

---

## AMENDED FILING EXPLANATION

---

The original filing PDF version cut off a portion of the pages. The amended filing is to correct this error.



**UNITED FINANCIAL CASUALTY COMPANY**  
**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).....	1,619,826,726		1,619,826,726	1,473,177,200
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	.55,399,600		.55,399,600	.59,171,900
2.2 Common stocks.....	221,510,952		221,510,952	217,563,949
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$....5,898,919, Schedule E-Part 2) and short-term investments (\$....111,724, Schedule DA).....	6,010,643		6,010,643	3,257,312
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,902,747,921	0	1,902,747,921	1,753,170,361
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	.8,354,615		.8,354,615	.7,045,254
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	.66,952,420	.3,828,055	.63,124,365	.57,869,351
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	407,661,299		407,661,299	383,263,004
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	42		42	-(52,650)
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	.10
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.....	.29,404,609		.29,404,609	.23,354,833
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	.95,754,971		.95,754,971	.76,032,172
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	.954,264	.408,170	.546,094	.442,833
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,511,830,141	.4,236,225	.2,507,593,916	.2,301,125,168
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	2,511,830,141	.4,236,225	.2,507,593,916	.2,301,125,168

**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. STATE UNEARNED SURCHARGE RECOVERABLE.....	.546,094		.546,094	.442,833
2502. PREPAID EXPENSES.....	.380,267	.380,267	0	
2503. MISCELLANEOUS OTHER ASSETS.....	.27,903	.27,903	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.954,264	.408,170	.546,094	.442,833

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	891,973,286	784,876,010
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	124,985,446	128,764,514
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	159,551,278	144,919,864
4. Commissions payable, contingent commissions and other similar charges.....	281,648	354,056
5. Other expenses (excluding taxes, licenses and fees).....	150,776	213,608
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	7,667,361	6,765,435
7.1 Current federal and foreign income taxes (including \$....(536,326) on realized capital gains (losses)).....	17,965,983	19,941,702
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 \$....360,999 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).....	701,441,634	627,922,162
10. Advance premium.....	6,064,539	5,581,830
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	49,460	46,650
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	31,057,369	25,465,393
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	164,817	
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.....	11,504,698	10,198,935
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,952,858,295	1,755,050,159
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,952,858,295	1,755,050,159
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,008,000	3,008,000
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.....	226,373,432	226,373,432
35. Unassigned funds (surplus).....	325,354,189	316,693,577
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).....	554,735,621	546,075,009
38. TOTALS (Page 2, Line 28, Col. 3).....	2,507,593,916	2,301,125,168

**DETAILS OF WRITE-INS**

2501. STATE PLAN LIABILITY.....	10,464,945	9,111,745
2502. OTHER LIABILITIES.....	923,084	949,979
2503. ESCHEATABLE PROPERTY.....	116,669	137,211
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).....	11,504,698	10,198,935
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

**UNITED FINANCIAL CASUALTY COMPANY**  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,669,096,571	1,582,267,020
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,000,230,223	941,233,377
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	167,683,272	154,413,241
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	338,919,145	320,308,434
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	1,506,832,640	1,415,955,052
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	162,263,931	166,311,968
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	43,056,641	38,045,610
10. Net realized capital gains (losses) less capital gains tax of \$....4,087,078 (Exhibit of Capital Gains (Losses)).....	11,323,340	22,140,103
11. Net investment gain (loss) (Lines 9 + 10).....	54,379,981	60,185,713
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....371,515 amount charged off \$....11,517,774).....	(11,146,259)	(10,352,744)
13. Finance and service charges not included in premiums.....	10,185,126	9,884,959
14. Aggregate write-ins for miscellaneous income.....	7,619,990	7,695,838
15. Total other income (Lines 12 through 14).....	6,658,857	7,228,053
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	223,302,769	233,725,734
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).....	223,302,769	233,725,734
19. Federal and foreign income taxes incurred.....	76,874,438	71,750,491
20. Net income (Line 18 minus Line 19) (to Line 22).....	146,428,331	161,975,243
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	546,075,009	491,987,745
22. Net income (from Line 20).....	146,428,331	161,975,243
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(2,312,479).....	(4,294,605)	1,789,407
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	3,737,297	(3,341,925)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(210,411)	(335,461)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(137,000,000)	(106,000,000)
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).....	8,660,612	54,087,264
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	554,735,621	546,075,009

**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. FINANCE & SERVICE CHARGE REVENUE ASSUMED.....	7,504,503	7,641,406
1402. MISCELLANEOUS OTHER INCOME.....	77,472	36,343
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	38,015	18,089
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).....	7,619,990	7,695,838
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

**UNITED FINANCIAL CASUALTY COMPANY**  
**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,712,602,565	1,580,181,200
2. Net investment income.....	57,716,474	56,721,983
3. Miscellaneous income.....	7,255,063	7,046,800
4. Total (Lines 1 through 3).....	1,777,574,102	1,643,949,983
5. Benefit and loss related payments.....	896,912,005	893,781,398
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	491,203,189	461,119,749
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$....5,151,410 tax on capital gains (losses).....	82,937,235	66,951,876
10. Total (Lines 5 through 9).....	1,471,052,429	1,421,853,023
11. Net cash from operations (Line 4 minus Line 10).....	306,521,673	222,096,960
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	930,178,152	980,261,919
12.2 Stocks.....	14,569,480	47,489,909
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.....		2
12.7 Miscellaneous proceeds.....	164,817	62
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	944,912,449	1,027,751,892
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,083,092,670	1,131,448,007
13.2 Stocks.....	15,646,177	5,041,038
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,098,738,847	1,136,489,045
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).....	(153,826,398)	(108,737,153)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	137,000,000	106,000,000
16.6 Other cash provided (applied).....	(12,941,944)	(4,228,197)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(149,941,944)	(110,228,197)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,753,331	3,131,610
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,257,312	125,702
19.2 End of year (Line 18 plus Line 19.1).....	6,010,643	3,257,312

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

20.0001 .....		
---------------	--	--

**UNITED FINANCIAL CASUALTY 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.....				0
2. Allied lines.....				0
3. Farmowners multiple peril.....				0
4. Homeowners multiple peril.....	262,746		150,779	111,967
5. Commercial multiple peril.....				0
6. Mortgage guaranty.....				0
8. Ocean marine.....				0
9. Inland marine.....	46,348,114	18,218,311	22,697,713	41,868,712
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.....				0
16. Workers' compensation.....				0
17.1 Other liability - occurrence.....	8,471,837	3,783,787	4,134,275	8,121,349
17.2 Other liability - claims-made.....				0
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.....	398,067,513	103,424,293	108,280,341	393,211,465
19.3, 19.4 Commercial auto liability.....	774,885,938	332,277,478	377,423,205	729,740,211
21. Auto physical damage.....	514,527,895	170,216,298	188,753,184	495,991,009
22. Aircraft (all perils).....				0
23. Fidelity.....				0
24. Surety.....	52,000	1,995	2,137	51,858
26. Burglary and theft.....				0
27. Boiler and machinery.....				0
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.....	1,742,616,043	627,922,162	701,441,634	1,669,096,571

**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

**UNITED FINANCIAL CASUALTY 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.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	150,779				150,779
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	22,697,713				22,697,713
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.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....	4,134,275				4,134,275
17.2 Other liability - claims-made.....					0
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.....	108,280,341				108,280,341
19.3, 19.4 Commercial auto liability.....	377,423,205				377,423,205
21. Auto physical damage.....	188,753,184				188,753,184
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....	2,137				2,137
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
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.....	701,441,634	0	0	0	701,441,634
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					701,441,634

**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: Pro Rata

**UNITED FINANCIAL CASUALTY 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.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....		262,746				262,746
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	18,518,261	27,829,853				46,348,114
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.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....	2,613,009	5,925,349		66,521		8,471,837
17.2 Other liability - claims-made.....						0
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.....	226,638,569	171,428,944				398,067,513
19.3, 19.4 Commercial auto liability.....	412,887,417	362,744,734		746,213		774,885,938
21. Auto physical damage.....	321,947,575	192,580,320				514,527,895
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....	52,000					52,000
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
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.....	982,656,831	760,771,946	0	0	812,734	1,742,616,043

**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.....				0			0	0.0
2. Allied lines.....				0			0	0.0
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....		34,525		34,525	2,387		36,912	33.0
5. Commercial multiple peril.....				0			0	0.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....	6,843,243	11,095,721		17,938,964	4,651,482	3,261,933	19,328,513	46.2
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....				0			0	0.0
11.2 Medical professional liability - claims-made.....				0			0	0.0
12. Earthquake.....				0			0	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.....				0			0	0.0
16. Workers' compensation.....				0			0	0.0
17.1 Other liability - occurrence.....	53,408	1,877,087		1,930,495	3,883,760	2,848,273	2,965,982	36.5
17.2 Other liability - claims-made.....				0			0	0.0
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.....	117,936,551	107,742,672		225,679,223	234,848,752	209,174,124	251,353,851	63.9
19.3, 19.4 Commercial auto liability.....	173,719,036	166,647,394	200,000	340,166,430	642,016,210	564,846,982	417,335,658	57.2
21. Auto physical damage.....	191,514,574	115,868,739		307,383,313	6,570,695	4,744,697	309,209,311	62.3
22. Aircraft (all perils).....				0			0	0.0
23. Fidelity.....				0			0	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....				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.....	490,066,812	403,266,138	200,000	893,132,950	891,973,286	784,876,009	1,000,230,227	59.9

**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
2. Allied lines.....				0					0
3. Farmowners multiple peril.....				0					0
4. Homeowners multiple peril.....				0					2,387
5. Commercial multiple peril.....				0					371
6. Mortgage guaranty.....				0					0
8. Ocean marine.....				0					0
9. Inland marine.....	1,262,805	2,025,827		3,288,632	592,259	770,591		4,651,482	694,349
10. Financial guaranty.....				0					0
11.1 Medical professional liability - occurrence.....				0					0
11.2 Medical professional liability - claims-made.....				0					0
12. Earthquake.....				0					0
13. Group accident and health.....				0				(a) .....	0
14. Credit accident and health (group and individual).....				0					0
15. Other accident and health.....				0				(a) .....	0
16. Workers' compensation.....				0					0
17.1 Other liability - occurrence.....	509,876	2,308,169	37,500	2,780,545	240,379	901,512	.38,676	3,883,760	289,625
17.2 Other liability - claims-made.....				0					0
17.3 Excess workers' compensation.....				0					0
18.1 Products liability - occurrence.....				0					0
18.2 Products liability - claims-made.....				0					0
19.1, 19.2 Private passenger auto liability.....	95,941,230	.97,886,439		.193,827,669	.19,383,901	.21,637,182		.234,848,752	.44,616,375
19.3, 19.4 Commercial auto liability.....	299,892,081	.244,289,597	140,740	.544,040,938	.47,526,849	.50,875,602	.427,179	.642,016,210	.106,914,408
21. Auto physical damage.....	15,936,981	8,825,142		.24,762,123	(13,313,937)	(4,877,491)		6,570,695	7,036,151
22. Aircraft (all perils).....				0					0
23. Fidelity.....				0					0
24. Surety.....				0					0
26. Burglary and theft.....				0					0
27. Boiler and machinery.....				0					0
28. Credit.....				0					0
29. International.....				0					0
30. Warranty.....				0					0
31. Reinsurance - nonproportional assumed property.....	XXX.			0	XXX.				0
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	XXX.				0
33. Reinsurance - nonproportional assumed financial lines.....	XXX.		0	0	XXX.				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	413,542,973	355,335,174	178,240	.768,699,907	54,429,451	.69,309,783	.465,855	.891,973,286	.159,551,279

**DETAILS OF WRITE-INS**

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

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

**UNITED FINANCIAL CASUALTY 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.....	24,113,382			24,113,382
1.2 Reinsurance assumed.....	18,277,824			18,277,824
1.3 Reinsurance ceded.....	2,848			2,848
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	42,388,359	0	0	42,388,359
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		55,229,936		55,229,936
2.2 Reinsurance assumed, excluding contingent.....		70,189,799		70,189,799
2.3 Reinsurance ceded, excluding contingent.....		18,293		18,293
2.4 Contingent - direct.....		247,475		247,475
2.5 Contingent - reinsurance assumed.....		946,338		946,338
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	126,595,255	0	126,595,255
3. Allowances to manager and agents.....		177,299		177,299
4. Advertising.....	17,918	41,672,498		41,690,416
5. Boards, bureaus and associations.....	403,587	409,657		813,245
6. Surveys and underwriting reports.....		10,610,110		10,610,110
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	83,737,572	76,057,529	1,242,438	161,037,539
8.2 Payroll taxes.....	5,862,511	5,603,244	38,335	11,504,091
9. Employee relations and welfare.....	14,087,919	11,671,121	49,720	25,808,760
10. Insurance.....	283,467	246,616		530,083
11. Directors' fees.....				0
12. Travel and travel items.....	4,320,013	1,783,668	6,864	6,110,545
13. Rent and rent items.....	5,208,665	3,578,743	28,035	8,815,444
14. Equipment.....	498,105	1,686,147		2,184,252
15. Cost or depreciation of EDP equipment and software.....	4,845,183	10,357,711	18,071	15,220,965
16. Printing and stationery.....	492,726	1,307,627	2,883	1,803,236
17. Postage, telephone and telegraph, exchange and express.....	3,826,782	10,615,224	7,527	14,449,533
18. Legal and auditing.....	1,390,368	1,102,400	125,731	2,618,500
19. Totals (Lines 3 to 18).....	124,974,818	176,879,594	1,519,605	303,374,017
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....136.....		26,904,125		26,904,125
20.2 Insurance department licenses and fees.....	67,874	3,537,928		3,605,802
20.3 Gross guaranty association assessments.....		55,500		55,500
20.4 All other (excluding federal and foreign income and real estate).....	21,046	2,697,409		2,718,455
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	88,919	33,194,962	0	33,283,881
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	231,177	2,249,334	268,471	2,748,982
25. Total expenses incurred.....	167,683,272	338,919,145	1,788,077	(a) 508,390,494
26. Less unpaid expenses - current year.....	159,551,278	8,071,751	28,035	167,651,063
27. Add unpaid expenses - prior year.....	144,919,864	7,303,936	29,162	152,252,963
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).....	153,051,858	338,151,331	1,789,205	492,992,394

**DETAILS OF WRITE-INS**

2401. MISCELLANEOUS EXPENSES.....	231,177	2,249,334	268,471	2,748,982
2402. .....	.....			0
2403. .....	.....			0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	231,177	2,249,334	268,471	2,748,982

(a) Includes management fees of \$....187,055,358 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).....1,373,269	.....1,498,090
1.1 Bonds exempt from U.S. tax.....	(a).....2,744,800	.....2,935,370
1.2 Other bonds (unaffiliated).....	(a).....32,215,994	.....33,235,276
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....3,034,834	.....3,028,255
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....4,160,173	.....4,141,439
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....6,288	.....6,288
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....43,535,358	.....44,844,718
11. Investment expenses.....	(g).....1,788,077	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....0	.....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....
16. Total deductions (Lines 11 through 15).....	.....	.....1,788,077
17. Net investment income (Line 10 minus Line 16).....	.....	.....43,056,641

**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 \$....3,324,696 accrual of discount less \$....19,295,018 amortization of premium and less \$....1,414,532 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$....6,162 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 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.....	.....760,239	.....	.....760,239	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....161,780	.....	.....161,780	.....	.....
1.2 Other bonds (unaffiliated).....	.....9,175,660	.....	.....9,175,660	.....(392,351)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....1,710,000	.....	.....1,710,000	.....(2,512,300)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....3,660,738	.....(58,000)	.....3,602,738	.....(3,702,431)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....15,468,417	.....(58,000)	.....15,410,417	.....(6,607,082)	.....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

**UNITED FINANCIAL CASUALTY 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.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	3,828,055	3,596,515	(231,540)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			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.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	408,170	429,299	21,129
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,236,225	4,025,814	(210,411)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	4,236,225	4,025,814	(210,411)

**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. PREPAID EXPENSES.....	380,267	408,967	28,700
2502. MISCELLANEOUS OTHER ASSETS.....	27,903	20,332	(7,571)
2503. ....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	408,170	429,299	21,129

**NOTES TO FINANCIAL STATEMENTS**

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The accompanying statutory-basis financial statements of United Financial Casualty Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis 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 DOI. No deviations from NAIC statutory accounting practices ("NAIC SAP") were used in preparing these statutory-basis financial statements as illustrated in the table below:

Description	State of Domicile	2015	2014
Net income			
(1) Net income, state basis	OH	\$ 146,428,331	\$ 161,975,243
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 146,428,331	\$ 161,975,243
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 554,735,621	\$ 546,075,009
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	\$ 554,735,621	\$ 546,075,009

## B. Use of Estimates

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense ("LAE") reserves and the Company's adjustment to realized losses for other-than-temporary impairment ("OTTI"), (see page 12, column 2, Exhibit of Capital Gains (Losses) and Note 1C).

## C. Accounting Policies

Insurance premiums written are being earned into income on a pro-rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company's exposure to credit risk.

Acquisition costs, such as agents' commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Other income includes finance and service charges collected on premiums receivable and finance and service charges assumed under quota-share reinsurance agreements with two of the Company's non-pooled insurance company affiliates.

Certain assets designated as "nonadmitted assets", in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

## Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost which approximates market value.
- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost which approximates market value.
- Investment grade bond valuations are based on NAIC designations or NAIC Credit Rating Provider ("CRP") designations from the Acceptable Rating Organization ("ARO") list and are reported at amortized cost using the scientific method which closely approximates the effective interest method. Non-investment grade bond valuations are also based on NAIC designations or NAIC CRP-ARO designations and are reported at the lower of amortized cost or fair market value. Loan-backed and structured securities follow the guidance prescribed by SSAP No. 43R, Loan-backed and Structured Securities ("SSAP No. 43R"), for the determination of the bond valuation and reporting designation. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values based on active market closing quotations from a regulated exchange. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes.
- Non-redeemable preferred stocks are reported at fair market values. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes. Investment grade redeemable preferred stocks are reported at amortized cost, while non-investment grade redeemable preferred stocks are reported at the lower of amortized cost or fair market value. The difference between the original cost and redemption value of the redeemable preferred securities is recognized using the scientific method, which closely approximates the effective interest method, over the lives of the respective issues and included in net investment gain.
- The fair market values reported are derived from independent and observable market input evaluations provided by reputable pricing services, independent broker/dealer bid lists, independent broker/dealer quotations, independent broker/dealer pricing services, or active market closing quotations from a regulated exchange. In very rare cases, if none of the aforementioned primary sources are available, matrix pricing using the reporting entity's own market based assumptions may be utilized. The approved methods for computation of fair market value are prescribed in Part Five of the Securities Valuation Office Purposes and Procedures Manual.
- The Company has no investments in mortgage loans.
- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.
- The Company has no investments in derivatives.
- The Company has no investments in joint ventures, partnerships, or limited liability companies.

**NOTES TO FINANCIAL STATEMENTS**

- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2015 and December 31, 2014.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.
- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for OTTI requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

Management assesses valuation declines to determine the extent to which such changes are attributable to (i) fundamental factors specific to the issuer, such as financial conditions, business prospects or other factors, or (ii) market-related factors such as interest rates or equity market declines (i.e., negative returns at either a sector index level or the broader market level), or (iii) credit-related losses where the present value of cash flows expected to be collected are lower than the amortized cost basis of the security (includes only those securities covered under SSAP No. 43R). This evaluation reflects management's assessment of current conditions, as well as predictions of uncertain future events that may have a material effect on the financial statements related to security valuation.

When persuasive evidence exists that causes management to conclude that a decline in fair value is other-than-temporary, the book value of such security is written down and recognized as a realized loss. All other unrealized gains or losses are reflected in statutory surplus.

**Loss, Loss Adjustment Expense, and Premium Deficiency Reserves**

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Note 25).
- The Company does anticipate investment income when evaluating the need for premium deficiency reserves. See Note 30.

**Capitalization of Assets**

- Prepaid assets above a \$100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted. There have been no changes to the written policy or predefined capitalization threshold from the prior year.

**Pharmaceutical Rebate Receivables**

- The Company does not write medical insurance or prescription drug coverage.

**D. Going Concern**

Management continuously monitors the Company's financial results and compliance with regulatory requirements and found no reason to expect the Company to not continue as a going concern.

**2. Accounting Changes and Corrections of Errors**

Not applicable

**3. Business Combinations and Goodwill**

Not applicable

**4. Discontinued Operations**

Not applicable

**5. Investments**

**A. Mortgage Loans, Including Mezzanine Real Estate Loans**

Not applicable

**B. Troubled Debt Restructuring for Creditors**

Not applicable

**C. Reverse Mortgages**

Not applicable

**D. Loan-Backed Securities**

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.

2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

3. The Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.

4. As of December 31, 2015, the Company had \$8,041,598 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

As of December 31, 2015, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

Description	Amount
a. Aggregate amount of unrealized losses	
1. Less than twelve months	\$ 5,978,807
2. Twelve months or longer	2,062,791
Total	\$ 8,041,598
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 540,305,199
2. Twelve months or longer	136,024,782
Total	\$ 676,329,981

5. Under SSAP No. 43R, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair market value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

## E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable (see Note 1.C Investments)

## F. Real Estate

Not applicable

## G. Low Income Housing Tax Credits

Not applicable

**NOTES TO FINANCIAL STATEMENTS****H. Restricted Assets****1. Restricted assets (including pledged) summarized by restricted asset category are as follows:**

Restricted Asset Category	Total General Account (G/A)	Gross Restricted					Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Percentage	
		1	2	3	4	5				6	7
a. Subject to contractual obligation for which liability is not shown	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	0%	0%
b. Collateral held under security lending agreements	--	--	--	--	--	--	--	--	--	0%	0%
c. Subject to repurchase agreements	--	--	--	--	--	--	--	--	--	0%	0%
d. Subject to reverse repurchase agreements	--	--	--	--	--	--	--	--	--	0%	0%
e. Subject to dollar repurchase agreements	--	--	--	--	--	--	--	--	--	0%	0%
f. Subject to dollar reverse repurchase agreements	--	--	--	--	--	--	--	--	--	0%	0%
g. Placed under option contracts	--	--	--	--	--	--	--	--	--	0%	0%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	--	--	--	--	--	--	--	--	--	0%	0%
i. FHLB capital stock	--	--	--	--	--	--	--	--	--	0%	0%
j. On deposit with states	4,860,565	--	--	--	4,860,565	4,868,355	(7,790)	4,860,565	0.19%	0.19%	
k. On deposit with other regulatory bodies	--	--	--	--	--	--	--	--	0%	0%	
l. Pledged as collateral to FHLB (including assets backing funding agreements)	--	--	--	--	--	--	--	--	--	0%	0%
m. Pledged as collateral not captured in other categories	--	--	--	--	--	--	--	--	--	0%	0%
n. Other restricted assets	--	--	--	--	--	--	--	--	--	0%	0%
o. Total Restricted Assets	\$ 4,860,565	\$ --	\$ --	\$ --	\$ 4,860,565	\$ 4,868,355	\$ (7,790)	\$ 4,860,565	0.19%	0.19%	
(a)	Subset of column 1										
(b)	Subset of column 3										

**2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (from above table)**

Not applicable

**3. Detail of Other Restricted Assets**

Not applicable

**I. Working Capital Finance Investments**

Not applicable

**J. Offsetting and Netting of Assets and Liabilities**

Not applicable

**K. Structured Notes**

Not applicable

**6. Joint Ventures, Partnerships and Limited Liability Companies**

Not applicable

**7. Investment Income****A. Accrued Investment Income**

The Company nonadmits investment income due and accrued if the amounts are greater than 90 days past due.

**B. Amounts Nonadmitted**

Not applicable

**8. Derivative Instruments**

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## 9. Income Taxes

## A. Components of the net deferred tax asset (liability) ("DTA"/"(DTL)")

## 1. The components of the net DTA(DTL) at December 31 are as follows:

Description	December 31, 2015			December 31, 2014			Change		
	(1) Ordinary Income	(2) Capital Gain (Loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital Gain (Loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital Gain (Loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	\$ 64,506,442	\$ 14,615,513	\$ 79,121,955	\$ 59,220,760	\$ 16,242,761	\$ 75,463,521	\$ 5,285,682	\$ (1,627,248)	\$ 3,658,434
(b) Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c) Adjusted gross deferred tax assets (1a-1b)	\$ 64,506,442	\$ 14,615,513	\$ 79,121,955	\$ 59,220,760	\$ 16,242,761	\$ 75,463,521	\$ 5,285,682	\$ (1,627,248)	\$ 3,658,434
(d) Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e) Subtotal (net deferred tax asset) (1c-1d)	\$ 64,506,442	\$ 14,615,513	\$ 79,121,955	\$ 59,220,760	\$ 16,242,761	\$ 75,463,521	\$ 5,285,682	\$ (1,627,248)	\$ 3,658,434
(f) Deferred tax liabilities	481,564	49,235,782	49,717,346	495,056	51,613,632	52,108,688	(13,492)	(2,377,850)	(2,391,342)
(g) Net admitted deferred tax assets (net deferred tax liability) (1e-1f)	\$ 64,024,878	\$ (34,620,269)	\$ 29,404,609	\$ 58,725,704	\$ (35,370,871)	\$ 23,354,833	\$ 5,299,174	\$ 750,602	\$ 6,049,776

## 2. The admission calculation components of the DTA in accordance with SSAP No. 101, Income Taxes, are as follows:

Description	December 31, 2015			December 31, 2014			Change			
	(1) Ordinary Income	(2) Capital Gain (Loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital Gain (Loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital Gain (Loss)	(9) (Col 7+8) Total	
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 61,059,428	\$ --	\$ 61,059,428	\$ 55,846,978	\$ --	\$ 55,846,978	\$ 5,212,450	\$ --	\$ 5,212,450	
(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)	1,963,921	--	1,963,921	1,902,707	--	1,902,707	61,214	--	61,214	
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,963,921	--	1,963,921	1,902,707	--	1,902,707	61,214	--	61,214	
2. Adjusted gross deferred tax assets allowed per limitation threshold			78,799,652			78,408,026			391,626	
(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	1,483,093	14,615,513	16,098,606	1,471,075	16,242,761	17,713,836	12,018	(1,627,248)	(1,615,230)	
(d) Deferred tax assets admitted as result of application of SSAP No. 101.	Total (2(a)+2(b)+2(c))	\$ 64,506,442	\$ 14,615,513	\$ 79,121,955	\$ 59,220,760	\$ 16,242,761	\$ 75,463,521	\$ 5,285,682	\$ (1,627,248)	\$ 3,658,434

## 3. Recovery period and threshold limitation information is as follows:

Description	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	751%	759%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 525,331,012	\$ 522,720,176

**NOTES TO FINANCIAL STATEMENTS**

4. The impact of tax planning strategies is as follows:

Description	December 31, 2015		December 31, 2014		Change	
	(1) Ordinary Income	(2) Capital Gain (Loss)	(3) Ordinary Income	(4) Capital Gain (Loss)	(5) (Col 1-3) Ordinary Income	(6) (Col 2-4) Capital Gain (Loss)
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs	\$ 64,506,442	\$ 14,615,513	\$ 59,220,760	\$ 16,242,761	\$ 5,285,682	\$ (1,627,248)
2. % of adjusted gross DTAs attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	\$ 64,506,442	\$ 14,615,513	\$ 59,220,760	\$ 16,242,761	\$ 5,285,682	\$ (1,627,248)
4. % of net admitted adjusted gross DTAs admitted due to tax planning strategies	0%	0%	0%	0%	0%	0%
(b) Does the Company's tax planning strategies include the use of reinsurance? Yes <u>      </u> No <u>X</u>						

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

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

1. Current Income Tax:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Federal	\$ 76,874,438	\$ 71,750,491	\$ 5,123,947
(b) Foreign	--	--	--
(c) Subtotal	\$ 76,874,438	\$ 71,750,491	\$ 5,123,947
(d) Federal income tax on net capital gains	4,087,078	6,486,131	(2,399,053)
(e) Utilization of capital loss carry-forwards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	\$ 80,961,516	\$ 78,236,622	\$ 2,724,894

2. Deferred Tax Assets:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 12,980,308	\$ 13,041,168	\$ (60,860)
(2) Unearned premium reserve	49,339,944	44,169,854	5,170,090
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividend accrual	--	--	--
(7) Fixed assets	--	--	--
(8) Compensation and benefits accrual	--	--	--
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	1,339,819	1,258,780	81,039
(11) Net operating loss carry-forward	--	--	--
(12) Tax credit carry-forward	--	--	--
(13) Other - bad debt reserve	693,683	594,150	99,533
(14) Other (including items <5% of total ordinary tax assets)	152,688	156,808	(4,120)
(99) Subtotal	\$ 64,506,442	\$ 59,220,760	\$ 5,285,682
(b) Statutory valuation allowance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 64,506,442	\$ 59,220,760	\$ 5,285,682
(e) Capital			
(1) Investments	14,615,513	16,242,761	(1,627,248)
(2) Net capital loss carry-forward	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 14,615,513	\$ 16,242,761	\$ (1,627,248)
(f) Statutory valuation allowance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 14,615,513	\$ 16,242,761	\$ (1,627,248)
(i) Admitted deferred tax assets (2d+2h)	\$ 79,121,955	\$ 75,463,521	\$ 3,658,434

**NOTES TO FINANCIAL STATEMENTS**

## 3. Deferred Tax Liabilities:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 70,159	\$ 73,487	\$ (3,328)
(2) Fixed assets	--	--	--
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities - prepaid expenses	133,093	143,138	(10,045)
(6) Other liabilities - salvage and subrogation	278,311	278,431	(120)
(7) Other (including items <5% of total ordinary tax liabilities)	1	--	1
(99) Subtotal	\$ 481,564	\$ 495,056	\$ (13,492)
(b) Capital			
(1) Investments	49,235,782	51,613,632	(2,377,850)
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 49,235,782	\$ 51,613,632	\$ (2,377,850)
(c) Deferred tax liabilities (3a99+3b99)	\$ 49,717,346	\$ 52,108,688	\$ (2,391,342)

## 4. Net Deferred Tax Asset (Liability) (2i – 3c):

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
Net deferred tax asset (liability) (2i-3c)	\$ 29,404,609	\$ 23,354,833	\$ 6,049,776

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	December 31, 2015	December 31, 2014	Change
Total deferred tax assets	\$ 79,121,955	\$ 75,463,521	\$ 3,658,434
Total deferred tax liabilities	49,717,346	52,108,688	(2,391,342)
Net deferred tax asset (liability)	\$ 29,404,609	\$ 23,354,833	\$ 6,049,776
Tax effect of unrealized gains (losses)			2,312,479
Change in net deferred income tax			\$ 3,737,297

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

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

Description	Tax Effect	Effective Tax Rate
Provision computed at statutory rate	\$ 79,586,446	35%
Exempt interest income	(873,156)	0%
Dividends received deduction	(1,415,775)	-1%
Impact of nonadmitted assets	(73,644)	0%
Other	348	0%
Total	\$ 77,224,219	34%
Federal and foreign income taxes incurred	\$ 80,961,516	
Change in net deferred income tax	(3,737,297)	
Total statutory income taxes	\$ 77,224,219	

## E. Operating Loss and Tax Credit Carryforwards

1. The Company has no operating loss or tax credit carryforwards available.

2. The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately:

Period	Amount
Current tax year:	\$ 81,018,346
First preceding tax year:	\$ 78,556,107

The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

**NOTES TO FINANCIAL STATEMENTS**

## 3. Protective Tax Deposits

Not applicable

## F. Consolidated Federal Income Tax Return

1. The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.
2. The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.

## G. Federal or Foreign 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.

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

## A. Nature of Relationships

The Company is wholly owned by Progressive Commercial Holdings, Inc. ("PCH"), a holding company incorporated in Delaware. The structure of the holding company organization is shown on Schedule Y, Part 1.

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

All significant 2015 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

See Note 13.4

## C. Change in Terms of Intercompany Arrangements

Effective November 30, 2015, the management agreement between the Company and Progressive Commercial Casualty Company was terminated.

## D. Amounts Due to or from Related Parties

The Company reported a \$95,754,971 and \$76,032,172 receivable from parent, subsidiaries, and affiliates at December 31, 2015 and 2014, respectively. These balances are due to the timing of security purchases and cash collections and disbursements under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a \$17,965,983 and \$19,941,702 current Federal income tax payable at December 31, 2015 and 2014, respectively. These balances are due to TPC for the Company's Federal income tax liability. The intercompany balances are settled by the end of the following quarter depending on the timing of investment transactions. These transactions are dependent upon market timing, investment needs and overall portfolio strategy as to the timing of such settlement transactions.

## E. Guarantees or Contingencies for Related Parties

Not applicable

## F. Management, Service Contracts, Cost Sharing Arrangements

The Company participates in a management agreement with one of its insurance affiliates. Under the terms of the agreement, the affiliate is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on its use of services.

See Note 10.C

The Company participates in joint management services agreements with several of its insurance affiliates. Under the terms of the agreements, the Company provides these affiliates with underwriting and loss adjustment services for specific business produced, and these affiliates may, from time to time, provide the Company with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company's use of the other's services.

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

All intercompany agreements are approved by the participating insurance companies' states of domicile when established. Upon redomestication, intercompany agreements are not required to be approved by the new state of domicile.

## G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by PCH.

## H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

## J. Write-Downs for Impairments of Investments in Affiliates

Not applicable

## K. Investment in Foreign Insurance Subsidiary

Not applicable

## L. Investment in Downstream Non-Insurance Holding Company

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

M. Subsidiary, Controlled and Affiliated Entities (except insurance subsidiary, controlled and affiliated entities) Value  
Not applicable

N. Insurance Subsidiary, Controlled and Affiliated Entities Valuation That Departs From NAIC Statutory Accounting Practices and Procedures  
Not applicable

11. Debt  
Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans  
The Company has no direct payroll (see Note 10.F).

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

1. Outstanding Shares  
The Company has 128 shares of \$23,500 par value common stock authorized and 128 shares issued, and outstanding. The Company has no preferred stock authorized, issued, or outstanding.
2. Dividend Rate of Preferred Stock  
Not applicable
- 3,4,5,6. Dividends  
The maximum amount of dividends the Company can pay to PCH in 2016 without prior regulatory approval is limited by insurance laws in Ohio. Based on the dividend laws currently in effect, the Company may pay dividends of \$146,428,331 in 2016 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.  
Within the limitations described above, there are no additional restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

The Company paid dividends to PCH as follows:

Date Paid	Amount Paid	Dividend Type
December 31, 2015	\$ 2,500,000	Ordinary
December 21, 2015	\$ 74,500,000	Ordinary
September 24, 2015	\$ 60,000,000	Ordinary
December 19, 2014	\$ 30,000,000	Ordinary
December 19, 2014	\$ 46,000,000	Extraordinary
September 24, 2014	\$ 30,000,000	Ordinary

The extraordinary cash dividend was approved by the Ohio and California DOI.

7. Mutual Surplus Advances  
Not applicable

8. Company Stock Held for Special Purposes  
Not applicable

9. Changes in Special Surplus Funds  
Not Applicable

10. Changes in Unassigned Funds (Surplus)  
As of December 31, 2015, the portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss)	\$ 125,924,889
Nonadmitted assets	(4,236,225)
Provision for reinsurance	--
Total	\$ 121,688,664
The unrealized gain is gross of the applicable deferred tax liability of	
	\$ 44,073,711

11. Surplus Notes  
Not applicable

12,13. Quasi Reorganizations  
Not applicable

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments  
Not applicable

**NOTES TO FINANCIAL STATEMENTS****B. Assessments**

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. As of December 31, 2015 and 2014, the Company's estimated liability for state guaranty fund and other assessments was \$718,433 and \$793,220, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2015 and 2014, the Company's estimated liability for various surcharges was \$799,287 and \$753,456, respectively.

**C. Gain Contingencies**

Not applicable

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

The Company paid the following amounts in 2015 to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits:

<b>Description</b>	<b>Direct</b>
Claims related ECO and bad faith losses paid in 2015	\$ 450,000

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during 2015.

<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>
<b>0-25 Claims</b>	<b>26-50 Claims</b>	<b>51-100 Claims</b>	<b>101-500 Claims</b>	<b>More than 500 Claims</b>
x				

(f) Per Claim [ ] (g) Per Claimant [x]

**E. Product Warranties**

Not applicable

**F. Joint and Several Liabilities**

Not applicable

**G. All Other Contingencies**

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and LAE reserves. The Company also has potential exposure relating to lawsuits due to its participation in management agreements for which it is allocated litigation expenses (see Note 10.F).

The following is a discussion of potentially significant pending cases at December 31, 2015. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of December 31, 2015, there were two putative statewide class action lawsuits and one case, which was consolidated into multidistrict proceedings alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of December 31, 2015, there was a putative class action lawsuit challenging the Company's practice of paying lost wage claims. An agreement to settle was reached and a loss reserve was established accordingly.

**15. Leases**

Not applicable

**16. Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk**

Not applicable

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

Not applicable

**B. Transfers and Servicing of Financial Assets**

Not applicable

**C. Wash Sales**

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

**18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not applicable

**19. Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators**

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## 20. Fair Value Measurements

## A. Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements

## 1. Fair Value Measurements by Levels 1, 2 and 3

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

See Note 1, Investment Policies section for further information regarding methods used to determine fair market value.

The Company's management evaluated whether the market was distressed or inactive in determining the fair value of the Company's securities and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, management concluded that there was sufficient activity in determining the fair market value of the Company's securities.

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2. At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

Fair Value Measurements at December 31, 2015:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds industrial & miscellaneous	\$ --	\$ 50,292,565	\$ --	\$ 50,292,565
Common stock industrial & miscellaneous	221,510,952	--	--	221,510,952
Preferred stock industrial & miscellaneous	--	55,399,600	--	55,399,600
Total assets at fair value	\$ 221,510,952	\$ 105,692,165	\$ --	\$ 327,203,117
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

## 2. Roll forward of Level 3 Items

Not applicable

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

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

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

See Note 20.A.1 above.

## 5. Derivative Fair Values

Not applicable

## B. Other Fair Value Disclosures

Not applicable

## C. Fair Values for all Financial Instruments by Levels 1, 2, and 3

The table below represents the fair value of all financial instruments at December 31, 2015, however, not all financial instruments are reported at fair value in the Company's financial statements.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 1,622,664,841	\$ 1,619,826,726	\$ 167,614,805	\$ 1,455,050,036	\$ --	\$ --
Cash equivalents	5,898,919	5,898,919	5,898,919	--	--	--
Common stock	221,510,952	221,510,952	221,510,952	--	--	--
Preferred stock	55,399,600	55,399,600	--	55,399,600	--	--
Short-term investments	111,724	111,724	111,724	--	--	--
Total	\$ 1,905,586,036	\$ 1,902,747,921	\$ 395,136,400	\$ 1,510,449,636	\$ --	\$ --

## D. Financial Instruments for Which it is Not Practicable to Estimate Fair Values

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## 21. Other Items

- A. Unusual or Infrequent Items  
Not applicable
- B. Troubled Debt Restructuring for Debtors  
Not applicable
- C. Other Disclosures  
Not applicable
- D. Business Interruption Insurance Recoveries  
Not applicable
- E. State Transferable and Non-transferable Tax Credits  
Not applicable
- F. Subprime Mortgage Related Risk Exposure
  - 1. Exposure to Subprime Mortgage Related Risk

The following subprime disclosure and the review and procedures described within are completed at a consolidated level for all the Progressive companies. To the extent the Company had any direct subprime exposure, those securities would be listed in Note 21.F.3.

Management's review of the investment portfolio for securities with direct subprime exposure, such as Alt-A residential mortgage loan-backed bonds and home equity loan-backed bonds is performed in conjunction with the OTTI analysis and procedures (see Note 1.C). Additionally, securities that were determined to have an indirect subprime exposure were also reviewed as part of the OTTI process.

The Company's management continues to perform a detailed review of its investment portfolio, paying particular attention to the credit profile of the issuers to identify the extent to which any asset values may have been impacted by direct or indirect exposure to the subprime mortgage loan disruption, as well as broader credit and financial market events.

In 2015, the Company recorded no OTTI write-downs on any securities as a result of direct subprime exposure.

## 2. Direct Investment in Subprime Mortgage Loans

Not applicable

## 3. Direct Investment in Securities with Underlying Subprime Exposure

At December 31, 2015, the Company had the following securities with underlying subprime exposure:

Investment Type	Actual Cost	Book Adjusted Carrying Value	Fair Market Value	OTTI Recognized
(a) Residential mortgage-backed securities	\$ 105,754,042	\$ 105,540,126	\$ 110,025,054	\$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs	--	--	--	--
(f) Other assets	--	--	--	--
(g) Total	\$ 105,754,042	\$ 105,540,126	\$ 110,025,054	\$ --

## 4. Mortgage or Financial Guaranty Subprime Exposure

Not applicable

## G. Insurance-Linked Securities

Not applicable

## H. Agents' Balances Certification, Florida Statute 625.012 (5):

At December 31, 2015 and 2014, the Company reported net admitted premiums and agents' balances in course of collection of \$63,124,365 and \$57,869,351, respectively. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

## 22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 15, 2016 for the statutory statement that was available for issuance by March 1, 2016.

The Company does not write health insurance and therefore has no premiums subject to assessment under section 9010 of the Affordable Care Act for either the current or prior years.

## 23. Reinsurance

- A. Unsecured Reinsurance Recoverable  
Not applicable
- B. Reinsurance Recoverable in Dispute  
Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Reinsurance Assumed and Ceded

1. The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2015.

	Assumed		Ceded		Net	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(a) Affiliates	\$ 321,263,000	\$ --	\$ --	\$ --	\$ 321,263,000	\$ --
(b) All Other	--	--	361,000	9,000	(361,000)	(9,000)
(c) Totals	\$ 321,263,000	\$ --	\$ 361,000	\$ 9,000	\$ 320,902,000	\$ (9,000)
(d) Direct Unearned Premium Reserve is \$380,540,000						

2. The Company has no return commission or profit sharing arrangements

## D. Uncollectible Reinsurance

Not applicable

## E. Commutation of Ceded Reinsurance

Not applicable

## F. Retroactive Reinsurance

Not applicable

## G. Reinsurance Accounted for as a Deposit

Not applicable

## H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

## I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

## J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

## 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

## A. Method Used to Estimate

The Company's only retrospectively rated contract for its auto rental insurance business was cancelled and is in run-off effective April 5, 2002. The Company calculates accrued retrospective premium for each policy period based on inception-to-date incurred losses and defense and cost containment expense grossed up for certain adjusting and other LAE and premium tax reimbursement factors as stipulated in the contract. The difference between the inception-to-date retrospective premium and the inception-to-date basic premium that has been paid is accrued as a retrospective premium adjustment. At December 31, 2015, the amount remaining on the contract is not considered material to the Company.

## B. Method Used to Record

The Company records accrued retrospective premium as an adjustment to net premiums written.

## C. Amount and Percent of Net Retrospective Premiums

At December 31, 2015, the net premiums written on retrospective policies were not considered material to the Company.

## D. Medical Loss Ratio Rebates

Not applicable

## E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable

## F. Risk Sharing Provisions of the Affordable Care Act

Not applicable

## 25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years decreased by \$33,898,908 in 2015, which is 3.6% of the total prior year net unpaid losses and LAE of \$929,795,874. Commercial auto liability reserves developed favorably due to originally anticipated severity for accident years 2014 and 2012 and prior decreasing by 3.4% and less than 1%, respectively. Private passenger auto liability reserves developed favorably due to originally anticipated severity for accident years 2014 and 2013 decreasing by less than 1.0%. LAE reserves developed favorably in adjusting and other expense reserves partially offset by unfavorable development in commercial auto liability defense and cost containment reserves.

## 26. Intercompany Pooling Arrangements

Not applicable

## 27. Structured Settlements

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

28. Health Care Receivables  
Not applicable

29. Participating Accident and Health Policies  
Not applicable

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$0
2. Date of most recent evaluation of this liability	December 31, 2015
3. Was anticipated investment income utilized in the calculation?	Yes [X] No [ ]

31. High Deductibles  
Not applicable

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses  
Not applicable

33. Asbestos and Environmental Reserves  
Not applicable

34. Subscriber Savings Accounts  
Not applicable

35. Multiple Peril Crop Insurance  
Not applicable

36. Financial Guaranty Insurance  
Not applicable

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES****GENERAL**

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

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

1.3 State regulating? OHIO

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

2.2 If yes, date of change: \_\_\_\_\_

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2012

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. \_\_\_\_\_ 12/31/2012

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). \_\_\_\_\_ 08/06/2013

3.4 By what department or departments? OHIO

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

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control \_\_\_\_\_ %

7.22 State the nationality(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).

1 Nationality	2 Type of Entity

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

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

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

8.4 If the response to 8.3 is yes, please provide below the names and 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.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? PRICEWATERHOUSECOOPERS, LLP 200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301

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

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

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

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

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

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

# UNITED FINANCIAL CASUALTY COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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? <u>GARY S. TRAIOFF, FCAS, MAAA CORPORATE ACTUARY 6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182</u>			
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No [ ]			
12.11	Name of real estate holding company <u>AVALONBAY COMMUNITIES INC, BRANDYWINE REALTY TRUST, KIMCO REALTY CORP, PLUM CREEK TIMBER CO INC, CBRE GROUP INC, WELLTOWER INC, ZILLOW GROUP INC A</u>			
12.12	Number of parcels involved <u>0</u>			
12.13	Total book/adjusted carrying value <u>\$ 4,736,213</u>			
12.2	If yes, provide explanation <u>WE HOLD A COMMON STOCK INTEREST IN SEVERAL REAL ESTATE HOLDING COMPANIES. THE NUMBER OF PARCELS IS UNKNOWN.</u>			
13.	<b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>			
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? <u>N/A</u>			
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):			
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]			
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.			
	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator 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 subordinator 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 [ ]

### 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 reporting 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	\$ 0
21.22 Borrowed from others	\$ 0
21.23 Leased from others	\$ 0
21.24 Other	\$ 0

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	\$ 0
22.22 Amount paid as expenses	\$ 0
22.23 Other amounts paid	\$ 0

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

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

### INVESTMENT

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

24.01 Were all of 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 [X]  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). N/A

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 [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0

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 [X]

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

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 [X]

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: \$ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.103 Total payable for securities lending reported on the liability page: \$ 0

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)  Yes [X]  No [ ]

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

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 4,860,565

25.29 On deposit with other regulatory bodies \$ 0

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
		<u>\$</u>

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

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

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

27.2 If yes, state the amount thereof at December of the current year: \$ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105

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)
NONE		

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?  Yes [ ]  No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

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

1 Central Registration Depository	2 Name(s)	3 Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST, BOSTON, MA 02110

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

**UNITED FINANCIAL CASUALTY COMPANY**  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29,2999 TOTAL		

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	1,625,837,370	1,628,675,484	2,838,114
30.2	Preferred Stocks	55,399,600	55,399,600	0
	Totals	1,681,236,970	1,684,075,084	2,838,114

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

THE FAIR MARKET VALUES REPORTED ARE DERIVED FROM INDEPENDENT AND OBSERVABLE MARKET INPUT EVALUATIONS PROVIDED BY WIDELY UTILIZED REPUTABLE PRICING SERVICES, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

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 reliance pricing source for purposes of disclosure of fair value for Schedule D: THE COMPANY'S FAIR MARKET VALUATION PROCESS, REGARDLESS OF WHAT PRICING SOURCE IS USED, ANALYZES AND COMPARES INDEPENDENT VENDOR QUOTATIONS/SPREADS, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTES, INDEPENDENT BROKER/DEALER PRICING SERVICES, INPUTS FROM THE PORTFOLIO MANAGEMENT TEAM, DISCUSSIONS WITH EXTERNAL AUDITORS, AND SECURITY SPECIFIC PARAMETERS TO ENSURE THAT THE VALUATION PROCESS REFLECTS THE MOST ACCURATE FAIR VALUE AT THE REPORTING DATE.

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

32.2 If no, list exceptions:

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 70,678

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

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS	\$ 70,678

34.1 Amount of payments for legal expenses, if any? \$ 0

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

1 Name	2 Amount Paid
NONE	\$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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

1 Name	2 Amount Paid
NONE	\$ 0

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ]	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
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.	\$	0
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	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 1,669,096,571	\$ 1,582,267,020
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 1,877,951,644	\$ 1,686,482,550
2.6	Reserve Ratio (2.4/2.5)		
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	\$ 0	
3.22	Non-participating policies	\$ 0	
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.	\$ 0	
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 [ ]
5.22	As a direct expense of the exchange	Yes [ ]	N/A [ ]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes [ ]	No [ ]
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments 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?	<u>THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.</u>	
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:	<u>THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. APPROXIMATELY 20% OF THE COMPANY'S TOTAL DIRECT AND ASSUMED EXPOSURES ARE IN THE STATE OF FLORIDA. THE ESTIMATE OF THE PML IS 8% OF TOTAL SURPLUS. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMMERCIAL AUTO COMPREHENSIVE.</u>	
6.3	What provision has this reporting entity made (such as 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?	<u>THE COMPANY'S ESTIMATED PML IS 8% OF THE COMPANY'S SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS CATASTROPHE EXPOSURE.</u>	
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 [ ] No [X]	

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:	<u>NONE</u>	
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 [ ]	No [ X ]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [ ]	No [ ]
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [ ]	No [ X ]
8.2	If yes, give full information		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:		
	(a) A contract term longer than two years and the contract is 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?		
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:	Yes [ ]	No [ X ]
	(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or		
	(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [ ]	No [ X ]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:		
	(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;		
	(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and		
	(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.		
9.4	Except for transactions meeting the requirements of paragraph 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	Yes [ ]	No [ X ]
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [ ]	No [ X ]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.		
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:		
	(a) The entity does not utilize reinsurance; or,	Yes [ ]	No [ X ]
	(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [ ]	No [ X ]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [ ]	No [ X ]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [ X ]	No [ ] N/A [ ]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [ ]	No [ X ]
11.2	If yes, give full information		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:		
12.11	Unpaid losses	\$	0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [ ]	No [ X ] N/A [ ]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:		
12.41	From	%	
12.42	To	%	
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [ ]	No [ X ]
12.6	If yes, state the amount thereof at December 31 of current year:	\$	0
	12.61 Letters of Credit	\$	0

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

12.62 Collateral and other funds	\$	0			
13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	2,000,000			
13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [ ]	No [X]			
13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.		0			
14.1 Is the company a cedant in a multiple cedant reinsurance contract?	Yes [ ]	No [X]			
14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:					
14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?	Yes [ ]	No [ ]			
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	\$ 0 \$	0 \$	0 \$	0 \$	0
16.12 Products	\$ 0 \$	0 \$	0 \$	0 \$	0
16.13 Automobile	\$ 0 \$	0 \$	0 \$	0 \$	0
16.14 Other*	\$ 0 \$	0 \$	0 \$	0 \$	0
* 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	\$	0			
17.12 Unfunded portion of Interrogatory 17.11	\$	0			
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$	0			
17.14 Case reserves portion of Interrogatory 17.11	\$	0			
17.15 Incurred but not reported portion of Interrogatory 17.11	\$	0			
17.16 Unearned premium portion of Interrogatory 17.11	\$	0			
17.17 Contingent commission portion of Interrogatory 17.11	\$	0			
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	\$	0			
17.19 Unfunded portion of Interrogatory 17.18	\$	0			
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$	0			
17.21 Case reserves portion of Interrogatory 17.18	\$	0			
17.22 Incurred but not reported portion of Interrogatory 17.18	\$	0			
17.23 Unearned premium portion of Interrogatory 17.18	\$	0			
17.24 Contingent commission portion of Interrogatory 17.18	\$	0			
18.1 Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]			
18.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$	0			
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.	\$	0			

**FIVE-YEAR HISTORICAL DATA**

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

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	...1,182,238,022	...1,102,363,040	...1,033,657,866	...819,738,970	...694,447,970
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...560,876,009	...517,225,142	...468,307,697	...353,505,344	...280,694,480
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	262,746				
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...52,000	...52,000	...52,500	...52,475	
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	...1,743,428,777	...1,619,640,182	...1,502,018,063	...1,173,296,789	...975,142,450
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	...1,181,425,288	...1,101,756,924	...1,033,290,181	...819,616,359	...694,437,677
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...560,876,009	...517,225,142	...468,307,697	...353,505,344	...280,694,480
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	262,746				
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...52,000	...52,000	...52,500	...52,475	
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	...1,742,616,043	...1,619,034,066	...1,501,650,378	...1,173,174,178	...975,132,157
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	...162,263,931	...166,311,968	...44,268,540	...46,705,611	...139,425,914
14. Net investment gain (loss) (Line 11).....	...54,379,981	...60,185,713	...42,279,345	...58,793,865	...52,086,741
15. Total other income (Line 15).....	6,658,857	7,228,053	7,798,623	5,329,314	4,361,607
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	...76,874,438	...71,750,491	...33,966,418	...36,855,814	...61,708,836
18. Net income (Line 20).....	...146,428,331	...161,975,243	...60,380,090	...73,972,976	...134,165,426
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	...2,507,593,916	...2,301,125,168	...2,137,869,338	...1,815,880,253	...1,630,419,943
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	...63,124,365	...57,869,351	...53,484,865	...44,662,408	...29,057,003
20.2 Deferred and not yet due (Line 15.2).....	...407,661,299	...383,263,004	348,877,137	327,159,853	196,426,422
20.3 Accrued retrospective premiums (Line 15.3).....	...42	...52,650	2,264	1,888	1,006
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	...1,952,858,295	...1,755,050,159	...1,645,881,593	...1,424,534,184	...1,240,154,330
22. Losses (Page 3, Line 1).....	...891,973,286	...784,876,010	753,123,675	613,829,600	561,713,289
23. Loss adjustment expenses (Page 3, Line 3).....	...159,551,278	...144,919,864	133,663,188	116,942,281	113,888,353
24. Unearned premiums (Page 3, Line 9).....	...701,441,634	...627,922,162	591,155,115	527,020,908	421,201,748
25. Capital paid up (Page 3, Lines 30 & 31).....	3,008,000	3,008,000	3,008,000	3,008,000	3,008,000
26. Surplus as regards policyholders (Page 3, Line 37).....	...554,735,621	...546,075,009	491,987,745	391,346,069	390,265,613
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	...306,521,673	...222,096,960	265,015,928	109,751,195	99,899,518
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	...554,735,621	...546,075,009	491,987,745	391,346,069	390,265,613
29. Authorized control level risk-based capital.....	...69,949,384	...68,891,837	74,645,657	58,934,461	52,208,033
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	85.1	84.0	81.6	74.2	78.8
31. Stocks (Lines 2.1 & 2.2).....	14.6	15.8	18.4	17.7	19.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	0.3	0.2	0.0	8.2	1.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					0.0
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments					
(subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

**UNITED FINANCIAL CASUALTY COMPANY**  
**FIVE-YEAR HISTORICAL DATA**  
(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	(4,294,605)	1,789,407	32,705,667	15,813,620	(4,011,648)
52. Dividends to stockholders (Line 35).....	(137,000,000)	(106,000,000)		(95,000,000)	(145,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	8,660,612	54,087,264	100,641,676	1,080,456	(16,021,233)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	567,976,148	609,674,342	508,037,906	427,146,609	409,607,060
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	325,322,277	300,806,239	283,221,617	189,841,519	166,951,862
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	34,525				
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	893,332,950	910,480,581	791,259,523	616,988,128	576,558,922
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	567,776,148	608,674,803	508,037,906	427,146,609	409,607,060
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	325,322,277	300,806,239	283,221,617	189,841,519	166,951,862
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	34,525				
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	893,132,950	909,481,042	791,259,523	616,988,128	576,558,922
<b>Operating Percentages</b> (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).....	59.9	59.5	64.7	62.7	54.6
68. Loss expenses incurred (Line 3).....	10.0	9.8	10.5	10.1	9.5
69. Other underwriting expenses incurred (Line 4).....	20.3	20.2	21.7	22.8	21.4
70. Net underwriting gain (loss) (Line 8).....	9.7	10.5	3.1	4.4	14.5
<b>Other Percentages</b>					
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).....	19.1	19.3	20.2	20.3	20.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	70.0	69.2	75.3	72.8	64.1
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).....	314.1	296.5	305.2	299.8	249.9
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(27,899)	(15,900)	22,109	14,805	(54,933)
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).....	(5.1)	(3.2)	5.6	3.8	(13.5)
<b>Two Year Loss Development (000 omitted)</b>					
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).....	(26,534)	8,221	25,973	(49,954)	(101,356)
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).....	(5.4)	2.1	6.7	(12.3)	(25.0)

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.....	.....284		.....190		.....56		.....271	.....530	....XXX.....	
2. 2006.....	....1,001,296	.....18	....1,001,278	.....560,213		.....27,011		.....86,471		.....11,268	....673,696	....XXX.....	
3. 2007.....	....1,289,481	.....8	....1,289,473	.....704,687		.....27,910		.....104,637		.....24,507	....837,233	....XXX.....	
4. 2008.....	....1,221,940	.....(13)	....1,221,953	.....674,545		.....28,920		.....105,150		.....23,552	....808,614	....XXX.....	
5. 2009.....	....1,141,335	.....(5)	....1,141,340	.....602,994		.....25,261		.....83,806		.....19,145	....712,061	....XXX.....	
6. 2010.....	....1,040,248	.....8	....1,040,240	.....594,219		.....28,262		.....81,154		.....17,606	....703,634	....XXX.....	
7. 2011.....	....962,169	.....3	....962,166	.....569,437		.....22,255		.....72,552		.....18,789	....664,244	....XXX.....	
8. 2012.....	....1,067,418	.....62	....1,067,356	.....616,116		.....18,751		.....75,039		.....28,905	....709,906	....XXX.....	
9. 2013.....	....1,437,791	.....275	....1,437,516	.....788,444	.....1,000	.....16,456		.....108,293		.....77,245	....912,193	....XXX.....	
10. 2014.....	....1,582,762	.....495	....1,582,267	.....710,764	.....200	.....8,884	.....2	.....105,432		.....82,103	....824,877	....XXX.....	
11. 2015.....	....1,669,820	.....723	....1,669,097	.....559,767		.....2,017		.....91,051		.....55,064	....652,834	....XXX.....	
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....6,381,468	.....1,200	.....205,915		.....2	....913,640	.....0	....358,455	....7,499,823	....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.....	....577		....66		.....70				.....21			.....734	....XXX.....
2. 2006.....	....690		....12		.....42				.....12			.....756	....XXX.....
3. 2007.....	....150		....12		.....48				.....14			.....223	....XXX.....
4. 2008.....	....2,783		....12		.....220				.....67			....3,081	....XXX.....
5. 2009.....	....2,463		....12		.....353				.....122			....2,950	....XXX.....
6. 2010.....	....6,054		....12		.....1,117				.....349			....7,532	....XXX.....
7. 2011.....	....15,635		....12		.....1,841				.....500			....17,988	....XXX.....
8. 2012.....	....36,636		....10,920	.....2	.....4,859		.....1,845		.....1,888			....56,146	....XXX.....
9. 2013.....	....111,412		....10,470	.....17	.....14,668		.....3,093	.....0	.....5,312			....144,937	....XXX.....
10. 2014.....	....199,226	.....141	....25,441	.....81	.....25,789		.....5,047	.....0	.....12,917			....268,199	....XXX.....
11. 2015.....	....393,253	.....38	....76,771	.....366	.....31,999	.....1	.....8,412	.....1	.....38,949			....548,980	....XXX.....
12. Totals.....	....768,878	.....178	....123,739	.....466	.....81,005	.....1	.....18,397	.....1	.....60,151	.....0		....1,051,525	....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
	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
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....			....XXX.....	.....643	.....91
2. 2006.....	....674,452	.....0	....674,452	.....67.4	.....0.0	....67.4				.....702	.....54
3. 2007.....	....837,456	.....0	....837,456	.....64.9	.....0.0	....64.9				.....161	.....62
4. 2008.....	....811,695	.....0	....811,695	.....66.4	.....0.0	....66.4				....2,795	....286
5. 2009.....	....715,011	.....0	....715,011	.....62.6	.....0.0	....62.6				....2,475	....475
6. 2010.....	....711,166	.....0	....711,166	.....68.4	.....0.0	....68.4				....6,066	....1,466
7. 2011.....	....682,231	.....0	....682,231	.....70.9	.....0.0	....70.9				....15,647	....2,341
8. 2012.....	....766,054	.....2	....766,052	.....71.8	.....3.2	....71.8				....47,554	....8,592
9. 2013.....	....1,058,147	.....1,017	....1,057,130	.....73.6	.....369.5	.....73.5				....121,864	....23,072
10. 2014.....	....1,093,500	.....424	....1,093,076	.....69.1	.....85.7	.....69.1				....224,446	....43,753
11. 2015.....	....1,202,219	.....405	....1,201,814	.....72.0	.....56.0	....72.0				....469,621	....79,359
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	....891,973	....159,551

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior.....	165,287	189,766	188,460	186,352	188,988	188,330	187,817	188,680	189,111	189,484	373	804
2. 2006.....	559,260	591,564	596,470	594,032	585,795	585,235	585,880	588,624	588,527	587,968	(559)	(656)
3. 2007.....	XXX.....	757,315	762,107	748,417	746,071	736,487	733,223	733,107	732,624	732,805	181	(302)
4. 2008.....	XXX.....	XXX.....	762,357	727,565	718,097	709,160	703,687	707,554	707,933	706,479	(1,454)	(1,074)
5. 2009.....	XXX.....	XXX.....	XXX.....	695,659	647,003	631,457	639,302	629,960	630,325	631,082	757	1,122
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	648,775	629,128	634,868	636,383	628,499	629,663	1,164	(6,720)
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	599,816	609,642	621,278	618,921	609,180	(9,742)	(12,099)
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	683,667	694,607	690,365	689,125	(1,240)	(5,482)
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	945,652	943,640	943,526	(114)	(2,126)
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	991,991	974,727	(17,264)	XXX.....
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	1,071,814	XXX.....	XXX.....
										12. Totals.....	(27,899)	(26,534)

**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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior.....	000.....	103,427	150,093	172,163	180,171	183,778	184,961	187,455	188,296	188,770	XXX.....	XXX.....
2. 2006.....	307,283	439,441	505,555	540,487	567,493	575,442	579,469	586,184	587,100	587,224	XXX.....	XXX.....
3. 2007.....	XXX.....	399,702	544,597	641,992	690,477	717,425	728,311	731,814	732,244	732,596	XXX.....	XXX.....
4. 2008.....	XXX.....	XXX.....	381,910	531,452	604,605	654,483	682,904	696,228	701,379	703,465	XXX.....	XXX.....
5. 2009.....	XXX.....	XXX.....	XXX.....	348,074	470,489	541,656	589,718	617,382	625,903	628,254	XXX.....	XXX.....
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	332,341	460,891	540,648	589,302	613,307	622,480	XXX.....	XXX.....
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	314,752	438,937	514,222	569,440	591,692	XXX.....	XXX.....
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	348,057	500,834	586,083	634,867	XXX.....	XXX.....
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	490,380	712,661	803,900	XXX.....	XXX.....
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	534,054	719,445	XXX.....	XXX.....
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	561,784	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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior.....	26,317	11,487	3,624	221	48	31	16	47	70	66
2. 2006.....	61,004	20,964	11,226	10,007	38	22	3	12	14	12
3. 2007.....	XXX.....	76,532	28,243	14,758	14,783	69	1	12	14	12
4. 2008.....	XXX.....	XXX.....	87,901	28,705	15,014	10,144	(0)	12	13	12
5. 2009.....	XXX.....	XXX.....	XXX.....	84,292	25,712	14,297	12,099	18	12	12
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	63,486	22,578	12,443	11,316	12	12
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	57,835	22,572	12,091	10,275	12
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	72,342	24,177	11,226	12,764
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	89,817	29,883	13,545
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	87,463	30,408
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	84,816

**UNITED FINANCIAL CASUALTY 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.....								
2. Alaska.....	AK L.....	7,521,605	7,665,924		2,178,279	2,524,049	2,681,288	.51,429	
3. Arizona.....	AZ L.....	26,787,745	23,572,235		10,373,645	10,388,849	10,979,985	.347,896	
4. Arkansas.....	AR L.....	23,708,013	22,048,978		11,878,929	10,543,709	14,453,054	.200,072	
5. California.....	CA L.....	537,629,414	510,125,696		296,191,677	331,036,062	218,491,455	6,221,239	
6. Colorado.....	CO L.....	2,295,521	2,391,509		597,528	964,955	2,434,233	.11,639	
7. Connecticut.....	CT L.....								
8. Delaware.....	DE L.....	6,338,980	5,912,658		2,639,082	2,798,884	2,809,792	.44,546	
9. District of Columbia.....	DC L.....								
10. Florida.....	FL L.....								
11. Georgia.....	GA L.....								
12. Hawaii.....	HI L.....								
13. Idaho.....	ID L.....	13,715,033	12,821,052		5,273,300	7,261,762	7,959,958	.114,856	
14. Illinois.....	IL L.....						.300,000		
15. Indiana.....	IN L.....								
16. Iowa.....	IA L.....								
17. Kansas.....	KS L.....	16,406,300	14,808,187		6,562,784	7,225,806	4,961,648	.123,717	
18. Kentucky.....	KY L.....	20,831,723	18,987,601		8,356,101	10,765,362	14,633,894	.110,961	
19. Louisiana.....	LA L.....								
20. Maine.....	ME L.....	32,513,722	31,274,167		17,450,767	18,944,156	10,291,788	.522,832	
21. Maryland.....	MD L.....	3,596,324	3,831,431		1,379,281	1,315,738	2,732,833	.25,953	
22. Massachusetts.....	MA L.....	4,665,475	4,515,606		2,236,811	2,412,537	2,311,229	.66,910	
23. Michigan.....	MI L.....								
24. Minnesota.....	MN L.....	21,360,429	19,814,202		9,491,804	8,475,167	10,478,267	.163,684	
25. Mississippi.....	MS L.....								
26. Missouri.....	MO L.....				9,402	14,996	.173,182		
27. Montana.....	MT L.....	13,547,756	13,349,261		6,913,240	7,764,700	.6,050,729	.111,992	
28. Nebraska.....	NE L.....								
29. Nevada.....	NV L.....	12,963,242	11,642,524		6,764,306	7,654,923	.8,902,879	.141,586	
30. New Hampshire.....	NH L.....	6,798,126	.6,516,192		3,443,621	2,848,477	4,916,118	.60,247	
31. New Jersey.....	NJ L.....								
32. New Mexico.....	NM L.....	18,298,262	18,243,806		6,529,821	.11,151,643	15,378,235	.178,276	
33. New York.....	NY L.....	30,782,231	35,087,006		11,181,137	.15,553,754	.24,691,651	.231,494	
34. North Carolina.....	NC L.....				.186,221	(.236,115)			
35. North Dakota.....	ND L.....	12,145,562	14,011,139		.5,254,995	.4,172,084	.6,126,982	.60,611	
36. Ohio.....	OH L.....	5,370,097	.5,655,859		3,238,366	.2,184,581	.4,304,045	.46,824	
37. Oklahoma.....	OK L.....				.113,992	(.137,551)	(.196)		
38. Oregon.....	OR L.....								
39. Pennsylvania.....	PA L.....	78,174,967	.69,035,133		31,743,165	.35,276,194	.40,530,646	.734,582	
40. Rhode Island.....	RI L.....	8,142,847	.7,782,638		3,459,716	.3,864,713	.6,899,734	.77,852	
41. South Carolina.....	SC L.....				.101,825	(.47,999)	.40,739		
42. South Dakota.....	SD L.....	6,540,115	.6,276,375		3,310,538	.4,172,518	.2,555,170	.38,305	
43. Tennessee.....	TN L.....				.25,000	(.75,000)			
44. Texas.....	TX L.....								
45. Utah.....	UT L.....	14,797,073	13,649,335		7,689,056	7,512,802	9,923,805	.108,482	
46. Vermont.....	VT L.....	7,552,143	7,214,131		3,789,347	4,193,766	.3,968,063	.75,052	
47. Virginia.....	VA L.....	731,195	.856,517		.654,851	.791,441	.1,163,993	.3,967	
48. Washington.....	WA L.....	40,469,491	37,101,977		18,301,628	.23,089,832	.23,321,717	.285,518	
49. West Virginia.....	WV L.....	8,973,439	.8,628,695		2,746,592	3,500,228	.3,505,513	.24,604	
50. Wisconsin.....	WI L.....								
51. Wyoming.....	WY L.....								
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	982,656,830	932,819,834	.0	.490,066,807	.547,907,023	.467,972,429	.10,185,126	0

## 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

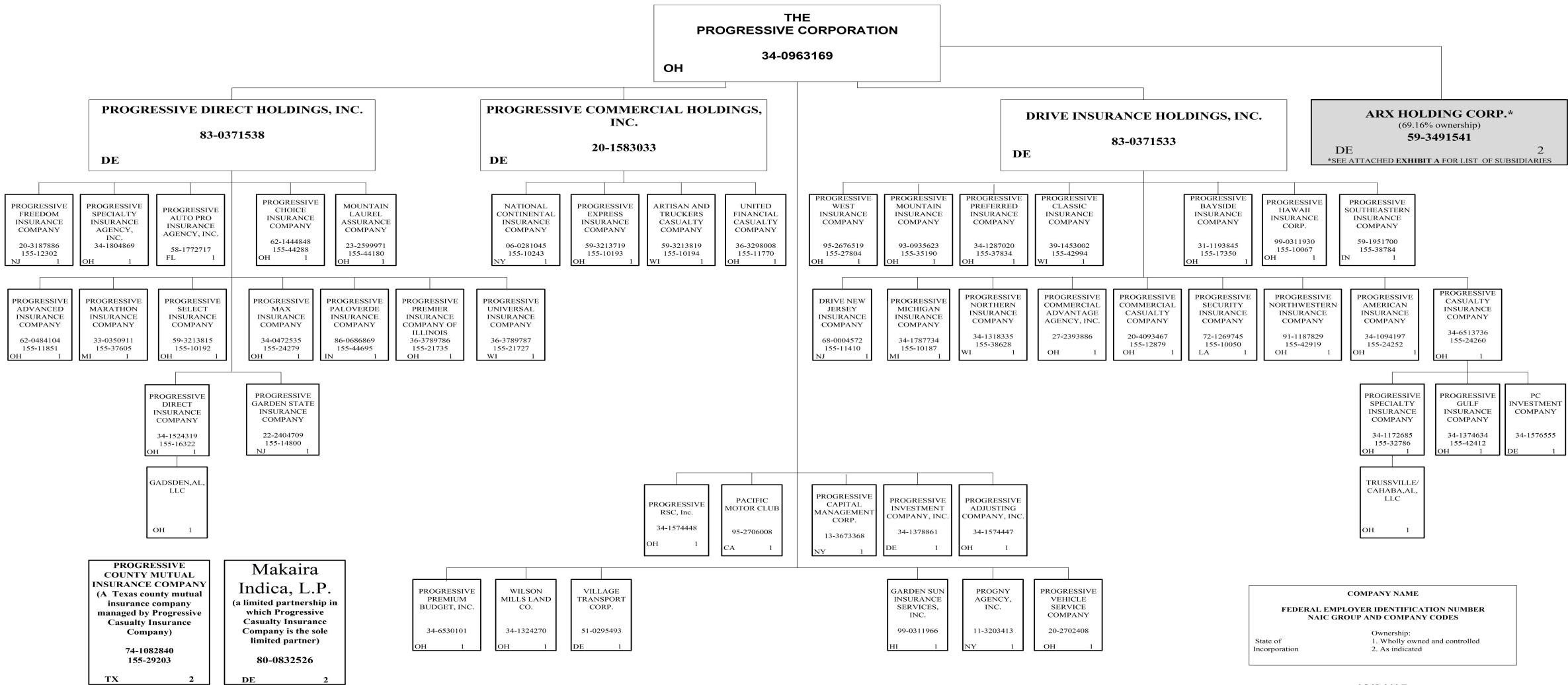
(a) Insert the number of "L" responses except for Canada and Other Alien.

(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.

Allocation on the basis of the location where the vehicle is principally garaged and used.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 – ORGANIZATIONAL CHART**

12/31/15

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 – ORGANIZATIONAL CHART**