Ceded     | 15<br>Direct<br>and<br>Assumed | 16<br>Ceded     | 17<br>Direct<br>and<br>Assumed      | 18<br>Ceded    | 19<br>Direct<br>and<br>Assumed | 20<br>Ceded   | Direct<br>and<br>Assumed      | Ceded       |                                              |                                                     |                                                              |
| 1. Prior..... | .....105.....                  | .....           | .....12.....                   | .....           | .....5.....                         | .....          | .....1.....                    | .....         | .....6.....                   | .....       | .....                                        | .....129.....                                       | .....XXX.....                                                |
| 2. 2005.....  | .....63.....                   | .....           | .....5.....                    | .....           | .....2.....                         | .....          | .....1.....                    | .....         | .....7.....                   | .....       | .....                                        | .....78.....                                        | .....XXX.....                                                |
| 3. 2006.....  | .....43.....                   | .....           | .....9.....                    | .....           | .....4.....                         | .....          | .....2.....                    | .....         | .....8.....                   | .....       | .....                                        | .....66.....                                        | .....XXX.....                                                |
| 4. 2007.....  | .....509.....                  | .....435.....   | .....15.....                   | .....           | .....(12).....                      | .....(17)..... | .....1.....                    | .....         | .....8.....                   | .....       | .....                                        | .....103.....                                       | .....XXX.....                                                |
| 5. 2008.....  | .....811.....                  | .....704.....   | .....38.....                   | .....9.....     | .....12.....                        | .....3.....    | .....2.....                    | .....         | .....2.....                   | .....       | .....                                        | .....150.....                                       | .....XXX.....                                                |
| 6. 2009.....  | .....310.....                  | .....102.....   | .....166.....                  | .....111.....   | .....6.....                         | .....(11)..... | .....34.....                   | .....11.....  | .....23.....                  | .....       | .....                                        | .....326.....                                       | .....XXX.....                                                |
| 7. 2010.....  | .....225.....                  | .....7.....     | .....440.....                  | .....307.....   | .....70.....                        | .....48.....   | .....66.....                   | .....47.....  | .....33.....                  | .....       | .....5.....                                  | .....425.....                                       | .....XXX.....                                                |
| 8. 2011.....  | .....1,066.....                | .....621.....   | .....781.....                  | .....510.....   | .....299.....                       | .....248.....  | .....90.....                   | .....52.....  | .....114.....                 | .....       | .....7.....                                  | .....919.....                                       | .....XXX.....                                                |
| 9. 2012.....  | .....3,398.....                | .....2,651..... | .....1,450.....                | .....978.....   | .....375.....                       | .....306.....  | .....299.....                  | .....156..... | .....84.....                  | .....       | .....12.....                                 | .....1,515.....                                     | .....XXX.....                                                |
| 10. 2013..... | .....2,061.....                | .....1,042..... | .....3,358.....                | .....2,291..... | .....185.....                       | .....110.....  | .....504.....                  | .....266..... | .....141.....                 | .....       | .....29.....                                 | .....2,540.....                                     | .....XXX.....                                                |
| 11. 2014..... | .....3,136.....                | .....1,931..... | .....5,626.....                | .....3,411..... | .....327.....                       | .....257.....  | .....841.....                  | .....342..... | .....235.....                 | .....       | .....87.....                                 | .....4,224.....                                     | .....XXX.....                                                |
| 12. Totals... | .....11,727.....               | .....7,494..... | .....11,900.....               | .....7,617..... | .....1,273.....                     | .....944.....  | .....1,841.....                | .....874..... | .....661.....                 | .....0..... | .....140.....                                | .....10,473.....                                    | .....XXX.....                                                |

|            | Total Losses and<br>Loss Expenses Incurred |                  |                 | Loss and Loss Expense Percentage<br>(Incurred/Premiums Earned) |                 |                | Nontabular<br>Discount |                       | 34                                                      | Net Balance Sheet<br>Reserves after Discount |                                  |
|------------|--------------------------------------------|------------------|-----------------|----------------------------------------------------------------|-----------------|----------------|------------------------|-----------------------|---------------------------------------------------------|----------------------------------------------|----------------------------------|
|            | 26<br>Direct<br>and<br>Assumed             | 27<br>Ceded      | 28<br>Net       | 29<br>Direct<br>and<br>Assumed                                 | 30<br>Ceded     | 31<br>Net      | 32<br>Loss             | 33<br>Loss<br>Expense | Inter-Company<br>Pooling<br>Participation<br>Percentage | 35<br>Losses<br>Unpaid                       | 36<br>Loss<br>Expenses<br>Unpaid |
| 1. Prior.. | .....XXX.....                              | .....XXX.....    | .....XXX.....   | .....XXX.....                                                  | .....XXX.....   | .....XXX.....  | .....                  | .....                 | .....XXX.....                                           | .....117.....                                | .....12.....                     |
| 2. 2005.   | .....3,864.....                            | .....158.....    | .....3,706..... | .....59.6.....                                                 | .....35.5.....  | .....61.3..... | .....                  | .....                 | .....                                                   | .....68.....                                 | .....10.....                     |
| 3. 2006.   | .....5,028.....                            | .....1,216.....  | .....3,813..... | .....50.1.....                                                 | .....35.4.....  | .....57.7..... | .....                  | .....                 | .....                                                   | .....52.....                                 | .....14.....                     |
| 4. 2007.   | .....7,577.....                            | .....3,318.....  | .....4,259..... | .....46.0.....                                                 | .....34.7.....  | .....61.5..... | .....                  | .....                 | .....                                                   | .....89.....                                 | .....14.....                     |
| 5. 2008.   | .....12,186.....                           | .....7,127.....  | .....5,059..... | .....88.2.....                                                 | .....112.4..... | .....67.8..... | .....                  | .....                 | .....                                                   | .....137.....                                | .....13.....                     |
| 6. 2009.   | .....8,790.....                            | .....3,894.....  | .....4,895..... | .....66.4.....                                                 | .....66.5.....  | .....66.4..... | .....                  | .....                 | .....                                                   | .....263.....                                | .....63.....                     |
| 7. 2010.   | .....11,272.....                           | .....5,714.....  | .....5,557..... | .....85.0.....                                                 | .....95.4.....  | .....76.5..... | .....                  | .....                 | .....                                                   | .....351.....                                | .....74.....                     |
| 8. 2011.   | .....13,898.....                           | .....8,429.....  | .....5,469..... | .....94.8.....                                                 | .....110.3..... | .....77.9..... | .....                  | .....                 | .....                                                   | .....716.....                                | .....203.....                    |
| 9. 2012.   | .....17,101.....                           | .....12,068..... | .....5,032..... | .....120.1.....                                                | .....170.7..... | .....70.2..... | .....                  | .....                 | .....                                                   | .....1,219.....                              | .....296.....                    |
| 10. 2013.  | .....12,125.....                           | .....6,471.....  | .....5,654..... | .....73.5.....                                                 | .....74.8.....  | .....72.1..... | .....                  | .....                 | .....                                                   | .....2,086.....                              | .....454.....                    |
| 11. 2014.  | .....14,318.....                           | .....8,528.....  | .....5,790..... | .....73.3.....                                                 | .....74.8.....  | .....71.2..... | .....                  | .....                 | .....                                                   | .....3,420.....                              | .....804.....                    |
| 12. Totals | .....XXX.....                              | .....XXX.....    | .....XXX.....   | .....XXX.....                                                  | .....XXX.....   | .....XXX.....  | .....0.....            | .....0.....           | .....XXX.....                                           | .....8,516.....                              | .....1,957.....                  |

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

**SCHEDULE P - PART 2 - SUMMARY**

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |            |            |            |            |            |            |            |            |            | DEVELOPMENT |           |
|-------------------------------------|----------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-----------|
|                                     | 1                                                                                                  | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         | 11          | 12        |
|                                     | 2005                                                                                               | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | One Year    | Two Year  |
| 1. Prior.....                       | .....3,264                                                                                         | .....3,157 | .....3,085 | .....2,976 | .....2,854 | .....2,722 | .....2,708 | .....2,714 | .....2,670 | .....2,634 | .....(36)   | .....(80) |
| 2. 2005.....                        | .....4,068                                                                                         | .....3,881 | .....3,701 | .....3,568 | .....3,473 | .....3,436 | .....3,424 | .....3,364 | .....3,356 | .....3,358 | .....2      | .....(6)  |
| 3. 2006.....                        | .....XXX                                                                                           | .....4,439 | .....4,044 | .....3,752 | .....3,595 | .....3,539 | .....3,525 | .....3,430 | .....3,420 | .....3,409 | .....(11)   | .....(22) |
| 4. 2007.....                        | .....XXX                                                                                           | .....XXX   | .....4,608 | .....4,150 | .....3,961 | .....3,913 | .....3,957 | .....3,858 | .....3,854 | .....3,843 | .....(11)   | .....(15) |
| 5. 2008.....                        | .....XXX                                                                                           | .....XXX   | .....XXX   | .....5,131 | .....4,918 | .....4,766 | .....4,728 | .....4,642 | .....4,599 | .....4,586 | .....(13)   | .....(56) |
| 6. 2009.....                        | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....4,831 | .....4,742 | .....4,675 | .....4,413 | .....4,380 | .....4,391 | .....12     | .....(22) |
| 7. 2010.....                        | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....4,944 | .....4,858 | .....5,023 | .....4,919 | .....5,070 | .....152    | .....47   |
| 8. 2011.....                        | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....4,253 | .....4,454 | .....4,752 | .....4,942 | .....190    | .....488  |
| 9. 2012.....                        | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....4,404 | .....4,405 | .....4,622 | .....218    | .....218  |
| 10. 2013.....                       | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....5,114 | .....5,203 | .....89     | .....XXX  |
| 11. 2014.....                       | .....XXX                                                                                           | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....5,338 | .....XXX    | .....XXX  |
| 12. Totals.....                     |                                                                                                    |            |            |            |            |            |            |            |            |            | .....591    | .....553  |

**SCHEDULE P - PART 3 - SUMMARY**

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |               |               |               |               |               |               |               |               |            | 11                                        | 12                                           |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|-------------------------------------------|----------------------------------------------|
|                                     | 1                                                                                                         | 2             | 3             | 4             | 5             | 6             | 7             | 8             | 9             | 10         | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2005                                                                                                      | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014       |                                           |                                              |
| 1. Prior.....                       | .....000.....                                                                                             | .....1,031    | .....1,709    | .....2,031    | .....2,236    | .....2,317    | .....2,366    | .....2,433    | .....2,480    | .....2,511 | .....XXX.....                             | .....XXX.....                                |
| 2. 2005.....                        | .....1,063                                                                                                | .....2,010    | .....2,530    | .....2,873    | .....3,079    | .....3,176    | .....3,230    | .....3,257    | .....3,280    | .....3,287 | .....XXX.....                             | .....XXX.....                                |
| 3. 2006.....                        | .....XXX.....                                                                                             | .....1,197    | .....2,022    | .....2,526    | .....2,865    | .....3,097    | .....3,203    | .....3,286    | .....3,335    | .....3,351 | .....XXX.....                             | .....XXX.....                                |
| 4. 2007.....                        | .....XXX.....                                                                                             | .....XXX..... | .....1,310    | .....2,222    | .....2,761    | .....3,205    | .....3,445    | .....3,613    | .....3,711    | .....3,748 | .....XXX.....                             | .....XXX.....                                |
| 5. 2008.....                        | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....1,514    | .....2,664    | .....3,359    | .....3,898    | .....4,183    | .....4,328    | .....4,439 | .....XXX.....                             | .....XXX.....                                |
| 6. 2009.....                        | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....1,379    | .....2,377    | .....2,992    | .....3,487    | .....3,857    | .....4,089 | .....XXX.....                             | .....XXX.....                                |
| 7. 2010.....                        | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1,490    | .....2,645    | .....3,365    | .....4,143    | .....4,679 | .....XXX.....                             | .....XXX.....                                |
| 8. 2011.....                        | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1,577    | .....2,609    | .....3,433    | .....4,137 | .....XXX.....                             | .....XXX.....                                |
| 9. 2012.....                        | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1,342    | .....2,342    | .....3,192 | .....XXX.....                             | .....XXX.....                                |
| 10. 2013.....                       | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1,589    | .....2,804 | .....XXX.....                             | .....XXX.....                                |
| 11. 2014.....                       | .....XXX.....                                                                                             | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1,349 | .....XXX.....                             | .....XXX.....                                |

**SCHEDULE P - PART 4 - SUMMARY**

| Years in Which Losses Were Incurred | Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |            |            |            |            |            |            |            |            |            |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                     | 1                                                                                                                   | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         |
|                                     | 2005                                                                                                                | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       |
| 1. Prior.....                       | .....1,489                                                                                                          | .....861   | .....666   | .....513   | .....330   | .....212   | .....193   | .....182   | .....115   | .....13    |
| 2. 2005.....                        | .....1,960                                                                                                          | .....1,178 | .....663   | .....368   | .....185   | .....129   | .....122   | .....51    | .....40    | .....6     |
| 3. 2006.....                        | .....XXX                                                                                                            | .....2,224 | .....1,275 | .....622   | .....321   | .....233   | .....194   | .....82    | .....53    | .....11    |
| 4. 2007.....                        | .....XXX                                                                                                            | .....XXX   | .....2,368 | .....1,176 | .....590   | .....320   | .....275   | .....112   | .....78    | .....16    |
| 5. 2008.....                        | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....2,341 | .....1,206 | .....681   | .....438   | .....221   | .....119   | .....31    |
| 6. 2009.....                        | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....2,297 | .....1,505 | .....1,094 | .....503   | .....225   | .....78    |
| 7. 2010.....                        | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....2,312 | .....1,438 | .....930   | .....257   | .....152   |
| 8. 2011.....                        | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....1,810 | .....1,042 | .....573   | .....309   |
| 9. 2012.....                        | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....2,201 | .....1,148 | .....615   |
| 10. 2013.....                       | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....2,388 | .....1,305 |
| 11. 2014.....                       | .....XXX                                                                                                            | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....XXX   | .....2,714 |

National Interstate Insurance Company of Hawaii, Inc  
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

|              |                               | 1<br><br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                                 | 4<br><br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br><br>Direct Losses Paid (Deducting Salvage) | 6<br><br>Direct Losses Incurred | 7<br><br>Direct Losses Unpaid | 8<br><br>Finance and Service Charges not Included in Premiums | 9<br><br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|--------------|-------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|---------------------------------|-------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------|
|              |                               |                        | 2<br><br>Direct Premiums Written                                                                             | 3<br><br>Direct Premiums Earned |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| States, Etc. |                               |                        |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 1.           | Alabama.....AL                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 2.           | Alaska.....AK                 | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 3.           | Arizona.....AZ                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 4.           | Arkansas.....AR               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 5.           | California.....CA             | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 6.           | Colorado.....CO               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 7.           | Connecticut.....CT            | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 8.           | Delaware.....DE               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 9.           | District of Columbia.....DC   | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 10.          | Florida.....FL                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 11.          | Georgia.....GA                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 12.          | Hawaii.....HI                 | ...L....               | .....2,060,271                                                                                               | .....1,988,943                  |                                                                         | .....722,032                                    | .....783,340                    | .....2,056,648                | .....75                                                       |                                                                                  |
| 13.          | Idaho.....ID                  | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 14.          | Illinois.....IL               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 15.          | Indiana.....IN                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 16.          | Iowa.....IA                   | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 17.          | Kansas.....KS                 | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 18.          | Kentucky.....KY               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 19.          | Louisiana.....LA              | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 20.          | Maine.....ME                  | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 21.          | Maryland.....MD               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 22.          | Massachusetts.....MA          | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 23.          | Michigan.....MI               | ...L....               | .....6,665,037                                                                                               | .....6,270,187                  |                                                                         | .....1,725,807                                  | .....2,739,122                  | .....4,731,967                | .....9,685                                                    | .....860,204                                                                     |
| 24.          | Minnesota.....MN              | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 25.          | Mississippi.....MS            | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 26.          | Missouri.....MO               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 27.          | Montana.....MT                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 28.          | Nebraska.....NE               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 29.          | Nevada.....NV                 | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 30.          | New Hampshire.....NH          | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 31.          | New Jersey.....NJ             | ...L....               | .....20,642,558                                                                                              | .....19,897,377                 |                                                                         | .....9,338,101                                  | .....12,877,785                 | .....25,669,225               | .....20,995                                                   | .....3,362,754                                                                   |
| 32.          | New Mexico.....NM             | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 33.          | New York.....NY               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 34.          | North Carolina.....NC         | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 35.          | North Dakota.....ND           | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 36.          | Ohio.....OH                   | ...L....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 37.          | Oklahoma.....OK               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 38.          | Oregon.....OR                 | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 39.          | Pennsylvania.....PA           | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 40.          | Rhode Island.....RI           | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 41.          | South Carolina.....SC         | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 42.          | South Dakota.....SD           | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 43.          | Tennessee.....TN              | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 44.          | Texas.....TX                  | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 45.          | Utah.....UT                   | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 46.          | Vermont.....VT                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 47.          | Virginia.....VA               | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 48.          | Washington.....WA             | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 49.          | West Virginia.....WV          | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 50.          | Wisconsin.....WI              | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 51.          | Wyoming.....WY                | ...N....               |                                                                                                              |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                  |
| 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                        | .....0                                                        | .....0                                                                           |
| 59.          | Totals.....                   | (a)....4               | .....29,367,867                                                                                              | .....28,156,508                 | .....0                                                                  | .....11,785,940                                 | .....16,400,247                 | .....32,457,840               | .....30,755                                                   | .....4,222,958                                                                   |

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 | .....0 |
| 58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)   | XXX | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Fire - Location of property

Allied Lines - Location of property

Commercial multiperil - Location of property

Inland marine - Location of property

Workers' Compensation - Location of risk

Other Liability - Location of risk

Auto Liability - Location of primary garage

Auto Physical - Location of primary garage

Boiler and machinery - Location of property

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group  
Part 1 - Organizational Chart

|                                                      | Domiciliary Location | FEIN       | NAIC Co. Code |
|------------------------------------------------------|----------------------|------------|---------------|
| American Financial Group, Inc.                       | OH                   | 31-1544320 |               |
| American Financial Capital Trust II                  | DE                   | 31-6549738 |               |
| American Financial Capital Trust III                 | DE                   | 16-6543606 |               |
| American Financial Capital Trust IV                  | DE                   | 16-6543609 |               |
| American Financial Enterprises, Inc.                 | CT                   | 31-0996797 |               |
| American Money Management Corporation                | OH                   | 31-0828578 |               |
| American Real Estate Capital Company, LLC (80%)      | OH                   | 27-1577326 |               |
| MidMarket Capital Partners, LLC (65%)                | DE                   | 27-2829629 |               |
| APU Holding Company                                  | OH                   | 41-2112001 |               |
| American Premier Underwriters, Inc.                  | PA                   | 23-6000765 |               |
| The Associates of the Jersey Company                 | NJ                   | 23-6297584 |               |
| Cal Coal, Inc.                                       | IL                   | 37-1094159 |               |
| Great Southwest Corporation                          | DE                   | 95-2802826 |               |
| The Indianapolis Union Railway Company               | IN                   | 35-6001691 |               |
| Lehigh Valley Railroad Company                       | PA                   | 13-6400464 |               |
| Pennsylvania Lehigh Oil & Gas Holdings LLC           | PA                   | 46-1665396 |               |
| Magnolia Alabama Holdings, Inc.                      | DE                   | 20-1548213 |               |
| Magnolia Alabama Holdings LLC                        | AL                   | 20-1574094 |               |
| Michigan Oil & Gas Holdings, LLC                     | MI                   | 46-1852532 |               |
| Ohio Oil & Gas Holdings, LLC                         | OH                   | 46-1480078 |               |
| The Owasco River Railway, Inc.                       | NY                   | 13-6021353 |               |
| PCC Real Estate, Inc.                                | NY                   | 31-1236926 |               |
| PCC Technical Industries, Inc.                       | DE                   | 76-0080537 |               |
| PCC Maryland Realty Corp.                            | MD                   | 31-1388401 |               |
| Penn Central Energy Management Company               | DE                   | 06-1209709 |               |
| Penn Towers, Inc.                                    | PA                   | 23-1537928 |               |
| Pennsylvania Oil & Gas Holdings, LLC                 | PA                   | 46-3246684 |               |
| Pennsylvania-Reading Seashore Lines (66.67%)         | NJ                   | 23-6000766 |               |
| Pittsburgh and Cross Creek Railroad Company (83%)    | PA                   | 23-6207599 |               |
| Terminal Realty Penn Co.                             | DC                   | 23-1707450 |               |
| Waynesburg Southern Railroad Company                 | PA                   | 23-1675796 |               |
| GAI Insurance Company, Ltd. *                        | BMU                  |            |               |
| Great American Specialty & Affinity Limited          | GBR                  |            |               |
| Hangar Acquisition Corp.                             | OH                   | 31-1446308 |               |
| Premier Lease & Loan Services Insurance Agency, Inc. | WA                   | 91-1242743 |               |
| Premier Lease & Loan Services of Canada, Inc.        | WA                   | 91-1508644 |               |
| Risico Management Corporation                        | DE                   | 31-1262960 |               |
| Dixie Terminal Corporation                           | OH                   | 31-0823725 |               |
| GAI Holding Bermuda Ltd.                             | BMU                  | 98-0606803 |               |
| GAI Indemnity, Ltd. #                                | GBR                  | 98-0556144 |               |
| Marketform Group Limited                             | GBR                  |            |               |
| Marketform Holdings Limited                          | GBR                  |            |               |
| Lavenham Underwriting Limited #                      | GBR                  | 98-0412245 |               |
| Marketform Hong Kong Limited                         | HKG                  |            |               |
| Marketform Limited                                   | GBR                  |            |               |
| Gabinete Marketform SL                               | ESP                  |            |               |
| Marketform Australia Pty Limited                     | AUS                  |            |               |
| Studio Marketform SRL                                | ITA                  |            |               |
| Marketform Management Services Limited               | GBR                  |            |               |
| Marketform Managing Agency Limited                   | GBR                  |            |               |
| Sampford Underwriting Limited #                      | GBR                  | 98-0431601 |               |
| Marketform Trust Company Limited                     | GBR                  |            |               |

\* Denotes insurer  
@ Company affiliated but not owned  
# Participant in Lloyd's Syndicate 2468  
Subsidiaries 100% owned by respective parent unless otherwise stated  
^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group  
Part 1 - Organizational Chart

|                                                      | Domiciliary Location | FEIN       | NAIC Co. Code |
|------------------------------------------------------|----------------------|------------|---------------|
| American Financial Group, Inc.                       | OH                   | 31-1544320 |               |
| Great American Financial Resources, Inc. ^           | DE                   | 06-1356481 |               |
| AAG Insurance Agency, Inc.                           | KY                   | 31-1422717 |               |
| Ceres Group, Inc.                                    | DE                   | 34-1017531 |               |
| Continental General Corporation                      | NE                   | 47-0717079 |               |
| Continental General Insurance Company *              | OH                   | 47-0463747 | 71404         |
| QQAgency of Texas, Inc.                              | TX                   | 34-1947042 |               |
| Great American Advisors, Inc.                        | OH                   | 31-1395344 |               |
| Great American Life Insurance Company *              | OH                   | 13-1935920 | 63312         |
| Aerielle IP Holdings, LLC ^                          | OH                   | 45-2969767 |               |
| Aerielle, LLC ^                                      | DE                   | 26-4391696 |               |
| Annuity Investors Life Insurance Company *           | OH                   | 31-1021738 | 93661         |
| Bay Bridge Marina Hemingway's Restaurant, LLC (85%)  | MD                   | 27-4078277 |               |
| Bay Bridge Marina Management, LLC (85%)              | MD                   | 27-0513333 |               |
| Brothers Management, LLC (99%)                       | FL                   | 20-1246122 |               |
| FT Liquidation, LLC                                  | OH                   | 45-3988240 |               |
| GALIC - Bay Bridge Marina, LLC                       | MD                   | 20-4604276 |               |
| GALIC - Sorrento, LLC ^                              | FL                   | 45-5565693 |               |
| GALIC Brothers, Inc. (80%)                           | OH                   | 31-1391777 |               |
| GALIC Pointe, LLC ^                                  | FL                   | 45-1144095 |               |
| Manhattan National Holding Corporation               | OH                   | 26-3260520 |               |
| Manhattan National Life Insurance Company *          | OH                   | 45-0252531 | 67083         |
| Skipjack Marina Corp.                                | MD                   | 52-2179330 |               |
| United Teacher Associates Insurance Company *        | TX                   | 58-0869673 | 63479         |
| UTA Acquisitions, LLC                                | TX                   | 47-1933937 |               |
| Great American Holding, Inc.                         | OH                   | 42-1575938 |               |
| Agricultural Services, LLC                           | OH                   | 27-3062314 |               |
| United States Commodities Producers, LLC (75%)       | MT                   | 45-4110027 |               |
| United States Livestock Producers, LLC (75%)         | NV                   | 27-2354685 |               |
| American Empire Surplus Lines Insurance Company *    | DE                   | 31-0912199 | 35351         |
| American Empire Insurance Company *                  | OH                   | 31-0973761 | 37990         |
| American Empire Underwriters, Inc.                   | TX                   | 59-1671722 |               |
| GAI Australia Pty Ltd                                | AUS                  |            |               |
| Great American International Insurance Limited *     | IRL                  |            |               |
| Mid-Continent Casualty Company *                     | OH                   | 73-0556513 | 23418         |
| Mid-Continent Assurance Company *                    | OH                   | 73-1406844 | 15380         |
| Mid-Continent Excess and Surplus Insurance Company * | DE                   | 38-3803661 | 13794         |
| Mid-Continent Specialty Insurance Services, Inc.     | OK                   | 30-0571535 |               |
| Oklahoma Surety Company *                            | OH                   | 73-0773259 | 23426         |
| Republic Indemnity Company of America *              | CA                   | 95-2801326 | 22179         |
| Republic Indemnity Company of California *           | CA                   | 31-1054123 | 43753         |
| Summit Consulting, LLC                               | FL                   | 59-1683711 |               |
| Heritage Summit Healthcare, LLC                      | FL                   | 59-3385208 |               |
| Summit Holding Southeast, Inc.                       | FL                   | 59-3409855 |               |
| Bridgefield Employers Insurance Company*             | FL                   | 59-1835212 | 10701         |
| Bridgefield Casualty Insurance Company*              | FL                   | 59-3269531 | 10335         |

\* Denotes insurer  
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# Participant in Lloyd's Syndicate 2468  
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Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group  
Part 1 - Organizational Chart

|                                                         | Domiciliary Location | FEIN       | NAIC Co. Code |
|---------------------------------------------------------|----------------------|------------|---------------|
| American Financial Group, Inc.                          | OH                   | 31-1544320 |               |
| Great American Insurance Company *                      | OH                   | 31-0501234 | 16691         |
| American Signature Underwriters, Inc.                   | OH                   | 31-1463075 |               |
| Brothers Property Corporation (80%)                     | OH                   | 59-2840291 |               |
| Brothers Le Pavillon, LLC                               | DE                   | 20-5173494 |               |
| Brothers Le Pavillon (SPE), LLC                         | DE                   | 20-5173589 |               |
| Brothers Pennsylvanian Corporation                      | PA                   | 25-1754638 |               |
| Brothers Property Management Corporation                | OH                   | 59-2840294 |               |
| Crescent Centre Apartments ^                            | OH                   | 20-4498054 |               |
| Crop Managers Insurance Agency, Inc.                    | KS                   | 31-1277904 |               |
| Dempsey & Siders Agency, Inc.                           | OH                   | 31-0589001 |               |
| Eden Park Insurance Brokers, Inc.                       | CA                   | 31-1341668 |               |
| El Aguila, Compañía de Seguros, S.A. de C.V. *          | MEX                  |            |               |
| Financiadora de Primas Condor, S.A. de C.V. (99%)       | MEX                  |            |               |
| Farmers Crop Insurance Alliance, Inc.                   | KS                   | 39-1404033 |               |
| FCIA Management Company, Inc.                           | NY                   | 13-3628555 |               |
| Foreign Credit Insurance Association @                  | NY                   |            |               |
| GAI Warranty Company                                    | OH                   | 31-1753938 |               |
| GAI Warranty Company of Florida                         | FL                   | 31-1765544 |               |
| GAI Warranty Company of Canada Inc.                     | CAN                  |            |               |
| Global Premier Finance Company                          | OH                   | 61-1329718 |               |
| Great American Agency of Texas, Inc.                    | TX                   | 74-2693636 |               |
| Great American Alliance Insurance Company *             | OH                   | 95-1542353 | 26832         |
| Great American Assurance Company *                      | OH                   | 15-6020948 | 26344         |
| Great American Casualty Insurance Company *             | OH                   | 61-0983091 | 39896         |
| Great American Claims Services, Inc.                    | DE                   | 31-1228726 |               |
| Great American Contemporary Insurance Company *         | OH                   | 36-4079497 | 10646         |
| Great American E & S Insurance Company *                | DE                   | 31-0954439 | 37532         |
| Great American Fidelity Insurance Company *             | DE                   | 31-1036473 | 41858         |
| Great American Insurance Agency, Inc.                   | OH                   | 31-1652643 |               |
| Great American Insurance Company of New York *          | NY                   | 13-5539046 | 22136         |
| Great American Lloyd's Insurance Company * @            | TX                   | 31-0974853 | 38024         |
| Great American Lloyd's, Inc.                            | TX                   | 31-1073664 |               |
| Great American Management Services, Inc.                | OH                   | 31-0856644 |               |
| Great American Protection Insurance Company *           | OH                   | 31-1288778 | 38580         |
| Great American Re Inc.                                  | DE                   | 31-0918893 |               |
| Great American Security Insurance Company *             | OH                   | 31-1209419 | 31135         |
| Great American Spirit Insurance Company *               | OH                   | 31-1237970 | 33723         |
| Insurance (GB) Limited *                                | GBR                  |            |               |
| Key Largo Group, Inc.                                   | FL                   | 59-1263251 |               |
| National Interstate Corporation (51.4%)                 | OH                   | 34-1607394 |               |
| American Highways Insurance Agency, Inc.                | OH                   | 34-1899058 |               |
| Explorer RV Insurance Agency, Inc.                      | OH                   | 31-1548235 |               |
| Hudson Indemnity, Ltd.                                  | CYM                  | 98-0191335 |               |
| Hudson Management Group, Ltd.                           | VIR                  | 66-0660039 |               |
| National Interstate Insurance Agency, Inc.              | OH                   | 34-1607396 |               |
| Commercial For Hire Transportation Purchasing Group @   | SC                   |            |               |
| National Interstate Insurance Company *                 | OH                   | 34-1607395 | 32620         |
| National Interstate Insurance Company of Hawaii, Inc. * | OH                   | 99-0345306 | 11051         |
| TransProtection Service Company                         | MO                   | 43-1254631 |               |
| Triumphe Casualty Company *                             | OH                   | 95-3623282 | 41106         |
| Vanliner Insurance Company *                            | MO                   | 86-0114294 | 21172         |
| Vanliner Reinsurance Limited *                          | BMU                  |            |               |
| Safety Claims & Litigation Services, LLC                | MT                   | 20-5546054 |               |
| Safety, Claims and Litigation Services, LLC             | OH                   | 46-4570914 |               |
| Pinecrest Place LLC                                     | FL                   | 27-2226948 |               |
| PLLS Canada Insurance Brokers Inc. (49%)                | CAN                  | 871850814  |               |
| Professional Risk Brokers, Inc.                         | IL                   | 31-1293064 |               |
| Strategic Comp Holdings, L.L.C.                         | LA                   | 72-1331800 |               |
| Strategic Comp Services, L.L.C.                         | LA                   | 36-4517754 |               |
| Strategic Comp, L.L.C.                                  | LA                   | 32-0050970 |               |
| One East Fourth, Inc.                                   | OH                   | 31-0686194 |               |
| Pioneer Carpet Mills, Inc.                              | OH                   | 31-0883227 |               |
| TEJ Holdings, Inc.                                      | OH                   | 31-1119320 |               |
| Three East Fourth, Inc.                                 | OH                   | 31-0728327 |               |

\* Denotes insurer  
@ Company affiliated but not owned  
# Participant in Lloyd's Syndicate 2468  
Subsidiaries 100% owned by respective parent unless otherwise stated  
^ Total percentage owned by respective parent and other affiliated companies

2014 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

|                                                                                                  |      |                                                                                                  |      |
|--------------------------------------------------------------------------------------------------|------|--------------------------------------------------------------------------------------------------|------|
| Assets                                                                                           | 2    | Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 58   |
| Cash Flow                                                                                        | 5    | Schedule P-Part 2H-Section 1-Other Liability-Occurrence                                          | 58   |
| Exhibit of Capital Gains (Losses)                                                                | 12   | Schedule P-Part 2H-Section 2-Other Liability-Claims-Made                                         | 58   |
| Exhibit of Net Investment Income                                                                 | 12   | Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)  | 59   |
| Exhibit of Nonadmitted Assets                                                                    | 13   | Schedule P-Part 2J-Auto Physical Damage                                                          | 59   |
| Exhibit of Premiums and Losses (State Page)                                                      | 19   | Schedule P-Part 2K-Fidelity, Surety                                                              | 59   |
| Five-Year Historical Data                                                                        | 17   | Schedule P-Part 2L-Other (Including Credit, Accident and Health)                                 | 59   |
| General Interrogatories                                                                          | 15   | Schedule P-Part 2M-International                                                                 | 59   |
| Jurat Page                                                                                       | 1    | Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property                                | 60   |
| Liabilities, Surplus and Other Funds                                                             | 3    | Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability                               | 60   |
| Notes To Financial Statements                                                                    | 14   | Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines                         | 60   |
| Overflow Page For Write-ins                                                                      | 100  | Schedule P-Part 2R-Section 1-Products Liability-Occurrence                                       | 61   |
| Schedule A-Part 1                                                                                | E01  | Schedule P-Part 2R-Section 2-Products Liability-Claims-Made                                      | 61   |
| Schedule A-Part 2                                                                                | E02  | Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty                                          | 61   |
| Schedule A-Part 3                                                                                | E03  | Schedule P-Part 2T-Warranty                                                                      | 61   |
| Schedule A-Verification Between Years                                                            | SI02 | Schedule P-Part 3A-Homeowners/Farmowners                                                         | 62   |
| Schedule B-Part 1                                                                                | E04  | Schedule P-Part 3B-Private Passenger Auto Liability/Medical                                      | 62   |
| Schedule B-Part 2                                                                                | E05  | Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical                                       | 62   |
| Schedule B-Part 3                                                                                | E06  | Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 62   |
| Schedule B-Verification Between Years                                                            | SI02 | Schedule P-Part 3E-Commercial Multiple Peril                                                     | 62   |
| Schedule BA-Part 1                                                                               | E07  | Schedule P-Part 3F-Section 1 -Medical Professional Liability-Occurrence                          | 63   |
| Schedule BA-Part 2                                                                               | E08  | Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made                          | 63   |
| Schedule BA-Part 3                                                                               | E09  | Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 63   |
| Schedule BA-Verification Between Years                                                           | SI03 | Schedule P-Part 3H-Section 1-Other Liability-Occurrence                                          | 63   |
| Schedule D-Part 1                                                                                | E10  | Schedule P-Part 3H-Section 2-Other Liability-Claims-Made                                         | 63   |
| Schedule D-Part 1A-Section 1                                                                     | SI05 | Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)  | 64   |
| Schedule D-Part 1A-Section 2                                                                     | SI08 | Schedule P-Part 3J-Auto Physical Damage                                                          | 64   |
| Schedule D-Part 2-Section 1                                                                      | E11  | Schedule P-Part 3K-Fidelity/Surety                                                               | 64   |
| Schedule D-Part 2-Section 2                                                                      | E12  | Schedule P-Part 3L-Other (Including Credit, Accident and Health)                                 | 64   |
| Schedule D-Part 3                                                                                | E13  | Schedule P-Part 3M-International                                                                 | 64   |
| Schedule D-Part 4                                                                                | E14  | Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property                                | 65   |
| Schedule D-Part 5                                                                                | E15  | Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability                               | 65   |
| Schedule D-Part 6-Section 1                                                                      | E16  | Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines                         | 65   |
| Schedule D-Part 6-Section 2                                                                      | E16  | Schedule P-Part 3R-Section 1-Products Liability-Occurrence                                       | 66   |
| Schedule D-Summary By Country                                                                    | SI04 | Schedule P-Part 3R-Section 2-Products Liability-Claims-Made                                      | 66   |
| Schedule D-Verification Between Years                                                            | SI03 | Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty                                          | 66   |
| Schedule DA-Part 1                                                                               | E17  | Schedule P-Part 3T-Warranty                                                                      | 66   |
| Schedule DA-Verification Between Years                                                           | SI10 | Schedule P-Part 4A-Homeowners/Farmowners                                                         | 67   |
| Schedule DB-Part A-Section 1                                                                     | E18  | Schedule P-Part 4B-Private Passenger Auto Liability/Medical                                      | 67   |
| Schedule DB-Part A-Section 2                                                                     | E19  | Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical                                       | 67   |
| Schedule DB-Part A-Verification Between Years                                                    | SI11 | Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 67   |
| Schedule DB-Part B-Section 1                                                                     | E20  | Schedule P-Part 4E-Commercial Multiple Peril                                                     | 67   |
| Schedule DB-Part B-Section 2                                                                     | E21  | Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence                           | 68   |
| Schedule DB-Part B-Verification Between Years                                                    | SI11 | Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made                          | 68   |
| Schedule DB-Part C-Section 1                                                                     | SI12 | Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 68   |
| Schedule DB-Part C-Section 2                                                                     | SI13 | Schedule P-Part 4H-Section 1-Other Liability-Occurrence                                          | 68   |
| Schedule DB-Part D-Section 1                                                                     | E22  | Schedule P-Part 4H-Section 2-Other Liability-Claims-Made                                         | 68   |
| Schedule DB-Part D-Section 2                                                                     | E23  | Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) | 69   |
| Schedule DB-Verification                                                                         | SI14 | Schedule P-Part 4J-Auto Physical Damage                                                          | 69   |
| Schedule DL-Part 1                                                                               | E24  | Schedule P-Part 4K-Fidelity/Surety                                                               | 69   |
| Schedule DL-Part 2                                                                               | E25  | Schedule P-Part 4L-Other (Including Credit, Accident and Health)                                 | 69   |
| Schedule E-Part 1-Cash                                                                           | E26  | Schedule P-Part 4M-International                                                                 | 69   |
| Schedule E-Part 2-Cash Equivalents                                                               | E27  | Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property                                | 70   |
| Schedule E-Part 3-Special Deposits                                                               | E28  | Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability                               | 70   |
| Schedule E-Verification Between Years                                                            | SI15 | Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines                         | 70   |
| Schedule F-Part 1                                                                                | 20   | Schedule P-Part 4R-Section 1-Products Liability-Occurrence                                       | 71   |
| Schedule F-Part 2                                                                                | 21   | Schedule P-Part 4R-Section 2-Products Liability-Claims-Made                                      | 71   |
| Schedule F-Part 3                                                                                | 22   | Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty                                          | 71   |
| Schedule F-Part 4                                                                                | 23   | Schedule P-Part 4T-Warranty                                                                      | 71   |
| Schedule F-Part 5                                                                                | 24   | Schedule P-Part 5A-Homeowners/Farmowners                                                         | 72   |
| Schedule F-Part 6-Section 1                                                                      | 25   | Schedule P-Part 5B-Private Passenger Auto Liability/Medical                                      | 73   |
| Schedule F-Part 6-Section 2                                                                      | 26   | Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical                                       | 74   |
| Schedule F-Part 7                                                                                | 27   | Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 75   |
| Schedule F-Part 8                                                                                | 28   | Schedule P-Part 5E-Commercial Multiple Peril                                                     | 76   |
| Schedule F-Part 9                                                                                | 29   | Schedule P-Part 5F-Medical Professional Liability-Claims-Made                                    | 78   |
| Schedule H-Accident and Health Exhibit-Part 1                                                    | 30   | Schedule P-Part 5F-Medical Professional Liability-Occurrence                                     | 77   |
| Schedule H-Part 2, Part 3 and Part 4                                                             | 31   | Schedule P-Part 5H-Other Liability-Claims-Made                                                   | 80   |
| Schedule H-Part 5-Health Claims                                                                  | 32   | Schedule P-Part 5H-Other Liability-Occurrence                                                    | 79   |
| Schedule P-Part 1-Summary                                                                        | 33   | Schedule P-Part 5R-Products Liability-Claims-Made                                                | 82   |
| Schedule P-Part 1A-Homeowners/Farmowners                                                         | 35   | Schedule P-Part 5R-Products Liability-Occurrence                                                 | 81   |
| Schedule P-Part 1B-Private Passenger Auto Liability/Medical                                      | 36   | Schedule P-Part 5T-Warranty                                                                      | 83   |
| Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical                                       | 37   | Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical                                       | 84   |
| Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 38   | Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 84   |
| Schedule P-Part 1E-Commercial Multiple Peril                                                     | 39   | Schedule P-Part 6E-Commercial Multiple Peril                                                     | 85   |
| Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence                           | 40   | Schedule P-Part 6H-Other Liability-Claims-Made                                                   | 86   |
| Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made                          | 41   | Schedule P-Part 6H-Other Liability-Occurrence                                                    | 85   |
| Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)  | 42   | Schedule P-Part 6M-International                                                                 | 86   |
| Schedule P-Part 1H-Section 1-Other Liability-Occurrence                                          | 43   | Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property                                | 87   |
| Schedule P-Part 1H-Section 2-Other Liability-Claims-Made                                         | 44   | Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability                               | 87   |
| Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) | 45   | Schedule P-Part 6R-Products Liability-Claims-Made                                                | 88   |
| Schedule P-Part 1J-Auto Physical Damage                                                          | 46   | Schedule P-Part 6R-Products Liability-Occurrence                                                 | 88   |
| Schedule P-Part 1K-Fidelity/Surety                                                               | 47   | Schedule P-Part 7A-Primary Loss Sensitive Contracts                                              | 89   |
| Schedule P-Part 1L-Other (Including Credit, Accident and Health)                                 | 48   | Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts                                          | 91   |
| Schedule P-Part 1M-International                                                                 | 49   | Schedule P Interrogatories                                                                       | 93   |
| Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property                                | 50   | Schedule T-Exhibit of Premiums Written                                                           | 94   |
| Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability                               | 51   | Schedule T-Part 2-Interstate Compact                                                             | 95   |
| Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines                         | 52   | Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group       | 96   |
| Schedule P-Part 1R-Section 1-Products Liability-Occurrence                                       | 53   | Schedule Y-Detail of Insurance Holding Company System                                            | 97   |
| Schedule P-Part 1R-Section 2-Products Liability-Claims-Made                                      | 54   | Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates                          | 98   |
| Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty                                          | 55   | Statement of Income                                                                              | 4    |
| Schedule P-Part 1T-Warranty                                                                      | 56   | Summary Investment Schedule                                                                      | SI01 |
| Schedule P-Part 2, Part 3 and Part 4 - Summary                                                   | 34   | Supplemental Exhibits and Schedules Interrogatories                                              | 99   |
| Schedule P-Part 2A-Homeowners/Farmowners                                                         | 57   | Underwriting and Investment Exhibit Part 1                                                       | 6    |
| Schedule P-Part 2B-Private Passenger Auto Liability/Medical                                      | 57   | Underwriting and Investment Exhibit Part 1A                                                      | 7    |
| Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical                                       | 57   | Underwriting and Investment Exhibit Part 1B                                                      | 8    |
| Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 57   | Underwriting and Investment Exhibit Part 2                                                       | 9    |
| Schedule P-Part 2E-Commercial Multiple Peril                                                     | 57   | Underwriting and Investment Exhibit Part 2A                                                      | 10   |
| Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence                           | 58   | Underwriting and Investment Exhibit Part 3                                                       | 11   |
| Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made                          | 58   |                                                                                                  |      |