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ANNUAL STATEMENT

For the Year Ended December 31, 2014

of the Condition and Affairs of the

National Interstate Insurance Company

NAIC Group Code.....84, 84 (Current Period) (Prior Period)	NAIC Company Code..... 32620	Employer's ID Number..... 34-1607395
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... February 10, 1989	Commenced Business..... March 28, 1989	
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	Robert Paul Brooks (Name) Rob.Brooks@natl.com (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 Vice President & COO
OTHER			
Terry Eugene Phillips	Senior Vice President	Gary Norman Monda	VP, CIO, & Assistant Treasurer
Ronald George Steiger, Jr.	VP & Chief Information Officer	James Allan Parks	VP & Chief Underwriting Officer
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Raymond Frederick Wise, Jr.	Vice President	George Olaf Skuggen	Vice President

OTHER

Terry Eugene Phillips	Senior Vice President	Gary Norman Monda	VP, CIO, & Assistant Treasurer
Ronald George Steiger, Jr.	VP & Chief Information Officer	James Allan Parks	VP & Chief Underwriting Officer
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Raymond Frederick Wise, Jr.	Vice President	George Olaf Skuggen	Vice President

DIRECTORS OR TRUSTEES

Arthur Jeffrey Gonzales Julie Ann McGraw Anthony Joseph Mercurio David Warner Michelson
Gary Norman Monda Terry Eugene Phillips Bradford Lee Scofield

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

(Signature)
Arthur Jeffrey Gonzales
2. (Printed Name)
VP, General Counsel, & Secretary

(Signature)
Julie Ann McGraw
3. (Printed Name)
VP, CFO, & Treasurer

Subscribed and sworn to before me
This 13th day of February 2015

- a. Is this an original filing?
- b. If no
 - 1. State the amendment number
 - 2. Date filed
 - 3. Number of pages attached

Yes [X] No []

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	609,273,756		609,273,756	581,958,164
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	12,393,203		12,393,203	11,471,894
2.2 Common stocks.....	223,200,963	867,150	222,333,812	214,985,793
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).....	16,007,922		16,007,922	15,536,369
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 (\$....3,409,786, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....16,075,561, Schedule DA).....	19,485,346		19,485,346	9,646,923
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	29,035,107		29,035,107	23,883,002
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).....	909,396,297	867,150	908,529,147	857,482,146
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,648,690		5,648,690	5,496,569
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	9,931,645	735,214	9,196,431	6,636,788
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	153,338,577	209,371	153,129,206	141,366,715
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,302,720		10,302,720	10,248,825
16.2 Funds held by or deposited with reinsured companies.....	1,644,791		1,644,791	1,166,401
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.....	789,281		789,281	2,665,750
18.2 Net deferred tax asset.....	21,971,116		21,971,116	22,319,468
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	1,341,207		1,341,207	1,175,238
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.....	479,280	3,169	476,111	3,584,345
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	5,793,594	1,194,735	4,598,859	1,937,696
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,120,637,199	3,009,639	1,117,627,560	1,054,079,940
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	1,120,637,199	3,009,639	1,117,627,560	1,054,079,940

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 insureds for deductible payments.....	2,044,285	140,452	1,903,833	1,097,005
2502. Receivable for balance sheet guaranty.....	1,534,951		1,534,951	
2503. Prepaid expenses.....	1,046,807	1,046,807	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,167,550	7,475	1,160,075	840,691
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	5,793,594	1,194,735	4,598,859	1,937,696

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	298,096,458	271,998,832
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).....	68,491,530	63,396,473
4. Commissions payable, contingent commissions and other similar charges.....	10,871,142	10,226,798
5. Other expenses (excluding taxes, licenses and fees).....	5,451,072	5,837,226
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,671,563	6,434,353
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....156,505,193 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).....	131,627,005	125,011,309
10. Advance premium.....	459,383	360,118
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	18,861,172	16,423,488
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	260,408,210	232,838,265
14. Amounts withheld or retained by company for account of others.....	19,444,724	19,278,624
15. Remittances and items not allocated.....	1,364,673	1,110,820
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	4,171,000	2,559,151
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	6,313,246	3,978,977
20. Derivatives.....		
21. Payable for securities.....	1,682,186	2,734,623
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.....	34,491	8,471,770
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	832,947,856	770,660,825
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	832,947,856	770,660,825
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	32,108,779	32,108,779
35. Unassigned funds (surplus).....	249,570,925	248,310,336
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).....	284,679,704	283,419,115
38. TOTALS (Page 2, Line 28, Col. 3).....	1,117,627,560	1,054,079,940

DETAILS OF WRITE-INS

2501. Unearned rental income.....	34,491	33,180
2502. Payable for balance sheet guaranty.....		8,438,589
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).....	34,491	8,471,770
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

National Interstate Insurance Company
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	284,584,534	274,507,412
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	185,725,166	161,268,492
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	38,211,847	32,976,210
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	76,316,685	75,818,863
5. Aggregate write-ins for underwriting deductions.....	.0	.0
6. Total underwriting deductions (Lines 2 through 5).....	300,253,699	270,063,565
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(15,669,165)	4,443,847
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	24,952,766	24,129,483
10. Net realized capital gains (losses) less capital gains tax of \$....1,796,288 (Exhibit of Capital Gains (Losses)).....	1,405,099	2,741,292
11. Net investment gain (loss) (Lines 9 + 10).....	26,357,865	26,870,775
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.....	207,163	329,261
14. Aggregate write-ins for miscellaneous income.....	(4,797,507)	(3,879,679)
15. Total other income (Lines 12 through 14).....	(4,590,344)	(3,550,418)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	6,098,356	27,764,204
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).....	6,098,356	27,764,204
19. Federal and foreign income taxes incurred.....	743,114	5,839,043
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,355,242	21,925,161
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	283,419,115	269,695,939
22. Net income (from Line 20).....	5,355,242	21,925,161
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(273,241).....	6,882,220	1,891,184
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(313,703)	2,097,163
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	948,679	(1,733,846)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(1,611,849)	(456,486)
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.....		(0)
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(10,000,000)	(10,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	.0	.0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,260,589	13,723,176
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	284,679,704	283,419,115

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. Other.....	1,232,749	1,334,191
1402. Interest on funds held.....	(6,030,256)	(5,213,870)
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).....	(4,797,507)	(3,879,679)
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

National Interstate Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	281,261,785	272,990,273
2. Net investment income.....	28,155,381	29,227,834
3. Miscellaneous income.....	(4,590,344)	(3,550,418)
4. Total (Lines 1 through 3).....	304,826,823	298,667,689
5. Benefit and loss related payments.....	160,159,825	159,858,298
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	109,938,578	105,340,365
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$....1,796,288 tax on capital gains (losses).....	355,043	9,585,520
10. Total (Lines 5 through 9).....	270,453,447	274,784,183
11. Net cash from operations (Line 4 minus Line 10).....	34,373,376	23,883,507
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	104,185,993	164,301,152
12.2 Stocks.....	13,786,175	140,409,718
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.....	.....	2,697,483
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	117,972,168	307,408,354
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	133,477,842	152,545,065
13.2 Stocks.....	15,688,796	176,053,001
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	1,010,020	338,183
13.5 Other invested assets.....	3,231,264	2,120,055
13.6 Miscellaneous applications.....	1,052,437	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	154,460,360	331,056,305
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).....	(36,488,191)	(23,647,951)
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.....	.....	(0)
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	10,000,000	10,000,000
16.6 Other cash provided (applied).....	21,953,239	753,172
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	11,953,239	(9,246,828)
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).....	9,838,423	(9,011,273)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	9,646,923	18,658,195
19.2 End of year (Line 18 plus Line 19.1).....	19,485,346	9,646,923

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

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National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	119,101	47,345	66,844	99,601
2. Allied lines.....	158,429	115,970	101,450	172,949
3. Farmowners multiple peril.....				0
4. Homeowners multiple peril.....				0
5. Commercial multiple peril.....	3,088,580	935,515	1,769,209	2,254,886
6. Mortgage guaranty.....				0
8. Ocean marine.....	5,093			5,093
9. Inland marine.....	3,047,376	1,705,346	1,517,220	3,235,502
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.....	362,670	172,591	172,591	362,670
16. Workers' compensation.....	86,092,134	33,164,108	38,672,156	80,584,086
17.1 Other liability - occurrence.....	12,070,219	5,266,564	6,367,537	10,969,245
17.2 Other liability - claims-made.....	58,822	13,412	31,636	40,598
17.3 Excess workers' compensation.....	(1)			(1)
18.1 Products liability - occurrence.....				0
18.2 Products liability - claims-made.....				0
19.1, 19.2 Private passenger auto liability.....	3,456,981	1,679,422	1,683,996	3,452,407
19.3, 19.4 Commercial auto liability.....	135,265,731	60,511,199	59,875,094	135,901,836
21. Auto physical damage.....	47,346,501	21,333,654	21,311,545	47,368,610
22. Aircraft (all perils).....				0
23. Fidelity.....		7,529	7,529	0
24. Surety.....	49,683	23,657	21,911	51,429
26. Burglary and theft.....	34,227	12,258	21,314	25,171
27. Boiler and machinery.....	44,686	22,739	6,973	60,452
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.....	291,200,230	125,011,309	131,627,005	284,584,534

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
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	.66,844				.66,844
2. Allied lines.....	101,450				101,450
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....	1,769,209				1,769,209
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	1,517,220				1,517,220
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.....	172,591				172,591
16. Workers' compensation.....	38,672,156				38,672,156
17.1 Other liability - occurrence.....	6,367,537				6,367,537
17.2 Other liability - claims-made.....	.31,636				.31,636
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.....	1,683,996				1,683,996
19.3, 19.4 Commercial auto liability.....	59,875,094				59,875,094
21. Auto physical damage.....	.21,311,545				.21,311,545
22. Aircraft (all perils).....					0
23. Fidelity.....	.7,529				.7,529
24. Surety.....	.21,911				.21,911
26. Burglary and theft.....	.21,314				.21,314
27. Boiler and machinery.....	.6,973				.6,973
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.....	131,627,005	.0	.0	.0	131,627,005
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					131,627,005

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
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0

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

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	44,444	139,837		51,043	14,137	119,101
2. Allied lines.....	3,469,767	200,799		67,898	3,444,239	158,429
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....	2,139,511	2,888,464		1,404,071	535,324	3,088,580
6. Mortgage guaranty.....						0
8. Ocean marine.....		7,275		2,182		5,093
9. Inland marine.....	5,473,610	828,278		2,681,481	573,031	3,047,376
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.....	732,296			369,626		362,670
16. Workers' compensation.....	130,754,882	71,125,073	2,079,415	100,160,897	17,706,338	86,092,134
17.1 Other liability - occurrence.....	36,742,365	9,386,189		6,318,862	27,739,473	12,070,219
17.2 Other liability - claims-made.....	63,409	30,723		26,524	8,786	58,822
17.3 Excess workers' compensation.....				0	1	(1)
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	3,827,200	1,457,991		1,483,998	344,211	3,456,981
19.3, 19.4 Commercial auto liability.....	231,088,971	44,800,623	4,265,844	112,424,524	32,465,183	135,265,731
21. Auto physical damage.....	59,515,956	21,603,208	157,331	27,117,856	6,812,138	47,346,501
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....	66,287	4,900		21,345	159	49,683
26. Burglary and theft.....		48,895		14,669		34,227
27. Boiler and machinery.....	48,283	63,837		19,151	48,283	44,686
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.....	473,966,981	152,586,090	6,502,590	252,164,128	89,691,303	291,200,230

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**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....		138,809	41,643	97,166	0		.97,166	.97.6
2. Allied lines.....	.228,825	.20,718	.232,803	.16,741			.16,741	.9.7
3. Farmowners multiple peril.....				.0			.0	.0.0
4. Homeowners multiple peril.....				.0			.0	.0.0
5. Commercial multiple peril.....	.278,074	.846,551	.336,136	.788,489	1,154,144	.754,728	1,187,905	.52.7
6. Mortgage guaranty.....				.0			.0	.0.0
8. Ocean marine.....				.0	.43,618	.37,407	.6,211	.122.0
9. Inland marine.....	.2,363,492	-(228,238)	1,150,987	.984,267	.963,087	1,359,017	.588,338	.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.....					1,222	.577	.645	.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.....	.169,981		.110,488	.59,493	.271,602	.239,370	.91,726	.25.3
16. Workers' compensation.....	.53,969,678	.35,912,921	.58,056,978	.31,825,621	.105,141,103	.90,086,601	.46,880,122	.58.2
17.1 Other liability - occurrence.....	.18,000,648	.4,707,929	.17,456,594	.5,251,983	.10,885,555	.9,103,798	.7,033,739	.64.1
17.2 Other liability - claims-made.....	.1,095,146		.690,376	.404,770	.330,662	.517,783	.217,649	.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.....	.2,030,882	.800,357	.1,022,065	.1,809,175	.3,316,821	.3,129,765	.1,996,231	.57.8
19.3, 19.4 Commercial auto liability.....	.169,743,321	.36,972,641	.115,130,338	.91,585,625	.171,616,871	.159,496,367	.103,706,128	.76.3
21. Auto physical damage.....	.31,570,900	.14,324,171	.19,101,280	.26,793,791	.4,356,530	.7,271,222	.23,879,098	.50.4
22. Aircraft (all perils).....				.0			.0	.0.0
23. Fidelity.....				.0			.0	.0.0
24. Surety.....				.0	.12,195		.12,195	.23.7
26. Burglary and theft.....		.14,886	.4,466	.10,420	.3,048	.2,197	.11,272	.44.8
27. Boiler and machinery.....	.4,780		.4,780	.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.....	.279,455,728	.93,510,745	.213,338,933	.159,627,540	.298,096,458	.271,998,831	.185,725,166	.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**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				(0)	0				0
2. Allied lines.....					0				0
3. Farmowners multiple peril.....				0					0
4. Homeowners multiple peril.....				0					0
5. Commercial multiple peril.....	170,001	530,383	242,621	457,763	358,886	868,116	530,621	1,154,144	265,694
6. Mortgage guaranty.....				0					0
8. Ocean marine.....		(31)		(9)	(22)	3,077	.62,342	.21,779	.43,618
9. Inland marine.....	815,925	10,262	420,226	405,961	5,519,569	117,517	5,079,960	963,087	352,277
10. Financial guaranty.....				0					0
11.1 Medical professional liability - occurrence.....				0					0
11.2 Medical professional liability - claims-made.....				0					0
12. Earthquake.....			4	(64)	68	6,607		5,452	1,222
13. Group accident and health.....				0				(a)	0
14. Credit accident and health (group and individual).....				0					0
15. Other accident and health.....	196,014			127,409	68,605	1,210,749		1,007,751	(a)
16. Workers' compensation.....	59,753,694	.46,796,872	60,692,392	.45,858,173	92,282,586		42,350,201	75,349,858	105,141,103
17.1 Other liability - occurrence.....	24,619,280	2,621,272	22,408,760	4,831,792	16,054,997		4,216,039	14,217,273	10,885,555
17.2 Other liability - claims-made.....	325,501	.73	151,264	174,310	378,309		14,634	236,591	330,662
17.3 Excess workers' compensation.....				0					58,025
18.1 Products liability - occurrence.....				0					0
18.2 Products liability - claims-made.....				0					0
19.1, 19.2 Private passenger auto liability.....	1,839,366	717,106	766,997	1,789,475	2,481,922	323,673	1,278,250	3,316,821	.827,334
19.3, 19.4 Commercial auto liability.....	172,508,496	.28,633,804	.110,337,343	.90,804,956	.147,939,468	.32,466,673	.99,594,227	.171,616,871	.42,175,487
21. Auto physical damage.....	5,793,499	1,382,300	3,334,967	3,840,832	5,954,023	231,732	5,670,058	4,356,530	1,657,912
22. Aircraft (all perils).....				0					0
23. Fidelity.....				0					0
24. Surety.....				0	20,984			8,789	.12,195
26. Burglary and theft.....		14	(85)	99	8,372		.329	5,753	3,048
27. Boiler and machinery.....				0					531
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
35. TOTALS.....	266,021,776	.80,692,058	198,481,820	.148,232,014	.272,458,439	.80,651,257	.203,245,252	.298,096,458	.68,491,530

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
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0		0	0	0

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

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	46,284,077			46,284,077
1.2 Reinsurance assumed.....	14,501,812			14,501,812
1.3 Reinsurance ceded.....	34,463,623			34,463,623
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	26,322,265	.0	.0	26,322,265
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		33,653,120		33,653,120
2.2 Reinsurance assumed, excluding contingent.....		15,325,345		15,325,345
2.3 Reinsurance ceded, excluding contingent.....		22,791,752		22,791,752
2.4 Contingent - direct.....		167,529		167,529
2.5 Contingent - reinsurance assumed.....		644,043		644,043
2.6 Contingent - reinsurance ceded.....		288,627		288,627
2.7 Policy and membership fees.....		56,051		56,051
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	.0	26,765,708	.0	26,765,708
3. Allowances to manager and agents.....	.7	38,790		38,797
4. Advertising.....	2,971	311,168	2,181	316,320
5. Boards, bureaus and associations.....	105,294	4,556,877		4,662,171
6. Surveys and underwriting reports.....	3,763	1,100,597		1,104,360
7. Audit of assureds' records.....		366,201		366,201
8. Salary and related items:				
8.1 Salaries.....	8,623,425	17,659,546	390,533	26,673,505
8.2 Payroll taxes.....	646,330	1,334,111	25,853	2,006,294
9. Employee relations and welfare.....	1,008,076	2,668,140	31,905	3,708,121
10. Insurance.....	11,418	179,028		190,446
11. Directors' fees.....		9,341		9,341
12. Travel and travel items.....	126,127	1,731,111	18,605	1,875,842
13. Rent and rent items.....	37,619	818,329	9,732	865,680
14. Equipment.....	4,671	36,488	2,446	43,605
15. Cost or depreciation of EDP equipment and software.....	88,720	2,637,027	27,893	2,753,640
16. Printing and stationery.....	106,516	525,152	11,255	642,923
17. Postage, telephone and telegraph, exchange and express.....	51,369	575,433	2,907	629,710
18. Legal and auditing.....	100,786	2,375,961	548,962	3,025,709
19. Totals (Lines 3 to 18).....	10,917,091	36,923,300	1,072,274	48,912,665
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....42,003.....	(1,176)	10,057,824		10,056,648
20.2 Insurance department licenses and fees.....	86,673	373,167		459,840
20.3 Gross guaranty association assessments.....	2,489	651,344		653,832
20.4 All other (excluding federal and foreign income and real estate).....	6,361	304,696		311,057
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	94,346	11,387,031	.0	11,481,377
21. Real estate expenses.....	860,927	1,086,652	874,673	2,822,252
22. Real estate taxes.....			301,677	301,677
23. Reimbursements by uninsured plans.....				.0
24. Aggregate write-ins for miscellaneous expenses.....	17,217	153,994	.0	171,211
25. Total expenses incurred.....	38,211,847	76,316,685	2,248,623	(a).....116,777,156
26. Less unpaid expenses - current year.....	68,491,530	21,683,565	310,212	90,485,307
27. Add unpaid expenses - prior year.....	63,396,473	22,188,668	309,708	85,894,849
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).....	33,116,790	76,821,788	2,248,120	112,186,698

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	17,217	119,622		136,839
2402. Interest expense on balance sheet guarantee payable.....		34,372		34,372
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).....	17,217	153,994	.0	171,211

(a) Includes management fees of \$....16,081,105 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....431,569	.....450,673
1.1 Bonds exempt from U.S. tax.....	(a).....6,190,654	.....6,118,417
1.2 Other bonds (unaffiliated).....	(a).....14,905,370	.....15,057,248
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....622,525	.....636,032
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,940,422	.....1,990,311
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....3,327,812	.....3,327,812
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,150	.....1,149
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....149,690	.....149,690
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....27,569,193	.....27,731,333
11. Investment expenses.....	.....	(g).....2,248,623
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).....529,943
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,778,566
17. Net investment income (Line 10 minus Line 16).....	.....	.....24,952,766

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	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

(a) Includes \$....2,116,629 accrual of discount less \$....4,932,681 amortization of premium and less \$....318,336 paid for accrued interest on purchases.
 (b) Includes \$....127 accrual of discount less \$....8,364 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 \$....2,733,029 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 \$....529,943 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(244)	.....	.....(244)	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....0	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....1,064,780	.....(230,317)	.....834,463	.....5,575	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....45,400	.....(20,000)	.....25,400	.....514,483	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....4,030,841	.....(1,680,549)	.....2,350,292	.....(1,300,748)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....5,468,827	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....(8,524)	.....	.....(8,524)	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....1,920,841	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....5,132,253	.....(1,930,866)	.....3,201,387	.....6,608,978	.....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

National Interstate Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....	867,150	183,840	(683,311)
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) 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).....	867,150	183,840	(683,311)
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.....	735,214	2,257,876	1,522,662
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	209,371	533,449	324,078
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.....			0
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.....	3,169		(3,169)
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	1,194,735	983,153	(211,582)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	3,009,639	3,958,318	948,679
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	3,009,639	3,958,318	948,679

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 insureds for deductible payments.....	140,452	106,362	(34,090)
2502. Prepaid expenses.....	1,046,807	876,792	(170,016)
2503. Commission receivable.....	7,475		(7,475)
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).....	1,194,735	983,153	(211,582)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies**A. Accounting Practices**

The Annual Statement of National Interstate Insurance Company (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 these financial statements as shown below:

	State of Domicile	2014	2013
1. Net income state basis	Ohio	\$ 5,355,242	\$ 21,925,161
2. Effect of state prescribed practices		-	-
3. Effect of state permitted practices		-	-
4. Net income, NAIC SAP		<u>\$ 5,355,242</u>	<u>\$ 21,925,161</u>
5. Statutory surplus state basis	Ohio	\$ 284,679,704	\$ 283,419,115
6. Effect of state prescribed practices		-	-
7. Effect of state permitted practices		-	-
8. Statutory surplus, NAIC SAP		<u>\$ 284,679,704</u>	<u>\$ 283,419,115</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 on the portion of premiums written that have not yet been earned.

Unlike the recognition of premium 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:

1. Short-term investments are stated at amortized cost.
2. 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.
3. All other common stocks other than those in Item 7 below are carried at fair value.
4. Redeemable preferred stocks with an NAIC designation of 1 or 2 are carried at amortized cost. Perpetual preferred stocks with an NAIC designation of 1 or 2 are carried at market. All other preferred stocks are carried at the lower of cost, amortized cost, or fair value.
5. Not applicable as the Company investment portfolio does not include any mortgage loans.
6. 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.
7. Investments in subsidiary and affiliated companies are stated as follows:

Three wholly owned insurance subsidiaries, National Interstate Insurance Company of Hawaii, Inc. (NIHI), Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC) are stated at statutory equity value. Two additional wholly owned subsidiaries, Vanliner Reinsurance Limited and TransProtection Service Company, are both stated at GAAP equity value, but are nonadmitted. Goodwill arising from the acquisition of Vanliner Insurance Company is amortized over a period of ten years and is described further in Note 3A. Common stock in National Interstate Corporation (the Corporation) is valued at \$0.

NOTES TO FINANCIAL STATEMENTS

8. Investments in limited partnerships are stated at the underlying audited GAAP equity value.
9. Not applicable as the Company does not invest in derivative instruments.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. 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 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**

1. The Company purchased a 100% interest in Vanliner Group, Inc. on July 1, 2010. The affiliates of Vanliner Group, Inc. include Vanliner Insurance Company, a Missouri domiciled insurance company licensed in all 50 states whose primary business is providing insurance for the moving and storage industry, Vanliner Reinsurance Limited, a Bermuda domiciled reinsurance company and TransProtection Service Company, an insurance agency. As of July 30, 2013, Vanliner Group, Inc. was dissolved. The dissolution had no financial impact on the Company as the above identified affiliates were the only assets of Vanliner Group, Inc. and subsequent to the dissolution they are directly owned by the Company. The goodwill associated with the original purchase is solely attributable to VIC, a surviving entity after the dissolution.
2. The transaction was accounted for as a statutory purchase.
3. The cost of the Vanliner Group, Inc. acquisition was \$120,529,625, resulting in \$22,328,870 of positive goodwill of which \$12,280,878 is unamortized.
4. Goodwill is amortized over ten years. Goodwill amortization relating to the purchase of Vanliner Insurance Company was \$2,232,887 for the year ending December 31, 2014. Goodwill is recorded as a component of the change in unrealized gains (losses).

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

NOTES TO FINANCIAL STATEMENTS**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 following table shows each loan-backed security with an other-than-temporary ("OTTI") impairment recognized during 2014.

CUSIP	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date Reported
362381AA3	\$ 591,411	\$ 498,371	\$ 93,040	\$ 498,371	\$ 395,242	03/31/2014
36298YAA8	603,975	511,044	92,931	511,044	407,086	03/31/2014
46629EAC7	1,219,399	1,216,067	3,332	1,216,067	1,091,580	03/31/2014
362381AA3	487,990	486,199	1,791	486,199	414,421	06/30/2014
36298YAA8	505,264	499,672	5,592	499,672	420,025	06/30/2014
46629EAC7	1,198,734	1,165,103	33,631	1,165,103	1,144,588	06/30/2014
TOTAL	XXXX	XXXX	\$ 230,317	XXXX	XXXX	XXXX

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	\$ (351,304)
2. 12 months or longer	(1,029,048)
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 54,040,582
2. 12 months or longer	39,412,703

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

Not applicable

F. Write-down's 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)**

	Gross Restricted							8	Percentage		
	Current Year					6	7		9	10	
	1	2	3	4	5						
	Total General Account (G/A)	G/A Supporting Protected Cell Account Restricted Assets (a)	Total Protected Cell Account Assets supporting G/A Activity (b)	Protected Cell Account Assets supporting G/A Activity (b)	Total (1plus3)	Total from prior year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	69,927,000				69,927,000	59,833,825	10,093,175	69,927,000	6.240	6.257	
k. On deposit with other regulatory bodies	605,435				605,435		605,435	605,435	0.054	0.054	
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other											
n. Other restricted assets											
o. Total Restricted Assets	70,532,435				70,532,435	59,833,825	10,698,610	70,532,435	6.294	6.311	

(a) Subset of column 1

(b) Subset of column 3

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

Collateral Agreement	Gross Restricted							8	Percentage		
	Current Year					6	7		9	10	
	1	2	3	4	5						
	Total General Account (G/A)	G/A Supporting Protected Cell Account Restricted Assets (a)	Total Protected Cell Account Assets supporting G/A Activity (b)	Protected Cell Account Assets supporting G/A Activity (b)	Total (1plus3)	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

NOTES TO FINANCIAL STATEMENTS**3. Detail of Other Restricted Assets**

Collateral Agreement	Gross Restricted							8	Percentage		
	Current Year					6	7		9	10	
	1	2	3	4	5						
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. Write-down's 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.

Note 9 – Income Taxes**A. Deferred Tax Asset/(Liability)****1. Components of Net Deferred Tax Assets (Liability)**

	2014			2013			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)
(f) Deferred Tax Liabilities	328,949	3,011,630	3,340,579	298,264	3,459,972	3,758,236	30,685	(448,342)	(417,657)
(g) Net Admitted Deferred Tax Assets (1e-1f)	20,891,412	1,079,704	21,971,116	21,123,652	1,195,816	22,319,468	(232,240)	(116,112)	(348,352)

NOTES TO FINANCIAL STATEMENTS**2. Admission Calculation Components:**

	2014			2013			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+8) Total
A. Federal income taxes paid in prior years recoverable through loss carrybacks	4,529,689	904,852	5,434,541	15,663,588	1,005,915	16,669,503	(11,133,899)	(101,063)	(11,234,962)
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:	13,765,816	3,011,630	16,777,446	2,711,151	3,474,820	6,185,971	11,054,665	(463,190)	10,591,475
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	13,765,816	3,011,630	16,777,446	2,711,151	3,474,820	6,185,971	11,054,665	(463,190)	10,591,475
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	37,522,994	XXX	XXX	36,811,597	XXX	XXX	711,397
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	2,924,856	174,852	3,099,708	3,047,177	175,053	3,222,230	(122,321)	(201)	(122,522)
D. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)

3. Other Admissibility Criteria:

	2014	2013
a. Ratio percentage used to determine recovery period and threshold limitation amount	525%	595%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 262,708,588	\$ 261,099,647

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.									
1. Adjusted gross DTAs amount from Note 9A1(c)	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0.0%	17.7%	2.9%	0.0%	61.4%	11.0%	0.0%	-43.7%	-8.1%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e).	21,220,361	4,091,334	25,311,695	21,421,916	4,655,788	26,077,704	(201,555)	(564,454)	(766,009)
4. Percentage of net adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0.0%	17.7%	2.9%	15.6%	-35.7%	12.8%	-15.6%	53.4%	-9.9%

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

NOTES TO FINANCIAL STATEMENTS**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) 2014	(2) 2013	(3) (Col 1-2) Change
(a) Federal	743,114	5,839,043	(5,095,929)
(b) Foreign	-	-	-
(c) Subtotal	743,114	5,839,043	(5,095,929)
(d) Federal income tax on net capital gains	1,796,288	1,559,780	236,508
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	2,539,402	7,398,823	(4,859,421)

2.

Deferred Tax Assets:	(1) 2014	(2) 2013	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	10,445,917	10,882,774	(436,857)
(2) Unearned premium reserve	9,245,933	8,776,000	469,933
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	373,109	395,526	(22,417)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	140,373	-	140,373
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	1,015,029	1,367,616	(352,587)
(14) Other assets – nonadmitted	-	-	-
(99) Subtotal	21,220,361	21,421,916	(201,555)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	21,220,361	21,421,916	(201,555)
(e) Capital:			
(1) Investments	4,091,334	4,655,788	(564,454)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	4,901,334	4,655,788	(564,454)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	4,901,334	4,655,788	(564,454)
(i) Admitted deferred tax assets (2d+2h)	25,311,695	26,077,704	(766,009)

NOTES TO FINANCIAL STATEMENTS

3.

Deferred Tax Liabilities:	2014	2013	Change
(a) Ordinary:			
(1) Investments	-	-	-
(2) Fixed assets	328,949	298,264	30,685
(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	328,949	298,264	30,685
<hr/>			
(b) Capital:			
(1) Investments	3,011,630	3,459,972	(448,342)
(2) Real estate			
(3) Other (including items <5% of total capital tax assets)			
(99) Subtotal	3,011,630	3,459,972	(448,342)
(c) Deferred tax liabilities (3a99+3b99)	3,340,579	3,758,236	(417,657)

4. Net Deferred Tax Assets/Liabilities (2i-3c) \$ 21,971,116 \$ 22,319,468 \$ (348,352)

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 Thousands	Effective Tax Rate (%)
Income taxes at the statutory rate	2,791,984	35.0
Tax exempt income deduction	(1,772,394)	(22.2)
Dividend received deduction	(318,898)	(4.0)
Other items	1,765,635	22.1
Total	2,466,327	30.9
<hr/>		
Federal and foreign income taxes incurred	743,114	9.3
Change in net deferred income taxes ex. Unrealized	(73,075)	(0.9)
Federal taxes on net capital gains/(losses)	1,796,288	22.5
Total statutory income taxes	2,466,327	30.9
<hr/>		

E. Operating Loss and Tax Credit Carryforwards

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

Year	Total	Ordinary	Capital
2014	1,612,173	(148,967)	1,761,140
2013	7,414,951	6,129,455	1,285,496
2012	244,974	-	244,974

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

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the 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 and Affiliates**A. Nature of Relationships**

The Company is a wholly owned subsidiary of the Corporation, a publicly traded (NASDAQ: NATL) insurance holding company. The Company also owns 100% of TCC, NIHI and VIC. Other subsidiaries of the Corporation include Hudson Indemnity Ltd. (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, Nasdaq: AFG), owned 51.4% of the outstanding shares of the Corporation.

B. Detail of Transactions Greater than 1/2% of Admitted Assets

The Company paid the following dividend to its parent National Interstate Corporation during 2014:

<u>Date</u>	<u>Amount</u>	<u>Type</u>
12/19/2014	\$ 10,000,000	Ordinary

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 and (payables) at December 31,

	2014	2013
National Interstate Corporation	\$ 20,403	\$ 919,520
National Interstate Insurance Agency, Inc.	(93,574)	48,254
National Interstate Insurance of Hawaii, Inc.	342,585	(2,813,492)
Triumph Casualty Company	(248,212)	(1,004,270)
American Highways Insurance Agency, Inc.	103,573	12,027
Explorer RV Insurance Agency, Inc.	(5,968)	(5,165)
Hudson Indemnity, Ltd.	(1,927,517)	1,077,683
Hudson Management Group, Ltd.	(156,050)	(156,050)
TransProtection Service Company	9,550	9,550
Vanliner Insurance Company	(3,881,925)	1,513,982
Vanliner Reinsurance Ltd.	-	3,329
Total	\$ (5,837,135)	\$ (394,632)

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

E. Guarantees or Undertakings 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 the Company 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.

NOTES TO FINANCIAL STATEMENTS

The Company has a cost sharing agreement with some of its affiliates under which costs are allocated between companies to reflect the actual costs incurred to operate each company. Allocated costs for 2014 were \$16,081,105.

G. Nature of Relationships that Could Affect Operations

The Company is a wholly owned subsidiary of the Corporation (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

The Company owns a 100% interest in Vanliner Insurance Company ("VIC") whose carrying value is equal to or exceeds 10% of the net admitted assets of the Company. The Company carries VIC at its statutory equity value of \$139,455,989 which includes unamortized goodwill of \$12,280,878 (See Note 3A). Goodwill is amortized on a straight-line basis over a ten year period.

Summarized statutory information for VIC follows.

Description	Amount
Admitted Assets	\$352,467,544
Liabilities	\$225,207,275
Policyholders' Surplus	\$127,260,269
Net Income	\$4,940,356

J. Write-down's for Impairment of Investments in Affiliates

Not applicable

K. Foreign 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

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 \$587,574 and \$584,285 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 3,000 Common shares with a par value of \$1,000 a share, authorized, issued and outstanding at December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

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 \$28,459,455.

An ordinary dividend in the amount of \$10,000,000 was paid by the Company on December 19, 2014.

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 capital gains is \$8,680,925 after deducting applicable deferred taxes of \$2,708,760.

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.

The Company has accrued a liability for guaranty fund and other assessments of \$3,254,099 and \$4,488,074, 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. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

NOTES TO FINANCIAL STATEMENTS

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.

At the end of the current and prior year, the Company had admitted assets of \$162,325,637 and \$148,003,503 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 \$944,585 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.

During the current year, the Company recognized other than temporary impairment charges of \$230,317 and \$1,700,549 relating to bonds and unaffiliated common stocks, respectively. 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 gain is credit-driven or a result of changes in market interest rates.

Note 15 – Leases**A. Lessee Leasing Arrangements**

1. At December 31, 2014 there are no office lease obligations for the Company. Rental expense for the current year and the prior year was \$(4,369) and \$191,362, respectively.
2. At December 31, 2014 there are no future minimum rental payments.
3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements**1. Operating Leases**

- a. The Company leases space at its Richfield, Ohio campus to unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation. The typical lease period is 5 years and some leases contain renewal options. The Company is responsible for the payment of property taxes, insurance and maintenance costs related to the leased spaced.
- b. Rental income for the current and the prior year was approximately \$594,783 and \$502,882 current and prior year, respectively.
- c. Future minimum lease payments receivables under noncancellable leasing arrangements are as follows:

Year	Amount
2015	\$ 555,313
2016	523,308
2017	153,694
2018	77,286
Total	<u>\$ 1,309,601</u>

- d. The lease agreements contain no provision for contingent rental payments.

2. Leveraged Leases

Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

- 1 – 4. Not applicable as the Company does not invest in these types of financial instruments.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

Not applicable

NOTES TO FINANCIAL STATEMENTS

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**A. Administrative Services Only (ASO) Plans**

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

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

Note 20 – Fair Value Measurement**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 following table provides information as of December 31, 2014 about the Company's investments measured at fair value.

Assets at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Preferred Stock				
Industrial and Misc	\$ 8,550,450	\$ 990,000	\$ -	\$ 9,540,450
Total Preferred Stocks	\$ 8,550,450	\$ 990,000	\$ -	\$ 9,540,450
Bonds				
State and Local Government	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	2,817,574	-	2,817,574
Residential Mortgage Backed	-	-	-	-
Trust Preferred (Hybrid) Securities	-	-	-	-
Total Bonds	\$ -	\$ 2,817,574	\$ -	\$ 2,817,574
Common Stock				
Industrial and Misc	\$ 45,071,321	\$ -	\$ 3,987,987	\$ 49,059,308
Mutual Funds	3,117,732	-	-	3,117,732
Total Common Stocks	\$ 48,189,053	\$ -	\$ 3,987,987	\$ 52,177,040
Total assets at fair value	\$ 56,739,503	\$ 3,807,574	\$ 3,987,987	\$ 64,535,064

NOTES TO FINANCIAL STATEMENTS

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

Assets at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Preferred Stock				
Industrial and Misc	\$ 6,784,500	\$ 1,000,000	\$ -	\$ 7,784,500
Total Preferred Stocks	\$ 6,784,500	\$ 1,000,000	\$ -	\$ 7,784,500
Bonds				
State and Local Government	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	4,962,011	500,000	5,462,011
Residential Mortgage Backed	-	-	-	-
Trust Preferred (Hybrid) Securities	2,326,135	-	-	2,326,135
Total Bonds	\$ 2,326,135	\$ 4,962,011	\$ 500,000	\$ 7,788,146
Common Stock				
Industrial and Misc	\$ 44,205,940	\$ -	\$ 1,500,000	\$ 45,705,940
Mutual Funds	3,923,466	-	-	3,923,466
Total Common Stocks	\$ 48,129,406	\$ -	\$ 1,500,000	\$ 49,629,406
Total assets at fair value	\$ 57,240,041	\$ 5,962,011	\$ 2,000,000	\$ 65,202,052

The Company uses the end of the reporting period as its policy for determining transfers into and out of each level. During the year ended December 31, 2014 there were four preferred stocks with an aggregate fair value of \$4.0 million that transferred from Level 1 to Level 2 due to decreases in trading activity and four preferred stocks with an aggregate fair value of \$4.0 million that transferred from Level 2 to Level 1 due to increases in trading activity.

During the year ended December 31, 2013 there were two perpetual preferred stocks with an aggregate fair value of \$1.8 million and two common stocks with an aggregate fair value of \$1.7 million that transferred from Level 2 to Level 1 due to changes in trading activity.

2. Rollforward of Level 3 Items

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2014.

	Beginning Balance at 1/1/2014											Ending Balance at 12/31/2014	
				Total Gains (Losses)									
		Transfers into Level 3	Transfers out of Level 3	Net Income	Surplus	Purchases	Issuances	Sales	Settlements				
Industrial and Misc Bonds (a)	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Industrial and Misc Common Stocks	1,500,000	-	-	-	(25,533)	2,513,520	-	-	-	-	-	3,987,987	
Total	\$ 2,000,000	\$ -	\$ (500,000)	\$ -	\$ (25,533)	\$ 2,513,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,987,987	

(a) Transfer out of level 3 is the result of a security no longer required to be reported at fair value at December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the year ended December 31, 2013.

				Total Gains (Losses)	Total Gains (Losses)							
	Beginning			included in	included in							Ending Balance at 12/31/2013
	Balance at 1/1/2013	Transfers into Level 3	Transfers out of Level 3	Net Income	Surplus	Purchases	Issuances	Sales	Settlements			
Industrial and Misc												
Bonds (a)	\$ -	\$ 500,000	\$ (938,800)	\$ -	\$ (61,200)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Industrial and Misc												
Preferred												
Stocks (b)	-	-	(968,470)	-	-	968,470	-	-	-	-	-	-
Industrial and Misc												
Common												
Stocks	-	-	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Total	\$ -	\$ 500,000	\$ (1,907,270)	\$ -	\$ (61,200)	\$ 3,468,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000

- (a) Transfer into level 3 is the result of a level 3 security required to be carried at fair value at December 31, 2013. Transfer out of level 3 is the result of a level 3 security no longer measured and reported at fair value due to the security having an investment grade rating at December 31, 2013.
- (b) Transfer out of level 3 is the result of a non-investment grade security no longer measured and reported at fair value due to the security having a book value lower than fair value 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. Level 3 consists of financial instruments that are not traded in an active market, whose fair value is estimated by management based on inputs from independent financial institutions, which include non-binding broker quotes. The Company believes these estimates reflect fair value, but the Company is unable to verify inputs to the valuation methodology. The Company obtained at least one quote or price per instrument from its brokers and pricing services for all Level 3 securities and did not adjust any quotes or prices that it obtained. The Company's internal and affiliated investment professionals review these broker quotes using any recent trades, if such information is available, or market prices of similar investments. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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	\$ 627,404,145	\$ 609,273,756	\$ 3,547,924	\$ 610,757,807	\$ 13,098,414	\$ -
Preferred stock	12,774,778	12,393,203	11,266,878	1,013,000	494,900	-
Common stock	52,177,040	52,177,040	48,189,053	-	3,987,987	-
Cash & Short term investments	19,485,346	19,485,346	19,485,346	-	-	-
Totals	\$ 711,841,309	\$ 693,329,345	\$ 82,489,201	\$ 611,770,807	\$ 17,581,301	\$ -

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	\$ 594,917,363	\$ 581,958,164	\$ 2,858,365	\$ 583,779,490	\$ 8,279,508	\$ -
Preferred stock	12,073,690	11,471,894	9,939,316	1,064,144	1,070,230	-
Common stock	49,629,406	49,626,406	48,129,406	-	1,500,000	-
Cash & Short term investments	9,646,923	9,646,923	9,646,923	-	-	-
Totals	\$ 666,267,382	\$ 652,703,387	\$ 70,574,010	\$ 584,843,634	\$ 10,849,738	\$ -

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

Investments carried at \$70,532,435 and \$59,833,825 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.

NOTES TO FINANCIAL STATEMENTS

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	\$ 25,927,536	\$ 24,884,943	\$ 26,894,621	\$ 193,354
Commercial mortgage backed securities	-	-	-	-
Collateralized debt obligations	-	-	-	-
Structured securities (including principal protected notes)	-	-	-	-
Equity investments in SCA Entities*	-	-	-	-
Other Assets	-	-	-	-
Totals	\$ 25,927,536	\$ 24,884,943	\$ 26,894,621	\$ 193,354

*Based on the performed analysis, subprime mortgage related risk exposure of SCA entities is insignificant.

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.

Note 23 – Reinsurance**A. Unsecured Reinsurance Recoverables**

The Company does not have any 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
21172	86-0114294	Vanliner Ins Co	\$185,037,603
11051	99-0345306	National Interstate Insurance Co of Hawaii	14,233,662
41106	95-3623282	Triumph Cas Co	14,233,662
25364	13-1675535	Swiss Reinsurance America Corp	14,008,676
10227	13-4924125	Munich Reins America Inc	12,328,371
22039	13-2673100	General Reinsurance Corp	9,922,592

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		Ceded		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
Affiliates	\$72,556,588	\$6,270,556	\$120,341,540	\$5,151,866	\$(47,784,952)	\$1,118,690
All other	2,836,422	939,568	36,163,652	4,123,766	(33,327,230)	(3,184,198)
Totals	\$75,393,010	\$7,210,124	\$156,505,192	\$9,275,632	\$(81,112,182)	\$(2,065,508)

Direct Unearned Premium Reserve \$212,739,187

NOTES TO FINANCIAL STATEMENTS

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	\$ -	\$1,196,056	\$828,466	\$367,591
Sliding scale adjustments	-	-	-	-
Other profit commissions	-	-	-	-
Totals	\$ -	\$1,196,056	\$828,466	\$367,591

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

D. Uncollectible Reinsurance

The Company has not written off any reinsurance recoverable balances during the year.

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	Amounts Received
TRAX Insurance Ltd (2010 – 2011)	\$1,975,252
Wheels Ins Ltd (2010 – 2011)	368,305
BevCap Captive Group (2008 – 2009)	43,579
The Preferred Energy Group Ltd (2009 – 2010)	14,249
Total	\$2,401,385

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 or Status Subject to Revocation

Not applicable.

Note 24 – Retrospectively Rated Contracts & 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

NOTES TO FINANCIAL STATEMENTS**Note 25 –Losses and Loss Adjustment Expenses**

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

	Year Ended December 31	
	2014	2013
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 335,395,305	\$ 327,090,292
Add provision for claims, net of reinsurance, occurring in:		
Current year	202,554,000	192,819,000
Prior years	21,383,013	1,425,702
Net incurred losses during the current year	<u>223,937,013</u>	<u>194,244,702</u>
Deduct payments for claims, net of reinsurance occurring in:		
Current year	54,744,000	62,354,000
Prior years	138,000,330	123,585,689
Net claim payments during the current year	<u>192,744,330</u>	<u>185,939,689</u>
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	<u>\$ 366,587,988</u>	<u>\$ 335,395,305</u>

The foregoing reconciliation shows that a \$21,383,013 unfavorable development in the December 31, 2013 balances emerged in 2014 and a \$1,425,702 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 intercompany reinsurance pooling agreement with its subsidiaries, NIHI, TCC and VIC. The effect is to transfer all net retained insurance liabilities of the subsidiaries to NIIC and to cede specified percentages of the net underwriting results of the group to the participating companies as follows:

Name of Insurer	NAIC Code	% Participation
Triumphé 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, the lead entity for pooling activity, has a payable of \$936,749 under the pooling agreement to NIHI and receivable balances due from VIC and TCC of \$778,746 and \$313,035, 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**

During the current year, the Company purchased seven structured settlements from unaffiliated life insurance companies with the claimants as payee. The loss and LAE reserves for these claims are no longer included in the balance sheet as a liability for losses and loss adjustment expenses.

Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 1,314,293	\$ -

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

None

NOTES TO FINANCIAL STATEMENTS

Note 28 – Health Care Receivables

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

Note 29 – Participating Policies

A. 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

A. Not applicable as the Company does not have high deductibles.

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

A - C. 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

A. Not applicable

Note 35 – Multiple Peril Crop Insurance

A. Not applicable

Note 36 – Financial Guaranty Insurance

A - B. Not applicable

National Interstate Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]																		
If yes, complete Schedule Y, Parts 1, 1A and 2.																			
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]																		
1.3 State regulating? <u>Ohio</u>																			
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
2.2 If yes, date of change:																			
3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.	12/31/2010																		
3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.	12/31/2010																		
3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).	10/18/2011																		
3.4 By what department or departments? <u>Ohio Department of Insurance</u>																			
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]																		
3.6 Have all of the recommendations within the latest financial examination report been complied with?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]																		
4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:																			
4.1.1 sales of new business?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
4.1.2 renewals?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:																			
4.2.1 sales of new business?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
4.2.2 renewals?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1 Name of Entity</td> <td style="width: 33%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 33%; text-align: center;">3 State of Domicile</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>		1 Name of Entity	2 NAIC Co. Code	3 State of Domicile															
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile																	
6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
6.2 If yes, give full information:																			
7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
7.2 If yes,																			
7.2.1 State the percentage of foreign control% _____%																		
7.2.2 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Nationality	2 Type of Entity																
1 Nationality	2 Type of Entity																		
8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.																			
8.3 Is the company affiliated with one or more banks, thrifts or securities firms?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]																		
8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 16.66%; text-align: center;">1 Affiliate Name</td> <td style="width: 16.66%; text-align: center;">2 Location (City, State)</td> <td style="width: 16.66%; text-align: center;">3 FRB</td> <td style="width: 16.66%; text-align: center;">4 OCC</td> <td style="width: 16.66%; text-align: center;">5 FDIC</td> <td style="width: 16.66%; text-align: center;">6 SEC</td> </tr> <tr> <td>American Money Management Corporation</td> <td>Cincinnati, OH</td> <td>NO</td> <td>NO</td> <td>NO</td> <td>YES</td> </tr> <tr> <td>Great American Advisors, Inc.</td> <td>Cincinnati, OH</td> <td>NO</td> <td>NO</td> <td>NO</td> <td>YES</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC	American Money Management Corporation	Cincinnati, OH	NO	NO	NO	YES	Great American Advisors, Inc.	Cincinnati, OH	NO	NO	NO	YES
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC														
American Money Management Corporation	Cincinnati, OH	NO	NO	NO	YES														
Great American Advisors, Inc.	Cincinnati, OH	NO	NO	NO	YES														
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?																			
Ernst & Young LLP 950 Main Avenue, Suite 1800, Cleveland, OH 44113																			
10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
10.2 If the response to 10.1 is yes, provide information related to this exemption:																			
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]																		
10.4 If the response to 10.3 is yes, provide information related to this exemption:																			

National Interstate Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Lisa Hays, Divisional Senior VP - Great American Insurance Company 301 East 4th Street, Cincinnati, Ohio 45202

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

12.11 Name of real estate holding company

12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation.

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

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

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

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

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

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

National Interstate Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
325272021	Alaska USA Federal Credit Union	Non Payment of Policy Premiums	92,024
071925046	American Chartered Bank	Non Payment of Policy Premiums	26,255
103002617	Bank of Commerce	Non Payment of Policy Premiums	56,896
053112039	Bank of North Carolina	Non Payment of Policy Premiums	139,747
121143781	Bay Commercial Bank	Non Payment of Policy Premiums	28,701
071926676	Burr Ridge Bank and Trust	Non Payment of Policy Premiums	20,295
053112482	Cabarrus Bank and Trust Company	Non Payment of Policy Premiums	21,000
062102386	Camden National Bank	Non Payment of Policy Premiums	73,979
031308302	Citizens & Northern Bank	Non Payment of Policy Premiums	15,000
064108524	Community Bank & Trust	Non Payment of Policy Premiums	5,000
101001306	Country Club Bank	Non Payment of Policy Premiums	7,559
031306278	Erie Bank	Non Payment of Policy Premiums	36,939
121108441	Farmers & Merchants Bank of Central Calif	Non Payment of Policy Premiums	175,403
041208421	Farmers State Bank	Non Payment of Policy Premiums	36,211
053906041	Fidelity Bank	Non Payment of Policy Premiums	70,000
091305031	First International Bank and Trust	Non Payment of Policy Premiums	37,605
043318092	First National Bank	Non Payment of Policy Premiums	48,308
064202828	First Peoples Bank of Tennessee	Non Payment of Policy Premiums	17,906
084304243	First State Bank	Non Payment of Policy Premiums	67,779
111905612	Gilmer National Bank	Non Payment of Policy Premiums	80,789
031207856	Harvest Community Bank	Non Payment of Policy Premiums	11,604
075911852	Johnson Bank	Non Payment of Policy Premiums	38,875
044210063	Kingston National Bank	Non Payment of Policy Premiums	23,499
081500862	Landmark Bank	Non Payment of Policy Premiums	35,490
101107886	Legacy Bank	Non Payment of Policy Premiums	32,109
031307086	Merchants Bank of Bangor	Non Payment of Policy Premiums	63,871
062204019	Metro Bank	Non Payment of Policy Premiums	17,286
031205340	Newfield National Bank	Non Payment of Policy Premiums	5,000
101201863	Nodaway Valley Bank	Non Payment of Policy Premiums	33,593
243374218	Northwest Savings Bank	Non Payment of Policy Premiums	39,440
062203942	Peoples Independent Bank	Non Payment of Policy Premiums	25,080
064008637	Pinnacle National Bank	Non Payment of Policy Premiums	1,068,343
104102309	Platte Valley Bank	Non Payment of Policy Premiums	100,210
051409456	Select Bank	Non Payment of Policy Premiums	151,877
073913755	Sterling Bank	Non Payment of Policy Premiums	46,862
083000564	Stock Yards Bank & Trust	Non Payment of Policy Premiums	30,000
062105985	SunSouth Bank	Non Payment of Policy Premiums	8,625
113121135	Texas State Bank	Non Payment of Policy Premiums	18,844
081903867	The Bank of Missouri	Non Payment of Policy Premiums	307,017
083974412	The Murray Bank	Non Payment of Policy Premiums	25,355
101902052	Third National Bank	Non Payment of Policy Premiums	19,260
062101031	Troy Bank & Trust	Non Payment of Policy Premiums	10,813
051403164	Union First Market Bank	Non Payment of Policy Premiums	37,214
061103593	Wachovia Bank	Non Payment of Policy Premiums	70,000
041272279	Westfield Bank	Non Payment of Policy Premiums	28,405

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

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

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0

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

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

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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.

\$.....20,403

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:

\$.....0

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

\$.....69,927,000

25.29 On deposit with other regulatory bodies

\$.....605,435

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 Nature of Restriction	2 Description	3 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?

Yes [] No [] N/A []

If no, attach a description with this statement.

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

Yes [] No []

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 Name of Custodian(s)	2 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 Name(s)	2 Location(s)	3 Complete Explanation(s)

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

Yes [] No []

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
161853	American Money Management Corporation	301 East Fourth Street, Cincinnati, OH 45202
8099	Fort Washington Investment Advisors, Inc.	303 Broadway, Suite 1200, Cincinnati, OH 45202
137797	Elessar Investment Management	1111 Superior Ave., #1310, Cleveland, OH 44111
16076	Ancora Advisors LLC	6060 Parkland Boulevard, Suite 200, Cleveland, OH 44125

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 []

National Interstate Insurance Company**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
28620P 20 4	Ellesar Small Cap Value Fund	938,799
922042 71 8	Vanguard FTSE All-World ex-US Small-Cap ETF	199,865
922042 77 5	Vanguard FTSE All-World ex-US ETF	304,496
922908 36 3	Vanguard S&P 500 ETF	561,620
922908 65 2	Vanguard Extended Market ETF	447,290
29,2999. TOTAL		2,452,070

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
Ellesar Small Cap Value Fund	Argo Group International Holdings, Ltd.	33,985	12/31/2014
Ellesar Small Cap Value Fund	Cedar Realty Trust Inc.	28,633	12/31/2014
Ellesar Small Cap Value Fund	Carriage Services Inc.	28,258	12/31/2014
Ellesar Small Cap Value Fund	Ramco Gershenson Properties Trust	26,944	12/31/2014
Ellesar Small Cap Value Fund	RF Microdevices Inc.	26,380	12/31/2014
Vanguard FTSE All-World ex-US Small-Cap ETF	Open Text Corp.	799	12/31/2014
Vanguard FTSE All-World ex-US Small-Cap ETF	Gildan Activewear Inc.	600	12/31/2014
Vanguard FTSE All-World ex-US Small-Cap ETF	Dixons Carphone plc	600	12/31/2014
Vanguard FTSE All-World ex-US Small-Cap ETF	Keyera Corp	600	12/31/2014
Vanguard FTSE All-World ex-US Small-Cap ETF	Dollarama Inc.	600	12/31/2014
Vanguard FTSE All-World ex-US ETF	Nestle SA	3,958	12/31/2014
Vanguard FTSE All-World ex-US ETF	Royal Dutch Shell plc	3,654	12/31/2014
Vanguard FTSE All-World ex-US ETF	Novartis AG	3,654	12/31/2014
Vanguard FTSE All-World ex-US ETF	Roche Holding AG	3,045	12/31/2014
Vanguard FTSE All-World ex-US ETF	HSBC Holdings plc	3,045	12/31/2014
Vanguard S&P 500 ETF	Apple Inc.	19,657	12/31/2014
Vanguard S&P 500 ETF	Exxon Mobile Corp.	11,794	12/31/2014
Vanguard S&P 500 ETF	Microsoft Corp.	11,794	12/31/2014
Vanguard S&P 500 ETF	Google Inc.	8,986	12/31/2014
Vanguard S&P 500 ETF	Johnson & Johnson	8,986	12/31/2014
Vanguard Extended Market ETF	Liberty Global plc	4,026	12/31/2014
Vanguard Extended Market ETF	American Airlines Group Inc.	4,026	12/31/2014
Vanguard Extended Market ETF	Illumina Inc.	2,684	12/31/2014
Vanguard Extended Market ETF	United Continental Holdings Inc.	2,684	12/31/2014
Vanguard Extended Market ETF	LinkedIn Corp.	2,236	12/31/2014

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 (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	625,349,316	643,479,705	18,130,389
30.2 Preferred stocks.....	12,393,203	12,774,778	381,575
30.3 Totals.....	637,742,520	656,254,483	18,511,963

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 [X] No []

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

Yes [] No [X]

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

Yes [X] No []

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

Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

\$.....315,427

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
Insurance Services Office	148,191

PART 1 - COMMON INTERROGATORIES - INVESTMENT

34.1 Amount of payments for legal expenses, if any? \$.....1,018,255

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
Thompson Hine LLP	971,146

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

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

1	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.
 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:

1 Current Year	2 Prior Year
2.1 Premium Numerator.....	.....
\$.....284,584,534	.....274,507,412
2.3 Premium Ratio (2.1/2.2).....	.....0.0
\$.....569,694	.....539,904
2.5 Reserve Numerator.....	.....
\$.....498,214,993	.....460,406,613
2.6 Reserve Ratio (2.4/2.5).....	.....0.1

 Yes [] No [X]
 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 []
 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 it retains no more than \$700,000 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 model to identify locations and concentrations. It also limits 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.58
 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 noncancelable 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:

Yes [] No [X]

- (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:

\$.....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:

No [X] N/A []

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 []

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

.....%
.....%

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:

\$.....5,699,696
\$.....4,167,773

\$.....3,500,000

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

Yes [] No [X]

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?

.....3

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.

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

* Disclose type of coverage:

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 2014	2 2013	3 2012	4 2011	5 2010
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	535,622,684	490,375,464	450,749,415	449,957,204	296,434,272
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	91,482,125	89,928,007	88,882,113	97,843,967	84,186,092
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,147,370	3,840,687	2,802,654	2,988,911	968,260
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	803,483	842,323	1,135,545	772,899	493,215
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	633,055,661	584,986,481	543,569,727	551,562,981	382,081,839
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	236,943,887	224,239,997	207,278,256	200,780,158	163,490,632
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	50,705,633	50,953,193	51,479,453	48,764,663	66,071,690
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,138,358	2,020,922	1,379,516	1,617,115	417,415
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	412,352	435,147	577,286	342,327	347,126
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	291,200,230	277,649,259	260,714,511	251,504,263	230,326,863
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(15,669,165)	4,443,847	19,139,606	13,798,103	13,201,038
14. Net investment gain (loss) (Line 11)	26,357,865	26,870,775	48,533,333	34,000,852	19,634,483
15. Total other income (Line 15)	(4,590,344)	(3,550,418)	(3,338,402)	(2,694,551)	(2,184,861)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	743,114	5,839,043	11,454,575	14,135,853	10,793,157
18. Net income (Line 20)	5,355,242	21,925,161	52,879,962	30,968,551	19,857,503
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,117,627,560	1,054,079,940	1,017,470,693	994,710,927	799,563,212
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	9,196,431	6,636,788	9,980,869	10,501,071	13,354,505
20.2 Deferred and not yet due (Line 15.2)	153,129,206	141,366,715	131,368,564	97,323,756	88,454,948
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	832,947,856	770,660,825	747,774,754	701,097,223	525,916,353
22. Losses (Page 3, Line 1)	298,096,458	271,998,832	266,206,397	268,627,377	148,644,616
23. Loss adjustment expenses (Page 3, Line 3)	68,491,530	63,396,473	60,883,895	63,564,039	46,600,049
24. Unearned premiums (Page 3, Line 9)	131,627,005	125,011,309	121,869,462	112,076,281	106,142,942
25. Capital paid up (Page 3, Lines 30 & 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	284,679,704	283,419,115	269,695,939	293,613,704	273,646,860
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	34,373,376	23,883,507	38,323,542	158,365,594	52,668,834
Risk-Based Capital Analysis					
28. Total adjusted capital	284,679,704	283,419,115	269,695,939	293,613,704	273,646,860
29. Authorized control level risk-based capital	50,002,935	43,870,706	41,486,288	44,160,301	43,126,588
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	67.1	67.9	71.2	72.1	65.4
31. Stocks (Lines 2.1 & 2.2)	25.8	26.4	22.1	24.0	28.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	1.8	1.8	1.9	1.9	2.5
34. Cash, cash equivalents and short-term investments (Line 5)	2.1	1.1	2.2	0.5	1.2
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	3.2	2.8	2.6	1.6	2.2
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
Investments in Parent, Subsidiaries and Affiliates					
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)	171,023,923	165,540,227	155,187,444	163,188,377	156,762,904
45. Affiliated short-term investments					
(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	171,023,923	165,540,227	155,187,444	163,188,377	156,762,904
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	60.1	58.4	57.5	55.6	57.3

National Interstate Insurance Company
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2014	2 2013	3 2012	4 2011	5 2010
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	6,882,220	1,891,184	(16,468,838)	(2,305,577)	12,372,269
52. Dividends to stockholders (Line 35).....	(10,000,000)	(10,000,000)	(60,000,000)	(10,000,000)	.....
53. Change in surplus as regards policyholders for the year (Line 38).....	1,260,589	13,723,176	(23,917,765)	19,966,844	35,256,565
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	323,233,524	286,204,006	224,141,848	(10,345,746)	124,360,442
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	48,433,563	54,233,297	57,318,629	64,164,865	45,463,760
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,129,404	325,454	778,096	(691,511)	603,954
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	169,981	31,251	14,367	46,392	37,290
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
59. Total (Line 35).....	372,966,473	340,794,009	282,252,940	53,174,000	170,465,446
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	130,877,173	125,731,934	98,177,302	(30,267,944)	51,587,900
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	27,902,385	29,565,199	32,293,588	39,159,106	36,597,469
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	788,489	167,987	415,922	(462,950)	79,716
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	59,493	10,938	5,029	68,667	17,899
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
65. Total (Line 35).....	159,627,540	155,476,057	130,891,841	8,496,879	88,282,984
Operating Percentages (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).....	26.8	27.6	30.1	30.8	33.3
70. Net underwriting gain (loss) (Line 8).....	(5.5)	1.6	7.6	5.6	6.1
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	27.8	28.6	30.3	31.1	32.5
72. Losses and loss expenses incurred to premiums earned (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, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	102.3	98.0	96.7	85.7	84.2
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	20,736	1,941	(7,963)	(6,228)	(4,510)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	7.3	0.7	(2.7)	(2.3)	(1.9)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	19,511	(6,058)	(21,346)	(21,147)	(7,181)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	7.2	(2.1)	(7.8)	(8.9)	(3.8)

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....1,061	.....39	.....100	.....4	.....122	.....	.....(5)	.....1,240	....XXX.....
2. 2005.....	....303,617	....92,073	....211,544	....152,975	....50,508	....19,420	....6,832	....12,049	.....	....3,515	....127,104	....XXX.....
3. 2006.....	....332,646	....101,449	....231,197	....161,303	....56,547	....21,526	....8,985	....13,903	.....	....4,189	....131,200	....XXX.....
4. 2007.....	....368,825	....126,300	....242,525	....180,428	....64,395	....27,974	....12,846	....14,333	.....	....4,552	....145,494	....XXX.....
5. 2008.....	....405,254	....143,951	....261,303	....254,569	....115,018	....33,613	....17,729	....16,461	.....	....4,836	....171,896	....XXX.....
6. 2009.....	....391,667	....133,572	....258,095	....186,353	....58,539	....26,952	....11,709	....16,869	.....	....3,873	....159,926	....XXX.....
7. 2010.....	....388,397	....134,176	....254,221	....237,338	....90,484	....32,093	....15,076	....15,964	.....	....4,399	....179,835	....XXX.....
8. 2011.....	....392,230	....146,659	....245,571	....235,094	....103,812	....32,115	....18,445	....14,317	.....	....4,025	....159,269	....XXX.....
9. 2012.....	....405,272	....154,351	....250,921	....189,268	....86,335	....21,984	....13,114	....11,485	.....	....3,701	....123,288	....XXX.....
10. 2013.....	....454,725	....180,218	....274,507	....176,754	....84,142	....15,465	....10,050	....10,754	.....	....2,997	....108,781	....XXX.....
11. 2014.....	....488,205	....203,622	....284,583	....90,963	....45,769	....5,979	....4,032	....7,603	.....	....1,580	....54,744	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....1,866,106	....755,588	....237,221	....118,822	....133,860	....0	....37,662	....1,362,777	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....3,980	....274	....540	....90	....201	....26	....40	.....	....184	.....	.....	....4,555	....XXX.....
2. 2005.....	....3,339	....1,148	....295	....99	....130	....54	....39	.....	....258	.....	.....	....2,760	....XXX.....
3. 2006.....	....1,880	....383	....480	....140	....167	....29	....94	....8	....297	.....	.....	....2,358	....XXX.....
4. 2007.....	....4,007	....1,426	....1,100	....564	....253	....94	....61	....3	....257	.....	.....	....3,591	....XXX.....
5. 2008.....	....5,722	....1,975	....2,313	....1,287	....416	....133	....57	.....	....75	.....	.....	....5,188	....XXX.....
6. 2009.....	....10,036	....2,813	....4,315	....2,429	....780	....160	....1,064	....252	....859	.....	.....	....11,400	....XXX.....
7. 2010.....	....14,214	....6,570	....10,624	....5,934	....1,492	....747	....989	....276	....1,141	.....	....167	....14,933	....XXX.....
8. 2011.....	....27,627	....12,012	....19,425	....9,981	....2,886	....1,104	....1,714	....395	....4,017	.....	....258	....32,177	....XXX.....
9. 2012.....	....47,928	....21,811	....34,943	....18,482	....4,322	....1,922	....6,526	....1,611	....2,970	....1	....465	....52,862	....XXX.....
10. 2013.....	....66,405	....30,732	....70,796	....33,454	....5,009	....2,352	....11,702	....3,354	....4,933	....1	....1,019	....88,952	....XXX.....
11. 2014.....	....98,050	....55,818	....144,056	....66,561	....5,796	....3,393	....22,184	....4,738	....8,235	....1	....3,008	....147,810	....XXX.....
12. Totals.....	....283,188	....134,962	....288,887	....139,021	....21,452	....10,014	....44,470	....10,637	....23,226	....3	....4,917	....366,586	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....	.....	....XXX.....	....4,156	....399
2. 2005.....	....188,505	....58,641	....129,864	....62.1	....63.7	....61.4	.....	.....	.....	....2,387	....373
3. 2006.....	....199,650	....66,092	....133,558	....60.0	....65.1	....57.8	.....	.....	.....	....1,837	....521
4. 2007.....	....228,413	....79,328	....149,085	....61.9	....62.8	....61.5	.....	.....	.....	....3,117	....474
5. 2008.....	....313,226	....136,142	....177,084	....77.3	....94.6	....67.8	.....	.....	.....	....4,773	....415
6. 2009.....	....247,228	....75,902	....171,326	....63.1	....56.8	....66.4	.....	.....	.....	....9,109	....2,291
7. 2010.....	....313,855	....119,087	....194,768	....80.8	....88.8	....76.6	.....	.....	.....	....12,334	....2,599
8. 2011.....	....337,195	....145,749	....191,446	....86.0	....99.4	....78.0	.....	.....	.....	....25,059	....7,118
9. 2012.....	....319,426	....143,276	....176,150	....78.8	....92.8	....70.2	.....	.....	.....	....42,578	....10,284
10. 2013.....	....361,818	....164,085	....197,733	....79.6	....91.0	....72.0	.....	.....	.....	....73,015	....15,937
11. 2014.....	....382,866	....180,312	....202,554	....78.4	....88.6	....71.2	.....	.....	.....	....119,727	....28,083
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....298,092	....68,494

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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 One Year	12 Two Year
1. Prior.....	114,351	110,549	108,009	104,153	99,987	95,355	95,027	95,094	93,526	92,364	(1,162)	(2,730)
2. 2005.....	142,394	135,811	129,527	124,906	121,539	120,257	119,858	117,765	117,477	117,557	.80	(208)
3. 2006.....	XXX.....	155,337	141,509	131,342	125,840	123,866	123,411	120,205	119,778	119,358	(420)	(847)
4. 2007.....	XXX.....	XXX.....	161,305	145,207	138,599	136,979	138,469	135,035	134,936	134,495	(441)	(540)
5. 2008.....	XXX.....	XXX.....	XXX.....	179,538	172,110	166,802	165,553	162,560	161,060	160,548	(512)	(2,012)
6. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	169,091	165,950	163,701	154,457	153,216	153,598	.382	(859)
7. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	173,020	169,982	175,767	172,280	177,663	.5,383	1,896
8. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	148,690	155,845	166,361	173,112	6,751	17,267	
9. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	154,152	154,188	161,696	7,508	7,544	
10. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	178,881	182,047	3,166	XXX.....	
11. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	186,717	XXX.....	XXX.....	
										12. Totals.....	20,736	19,511

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014		
1. Prior.....	000.....	36,137	59,818	71,066	78,256	81,137	82,895	85,258	86,875	87,993	XXX.....	XXX.....
2. 2005.....	37,243	70,375	88,578	100,549	107,757	111,117	113,023	113,958	114,778	115,055	XXX.....	XXX.....
3. 2006.....	XXX.....	41,887	70,742	88,397	100,276	108,403	112,119	115,085	116,724	117,297	XXX.....	XXX.....
4. 2007.....	XXX.....	XXX.....	45,875	77,745	96,658	112,177	120,584	126,421	129,843	131,161	XXX.....	XXX.....
5. 2008.....	XXX.....	XXX.....	XXX.....	53,005	93,281	117,567	136,433	146,469	151,563	155,435	XXX.....	XXX.....
6. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	48,290	83,203	104,726	122,045	134,944	143,057	XXX.....	XXX.....
7. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	52,151	92,613	117,794	145,076	163,871	XXX.....	XXX.....
8. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	55,278	91,403	120,340	144,952	XXX.....	XXX.....
9. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	46,981	81,993	111,803	XXX.....	XXX.....
10. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	55,567	98,027	XXX.....	XXX.....	XXX.....
11. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	47,141	XXX.....	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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014
1. Prior.....	52,157	30,129	23,363	17,942	11,479	7,569	6,937	6,429	4,058	490
2. 2005.....	68,547	41,258	23,183	12,910	6,484	4,539	4,315	1,830	1,418	235
3. 2006.....	XXX.....	77,802	44,591	21,788	11,183	8,168	6,819	2,898	1,891	426
4. 2007.....	XXX.....	XXX.....	82,882	41,178	20,673	11,155	9,639	3,954	2,791	594
5. 2008.....	XXX.....	XXX.....	XXX.....	81,992	42,204	23,859	15,271	7,743	4,100	1,083
6. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	80,434	52,634	38,338	17,670	7,918	2,698
7. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	80,927	50,242	32,484	9,028	5,403
8. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	63,180	36,398	20,021	10,763
9. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	77,036	40,185	21,376
10. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	83,457	45,690
11. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	94,941

National Interstate Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL L.....	3,298,730	3,634,508		2,089,375	2,168,837	3,971,120	370	1,128,927
2. Alaska.....	AK L.....	5,420,461	5,293,291		1,614,852	3,129,606	5,703,925	189	
3. Arizona.....	AZ L.....	7,880,527	6,578,990		2,680,641	3,810,787	6,097,016	6,482	314,051
4. Arkansas.....	AR L.....	5,951,049	5,473,896		2,359,985	3,225,050	3,733,977	3,190	251,943
5. California.....	CA L.....	82,778,269	79,279,176		41,955,340	67,163,504	114,307,063	14,696	4,642,656
6. Colorado.....	CO L.....	4,452,156	4,644,549		5,012,173	4,971,757	5,081,510	4,100	1,018,012
7. Connecticut.....	CT L.....	11,163,687	9,920,702		4,687,438	12,711,796	20,386,702	1,732	2,216,154
8. Delaware.....	DE L.....	12,015,857	10,935,850		5,942,016	10,707,514	16,048,559	20	439,617
9. District of Columbia.....	DC L.....	1,859	1,212			360	374		
10. Florida.....	FL L.....	20,612,985	20,421,495		14,313,842	15,582,201	21,882,293	19,999	3,788,305
11. Georgia.....	GA L.....	7,595,626	7,548,838		5,621,089	7,085,426	7,807,941	7,988	1,457,894
12. Hawaii.....	HI L.....	15,565,225	15,353,909		5,777,323	6,679,195	16,680,997	800	
13. Idaho.....	ID L.....	4,200,579	4,227,554		1,173,853	1,867,076	5,113,290	624	314,457
14. Illinois.....	IL L.....	11,077,872	13,760,826		10,659,148	12,637,223	18,798,599	3,840	1,999,764
15. Indiana.....	IN L.....	4,374,140	4,126,694		1,904,778	2,709,376	5,698,692	2,440	1,373,642
16. Iowa.....	IA L.....	2,006,001	2,097,931		6,329,277	541,116	8,517,540	485	228,898
17. Kansas.....	KS L.....	7,452,541	6,653,154		1,445,051	2,211,160	4,831,423	575	1,251,993
18. Kentucky.....	KY L.....	3,002,741	3,197,005		1,091,152	1,622,894	2,962,816		227,632
19. Louisiana.....	LA L.....	4,990,180	4,344,863		1,199,316	1,372,661	3,032,670	6,738	605,317
20. Maine.....	ME L.....	591,315	541,146		293,897	309,105	392,898	585	23,366
21. Maryland.....	MD L.....	4,850,866	5,255,483		1,922,228	3,441,211	5,648,478	357	933,739
22. Massachusetts.....	MA L.....	19,362,948	18,578,992		9,649,635	8,053,445	18,667,420	350	7,093,664
23. Michigan.....	MI L.....	50,773	37,456		(51,216)	(50,322)	3,053		
24. Minnesota.....	MN L.....	4,709,869	4,744,207		2,380,356	2,371,784	4,481,344	2,361	1,991,372
25. Mississippi.....	MS L.....	2,159,060	2,202,467		1,336,914	1,132,836	2,120,106	25	1,011,847
26. Missouri.....	MO L.....	13,069,455	11,958,364		7,167,525	9,824,576	11,609,183	1,680	1,254,149
27. Montana.....	MT L.....	4,861,673	4,790,507		3,520,673	3,467,935	2,246,255	18,300	317,137
28. Nebraska.....	NE L.....	3,465,496	3,419,006		3,130,662	2,554,781	3,554,168	225	216,888
29. Nevada.....	NV L.....	6,586,848	5,051,017		5,176,604	5,966,676	7,235,309	4,235	693,713
30. New Hampshire.....	NH L.....	3,083,894	3,127,327		1,775,733	2,586,947	3,925,662	1,708	306,108
31. New Jersey.....	NJ L.....	103,065	99,223		94,825	81,734	114,304		
32. New Mexico.....	NM L.....	1,043,646	990,684		892,785	1,305,360	1,108,876	2,910	
33. New York.....	NY L.....	31,878,968	30,977,409		19,895,105	18,647,328	39,592,220	1,512	11,073,432
34. North Carolina.....	NC L.....	28,257,592	26,723,587		25,291,641	22,229,909	28,568,966	11,010	854,162
35. North Dakota.....	ND L.....	1,249,676	1,038,952		145,268	291,656	506,963	320	367,705
36. Ohio.....	OH L.....	11,849,620	11,469,662		4,741,190	3,885,511	11,039,861	2,356	3,540,631
37. Oklahoma.....	OK L.....	4,842,320	4,565,033		1,589,758	1,722,290	3,924,003	2,565	946,874
38. Oregon.....	OR L.....	2,624,511	3,218,962		943,284	1,247,833	2,603,306	2,400	492,863
39. Pennsylvania.....	PA L.....	23,474,195	21,163,723		10,632,929	12,007,674	25,740,258	10,529	2,561,290
40. Rhode Island.....	RI L.....	1,236,219	881,888		207,797	275,208	952,133		148,494
41. South Carolina.....	SC L.....	6,875,617	6,795,798		6,674,932	7,216,420	5,244,799	2,604	829,618
42. South Dakota.....	SD L.....	1,125,598	1,151,624		710,206	730,446	535,879	8,930	12,108
43. Tennessee.....	TN L.....	22,687,821	19,808,277		9,958,580	13,880,990	16,961,392	5,910	1,675,422
44. Texas.....	TX L.....	27,524,944	31,639,388		27,211,557	21,513,644	44,064,411	40,960	2,550,635
45. Utah.....	UT L.....	8,052,767	7,342,647		6,997,556	3,795,966	5,471,858	450	53,995
46. Vermont.....	VT L.....	3,159,385	3,072,407		514,579	1,035,596	1,690,695		196,269
47. Virginia.....	VA L.....	9,757,431	10,010,532		5,558,110	5,196,249	7,924,756	4,374	1,383,793
48. Washington.....	WA L.....	3,255,829	2,834,542		1,059,925	1,691,161	3,064,458	4,364	
49. West Virginia.....	WV L.....	(1,148)	309,821		336,944	279,066	885,259		25,463
50. Wisconsin.....	WI L.....	8,098,010	7,983,170		3,810,127	2,947,008	7,830,445	1,390	1,038,324
51. Wyoming.....	WY L.....	238,235	211,297		28,971	5,794	114,994	485	91,231
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) 51	473,966,981	459,489,042	0	279,455,728	319,843,355	538,480,217	207,163	62,943,555

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.

Allied Lines - Location of property

Commercial multiperil - Location of property

Inland Marine - Location of property

Other Accident and Health - Individual, by personal residence

Workers' Compensation - Location of risk

Other Liability - Location of risk

Auto Liability - Location of primary garage

Auto Physical - Location of primary garage

Surety - Location of contractor

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

@ 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 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

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