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**PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION**

# ANNUAL STATEMENT

**For the Year Ended December 31, 2015**

OF THE CONDITION AND AFFAIRS OF THE

# CINCINNATI INSURANCE COMPANY

| | | | |
|---|---|---|---|
| NAIC Group Code | 0244 (Current Period), 0244 (Prior Period) | NAIC Company Code 10677 | Employer's ID Number 31-0542366 |

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

Country of Domicile: United States

Incorporated/Organized: 08/02/1950 Commenced Business: 01/23/1951

Statutory Home Office: 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)

Main Administrative Office: 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code), 513-870-2000 (Area Code) (Telephone Number)

Mail Address: P.O. BOX 145496 (Street and Number or P.O. Box), CINCINNATI, OH, US 45250-5496 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records: 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code), 513-870-2000-5187 (Area Code) (Telephone Number)

Internet Web Site Address: www.cinfin.com

Statutory Statement Contact: Christina Scherpenberg (Name), 513-870-2000-5187 (Area Code) (Telephone Number) (Extension)

christina_scherpenberg@cinfin.com (E-Mail Address), 513-603-5500 (Fax Number)

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| STEVEN JUSTUS JOHNSTON | CHIEF EXECUTIVE OFFICER, PRESIDENT | MICHAEL JAMES SEWELL | CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT |
| THERESA ANN HOFFER | VICE PRESIDENT, TREASURER | | |

## OTHER OFFICERS

| | | | |
|---|---|---|---|
| TERESA CURRIN CRACAS | SENIOR VICE PRESIDENT | DONALD JOSEPH DOYLE JR | SENIOR VICE PRESIDENT |
| MARTIN FRANCIS HOLLENBECK | SENIOR VICE PRESIDENT | JOHN SCOTT KELLINGTON | SENIOR VICE PRESIDENT |
| LISA ANNE LOVE | SENIOR VICE PRESIDENT, CORPORATE SECRETARY | ERIC NEIL MATHEWS | SENIOR VICE PRESIDENT |
| MARTIN JOSEPH MULLEN | SENIOR VICE PRESIDENT | JACOB FERDINAND SCHERER | EXECUTIVE VICE PRESIDENT |
| STEPHEN MICHAEL SPRAY | SENIOR VICE PRESIDENT | KENNETH WILLIAM STECHER | CHAIRMAN OF THE BOARD |
| CHARLES PHILIP STONEBURNER II | SENIOR VICE PRESIDENT | TIMOTHY LEE TIMMEL | SENIOR VICE PRESIDENT |
| WILLIAM HAROLD VAN DEN HEUVEL | SENIOR VICE PRESIDENT | | |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| WILLIAM FORREST BAHL | GREGORY THOMAS BIER | TERESA CURRIN CRACAS | DONALD JOSEPH DOYLE JR |
| MARTIN FRANCIS HOLLENBECK | STEVEN JUSTUS JOHNSTON | JOHN SCOTT KELLINGTON | LISA ANNE LOVE |
| WILLIAM RODNEY MCMULLEN | MARTIN JOSEPH MULLEN | DAVID PAUL OSBORN | JACOB FERDINAND SCHERER |
| JOHN JEFFERSON SCHIFF JR | THOMAS REID SCHIFF | MICHAEL JAMES SEWELL | STEPHEN MICHAEL SPRAY |
| KENNETH WILLIAM STECHER | JOHN FREDERICK STEELE JR | CHARLES PHILIP STONEBURNER II | TIMOTHY LEE TIMMEL |
| WILLAIM HAROLD VAN DEN HEUVEL # | LARRY RUSSEL WEBB | | |

State of OHIO
ss
County of BUTLER

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

| | | |
|---|---|---|
| STEVEN J. JOHNSTON<br>CHIEF EXECUTIVE OFFICER, PRESIDENT | MICHAEL J. SEWELL<br>CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT | THERESA A. HOFFER<br>SENIOR VICE PRESIDENT, TREASURER |

Subscribed and sworn to before me this 19th day of FEBRUARY, 2016

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

# ASSETS

| | | Current Year 1 | 2 | 3 | Prior Year 4 |
|---|---|---|---|---|---|
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. | Bonds (Schedule D) | 5,317,509,438 | | 5,317,509,438 | 5,132,499,810 |
| 2. | Stocks (Schedule D): | | | | |
| | 2.1 Preferred stocks | 190,400,242 | | 190,400,242 | 152,744,953 |
| | 2.2 Common stocks | 3,657,480,569 | | 3,657,480,569 | 3,735,718,181 |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| | 3.1 First liens | | | 0 | 0 |
| | 3.2 Other than first liens | | | 0 | 0 |
| 4. | Real estate (Schedule A): | | | | |
| | 4.1 Properties occupied by the company (less $ ........ encumbrances) | 9,233,108 | | 9,233,108 | 9,479,507 |
| | 4.2 Properties held for the production of income (less $ ........ encumbrances) | | | 0 | 0 |
| | 4.3 Properties held for sale (less $ ........ encumbrances) | | | 0 | 0 |
| 5. | Cash ($ 350,245,654 , Schedule E-Part 1), cash equivalents ($ 0 , Schedule E-Part 2) and short-term investments ($ 0 , Schedule DA) | 350,245,654 | | 350,245,654 | 417,657,088 |
| 6. | Contract loans (including $ ........ premium notes) | | | 0 | 0 |
| 7. | Derivatives (Schedule DB) | 0 | | 0 | 0 |
| 8. | Other invested assets (Schedule BA) | 35,125,863 | | 35,125,863 | 11,407,039 |
| 9. | Receivables for securities | | | 0 | 0 |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | 0 | 0 |
| 11. | Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 9,559,994,874 | 0 | 9,559,994,874 | 9,459,506,578 |
| 13. | Title plants less $ ........ charged off (for Title insurers only) | | | 0 | 0 |
| 14. | Investment income due and accrued | 73,641,408 | | 73,641,408 | 71,030,470 |
| 15. | Premiums and considerations: | | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | 354,353,580 | 13,125,797 | 341,227,782 | 325,674,149 |
| | 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 32,532,362 earned but unbilled premiums) | 1,150,445,523 | 3,253,236 | 1,147,192,287 | 1,099,156,670 |
| | 15.3 Accrued retrospective premiums ($ ........ ) and contracts subject to redetermination ($ ........ ) | | | 0 | 0 |
| 16. | Reinsurance: | | | | |
| | 16.1 Amounts recoverable from reinsurers | 15,544,293 | 67,519 | 15,476,774 | 10,048,897 |
| | 16.2 Funds held by or deposited with reinsured companies | 309,668 | | 309,668 | 227,362 |
| | 16.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 17. | Amounts receivable relating to uninsured plans | | | 0 | 0 |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | 37,858,106 | | 37,858,106 | 24,006,100 |
| 18.2 | Net deferred tax asset | | | 0 | 0 |
| 19. | Guaranty funds receivable or on deposit | | | 0 | 0 |
| 20. | Electronic data processing equipment and software | 15,156,322 | 14,670,251 | 486,072 | 1,388,205 |
| 21. | Furniture and equipment, including health care delivery assets ($ ........ ) | 4,003,293 | 4,003,293 | 0 | 0 |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 23. | Receivables from parent, subsidiaries and affiliates | 4,033,331 | | 4,033,331 | 5,444,233 |
| 24. | Health care ($ ........ ) and other amounts receivable | | | 0 | 0 |
| 25. | Aggregate write-ins for other-than-invested assets | 24,793,222 | 10,836,853 | 13,956,369 | 20,668,590 |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 11,240,133,619 | 45,956,948 | 11,194,176,670 | 11,017,151,254 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 28. | Total (Lines 26 and 27) | 11,240,133,619 | 45,956,948 | 11,194,176,670 | 11,017,151,254 |
| DETAILS OF WRITE-INS | | | | | |
| 1101. | | | | 0 | 0 |
| 1102. | | | | 0 | 0 |
| 1103. | | | | 0 | 0 |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. | Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. | Equities and Deposits in Pools and Associations | 9,336,381 | | 9,336,381 | 15,899,014 |
| 2502. | Miscellaneous Receivables | 15,456,840 | 10,836,853 | 4,619,988 | 4,769,576 |
| 2503. | | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. | Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 24,793,222 | 10,836,853 | 13,956,369 | 20,668,590 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| 1. Losses (Part 2A, Line 35, Column 8) | 3,237,348,232 | 3,087,597,925 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) | 36,682,837 | 42,402,513 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) | 923,158,082 | 876,604,196 |
| 4. Commissions payable, contingent commissions and other similar charges | 132,491,390 | 125,215,243 |
| 5. Other expenses (excluding taxes, licenses and fees) | 34,696,080 | 31,436,346 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 22,434,609 | 23,301,783 |
| 7.1 Current federal and foreign income taxes (including $ ........ on realized capital gains (losses)) | | 0 |
| 7.2 Net deferred tax liability | 47,046,502 | 143,341,177 |
| 8. Borrowed money $ ........ and interest thereon $ ........ | | 0 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 37,808,809 and including warranty reserves of $ ........ and accrued accident and health experience rating refunds including $ ........ for medical loss ratio rebate per the Public Health Service Act) | 2,079,433,143 | 1,991,920,630 |
| 10. Advance premium | 13,147,294 | 9,958,694 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | 100,000,000 | 100,000,000 |
| 11.2 Policyholders | 12,720,000 | 13,350,000 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) | 31,570,214 | 12,159,870 |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) | | 0 |
| 14. Amounts withheld or retained by company for account of others | 35,322,463 | 7,790,248 |
| 15. Remittances and items not allocated | 660,990 | 987,445 |
| 16. Provision for reinsurance (including $ ........ certified) (Schedule F, Part 8) | 208,983 | 4,894 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates | | 0 |
| 18. Drafts outstanding | | 0 |
| 19. Payable to parent, subsidiaries and affiliates | 31,927,885 | 33,170,453 |
| 20. Derivatives | 0 | 0 |
| 21. Payable for securities | 2,494,718 | 5,813,701 |
| 22. Payable for securities lending | | 0 |
| 23. Liability for amounts held under uninsured plans | | 0 |
| 24. Capital notes $ ........ and interest thereon $ | | 0 |
| 25. Aggregate write-ins for liabilities | 40,401,775 | 39,885,696 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 6,781,745,197 | 6,544,940,815 |
| 27. Protected cell liabilities | | 0 |
| 28. Total liabilities (Lines 26 and 27) | 6,781,745,197 | 6,544,940,815 |
| 29. Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. Common capital stock | 3,586,355 | 3,586,355 |
| 31. Preferred capital stock | | 0 |
| 32. Aggregate write-ins for other-than-special surplus funds | 0 | 0 |
| 33. Surplus notes | | 0 |
| 34. Gross paid in and contributed surplus | 363,410,416 | 363,410,416 |
| 35. Unassigned funds (surplus) | 4,045,434,702 | 4,105,213,668 |
| 36. Less treasury stock, at cost: | | |
| 36.1 ........ shares common (value included in Line 30 $ ........ ) | | 0 |
| 36.2 ........ shares preferred (value included in Line 31 $ ........ ) | | 0 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) | 4,412,431,473 | 4,472,210,439 |
| 38. Totals (Page 2, Line 28, Col. 3) | 11,194,176,670 | 11,017,151,254 |
| **DETAILS OF WRITE-INS** | | |
| 2501. Accounts Payable -- Other | 40,401,775 | 39,885,696 |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 40,401,775 | 39,885,696 |
| 2901. | | |
| 2902. | | |
| 2903. | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 |
| 2999. Totals (Lines 2901 through 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 through 3203 plus 3298) (Line 32 above) | 0 | 0 |

# STATEMENT OF INCOME

| | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| **UNDERWRITING INCOME** | | |
| 1. Premiums earned (Part 1, Line 35, Column 4) | 4,106,440,575 | 3,899,897,752 |
| DEDUCTIONS: | | |
| 2. Losses incurred (Part 2, Line 35, Column 7) | 2,080,692,574 | 2,144,065,658 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 420,974,482 | 408,526,577 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 1,261,889,650 | 1,187,531,900 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 3,763,556,705 | 3,740,124,135 |
| 7. Net income of protected cells | | 0 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) | 342,883,869 | 159,773,617 |
| **INVESTMENT INCOME** | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) | 336,509,710 | 330,515,781 |
| 10. Net realized capital gains (losses) less capital gains tax of $ 33,172,509 (Exhibit of Capital Gains (Losses)) | 45,342,097 | 64,934,673 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 381,851,807 | 395,450,453 |
| **OTHER INCOME** | | |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered $ 1,728,123 amount charged off $ 3,682,704 ) | (1,954,581) | (2,220,464) |
| 13. Finance and service charges not included in premiums | 6,796,279 | 6,622,203 |
| 14. Aggregate write-ins for miscellaneous income | 1,879,696 | 1,575,519 |
| 15. Total other income (Lines 12 through 14) | 6,721,395 | 5,977,258 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 731,457,071 | 561,201,328 |
| 17. Dividends to policyholders | 14,873,311 | 15,671,799 |
| 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) | 716,583,760 | 545,529,529 |
| 19. Federal and foreign income taxes incurred | 182,495,798 | 109,723,200 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 534,087,962 | 435,806,330 |
| **CAPITAL AND SURPLUS ACCOUNT** | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 4,472,210,439 | 4,325,670,432 |
| 22. Net income (from Line 20) | 534,087,962 | 435,806,330 |
| 23. Net transfers (to) from Protected Cell accounts | | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (98,365,075) | (148,403,794) | 130,576,859 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | 0 |
| 26. Change in net deferred income tax | (2,070,399) | (18,371,679) |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) | 3,811,354 | (1,517,352) |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | (204,089) | 45,849 |
| 29. Change in surplus notes | | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | | 0 |
| 31. Cumulative effect of changes in accounting principles | | 0 |
| 32. Capital changes: | | |
| 32.1 Paid in | | 0 |
| 32.2 Transferred from surplus (Stock Dividend) | | 0 |
| 32.3 Transferred to surplus | | 0 |
| 33. Surplus adjustments: | | |
| 33.1 Paid in | | 0 |
| 33.2 Transferred to capital (Stock Dividend) | | 0 |
| 33.3 Transferred from capital | | 0 |
| 34. Net remittances from or (to) Home Office | | 0 |
| 35. Dividends to stockholders | (447,000,000) | (400,000,000) |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) | 0 | 0 |
| 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) | (59,778,966) | 146,540,007 |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 4,412,431,473 | 4,472,210,439 |
| **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 through 0503 plus 0598) (Line 5 above) | 0 | 0 |
| 1401. Collection Fees | 1,156,206 | 1,118,335 |
| 1402. Miscellaneous Interest | 723,491 | 457,184 |
| 1403. | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | 1,879,696 | 1,575,519 |
| 3701. | | |
| 3702. | | |
| 3703. | | |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | 0 | 0 |
| 3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) | 0 | 0 |

# CASH FLOW

| | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| **Cash from Operations** | | |
| 1. Premiums collected net of reinsurance | 4,155,440,179 | 3,934,812,323 |
| 2. Net investment income | 340,952,218 | 335,071,255 |
| 3. Miscellaneous income | 6,639,089 | 5,977,310 |
| 4. Total (Lines 1 through 3) | 4,503,031,487 | 4,275,860,888 |
| 5. Benefit and loss related payments | 2,309,134,109 | 2,375,421,395 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 1,242,883,361 | 1,178,778,711 |
| 8. Dividends paid to policyholders | 15,503,286 | 16,231,799 |
| 9. Federal and foreign income taxes paid (recovered) net of $ 31,680,706 tax on capital gains (losses) | 229,520,313 | 133,715,023 |
| 10. Total (Lines 5 through 9) | 3,797,041,069 | 3,704,146,929 |
| 11. Net cash from operations (Line 4 minus Line 10) | 705,990,418 | 571,713,960 |
| **Cash from Investments** | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 800,553,213 | 721,196,992 |
| 12.2 Stocks | 271,873,223 | 205,557,226 |
| 12.3 Mortgage loans | 0 | 0 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 3,000,000 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 155,439 |
| 12.7 Miscellaneous proceeds | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 1,075,426,437 | 926,909,656 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 1,013,317,284 | 773,287,348 |
| 13.2 Stocks | 377,874,300 | 155,375,476 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 3,318,983 | 20,615,266 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 1,394,510,567 | 949,278,091 |
| 14. Net increase (decrease) in contract loans and premium notes | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (319,084,131) | (22,368,434) |
| **Cash from Financing and Miscellaneous Sources** | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | 0 |
| 16.5 Dividends to stockholders | 447,000,000 | 400,000,000 |
| 16.6 Other cash provided (applied) | (7,317,721) | (5,797,107) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (454,317,721) | (405,797,107) |
| **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (67,411,434) | 143,548,418 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 417,657,088 | 274,108,669 |
| 19.2 End of year (Line 18 plus Line 19.1) | 350,245,654 | 417,657,088 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

| | Line of Business | 1<br>Net Premiums Written per Column 6, Part 1B | 2<br>Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1 | 3<br>Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A | 4<br>Premiums Earned During Year (Cols. 1 + 2 - 3) |
|---|---|---|---|---|---|
| 1. | Fire | 104,220,638 | 52,670,596 | 54,511,084 | 102,380,150 |
| 2. | Allied lines | 88,116,676 | 45,228,761 | 46,436,863 | 86,908,573 |
| 3. | Farmowners multiple peril | 0 | 0 | 0 | 0 |
| 4. | Homeowners multiple peril | 473,721,498 | 245,966,050 | 257,033,106 | 462,654,442 |
| 5. | Commercial multiple peril | 1,111,097,580 | 523,376,065 | 540,639,192 | 1,093,834,454 |
| 6. | Mortgage guaranty | 0 | 0 | 0 | 0 |
| 8. | Ocean marine | 0 | 0 | 0 | 0 |
| 9. | Inland marine | 103,876,857 | 46,586,800 | 49,841,354 | 100,622,303 |
| 10. | Financial guaranty | 0 | 0 | 0 | 0 |
| 11.1 | Medical professional liability-occurrence | 33,988,298 | 16,321,281 | 16,241,709 | 34,067,871 |
| 11.2 | Medical professional liability-claims-made | 798,214 | 101,863 | 109,812 | 790,264 |
| 12. | Earthquake | 3,268,124 | 1,392,331 | 1,732,869 | 2,927,586 |
| 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 | 369,326,044 | 146,458,668 | 145,225,223 | 370,559,489 |
| 17.1 | Other liability-occurrence | 544,435,205 | 250,581,983 | 262,114,957 | 532,902,232 |
| 17.2 | Other liability-claims-made | 102,143,082 | 54,114,621 | 54,649,366 | 101,608,337 |
| 17.3 | Excess workers' compensation | 1,531,279 | 627,721 | 490,523 | 1,668,476 |
| 18.1 | Products liability-occurrence | 81,698,417 | 34,725,755 | 35,512,749 | 80,911,423 |
| 18.2 | Products liability-claims-made | (61) | 1 | 0 | (60) |
| 19.1,19.2 | Private passenger auto liability | 283,746,592 | 136,867,765 | 145,043,337 | 275,571,021 |
| 19.3,19.4 | Commercial auto liability | 418,757,868 | 192,374,571 | 201,397,696 | 409,734,743 |
| 21. | Auto physical damage | 401,873,747 | 182,468,615 | 200,925,696 | 383,416,666 |
| 22. | Aircraft (all perils) | (303) | 0 | 0 | (303) |
| 23. | Fidelity | 4,698,448 | 4,691,627 | 3,720,559 | 5,669,516 |
| 24. | Surety | 39,109,677 | 18,057,769 | 19,572,157 | 37,595,289 |
| 26. | Burglary and theft | 4,049,373 | 2,147,650 | 2,110,988 | 4,086,035 |
| 27. | Boiler and machinery | 18,766,766 | 9,136,842 | 9,481,540 | 18,422,068 |
| 28. | Credit | 0 | 0 | 0 | 0 |
| 29. | International | 0 | 0 | 0 | 0 |
| 30. | Warranty | 0 | 0 | 0 | 0 |
| 31. | Reinsurance-nonproportional assumed property | 220,000 | 0 | 110,000 | 110,000 |
| 32. | Reinsurance-nonproportional assumed liability | 0 | 0 | 0 | 0 |
| 33. | Reinsurance-nonproportional assumed financial lines | 0 | 0 | 0 | 0 |
| 34. | Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 |
| 35. | TOTALS | 4,189,444,019 | 1,963,897,336 | 2,046,900,781 | 4,106,440,575 |
| **DETAILS OF WRITE-INS** | | | | | |
| 3401. | | | | | |
| 3402. | | | | | |
| 3403. | | | | | |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 |
| 3499. | Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) | 0 | 0 | 0 | 0 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

| | Line of Business | 1<br>Amount Unearned (Running One Year or Less from Date of Policy) (a) | 2<br>Amount Unearned (Running More Than One Year from Date of Policy) (a) | 3<br>Earned but Unbilled Premium | 4<br>Reserve for Rate Credits and Retrospective Adjustments Based on Experience | 5<br>Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4 |
|---|---|---|---|---|---|---|
| 1. | Fire | 54,446,816 | 64,268 | | | 54,511,084 |
| 2. | Allied lines | 46,382,664 | 54,199 | | | 46,436,863 |
| 3. | Farmowners multiple peril | | | | | 0 |
| 4. | Homeowners multiple peril | 257,033,106 | | | | 257,033,106 |
| 5. | Commercial multiple peril | 548,467,672 | 2,115,593 | (9,944,073) | | 540,639,192 |
| 6. | Mortgage guaranty | | | | | 0 |
| 8. | Ocean marine | | | | | 0 |
| 9. | Inland marine | 49,007,001 | 834,353 | | | 49,841,354 |
| 10. | Financial guaranty | | | | | 0 |
| 11.1 | Medical professional liability-occurrence | 16,004,007 | 237,702 | | | 16,241,709 |
| 11.2 | Medical professional liability-claims-made | 109,812 | | | | 109,812 |
| 12. | Earthquake | 1,732,869 | | | | 1,732,869 |
| 13. | Group accident and health | | | | | 0 |
| 14. | Credit accident and health (group and individual) | | | | | 0 |
| 15. | Other accident and health | | | | | 0 |
| 16. | Workers' compensation | 163,474,220 | 7,021 | (18,256,019) | | 145,225,223 |
| 17.1 | Other liability-occurrence | 258,535,468 | 7,194,169 | (3,614,680) | | 262,114,957 |
| 17.2 | Other liability-claims-made | 54,649,362 | 4 | | | 54,649,366 |
| 17.3 | Excess workers' compensation | 490,523 | | | | 490,523 |
| 18.1 | Products liability-occurrence | 35,983,384 | 246,955 | (717,590) | | 35,512,749 |
| 18.2 | Products liability-claims-made | | | | | 0 |
| 19.1,19.2 | Private passenger auto liability | 145,043,337 | | | | 145,043,337 |
| 19.3,19.4 | Commercial auto liability | 201,396,745 | 951 | | | 201,397,696 |
| 21. | Auto physical damage | 200,925,696 | | | | 200,925,696 |
| 22. | Aircraft (all perils) | | | | | 0 |
| 23. | Fidelity | 1,945,351 | 1,775,207 | | | 3,720,559 |
| 24. | Surety | 11,617,456 | 7,954,701 | | | 19,572,157 |
| 26. | Burglary and theft | 2,099,143 | 11,845 | | | 2,110,988 |
| 27. | Boiler and machinery | 9,308,409 | 173,132 | | | 9,481,540 |
| 28. | Credit | | | | | 0 |
| 29. | International | | | | | 0 |
| 30. | Warranty | | | | | 0 |
| 31. | Reinsurance-nonproportional assumed property | 110,000 | | | | 110,000 |
| 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 | 2,058,763,042 | 20,670,101 | (32,532,362) | 0 | 2,046,900,781 |
| 36. | Accrued retrospective premiums based on experience | | | | | |
| 37. | Earned but unbilled premiums | | | | | 32,532,362 |
| 38. | Balance (Sum of Lines 35 through 37) | | | | | 2,079,433,143 |
| **DETAILS OF WRITE-INS** | | | | | | |
| 3401. | | | | | | |
| 3402. | | | | | | |
| 3403. | | | | | | |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 3499. | Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) | 0 | 0 | 0 | 0 | 0 |

(a) State here basis of computation used in each case. Monthly Pro Rata

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| | Line of Business | 1 Direct Business (a) | Reinsurance Assumed 2 From Affiliates | Reinsurance Assumed 3 From Non-Affiliates | Reinsurance Ceded 4 To Affiliates | Reinsurance Ceded 5 To Non-Affiliates | 6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5 |
|---|---|---|---|---|---|---|---|
| 1. | Fire | 88,727,544 | 20,259,621 | 516,529 | | 5,283,056 | 104,220,638 |
| 2. | Allied lines | 71,776,081 | 20,996,250 | 169,224 | | 4,824,880 | 88,116,676 |
| 3. | Farmowners multiple peril | | | | | | 0 |
| 4. | Homeowners multiple peril | 493,452,790 | | 1,594,043 | | 21,325,335 | 473,721,498 |
| 5. | Commercial multiple peril | 954,836,346 | 196,553,630 | 12,389,776 | | 52,682,171 | 1,111,097,580 |
| 6. | Mortgage guaranty | | | | | | 0 |
| 8. | Ocean marine | | | | | | 0 |
| 9. | Inland marine | 99,304,886 | 8,236,698 | | | 3,664,727 | 103,876,857 |
| 10. | Financial guaranty | | | | | | 0 |
| 11.1 | Medical professional liability-occurrence | 29,964,143 | 4,024,155 | | | | 33,988,298 |
| 11.2 | Medical professional liability-claims-made | 783,907 | 14,307 | | | | 798,214 |
| 12. | Earthquake | 3,050,505 | 382,161 | | | 164,542 | 3,268,124 |
| 13. | Group accident and health | | | | | | 0 |
| 14. | Credit accident and health (group and individual) | | | | | | 0 |
| 15. | Other accident and health | | | | | | 0 |
| 16. | Workers' compensation | 91,380,378 | 277,891,946 | 51,841,074 | | 51,787,355 | 369,326,044 |
| 17.1 | Other liability-occurrence | 459,492,322 | 95,389,215 | 4,902,272 | | 15,348,604 | 544,435,205 |
| 17.2 | Other liability-claims-made | 100,618,414 | 1,995,738 | | | 471,070 | 102,143,082 |
| 17.3 | Excess workers' compensation | 1,531,279 | | | | | 1,531,279 |
| 18.1 | Products liability-occurrence | 66,324,045 | 15,381,965 | (7,584) | | 9 | 81,698,417 |
| 18.2 | Products liability-claims-made | (61) | | | | | (61) |
| 19.1,19.2 | Private passenger auto liability | 293,987,151 | 47,058 | | | 10,287,617 | 283,746,592 |
| 19.3,19.4 | Commercial auto liability | 337,485,412 | 80,548,450 | 4,807,287 | | 4,083,281 | 418,757,868 |
| 21. | Auto physical damage | 371,896,673 | 31,663,762 | 720,576 | | 2,407,264 | 401,873,747 |
| 22. | Aircraft (all perils) | | | (303) | | | (303) |
| 23. | Fidelity | 4,867,070 | | | | 168,622 | 4,698,448 |
| 24. | Surety | 42,765,490 | 68,210 | 5,102 | | 3,729,125 | 39,109,677 |
| 26. | Burglary and theft | 3,394,716 | 876,063 | | | 221,406 | 4,049,373 |
| 27. | Boiler and machinery | 16,763,418 | 1,980,831 | | | (22,517) | 18,766,766 |
| 28. | Credit | | | | | | 0 |
| 29. | International | | | | | | 0 |
| 30. | Warranty | | | | | | 0 |
| 31. | Reinsurance-nonproportional assumed property | XXX | | 220,000 | | | 220,000 |
| 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 | 3,532,402,509 | 756,310,060 | 77,157,996 | 0 | 176,426,546 | 4,189,444,019 |
| **DETAILS OF WRITE-INS** | | | | | | | |
| 3401. | | | | | | | |
| 3402. | | | | | | | |
| 3403. | | | | | | | |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 |
| 3499. | Totals (Lines 3401 through 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 $ ..........

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ ..........

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - LOSSES PAID AND INCURRED

| | | Losses Paid Less Salvage | | | | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|---|
| | Line of Business | 1<br>Direct Business | 2<br>Reinsurance Assumed | 3<br>Reinsurance Recovered | 4<br>Net Payments (Cols. 1 + 2 - 3) | Net Losses Unpaid Current Year (Part 2A, Col. 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Cols. 4 + 5 - 6) | Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
| 1. | Fire | 34,574,127 | 8,079,163 | 10,261 | 42,643,029 | 22,084,912 | 23,456,755 | 41,271,185 | 40.3 |
| 2. | Allied lines | 44,235,384 | 7,626,378 | 352,026 | 51,509,736 | 24,984,771 | 22,490,381 | 54,004,126 | 62.1 |
| 3. | Farmowners multiple peril | | | | 0 | 0 | 0 | 0 | 0.0 |
| 4. | Homeowners multiple peril | 261,217,193 | 465,411 | 3,154,549 | 258,528,055 | 91,419,003 | 81,547,558 | 268,399,501 | 58.0 |
| 5. | Commercial multiple peril | 424,410,202 | 75,322,597 | 13,850,829 | 485,881,971 | 619,561,636 | 621,464,306 | 483,979,301 | 44.2 |
| 6. | Mortgage guaranty | | | | 0 | 0 | 0 | 0 | 0.0 |
| 8. | Ocean marine | | | | 0 | 0 | 0 | 0 | 0.0 |
| 9. | Inland marine | 33,432,613 | 3,531,780 | 50,047 | 36,914,346 | 13,634,400 | 8,964,857 | 41,583,889 | 41.3 |
| 10. | Financial guaranty | | | | 0 | 0 | 0 | 0 | 0.0 |
| 11.1 | Medical professional liability-occurrence | 8,508,194 | 349,155 | | 8,857,349 | 51,929,977 | 53,199,156 | 7,588,170 | 22.3 |
| 11.2 | Medical professional liability-claims-made | 5,000 | | | 5,000 | 367,528 | 150,000 | 222,528 | 28.2 |
| 12. | Earthquake | 3,276 | | 377 | 2,899 | 11,102 | (407) | 14,408 | 0.5 |
| 13. | Group accident and health | | | | 0 | 0 | 0 | 0 | 0.0 |
| 14. | Credit accident and health (group and individual) | | | | 0 | 0 | 0 | 0 | 0.0 |
| 15. | Other accident and health | | | | 0 | 0 | 0 | 0 | 0.0 |
| 16. | Workers' compensation | 53,487,471 | 127,973,640 | 13,019,409 | 168,441,703 | 867,040,564 | 890,831,419 | 144,650,848 | 39.0 |
| 17.1 | Other liability-occurrence | 135,332,545 | 11,603,278 | 170,341 | 146,765,482 | 725,009,127 | 631,206,120 | 240,568,490 | 45.1 |
| 17.2 | Other liability-claims-made | 38,595,711 | 142,068 | 3,024,664 | 35,713,115 | 74,835,195 | 86,393,314 | 24,154,996 | 23.8 |
| 17.3 | Excess workers' compensation | 970,770 | | 99,552 | 871,218 | 4,627,020 | 4,702,177 | 796,061 | 47.7 |
| 18.1 | Products liability-occurrence | 17,694,409 | 2,332,954 | 58,550 | 19,968,813 | 139,661,515 | 127,807,527 | 31,822,801 | 39.3 |
| 18.2 | Products liability-claims-made | | | | 0 | 0 | 0 | 0 | 0.0 |
| 19.1,19.2 | Private passenger auto liability | 187,669,883 | 309,270 | 1,802,825 | 186,176,328 | 175,570,855 | 148,969,173 | 212,778,010 | 77.2 |
| 19.3,19.4 | Commercial auto liability | 197,852,670 | 38,403,245 | 596,826 | 235,659,090 | 383,736,244 | 345,065,013 | 274,330,320 | 67.0 |
| 21. | Auto physical damage | 223,730,691 | 18,843,139 | 240,798 | 242,333,032 | 7,338,871 | 10,700,673 | 238,971,230 | 62.3 |
| 22. | Aircraft (all perils) | (52,269) | (32,772) | (52,249) | (32,792) | 1,672,583 | 1,569,181 | 70,610 | (23,342.1) |
| 23. | Fidelity | 926,857 | 0 | 18,758 | 908,099 | 13,577,604 | 13,600,828 | 884,875 | 15.6 |
| 24. | Surety | 2,061,244 | | 270,547 | 1,790,696 | 14,004,218 | 12,288,563 | 3,506,351 | 9.3 |
| 26. | Burglary and theft | 855,612 | 141,280 | | 996,892 | 1,979,935 | 810,742 | 2,166,085 | 53.0 |
| 27. | Boiler and machinery | 6,887,681 | 120,526 | | 7,008,207 | 4,290,173 | 2,380,589 | 8,917,791 | 48.4 |
| 28. | Credit | | | | 0 | 0 | 0 | 0 | 0.0 |
| 29. | International | | | | 0 | 0 | 0 | 0 | 0.0 |
| 30. | Warranty | | | | 0 | 0 | 0 | 0 | 0.0 |
| 31. | Reinsurance-nonproportional assumed property | XXX | | | 0 | 11,000 | 0 | 11,000 | 10.0 |
| 32. | Reinsurance-nonproportional assumed liability | XXX | | | 0 | 0 | 0 | 0 | 0.0 |
| 33. | Reinsurance-nonproportional assumed financial lines | XXX | | | 0 | 0 | 0 | 0 | 0.0 |
| 34. | Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 35. | TOTALS | 1,672,399,263 | 295,211,113 | 36,668,109 | 1,930,942,267 | 3,237,348,232 | 3,087,597,925 | 2,080,692,574 | 50.7 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 3401. | | | | | | | | | |
| 3402. | | | | | | | | | |
| 3403. | | | | | | | | | |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3499. | Totals (Lines 3401 through 3403 + 3498) (Line 34 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |

# UNDERWRITING AND INVESTMENT EXHIBIT

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

| | Reported Losses | | | | Incurred But Not Reported | | | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Line of Business | Direct | Reinsurance Assumed | Deduct Reinsurance Recoverable | Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3) | Direct | Reinsurance Assumed | Reinsurance Ceded | Net Losses Unpaid (Cols. 4 +5 + 6 - 7) | Net Unpaid Loss Adjustment Expenses |
| 1. Fire | 11,142,999 | 4,862,547 | 36,433 | 15,969,113 | 6,079,841 | 36,086 | 128 | 22,084,912 | 3,389,319 |
| 2. Allied lines | 14,120,531 | 4,821,467 | 41,794 | 18,900,204 | 6,087,264 | 1,905 | 4,602 | 24,984,771 | 2,863,214 |
| 3. Farmowners multiple peril | | | | 0 | | | | 0 | |
| 4. Homeowners multiple peril | 80,715,065 | 182,087 | 2,015,888 | 78,881,264 | 12,587,118 | 189,213 | 238,592 | 91,419,003 | 24,118,496 |
| 5. Commercial multiple peril | 530,169,613 | 88,754,550 | 16,722,936 | 602,201,227 | 8,311,235 | 11,811,240 | 2,762,065 | 619,561,636 | 344,978,230 |
| 6. Mortgage guaranty | | | | 0 | | | | 0 | |
| 8. Ocean marine | | | | 0 | | | | 0 | |
| 9. Inland marine | 15,263,558 | 588,596 | 185,164 | 15,666,990 | (2,032,523) | | 67 | 13,634,400 | 2,265,368 |
| 10. Financial guaranty | | | | 0 | | | | 0 | |
| 11.1 Medical professional liability-occurrence | 38,775,477 | 1,774,499 | | 40,549,977 | 10,335,000 | 1,045,000 | | 51,929,977 | 25,025,734 |
| 11.2 Medical professional liability-claims-made | 343,890 | 23,638 | | 367,528 | | | | 367,528 | 54,431 |
| 12. Earthquake | 10,138 | | 19 | 10,119 | 987 | | 4 | 11,102 | 1,534 |
| 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 | 117,130,863 | 272,757,286 | 51,740,587 | 338,147,562 | 169,590,628 | 386,315,762 | 27,013,388 | 867,040,564 | 89,400,941 |
| 17.1 Other liability-occurrence | 280,786,309 | 48,570,722 | 18,373,153 | 310,983,878 | 376,334,000 | 53,496,249 | 15,805,000 | 725,009,127 | 107,818,536 |
| 17.2 Other liability-claims-made | 77,884,001 | 473,032 | 3,521,838 | 74,835,195 | | | | 74,835,195 | 76,798,793 |
| 17.3 Excess workers' compensation | 5,226,617 | | 599,597 | 4,627,020 | | | | 4,627,020 | 93,431 |
| 18.1 Products liability-occurrence | 62,115,894 | 7,912,166 | 725,429 | 69,302,631 | 59,788,388 | 11,406,504 | 836,008 | 139,661,515 | 82,892,437 |
| 18.2 Products liability-claims-made | | | | 0 | | | | 0 | |
| 19.1,19.2 Private passenger auto liability | 204,719,596 | 1,859,413 | 23,986,348 | 182,592,661 | (2,616,806) | | 4,405,000 | 175,570,855 | 49,891,092 |
| 19.3,19.4 Commercial auto liability | 268,461,567 | 54,530,483 | 4,513,305 | 318,478,745 | 53,319,886 | 13,002,612 | 1,065,000 | 383,736,244 | 80,729,449 |
| 21. Auto physical damage | 10,821,832 | 1,253,345 | 31,064 | 12,044,112 | (4,782,622) | 80,549 | 3,169 | 7,338,871 | 27,919,724 |
| 22. Aircraft (all perils) | 67,854,436 | 1,484,740 | 67,919,277 | 1,419,899 | 1,184,227 | 302,573 | 1,234,116 | 1,672,583 | 803,133 |
| 23. Fidelity | 2,513,604 | | | 2,513,604 | 11,064,000 | | | 13,577,604 | 426,803 |
| 24. Surety | 11,341,500 | 2,691 | 2,321,829 | 9,022,362 | 4,980,000 | 1,856 | | 14,004,218 | 3,419,887 |
| 26. Burglary and theft | 1,918,210 | 61,725 | | 1,979,935 | | | | 1,979,935 | 140,643 |
| 27. Boiler and machinery | 1,443,173 | 29,000 | | 1,472,173 | 2,818,000 | | | 4,290,173 | 126,888 |
| 28. Credit | | | | 0 | | | | 0 | |
| 29. International | | | | 0 | | | | 0 | |
| 30. Warranty | | | | 0 | | | | 0 | |
| 31. Reinsurance-nonproportional assumed property | XXX | | | 0 | XXX | 11,000 | | 11,000 | |
| 32. Reinsurance-nonproportional assumed liability | XXX | | | 0 | XXX | | | 0 | |
| 33. Reinsurance-nonproportional assumed financial lines | XXX | | | 0 | XXX | | | 0 | |
| 34. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35. TOTALS | 1,802,758,874 | 489,941,985 | 192,734,660 | 2,099,966,199 | 713,048,621 | 477,700,550 | 53,367,139 | 3,237,348,232 | 923,158,082 |
| **DETAILS OF WRITE-INS** | | | | | | | | | |
| 3401. | | | | | | | | | |
| 3402. | | | | | | | | | |
| 3403. | | | | | | | | | |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

| | 1<br>Loss Adjustment Expenses | 2<br>Other Underwriting Expenses | 3<br>Investment Expenses | 4<br>Total |
|---|---|---|---|---|
| 1. Claim adjustment services: | | | | |
| 1.1 Direct | 158,693,438 | | | 158,693,438 |
| 1.2 Reinsurance assumed | 41,680,941 | | | 41,680,941 |
| 1.3 Reinsurance ceded | 2,840,049 | | | 2,840,049 |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) | 197,534,330 | 0 | 0 | 197,534,330 |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent | | 542,121,773 | | 542,121,773 |
| 2.2 Reinsurance assumed, excluding contingent | | 111,196,803 | | 111,196,803 |
| 2.3 Reinsurance ceded, excluding contingent | | 17,380,469 | | 17,380,469 |
| 2.4 Contingent-direct | | 102,700,096 | | 102,700,096 |
| 2.5 Contingent-reinsurance assumed | | 21,900,000 | | 21,900,000 |
| 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 | 760,538,203 | 0 | 760,538,203 |
| 3. Allowances to manager and agents | | 3,783 | | 3,783 |
| 4. Advertising | 9,933 | 6,625,368 | 95 | 6,635,396 |
| 5. Boards, bureaus and associations | 1,027,503 | 9,951,987 | 19,739 | 10,999,229 |
| 6. Surveys and underwriting reports | 1,883,841 | 27,673,661 | (4) | 29,557,499 |
| 7. Audit of assureds' records | 543,261 | 2,956,211 | 11,077 | 3,510,549 |
| 8. Salary and related items: | | | | |
| 8.1 Salaries | 140,355,319 | 211,951,113 | 3,799,587 | 356,106,019 |
| 8.2 Payroll taxes | 9,727,845 | 14,981,051 | 166,439 | 24,875,335 |
| 9. Employee relations and welfare | 24,159,748 | 41,332,480 | 463,663 | 65,955,891 |
| 10. Insurance | (275) | 4,220,756 | | 4,220,481 |
| 11. Directors' fees | | | | 0 |
| 12. Travel and travel items | 9,679,760 | 12,142,240 | 52,579 | 21,874,579 |
| 13. Rent and rent items | 7,232,039 | 9,661,968 | 137,692 | 17,031,699 |
| 14. Equipment | 4,909,216 | 4,321,178 | 50,163 | 9,280,558 |
| 15. Cost or depreciation of EDP equipment and software | 19,574,613 | 48,161,345 | 973,938 | 68,709,896 |
| 16. Printing and stationery | 966,199 | 2,233,396 | 14,836 | 3,214,431 |
| 17. Postage, telephone and telegraph, exchange and express | 2,797,091 | 5,577,729 | 11,643 | 8,386,462 |
| 18. Legal and auditing | 410,063 | 117,560 | 517,347 | 1,044,970 |
| 19. Totals (Lines 3 to 18) | 223,276,155 | 401,911,829 | 6,218,794 | 631,406,778 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of $ | | 86,554,153 | | 86,554,153 |
| 20.2 Insurance department licenses and fees | 14,696 | 1,787,587 | | 1,802,283 |
| 20.3 Gross guaranty association assessments | | 1,497,341 | | 1,497,341 |
| 20.4 All other (excluding federal and foreign income and real estate) | 8,807 | 4,653,362 | | 4,662,169 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) | 23,503 | 94,492,443 | 0 | 94,515,946 |
| 21. Real estate expenses | 122,227 | 403,328 | 5,044 | 530,599 |
| 22. Real estate taxes | | 112,274 | | 112,274 |
| 23. Reimbursements by uninsured plans | | | | 0 |
| 24. Aggregate write-ins for miscellaneous expenses | 18,267 | 4,431,573 | 874 | 4,450,714 |
| 25. Total expenses incurred | 420,974,482 | 1,261,889,650 | 6,224,712 | (a) 1,689,088,843 |
| 26. Less unpaid expenses-current year | 923,158,082 | 187,984,451 | 1,173,850 | 1,112,316,383 |
| 27. Add unpaid expenses-prior year | 876,604,196 | 179,202,481 | 750,891 | 1,056,557,568 |
| 28. Amounts receivable relating to uninsured plans, prior year | 0 | 0 | 0 | 0 |
| 29. Amounts receivable relating to uninsured plans, current year | | | | 0 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) | 374,420,596 | 1,253,107,679 | 5,801,753 | 1,633,330,028 |
| **DETAILS OF WRITE-INS** | | | | |
| 2401. Interest Expense | 12,110 | 4,407,335 | 662 | 4,420,107 |
| 2402. Charitable Contributions | 13,467 | 22,120 | 177 | 35,764 |
| 2403. Inter-Company Interest Expense | (7,310) | 2,118 | 35 | (5,157) |
| 2498. Summary of remaining write-ins for Line 24 from overflow page | 0 | 0 | 0 | 0 |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) | 18,267 | 4,431,573 | 874 | 4,450,714 |

(a) Includes management fees of $ 91,770,719 to affiliates and $ to non-affiliates.

# EXHIBIT OF NET INVESTMENT INCOME

| | | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|---|---|---|
| 1. | U.S. Government bonds | (a) 405,206 | 404,842 |
| 1.1 | Bonds exempt from U.S. tax | (a) 97,689,853 | 98,918,201 |
| 1.2 | Other bonds (unaffiliated) | (a) 146,214,612 | 148,494,352 |
| 1.3 | Bonds of affiliates | (a) 0 | |
| 2.1 | Preferred stocks (unaffiliated) | (b) 10,743,188 | 10,869,004 |
| 2.11 | Preferred stocks of affiliates | (b) 0 | |
| 2.2 | Common stocks (unaffiliated) | 84,560,502 | 83,827,402 |
| 2.21 | Common stocks of affiliates | 0 | |
| 3. | Mortgage loans | (c) | |
| 4. | Real estate | (d) | |
| 5. | Contract loans | | |
| 6. | Cash, cash equivalents and short-term investments | (e) 138,171 | 138,171 |
| 7. | Derivative instruments | (f) | |
| 8. | Other invested assets | 191,606 | 79,556 |
| 9. | Aggregate write-ins for investment income | 2,894 | 2,894 |
| 10. | Total gross investment income | 339,946,031 | 342,734,422 |
| 11. | Investment expenses | | (g) 6,224,712 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) |
| 14. | Depreciation on real estate and other invested assets | | (i) |
| 15. | Aggregate write-ins for deductions from investment income | | 0 |
| 16. | Total deductions (Lines 11 through 15) | | 6,224,712 |
| 17. | Net investment income (Line 10 minus Line 16) | | 336,509,710 |
| | **DETAILS OF WRITE-INS** | | |
| 0901. | Miscellaneous Interest Income | 2,894 | 2,894 |
| 0902. | | | |
| 0903. | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. | Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | 2,894 | 2,894 |
| 1501. | | | |
| 1502. | | | |
| 1503. | | | |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. | Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) | | 0 |

(a) Includes $ 10,055,817 accrual of discount less $ 16,139,397 amortization of premium and less $ 2,446,571 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ 104,833 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

# EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1<br>Realized Gain (Loss) On Sales or Maturity | 2<br>Other Realized Adjustments | 3<br>Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4<br>Change in Unrealized Capital Gain (Loss) | 5<br>Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|---|---|---|---|---|---|---|
| 1. | U.S. Government bonds | | | 0 | | |
| 1.1 | Bonds exempt from U.S. tax | 29,620 | | 29,620 | | |
| 1.2 | Other bonds (unaffiliated) | 10,531,306 | (12,528,144) | (1,996,838) | (19,704,005) | |
| 1.3 | Bonds of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.1 | Preferred stocks (unaffiliated) | 7,445,000 | (712,960) | 6,732,040 | (6,726,751) | 0 |
| 2.11 | Preferred stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.2 | Common stocks (unaffiliated) | 87,482,514 | (13,734,784) | 73,747,730 | (254,612,312) | 0 |
| 2.21 | Common stocks of affiliates | 0 | 0 | 0 | 34,274,201 | 0 |
| 3. | Mortgage loans | 0 | 0 | 0 | 0 | 0 |
| 4. | Real estate | 0 | 0 | 0 | | 0 |
| 5. | Contract loans | | | 0 | | |
| 6. | Cash, cash equivalents and short-term investments | | | 0 | 0 | 0 |
| 7. | Derivative instruments | | | 0 | | |
| 8. | Other invested assets | 0 | 0 | 0 | 0 | 0 |
| 9. | Aggregate write-ins for capital gains (losses) | 2,053 | 0 | 2,053 | 0 | 0 |
| 10. | Total capital gains (losses) | 105,490,494 | (26,975,888) | 78,514,606 | (246,768,867) | 0 |
| | **DETAILS OF WRITE-INS** | | | | | |
| 0901. | Capital gains from investments previously charged off | 2,053 | | 2,053 | | |
| 0902. | | | | | | |
| 0903. | | | | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 0999. | Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | 2,053 | 0 | 2,053 | 0 | 0 |

# EXHIBIT OF NONADMITTED ASSETS

| | 1<br>Current Year Total Nonadmitted Assets | 2<br>Prior Year Total Nonadmitted Assets | 3<br>Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|---|---|---|
| 1. Bonds (Schedule D) | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income | 0 | 0 | 0 |
| 4.3 Properties held for sale | 0 | 0 | 0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Derivatives (Schedule DB) | 0 | 0 | 0 |
| 8. Other invested assets (Schedule BA) | 0 | 0 | 0 |
| 9. Receivables for securities | 0 | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | 0 | 0 | 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 | 0 | 0 |
| 14. Investment income due and accrued | 0 | 0 | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 13,125,797 | 10,860,541 | (2,265,257) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | 3,253,236 | 2,802,329 | (450,907) |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | 0 | 0 | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | 67,519 | 10,469 | (57,050) |
| 16.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 |
| 18.2 Net deferred tax asset | 0 | 0 | 0 |
| 19. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software | 14,670,251 | 20,205,299 | 5,535,048 |
| 21. Furniture and equipment, including health care delivery assets | 4,003,293 | 1,198,660 | (2,804,633) |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 |
| 24. Health care and other amounts receivable | 0 | 0 | 0 |
| 25. Aggregate write-ins for other-than-invested assets | 10,836,853 | 14,691,004 | 3,854,152 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 45,956,948 | 49,768,302 | 3,811,354 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 45,956,948 | 49,768,302 | 3,811,354 |
| **DETAILS OF WRITE-INS** | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 |
| 2501. Equities and Deposits in Pools and Associations | | 0 | 0 |
| 2502. Miscellaneous Receivables | 10,836,853 | 14,691,004 | 3,854,152 |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 10,836,853 | 14,691,004 | 3,854,152 |

# NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
   A. Accounting Practices
   The financial statements of the Cincinnati Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 and updates through current year have been adopted as a component of prescribed or permitted practices by the state of Ohio.

| | STATE OF DOMICILE | 2015 | 2014 |
|---|---|---|---|
| **NET INCOME** | | | |
| (1) Company state basis (Page 4, Line 20, Columns 1 & 2) | Ohio | $534,087,962 | $435,806,330 |
| (2) State Prescribed Practices that increase/(decrease) NAIC SAP | Ohio | 0 | 0 |
| (3) State Permitted Practices that increase/(decrease) NAIC SAP | Ohio | 0 | 0 |
| (4) NAIC SAP (1-2-3=4) | Ohio | $534,087,962 | $435,806,330 |
| **SURPLUS** | | | |
| (5) Company state basis (Page 3, Line 37, Columns 1 & 2) | Ohio | $4,412,431,473 | $4,472,210,439 |
| (6) State Prescribed Practices that increase/(decrease) NAIC SAP | Ohio | 0 | 0 |
| (7) State Permitted Practices that increase/(decrease) NAIC SAP | Ohio | 0 | 0 |
| (8) NAIC SAP (5-6-7=8) | Ohio | $4,412,431,473 | $4,472,210,439 |

   B. Use of Estimates in the Preparation of the Financial Statements
   The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
   C. Accounting Policy
   Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. These reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.
   In addition, the company uses the following accounting policies:
   (1) Short-term investments are stated at amortized cost.
   (2) Bonds not backed by other loans are stated at amortized cost using the effective yield method.
   (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
   (4) Preferred stocks are stated at book value. Also, Per SSAP 32, lower quality preferred stocks (P3 to P6) are being stated at the lower of book or fair value.
   (5) Mortgage Loans on Real Estate - Not applicable
   (6) Loan-backed Securities - Not applicable
   (7) Investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
   (8) Joint Ventures - Not applicable
   (9) Derivatives – Not applicable
   (10) In the event that a first-order approximation (excluding anticipated investment income) of estimated future costs related to unearned premium as of a particular evaluation date exceeds the unearned premium as of that date, we would incorporate consideration of the related investment income we would expect to earn. However, to date we have not had to proceed to this step in order to demonstrate that no premium deficiency exists.
   (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
   (12) The company has not modified its capital policy from a prior period.
   (13) Pharmaceutical Rebate Receivables - Not applicable
2. Accounting Changes and Correction of Errors - The Company had no material changes in accounting principles and/or correction of errors.
3. Business Combinations and Goodwill
   A. Statutory Purchase Method – Not applicable
   B. Statutory Merger – Not applicable
   C. Impairment Loss – Not applicable
4. Discontinued Operations – Not applicable
5. Investments
   A. Mortgage Loans - Not applicable
   B. Debt Restructuring - Not applicable
   C. Reverse Mortgages - Not applicable
   D. Loan-Backed Securities - Not applicable
   E. Repurchase Agreements and/or Securities Lending Transactions - Not applicable
   F. Real Estate - Not applicable
   G. Low-income Housing Tax Credit (LIHTC)
      1. The Cincinnati Insurance Company holds two investments in low income housing tax credits which reduce the company's premium tax liability in Georgia and Missouri. The investments are required to be held through 2017 and 2027 respectively and all the tax credits will expire at that time.
      2. The company received $345,004 in tax credits and benefits during 2015.
      3. The balances of the investments recognized in the 2015 balance sheet are $425,900 and $26,943,109.
      4. We are not aware that the low income housing tax credit investments were subject to any regulatory reviews.
      5. The low income housing tax credit investment does not exceed 10% of non-admitted assets.
      6. There was no impairment of the investment in 2015.
      7. There were no write-downs or losses of tax credits in 2015.

H. Restricted Assets

1. Restricted Assets (Including Pledged)

| | Gross Restricted | | | | | | | | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Restricted Asset Category | Total General Account (G/A) | G/A Supporting S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total from Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| a. Subject to contractual obligation for which liability is not shown | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 0.000% | 0.000% |
| b. Collateral held under security lending agreements | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| c. Subject to repurchase agreements | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| d. Subject to reverse repurchase agreements | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| e. Subject to dollar repurchase agreements | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| f. Subject to dollar reverse repurchase agreements | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| g. Placed under option contracts | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| i. FHLB capital stock | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| j. On deposit with states | 40,763,903 | - | - | - | 40,763,903 | 41,523,225 | (759,322) | 40,763,903 | 0.363% | 0.364% |
| k. On deposit with other regulatory bodies | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| l. Pledged collateral to FHLB (including assets backing funding agreements) | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| m. Pledged as collateral not captured in other categories | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| n. Other restricted assets | - | - | - | - | - | - | - | - | 0.000% | 0.000% |
| o. Total Restricted Assets | $ 40,763,903 | $ - | $ - | $ - | $ 40,763,903 | $ 41,523,225 | $ (759,322) | $ 40,763,903 | 0.363% | 0.364% |
| | | | | | | | | | | |
| (a) Subset of column 1 | | | | | | | | | | |
| (b) Subset of column 3 | | | | | | | | | | |

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories – 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
   A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
   B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.
7. Investment Income
   A. There was no due and accrued income excluded from investment income in 2015.
   B. Not applicable
8. Derivative Instruments
   A. Not applicable
   B. Not applicable
   C. Not applicable
   D. Not applicable
   E. Not applicable
   F. Not applicable

**9 - Income Taxes**

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

1.

| | 2015 Ordinary | 2015 Capital | 2015 Total |
|---|---|---|---|
| (a) Gross Deferred Tax Assets | $ 374,117,816 | $ 16,524,158 | $ 390,641,974 |
| (b) Statutory Valuation Allowance | - | - | - |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | 374,117,816 | 16,524,158 | 390,641,974 |
| (d) Deferred Tax Assets Nonadmitted | - | - | - |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d) | 374,117,816 | 16,524,158 | 390,641,974 |
| (f) Deferred Tax Liabilities | $ 57,091,545 | $ 380,596,931 | $ 437,688,476 |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | $ 317,026,271 | $ (364,072,773) | $ (47,046,502) |

| | 2014 Ordinary | 2014 Capital | 2014 Total |
|---|---|---|---|
| (a) Gross Deferred Tax Assets | $ 375,333,155 | $ 16,172,588 | $ 391,505,743 |
| (b) Statutory Valuation Allowance | - | - | - |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | 375,333,155 | 16,172,588 | 391,505,743 |
| (d) Deferred Tax Assets Nonadmitted | - | - | - |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d) | 375,333,155 | 16,172,588 | 391,505,743 |
| (f) Deferred Tax Liabilities | $ 55,884,914 | $ 478,962,006 | $ 534,846,920 |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | $ 319,448,241 | $ (462,789,418) | $ (143,341,177) |

| | Change Ordinary | Change Capital | Change Total |
|---|---|---|---|
| (a) Gross Deferred Tax Assets | $ (1,215,339) | $ 351,570 | $ (863,769) |
| (b) Statutory Valuation Allowance | - | - | - |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | (1,215,339) | 351,570 | (863,769) |
| (d) Deferred Tax Assets Nonadmitted | - | - | - |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d) | (1,215,339) | 351,570 | (863,769) |
| (f) Deferred Tax Liabilities | $ 1,206,631 | $ (98,365,075) | $ (97,158,444) |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | $ (2,421,970) | $ 98,716,645 | $ 96,294,675 |

2.

| | | 2015 | |
|---|---|---|---|
| **SSAP 101, paragraphs 11.a., 11.b., and 11.c.:** | Ordinary | Capital | Total |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks | 255,463,826 | - | 255,463,826 |
| (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) | 23,939,157 | - | 23,939,157 |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date | 23,939,157 | - | 23,939,157 |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold | 661,791,810 | 661,791,810 | 661,791,810 |
| (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 | 94,714,833 | 16,524,158 | 111,238,991 |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c) | 374,117,816 | 16,524,158 | 390,641,974 |

| | | 2014 | |
|---|---|---|---|
| **SSAP 101, paragraphs 11.a., 11.b., and 11.c.:** | Ordinary | Capital | Total |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks | 252,678,132 | - | 252,678,132 |
| (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) | 24,489,184 | - | 24,489,184 |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date | 24,489,184 | - | 24,489,184 |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold | 670,623,335 | 670,623,335 | 670,623,335 |
| (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 | 98,165,839 | 16,172,588 | 114,338,427 |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c) | 375,333,155 | 16,172,588 | 391,505,743 |

| | | Change | |
|---|---|---|---|
| **SSAP 101, paragraphs 11.a., 11.b., and 11.c.:** | Ordinary | Capital | Total |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks | 2,785,694 | - | 2,785,694 |
| (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) | (550,027) | - | (550,027) |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date | (550,027) | - | (550,027) |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold | (8,831,525) | (8,831,525) | (8,831,525) |
| (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 | (3,451,006) | 351,570 | (3,099,436) |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c) | (1,215,339) | 351,570 | (863,769) |

3.

| | 2015 Percentage | 2014 Percentage |
|---|---|---|
| (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount | 761% | 797% |
| (b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 above | $ 4,431,180,883 | $ 4,489,600,517 |

(c) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.

4.

| | 2015 Ordinary | 2015 Capital | 2015 Total |
|---|---|---|---|
| **Impact of Tax Planning Strategies** | | | |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. | | | |
| 1. Adjusted Gross DTAs amount from Note 9A1(c) | 374,117,816 | 16,524,158 | 390,641,974 |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) | 374,117,816 | 16,524,158 | 390,641,974 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies. | | | |

| | 2014 Ordinary | 2014 Capital | 2014 Total |
|---|---|---|---|
| **Impact of Tax Planning Strategies** | | | |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. | | | |
| 1. Adjusted Gross DTAs amount from Note 9A1(c) | 375,333,155 | 16,172,588 | 391,505,743 |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) | 375,333,155 | 16,172,588 | 391,505,743 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies. | | | |

| | Change Ordinary | Change Capital | Change Total |
|---|---|---|---|
| **Impact of Tax Planning Strategies** | | | |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. | | | |
| 1. Adjusted Gross DTAs amount from Note 9A1(c) | (1,215,339) | 351,570 | (863,769) |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) | (1,215,339) | 351,570 | (863,769) |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.00% | 0.00% | 0.00% |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies. | | | |

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

| | 2015 | 2014 | Change |
|---|---|---|---|
| (a) Federal | $ 182,495,798 | $ 109,723,198 | $ 72,772,600 |
| (b) Foreign | - | - | - |
| (c) Subtotal | 182,495,798 | 109,723,198 | 72,772,600 |
| (d) Federal Income Tax on capital gains/(losses) | 33,172,509 | 27,793,676 | 5,378,833 |
| (e) Utilization of capital loss carryforwards | - | - | - |
| (f) Other | - | - | - |
| Federal income taxes incurred | $ 215,668,307 | $ 137,516,874 | $ 78,151,433 |

2. Deferred tax assets

| | December 31, 2015 | December 31, 2014 | Change |
|---|---|---|---|
| (a) Ordinary | | | |
| (1) Unearned premium reserve | $ 145,560,320 | $ 139,434,444 | $ 6,125,876 |
| (2) Unpaid loss reserve | 185,574,856 | 191,321,751 | (5,746,895) |
| (3) Contingent commission | - | - | - |
| (4) Nonadmitted assets | 16,084,932 | 17,418,906 | (1,333,974) |
| (5) Other deferred tax assets | 26,897,708 | 27,158,054 | (260,346) |
| (99) Subtotal | 374,117,816 | 375,333,155 | (1,215,339) |
| (b) Statutory valuation allowance adj | - | - | - |
| (c) Nonadmitted | - | - | - |
| (d) Admitted ordinary deferred tax assets (2a99-2b-2c) | $ 374,117,816 | $ 375,333,155 | $ (1,215,339) |
| (e) Capital | | | |
| (1) Investments | 16,524,158 | 16,172,588 | 351,570 |
| (2) Unrealized (gain)/loss on investments | - | - | - |
| (99) Subtotal | 16,524,158 | 16,172,588 | 351,570 |
| (f) Statutory valuation allowance adj | - | - | - |
| (g) Nonadmitted | - | - | - |
| (h) Admitted capital deferred tax assets (2e99-2f-2g) | $ 16,524,158 | $ 16,172,588 | $ 351,570 |
| (i) Admitted deferred tax assets (2d + 2h) | $ 390,641,974 | $ 391,505,743 | $ (863,769) |

3. Deferred tax liabilities

| | December 31, 2015 | December 31, 2014 | Change |
|---|---|---|---|
| (a) Ordinary | | | |
| (1) Commission expense | $ 56,402,993 | $ 54,603,225 | $ 1,799,768 |
| (2) Other, net | 688,552 | 1,281,689 | (593,137) |
| (99) Subtotal | 57,091,545 | 55,884,914 | 1,206,631 |
| (b) Capital | | | |
| (1) Unrealized (gain)/loss on investments | $ 380,596,931 | $ 478,962,006 | $ (98,365,075) |
| (99) Subtotal | 380,596,931 | 478,962,006 | (98,365,075) |
| (c) Deferred tax liabilities (3a99 + 3b99) | $ 437,688,476 | $ 534,846,920 | $ (97,158,444) |

| | | | |
|---|---|---|---|
| 4. Net deferred tax assets/liabilities (2i-3c) | $ (47,046,502) | $ (143,341,177) | $ 96,294,675 |

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

| | December 31, 2015 | December 31, 2014 | Change |
|---|---|---|---|
| Total deferred tax assets | $ 390,641,974 | $ 391,505,743 | $ (863,769) |
| Total deferred tax liabilities | 437,688,476 | 534,846,920 | (97,158,444) |
| Net deferred tax asset(liability) | $ (47,046,502) | $ (143,341,177) | $ 96,294,675 |
| Tax effect of unrealized (gains)/losses | | | (98,365,075) |
| Change in net deferred income tax (charge)/benefit | | | $ (2,070,400) |

| | December 31, 2014 | December 31, 2013 | Change |
|---|---|---|---|
| Total deferred tax assets | $ 391,505,743 | $ 408,851,637 | $ (17,345,894) |
| Total deferred tax liabilities | 534,846,920 | 480,149,633 | 54,697,287 |
| Net deferred tax asset(liability) | $ (143,341,177) | $ (71,297,996) | $ (72,043,181) |
| Tax effect of unrealized (gains)/losses | | | 53,671,503 |
| Change in net deferred income tax (charge)/benefit | | | $ (18,371,678) |

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

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

| | As of December 31, 2015 | | |
|---|---|---|---|
| Description | Amount | Tax Effect | Effective Tax Rate |
| Income before taxes | $ 749,756,270 | $ 262,414,695 | 35.00% |
| Net tax exempt interest | (80,025,572) | (28,008,950) | -3.74% |
| Net dividends received deduction | (53,827,944) | (18,839,781) | -2.51% |
| Other items permanent, net | 2,035,150 | 712,302 | 0.09% |
| DRD on accrued | 361,333 | 126,467 | 0.01% |
| Total | $ 618,299,237 | $ 216,404,733 | 28.85% |
| Federal income taxes incurred expense/(benefit) | $ 521,416,567 | $ 182,495,798 | 24.34% |
| Tax on capital gains/(losses) | 94,778,597 | 33,172,509 | 4.42% |
| Change in nonadmitted excluding deferred tax asset | (3,811,355) | (1,333,974) | -0.18% |
| Change in net deferred income tax charge/(benefit) | 5,915,428 | 2,070,400 | 0.27% |
| Total statutory income taxes incurred | $ 618,299,237 | $ 216,404,733 | 28.85% |

| | As of December 31, 2014 | | |
|---|---|---|---|
| Description | Amount | Tax Effect | Effective Tax Rate |
| Income before taxes | $ 573,323,205 | $ 200,663,122 | 35.00% |
| Net tax exempt interest | (82,023,517) | (28,708,231) | -5.01% |
| Net dividends received deduction | (50,168,219) | (17,558,877) | -3.06% |
| Other items permanent, net | 6,127,488 | 2,144,621 | 0.37% |
| DRD on accrued | (345,741) | (121,009) | -0.02% |
| Total | $ 446,913,216 | $ 156,419,626 | 27.28% |
| Federal income taxes incurred expense/(benefit) | $ 313,494,850 | $ 109,723,198 | 19.14% |
| Tax on capital gains/(losses) | 79,410,504 | 27,793,676 | 4.85% |
| Change in nonadmitted excluding deferred tax asset | 1,517,353 | 531,074 | 0.09% |
| Change in net deferred income tax charge/(benefit) | 52,490,509 | 18,371,678 | 3.20% |
| Total statutory income taxes incurred | $ 446,913,216 | $ 156,419,626 | 27.28% |

E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2015, the Company had net operating loss carryforwards of: $ -
(2) At December 31, 2015, the Company had capital loss carryforwards of: $ -

(3) The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:

| Year | Ordinary | Capital | Total |
|---|---|---|---|
| 2015 | $ 178,154,467 | $ 33,172,509 | $ 211,326,976 |
| 2014 | 109,235,658 | 27,205,296 | 136,440,954 |
| 2013 | - | 12,186,307 | 12,186,307 |
| Total | $ 287,390,125 | $ 72,564,112 | $ 359,954,237 |

(4) Deposits admitted under Internal Revenue Code Section 6603: $ -

F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities:

Cincinnati Financial Corporation (Parent)
The Cincinnati Life Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Specialty Underwriters Insurance Company
CFC Investment Company
CSU Producer Resources, Inc.

(2) The method of allocation between the Company is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group. Furthermore, tax allocations are computed without regard to any amount attributable to any minimum tax arising under Code Section 55 or minimum tax credit arising under Code Section 53.

G. Federal or Foreign Federal Income Tax Loss Contingencies

For the years ended December 31, 2015 and 2014, the Company did not have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets.* This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date. The Company is primarily subject to examination by U.S. federal and various U.S. state and local tax authorities. The statute of limitations for federal tax purposes has closed for tax years 2011 and earlier. The statute of limitations for state income tax purposes has closed for tax years 2011 and earlier. As of December 31, 2015, there are no U.S. federal or state returns under examination.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
   A. Not applicable
   B. Not applicable
   C. Not applicable
   D. At December 31, 2015, the Company reported $4,033,331 due from an affiliate The CSU Producer Resources, Inc. and from a subsidiary The CSU Insurance Company. Also at December 31, 2015, the Company reported $31,927,885 due to the ultimate parent, Cincinnati Financial Corporation, and to affiliates The Cincinnati Life Insurance Company and CFC Investment Company, and to subsidiaries The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The terms of the settlement require that these amounts be settled within 30 days.
   E. Not applicable
   F. The Company has the following management agreements with related parties:
      (1) Inter-company Benefits and Expense Allocation Agreement.
      (2) Inter-company Cost Sharing and Expense Allocation Agreement.
      (3) Inter-company Tax Sharing Agreement.
      (4) Inter-company Reinsurance Agreement.
   G. All outstanding shares of The Company are owned by the ultimate Parent Company, Cincinnati Financial Corporation, a holding company domiciled in the State of Ohio.
   H. Not applicable
   I. Not applicable
   J. Not applicable
   K. Not applicable
   L. Not applicable
   M. Not applicable
   N. Not applicable
11. Debt
   A. Capital Notes – Not applicable
   B. FHLB (Federal Home Loan Bank) Agreements – Not applicable
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
   A. Defined Benefit Plan – Not applicable
   B. Not applicable
   C. Not applicable
   D. Not applicable
   E. Defined Contribution Plans – Not applicable
   F. Multiemployer Plans – Not applicable
   G. Consolidated/Holding Company Plans
      (1) Defined Benefit Pension Plan – The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by Cincinnati Financial Corporation, the ultimate parent. The Company has no legal obligations for benefits under these plans. Cincinnati Financial Corporation allocates amounts to the Company based on the percentage of participants on the Company's payroll. The Company's share of net expense for the qualified pension plan was $14,002,393 and $12,302,127 for 2015 and 2014 respectively.
      (2) Defined Contribution Plans - The Company participates in a qualified, defined contribution plan sponsored by Cincinnati Financial Corporation, the ultimate parent. The Company has no legal obligations for benefits under these plans. Cincinnati Financial Corporation allocates amounts to the Company based on an inter-company management fee. The Company's share of net expense for the contribution plan was $11,017,818 and $10,931,244 for 2015 and 2014 respectively.
   H. Postemployment Benefits and Compensated Absences – Not applicable
   I. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
   (1) The Company has 1,000,000 shares authorized, 717,271 shares issued and 717,271 shares outstanding. All shares are Class A shares.
   (2) The Company has no preferred stock outstanding.
   (3) Without prior approval from the Ohio Insurance Commissioner, dividends to shareholders are limited by the laws of Ohio which state that dividends are restricted to the greater of 10% of surplus or net income. In 2016 we would be restricted to $534,087,962. In 2015 10% of surplus was $441,243,147 and net income was $534,087,962. In 2015 we were restricted to $447,221,044. In 2014 10% of surplus was $447,221,044 and net income was $435,806,330.
   (4) An ordinary dividend in the amount of $100,000,000 on January 14, 2015 was paid by the Company.
       An ordinary dividend in the amount of $100,000,000 on April 14, 2015 was paid by the Company.
       An ordinary dividend in the amount of $100,000,000 on July 15, 2015 was paid by the Company.
       An ordinary dividend in the amount of $100,000,000 on September 18, 2015 was paid by the Company.
       An ordinary dividend in the amount of $47,000,000 on December 11, 2015 was paid by the Company.
   (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
   (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
   (7) Not applicable
   (8) Not applicable
   (9) Not applicable
   (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains & losses are ($98,365,075) net of tax.
   (11) The Company has no surplus debentures or similar obligations.
   (12) Not applicable
   (13) Not applicable
14. Liabilities, Contingencies and Assessments
   A. The Company is not aware of any material commitments not disclosed on our balance sheet as of year-end.
   B. The Company is not aware of any material assessments as of year-end.
   C. The Company does not have any gain contingencies.
   D. The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

| | Net |
|---|---|
| Claims related ECO and bad faith losses paid during the reporting period | $462,044 |

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

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

   E. The Company does not have product warranties.
   F. Joint and Several Liabilities – Not applicable
   G. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets it considers impaired.

15. Leases
A.
1) The Company has various noncancelable operating lease agreements that expire through November 2021.
2) At January 1, 2016, the minimum agreement rental commitments are as follows:

| Year Ending December 31, | Operating Leases |
|---|---|
| 2016 | $12,661,189 |
| 2017 | $7,846,246 |
| 2018 | $5,599,180 |
| 2019 | $3,732,415 |
| 2020 | $2,644,869 |
| Total | $32,483,899 |

3) The company is not involved in any material sales leaseback transactions.
B. Not applicable
16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
A. Transfer of Receivables Reported as Sales - Not applicable
B. Transfer and Servicing of Financial Assets - Not applicable
C. Wash Sales - Not applicable
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not applicable
19. The Company does not have any direct premiums written through managing general agents or third party administrators equal or greater than 5% of surplus.
20. Fair Value Measurement
A. Not applicable
B. Not applicable
C.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|
| **Bonds** | 5,551,191,184 | 5,322,176,788 | 1,045,907 | 5,523,962,237 | 26,183,040 | |
| **Common Stock** | 2,718,396,822 | 2,718,396,822 | 2,718,396,822 | | | |
| **Perpetual Preferred Stock** | 208,329,986 | 185,732,892 | | 208,329,986 | | |
| **Mortgage Loans** | | | | | | |

D. Not applicable
21. Other Items
A. Unusual or Infrequent Items – Not applicable
B. Trouble Debt Restructuring - Not applicable
C. Assets in the amount of $40,763,903 and $41,523,225 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law.
D. Business Interruption Insurance Recoveries - Not applicable
E. State Transferable and Non-Transferable Tax Credits - Not applicable
F. Subprime-Mortgage-Related Risk Exposure - The Cincinnati Insurance Company has no investments in subprime or related areas. This includes direct investments in subprime mortgage loans, RMBS, CMBS, CDO's, hedge funds, credit default swaps or SIVs. Additionally, we have no equity investments in subsidiary, controlled or affiliated entities with subprime exposure nor do we underwrite any form of mortgage guarantee insurance.
G. Not applicable
22. Subsequent Events – Not applicable
23. Reinsurance
A. Unsecured Reinsurance Recoverables – Not applicable
B. Reinsurance Recoverable in Dispute – Not applicable
C. Reinsurance Assumed and Ceded
(1)

| | Assumed Reinsurance | | Ceded Reinsurance | | Assumed Less Ceded | |
|---|---|---|---|---|---|---|
| | Premium Reserve | Commission Equity | Premium Reserve | Commission Equity | Premium Reserve | Commission Equity |
| a. Affiliates | $340,957,119 | $38,750,481 | $ 0 | $ 0 | $340,957,119 | $ 38,750,481 |
| b. All Other | $ 51,345,859 | $ 15,366,325 | $37,808,809 | $11,315,079 | $13,537,050 | $4,051,246 |
| c. Total | $392,302,978 | $54,116,806 | $37,808,809 | $11,315,079 | $354,494,168 | $ 42,801,727 |
| d. Direct Unearned Premium Reserve | | | $1,724,938,974 | | | |

(2)

| | REINSURANCE | | | |
|---|---|---|---|---|
| | Direct | Assumed | Ceded | Net |
| a. Contingent Comm | $102,700,096 | $ 21,900,000 | $ 0 | $124,600,096 |
| b. Sliding Scale Adj. | | | | |
| c. Other Profit Comm Arrangements | | | | |
| d. Total | $102,700,096 | $ 21,900,000 | $ 0 | $124,600,096 |

(3) Not applicable
D. Uncollectible Reinsurance – None
E. Commutation of Ceded Reinsurance – The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

| | | |
|---|---|---|
| (1) | Losses incurred | $23,500 |
| (2) | Loss adjustment expenses incurred | $0 |
| (3) | Premiums earned | $0 |
| (4) | Other | $0 |
| (5) | Company<br>Munich | Amount<br>$23,500 |

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 Rating 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– Not applicable
25. Reserves as of December 31, 2014 were $3,961,796,311. As of December 31, 2015, $1,165,521,876 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $2,646,711,463 as a result of re- estimation of unpaid claims and claim adjustment expenses principally on commercial casualty lines of insurance. Therefore, there has been $149,562,972 favorable prior-year development since December 31, 2014 to December 31, 2015. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Because the Company does not write retrospectively rated policies, prior-year development does not affect premium adjustments.
26. Intercompany Pooling Arrangements – Not applicable
27. Structured Settlements

A.

| Loss Reserves Eliminated by Annuities | Unrecorded Loss Contingencies |
|---|---|
| $156,845,711 | $0 |

B.

| Life Insurance Company and Location | Licensed in Ohio (Yes/No) | Statement (Present) Value of Annuities |
|---|---|---|
| The Cincinnati Life Insurance Company, | Yes | $155,078,202 |
| Fairfield, Ohio | | |

28. Health Care Receivables – Not applicable
29. Participating Policies – Not applicable
30. Premium Deficiency Reserves

| | |
|---|---|
| 1. Liability carried for premium deficiency reserves | $0 |
| 2. Date of most recent evaluation of this liability | 01/21/2016 |
| 3. Was anticipated investment income utilized in the calculation | No |

31. High Deductibles – Not applicable
32. The Company does not discount unpaid losses or loss adjustment expenses except for income tax purposes.
33. Asbestos and Environmental Reserves

Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the asbestos exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies.

| ASBESTOS LOSSES | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| | **Direct** | **Direct** | **Direct** | **Direct** | **Direct** |
| Beginning Reserves | $39,852,740 | $37,697,035 | $33,294,231 | $38,181,859 | $37,710,099 |
| Incurred Loss & LAE | ($1,099,461) | ($2,124,688) | $6,384,314 | $1,306,930 | $670,908 |
| Calendar year payments for Loss and LAE | $1,056,244 | $2,278,116 | $1,496,686 | $1,778,690 | $1,820,020 |
| Ending Reserves | $37,697,035 | $33,294,231 | $38,181,859 | $37,710,099 | $36,560,987 |
| | **Assumed** | **Assumed** | **Assumed** | **Assumed** | **Assumed** |
| Beginning Reserves | $6,232,524 | $6,719,106 | $6,160,787 | $11,842,172 | $11,744,833 |
| Incurred Loss & LAE | $1,298,383 | $1,719,294 | $6,183,227 | $622,870 | ($18,894) |
| Calendar year payments for Loss and LAE | $811,801 | $2,277,613 | $501,842 | $720,209 | $551,759 |
| Ending Reserves | $6,719,106 | $6,160,787 | $11,842,172 | $11,744,833 | $11,174,181 |
| | **Net** | **Net** | **Net** | **Net** | **Net** |
| Beginning Reserves | $23,996,144 | $23,629,190 | $20,833,097 | $29,849,059 | $29,736,405 |
| Incurred Loss & LAE | $1,501,091 | $1,759,636 | $6,702,554 | $1,220,832 | ($581,499) |
| Calendar year payments for Loss and LAE | $1,868,045 | $4,555,729 | ($2,313,408) | $1,333,486 | $1,337,991 |
| Ending Reserves | $23,629,190 | $20,833,097 | $29,849,059 | $29,736,405 | $27,816,915 |
| **IBNR Reserves** | | | | | |
| Direct | ($4,251,000) | ($5,055,000) | $255,150 | $191,450 | $46,400 |
| Assumed | $3,352,529 | $2,811,743 | $7,892,652 | $7,934,257 | $7,223,025 |
| Net | ($898,471) | ($2,243,257) | $8,147,802 | $8,125,707 | $7,269,425 |
| **LAE Reserves** | | | | | |
| Direct | $14,581,000 | $13,350,750 | $13,022,200 | $13,149,250 | $12,504,800 |
| Assumed | $79,965 | $121,451 | $281,666 | $272,791 | $310,159 |
| Net | $14,660,965 | $13,472,201 | $9,909,466 | $9,913,991 | $8,789,559 |

Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the environmental exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies.

| ENVIRONMENTAL LOSSES | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| | **Direct** | **Direct** | **Direct** | **Direct** | **Direct** |
| Beginning Reserves | $108,657,016 | $48,516,896 | $45,609,710 | $45,673,007 | $50,526,858 |
| Incurred Loss & LAE | $8,752,575 | $7,982,780 | $8,031,105 | $8,304,462 | $4,675,393 |
| Calendar year payments for Loss and LAE | $6,762,715 | $10,889,966 | $7,967,808 | $3,450,611 | $746,683 |
| Ending Reserves | $110,646,876 | $45,609,710 | $45,673,007 | $50,526,858 | $54,455,568 |
| | **Assumed** | **Assumed** | **Assumed** | **Assumed** | **Assumed** |
| Beginning Reserves | $1,027,044 | $1,266,998 | $624,815 | $1,138,692 | $1,131,234 |
| Incurred Loss & LAE | $322,167 | ($495,955) | $656,133 | $321,050 | $1,145,689 |
| Calendar year payments for Loss and LAE | $82,213 | $146,228 | $142,256 | $328,509 | $374,292 |
| Ending Reserves | $1,266,998 | $624,815 | $1,138,692 | $1,131,234 | $1,902,630 |
| | **Net** | **Net** | **Net** | **Net** | **Net** |
| Beginning Reserves | $109,684,060 | $49,783,894 | $46,234,525 | $46,811,699 | $51,658,092 |
| Incurred Loss & LAE | $9,074,742 | $7,486,825 | $8,687,238 | $8,625,513 | $5,821,082 |
| Calendar year payments for Loss and LAE | $6,844,928 | $11,036,194 | $8,110,064 | $3,779,120 | $1,120,975 |
| Ending Reserves | $111,913,874 | $46,234,525 | $46,811,699 | $51,658,092 | $56,358,198 |
| **IBNR Reserves** | | | | | |
| Direct | $51,922,000 | $14,329,273 | $17,375,050 | $18,966,812 | $19,294,483 |
| Assumed | $846,173 | $351,468 | $699,169 | $666,618 | $588,987 |
| Net | $52,768,173 | $14,680,741 | $18,074,219 | $19,633,430 | $19,883,470 |
| **LAE Reserves** | | | | | |
| Direct | $46,288,000 | $18,947,346 | $15,859,736 | $16,610,966 | $19,398,377 |
| Assumed | $42,530 | $38,354 | $42,756 | $21,358 | $20,342 |
| Net | $46,330,530 | $18,985,700 | $15,902,492 | $16,632,324 | $19,418,719 |

Upon review of note 33 regarding Asbestos/Environmental Reserves, beginning with 2012, the data related to mold is being excluded from the amounts paid and reserved for losses and LAE for these claims. To be consistent with industry reporting and align the numbers with the intent of the note, the company is excluding the mold peril. See the table below to exclude mold from the prior year data:

| | 2011 |
|---|---|
| | **Direct** |
| Beginning Reserves | $61,228,817 |
| Incurred Loss & LAE | $3,381,226 |
| Calendar Yr. Pymnts for Loss and LAE | $2,480,063 |
| Ending Reserves | $62,129,980 |
| | **Assumed** |
| Beginning Reserves | $0 |
| Incurred Loss and LAE | $0 |
| Calendar year payments for Loss and LAE | $0 |
| Ending Reserves | $0 |
| | **Net** |
| Beginning Reserves | $61,228,817 |
| Incurred Loss & LAE | $3,381,226 |
| Calendar Yr. Pymnts for Loss and LAE | $2,480,063 |
| Ending Reserves | $62,129,980 |
| **IBNR Reserves** | |
| Direct | $34,503,000 |
| Assumed | $0 |
| Net | $34,503,000 |
| **LAE Reserves** | |
| Direct | $25,283,000 |
| Assumed | $0 |
| Net | $25,283,000 |

34. Subscriber Savings Accounts – Not applicable
35. Multiple Peril Crop Insurance – Not applicable
36. Financial Guaranty Insurance – Not applicable

37. Other

Total Net Losses and Expenses Unpaid – AY's 2005 & prior

| (000's) | 1996 & P | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Part 1A | 69 | 0 | 5 | 0 | 60 | 7 | 87 | 146 | 72 | 105 |
| Part 1B | 653 | 6 | 7 | 30 | 118 | 120 | 217 | 337 | 396 | 428 |
| Part 1C | 97 | 9 | 3 | 365 | 47 | 0 | 675 | 18 | 63 | 931 |
| Part 1D | 52,532 | 9,294 | 11,488 | 13,151 | 17,600 | 20,452 | 24,642 | 26,175 | 26,193 | 32,088 |
| Part 1E | 15,074 | 2,130 | 1,989 | 1,956 | 2,481 | 2,721 | 3,125 | 4,236 | 5,267 | 7,544 |
| Part 1F | 0 | 0 | 24 | 0 | 0 | 0 | 64 | 130 | 385 | 316 |
| Part 1G | 223 | 115 | 73 | 86 | 77 | 1,841 | 61 | 0 | 0 | 0 |
| Part 1H | 25,861 | 94 | 81 | 175 | 120 | 878 | 299 | 338 | 1,439 | 4,084 |
| Part 1I | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 | 0 |
| Part 1J | 28 | 11 | 12 | 11 | 25 | 18 | 41 | 63 | 128 | 81 |
| Part 1K | 15 | 126 | 5 | 6 | 24 | 13 | 21 | 17 | 3 | 23 |
| Part 1R | 2,170 | 91 | 90 | 90 | 229 | 634 | 343 | 252 | 319 | 593 |
| Totals | 96,729 | 11,875 | 13,778 | 15,870 | 20,782 | 26,683 | 29,574 | 31,714 | 34,268 | 46,194 |
| | | | | | | | | | | 327,466 |

Prior year data included in Schedule P is calculated as follows:

Part 1-Payments made in the current year and current reserves for AY's 2005 & prior.

Parts 2&3-The prior line on last year's statement is combined with the year 2005 total. Paid amounts prior to 2006 are then subtracted from this sum to arrive at the prior figure.

Part 4-The sum of the prior year line and the 2005 line from the prior year's Schedule P compose the prior figures for this section.

Part 5 Section 1&3-The prior line is combined with year 2004 from the prior schedule P. Counts for accident year 2005 in the preceding year are then subtracted from this sum to arrive at the prior figure, removing the cumulative effect.

Part 5 Section 2 - The prior line is combined with the 2005 AY of the prior year's Schedule P to arrive at the new prior number.

Total Net Salvage and Subrogation Unpaid – AY's 2005 & prior

| (000's) | 1996 & P | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Part 1A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 9 |
| Part 1B | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 24 |
| Part 1C | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Part 1D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133 | 102 | 137 |
| Part 1E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 53 |
| Part 1F | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part 1G | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part 1H | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part 1I | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part 1J | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 27 |
| Part 1K | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part 1R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133 | 135 | 253 |
| | | | | | | | | | | 521 |

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

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

1.3 State Regulating? 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. 12/31/2014

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. 12/31/2014

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/05/2015

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 [ X ] No [ ] N/A [ ]

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 the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---|---|---|
| | | |

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

6.2 If yes, give full information

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

7.2 If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1<br>Nationality | 2<br>Type of Entity |
|---|---|
| | |

# GENERAL INTERROGATORIES

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

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

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

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1<br>Affiliate Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | | | | |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

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

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 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

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?

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

12.11 Name of real estate holding company ..........

12.12 Number of parcels involved ..........

12.13 Total book/adjusted carrying value $..........

12.2 If yes, provide explanation

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

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

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

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

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

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

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

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

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

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

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

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

# GENERAL INTERROGATORIES

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

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

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

## BOARD OF DIRECTORS

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

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

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict 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 $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal only) $

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

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

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

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

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

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

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

## INVESTMENT

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

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 [ ] NA [ X ]

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

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

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [ X ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ 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 [ ] NA [ 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 $
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $
- 24.103 Total payable for securities lending reported on the liability page $

# GENERAL INTERROGATORIES

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

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

| | | |
|---|---|---|
| 25.21 | Subject to repurchase agreements | $ |
| 25.22 | Subject to reverse repurchase agreements | $ |
| 25.23 | Subject to dollar repurchase agreements | $ |
| 25.24 | Subject to reverse dollar repurchase agreements | $ |
| 25.25 | Placed under option agreements | $ |
| 25.26 | Letter stock or securities restricted as to sale – excluding FHLB Capital Stock | $ |
| 25.27 | FHLB Capital Stock | $ |
| 25.28 | On deposit with states | $ 36,555,465 |
| 25.29 | On deposit with other regulatory bodies | $ |
| 25.30 | Pledged as collateral – excluding collateral pledged to an FHLB | $ |
| 25.31 | Pledged as collateral to FHLB – including assets backing funding agreements | $ |
| 25.32 | Other | $ |

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address |
|---|---|
| Fifth Third Bank | Fifth Third Center, Cincinnati, Ohio 45263 |

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

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

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

# GENERAL INTERROGATORIES

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

| 1<br>Central Registration Depository Number(s) | 2<br>Name | 3<br>Address |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

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

29.2 If yes, complete the following schedule:

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

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

| 1<br>Name of Mutual Fund<br>(from above table) | 2<br>Name of Significant Holding<br>of the Mutual Fund | 3<br>Amount of Mutual Fund's<br>Book/Adjusted Carrying Value<br>Attributable to the Holding | 4<br>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<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-),<br>or Fair Value<br>over Statement (+) |
|---|---|---|---|
| 30.1 Bonds | 5,317,509,438 | 5,546,523,834 | 229,014,396 |
| 30.2 Preferred Stocks | 190,400,242 | 212,997,336 | 22,597,094 |
| 30.3 Totals | 5,507,909,680 | 5,759,521,170 | 251,611,490 |

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

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

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

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

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

32.2 If no, list exceptions:

For securities not filed with the SVO, please see the attached list included at the back of this statement on page100.

# GENERAL INTERROGATORIES

## OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 7,634,845

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<br>Name | 2<br>Amount Paid |
|---|---|
| | $ |
| | $ |
| | $ |

34.1 Amount of payments for legal expenses, if any? $ 1,343,624

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<br>Name | 2<br>Amount Paid |
|---|---|
| | $ |
| | $ |
| | $ |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 261,426

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<br>Name | 2<br>Amount Paid |
|---|---|
| Property Casualty Insurers Association | $ 221,248 |

# 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? $

1.31 Reason for excluding

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

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

| | |
|---|---|
| 1.61 Total premium earned | $ 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<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 2.1 | Premium Numerator | $ 0 | $ 0 |
| 2.2 | Premium Denominator | $ 4,106,440,575 | $ 3,899,897,752 |
| 2.3 | Premium Ratio (2.1/2.2) | 0.000 | 0.000 |
| 2.4 | Reserve Numerator | $ 0 | $ 0 |
| 2.5 | Reserve Denominator | $ 6,276,622,294 | $ 5,998,525,264 |
| 2.6 | Reserve Ratio (2.4/2.5) | 0.000 | 0.000 |

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

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

| | |
|---|---|
| 3.21 Participating policies | $ 91,380,378 |
| 3.22 Non-participating policies | $ 3,441,022,131 |

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]

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

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

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]

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

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

5.5 If yes, give full information

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

Protection is provided through several excess reinsurance contracts for workers' compensation coverage.

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

The company has engaged with JLT Re who uses the catastrophe models from Risk Management Solutions and Applied Insurance Research to model potential maximum loss exposure.

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

The company has a catastrophic reinsurance program insuring losses $500 million excess $100 millon, plus co-participation by layer.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ X ] No [ ]

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

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.

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 noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [ X ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty–five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [ X ]

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [ X ]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [ X ]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [ X ]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [ X ]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $

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

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

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

12.41 From %

12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [ X ]

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

12.61 Letters of Credit $ 22,531,417

12.62 Collateral and other funds $ 42,606

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 18,000,000

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. 2

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
We allocate a specific percentage to each company.

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

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

14.5 If the answer to 14.4 is no, please explain:

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

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [ X ]

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

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

* Disclose type of coverage:

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

| | | |
|---|---|---|
| 17.11 | Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 | $ |
| 17.12 | Unfunded portion of Interrogatory 17.11 | $ |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11 | $ |
| 17.14 | Case reserves portion of Interrogatory 17.11 | $ |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11 | $ |
| 17.16 | Unearned premium portion of Interrogatory 17.11 | $ |
| 17.17 | Contingent commission portion of Interrogatory 17.11 | $ |

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

| | | |
|---|---|---|
| 17.18 | Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 | $ |
| 17.19 | Unfunded portion of Interrogatory 17.18 | $ |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18 | $ |
| 17.21 | Case reserves portion of Interrogatory 17.18 | $ |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18 | $ |
| 17.23 | Unearned premium portion of Interrogatory 17.18 | $ |
| 17.24 | Contingent commission portion of Interrogatory 17.18 | $ |

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

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

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

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

# FIVE-YEAR HISTORICAL DATA

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

| | 1<br>2015 | 2<br>2014 | 3<br>2013 | 4<br>2012 | 5<br>2011 |
|---|---|---|---|---|---|
| **Gross Premiums Written** (Page 8, Part 1B, Cols. 1, 2 & 3) | | | | | |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | 1,918,402,873 | 1,827,546,026 | 1,749,482,679 | 1,565,225,716 | 1,430,835,792 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 721,971,290 | 672,551,986 | 614,079,985 | 539,329,563 | 479,412,829 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 1,677,570,531 | 1,622,198,987 | 1,554,615,962 | 1,411,067,637 | 1,275,774,836 |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 47,705,872 | 47,291,629 | 49,602,111 | 50,098,245 | 51,189,455 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 220,000 | 0 | 0 | 0 | 0 |
| 6. Total (Line 35) | 4,365,870,565 | 4,169,588,629 | 3,967,780,737 | 3,565,721,161 | 3,237,212,912 |
| **Net Premiums Written** (Page 8, Part 1B, Col. 6) | | | | | |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | 1,836,424,938 | 1,767,984,350 | 1,686,803,768 | 1,511,085,200 | 1,377,761,562 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 705,405,414 | 642,812,139 | 575,770,336 | 508,088,850 | 447,117,761 |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 1,603,585,542 | 1,540,300,244 | 1,463,904,156 | 1,318,495,162 | 1,153,695,077 |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 43,808,125 | 42,063,632 | 42,764,679 | 42,585,447 | 43,032,629 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 220,000 | 0 | 0 | 0 | 0 |
| 12. Total (Line 35) | 4,189,444,019 | 3,993,160,364 | 3,769,242,938 | 3,380,254,659 | 3,021,607,029 |
| **Statement of Income** (Page 4) | | | | | |
| 13. Net underwriting gain (loss) (Line 8) | 342,883,869 | 159,773,617 | 216,927,384 | 128,635,926 | (280,368,306) |
| 14. Net investment gain (loss) (Line 11) | 381,851,807 | 395,450,453 | 363,455,469 | 342,091,862 | 398,174,194 |
| 15. Total other income (Line 15) | 6,721,395 | 5,977,258 | 5,100,028 | 5,596,928 | 5,856,066 |
| 16. Dividends to policyholders (Line 17) | 14,873,311 | 15,671,799 | 16,474,750 | 16,181,079 | 16,016,235 |
| 17. Federal and foreign income taxes incurred (Line 19) | 182,495,798 | 109,723,200 | 151,292,879 | 125,471,858 | (12,515,950) |
| 18. Net income (Line 20) | 534,087,962 | 435,806,330 | 417,715,253 | 334,671,779 | 120,161,670 |
| **Balance Sheet Lines** (Pages 2 and 3) | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 11,194,176,670 | 11,017,151,254 | 10,559,843,756 | 9,767,259,501 | 9,501,832,509 |
| 20. Premiums and considerations (Page 2, Col. 3) | | | | | |
| 20.1 In course of collection (Line 15.1) | 341,227,782 | 325,674,149 | 338,432,877 | 312,478,348 | 295,535,746 |
| 20.2 Deferred and not yet due (Line 15.2) | 1,147,192,287 | 1,099,156,670 | 1,035,615,223 | 931,830,949 | 822,536,963 |
| 20.3 Accrued retrospective premiums (Line 15.3) | 0 | 0 | 0 | 0 | 0 |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) | 6,781,745,197 | 6,544,940,815 | 6,234,173,325 | 5,853,661,523 | 5,755,051,386 |
| 22. Losses (Page 3, Line 1) | 3,237,348,232 | 3,087,597,925 | 2,945,976,974 | 2,836,585,289 | 2,927,539,915 |
| 23. Loss adjustment expenses (Page 3, Line 3) | 923,158,082 | 876,604,196 | 849,995,244 | 860,189,053 | 900,710,444 |
| 24. Unearned premiums (Page 3, Line 9) | 2,079,433,143 | 1,991,920,630 | 1,897,422,215 | 1,723,597,502 | 1,576,644,543 |
| 25. Capital paid up (Page 3, Lines 30 & 31) | 3,586,355 | 3,586,355 | 3,586,355 | 3,586,355 | 3,586,355 |
| 26. Surplus as regards policyholders (Page 3, Line 37) | 4,412,431,473 | 4,472,210,439 | 4,325,670,432 | 3,913,597,978 | 3,746,781,123 |
| **Cash Flow (Page 5)** | | | | | |
| 27. Net cash from operations (Line 11) | 705,990,418 | 571,713,960 | 503,413,703 | 373,997,584 | 53,830,244 |
| **Risk-Based Capital Analysis** | | | | | |
| 28. Total adjusted capital | 4,431,180,883 | 4,489,600,517 | 4,342,933,452 | 3,927,821,006 | 3,754,074,513 |
| 29. Authorized control level risk-based capital | 582,050,743 | 563,705,141 | 533,911,963 | 484,136,049 | 468,729,620 |
| **Percentage Distribution of Cash, Cash Equivalents and Invested Assets** (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 30. Bonds (Line 1) | 55.6 | 54.3 | 56.3 | 58.6 | 60.7 |
| 31. Stocks (Lines 2.1 & 2.2) | 40.2 | 41.1 | 40.6 | 37.3 | 35.4 |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 33. Real estate (Lines 4.1, 4.2 & 4.3) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 34. Cash, cash equivalents and short-term investments (Line 5) | 3.7 | 4.4 | 3.0 | 3.8 | 3.7 |
| 35. Contract loans (Line 6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 36. Derivatives (Line 7) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 37. Other invested assets (Line 8) | 0.4 | 0.1 | 0.0 | 0.1 | 0.1 |
| 38. Receivables for securities (Line 9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 39. Securities lending reinvested collateral assets (Line 10) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 40. Aggregate write-ins for invested assets (Line 11) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 41. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Investments in Parent, Subsidiaries and Affiliates** | | | | | |
| 42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1) | 939,083,747 | 904,809,546 | 873,908,334 | 843,753,681 | 820,178,928 |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10) | 0 | 0 | 0 | 0 | 0 |
| 46. Affiliated mortgage loans on real estate | | 0 | 0 | 0 | 0 |
| 47. All other affiliated | | 0 | 0 | 0 | 0 |
| 48. Total of above Lines 42 to 47 | 939,083,747 | 904,809,546 | 873,908,334 | 843,753,681 | 820,178,928 |
| 49. Total Investment in parent included in Lines 42 to 47 above | | 0 | 0 | 0 | 0 |
| 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) | 21.3 | 20.2 | 20.2 | 21.6 | 21.9 |

# FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1<br>2015 | 2<br>2014 | 3<br>2013 | 4<br>2012 | 5<br>2011 |
|---|---|---|---|---|---|
| **Capital and Surplus Accounts** (Page 4) | | | | | |
| 51. Net unrealized capital gains (losses) (Line 24) | (148,403,794) | 130,576,859 | 363,543,645 | 121,457,691 | (1,047,487) |
| 52. Dividends to stockholders (Line 35) | (447,000,000) | (400,000,000) | (375,000,000) | (300,000,000) | (180,000,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38) | (59,778,966) | 146,540,007 | 412,072,454 | 166,816,855 | (30,451,413) |
| **Gross Losses Paid** (Page 9, Part 2, Cols. 1 & 2) | | | | | |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | 821,230,264 | 830,989,901 | 747,148,886 | 763,305,576 | 697,661,193 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 375,053,442 | 352,143,539 | 297,862,686 | 289,706,589 | 298,176,879 |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 768,338,570 | 849,278,704 | 796,344,321 | 897,664,836 | 1,069,333,024 |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 2,988,100 | 18,875,273 | 13,203,783 | 10,191,492 | 35,897,910 |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 59. Total (Line 35) | 1,967,610,376 | 2,051,287,416 | 1,854,559,677 | 1,960,868,492 | 2,101,069,007 |
| **Net Losses Paid** (Page 9, Part 2, Col. 4) | | | | | |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | 802,458,098 | 799,776,514 | 719,052,823 | 726,967,288 | 680,775,952 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 374,399,933 | 351,314,166 | 297,172,720 | 284,602,426 | 279,843,280 |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 751,385,441 | 835,132,161 | 751,271,853 | 820,810,207 | 900,215,363 |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 2,698,795 | 16,221,867 | 10,587,899 | 9,702,148 | 22,871,350 |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 65. Total (Line 35) | 1,930,942,267 | 2,002,444,707 | 1,778,085,296 | 1,842,082,069 | 1,883,705,945 |
| **Operating Percentages** (Page 4)<br>(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) | 50.7 | 55.0 | 52.4 | 53.8 | 64.7 |
| 68. Loss expenses incurred (Line 3) | 10.3 | 10.5 | 9.6 | 9.9 | 12.7 |
| 69. Other underwriting expenses incurred (Line 4) | 30.7 | 30.5 | 31.9 | 32.3 | 32.1 |
| 70. Net underwriting gain (loss) (Line 8) | 8.3 | 4.1 | 6.0 | 4.0 | (9.5) |
| **Other Percentages** | | | | | |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) | 30.0 | 29.6 | 30.3 | 31.0 | 31.2 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) | 60.9 | 65.5 | 62.1 | 63.7 | 77.4 |
| 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) | 94.9 | 89.3 | 87.1 | 86.4 | 80.6 |
| **One Year Loss Development (000 omitted)** | | | | | |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) | (147,250) | (59,549) | (163,270) | (389,171) | (276,842) |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) | (3.3) | (1.4) | (4.2) | (10.4) | (7.3) |
| **Two Year Loss Development (000 omitted)** | | | | | |
| 76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) | (160,844) | (169,156) | (440,203) | (506,979) | (387,908) |
| 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) | (3.7) | (4.3) | (11.7) | (13.4) | (10.6) |

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

If no, please explain

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

($000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned | | | Loss and Loss Expense Payments | | | | | | | | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 | 11 | Number of Claims Reported Direct and Assumed |
| | Direct and Assumed | Ceded | Net (Cols. 1 - 2) | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | Salvage and Subrogation Received | Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | |
| 1. Prior | XXX | XXX | XXX | 24,579 | 5,922 | 5,327 | 959 | 3,432 | 0 | 1,067 | 26,457 | XXX |
| 2. 2006 | 3,323,718 | 157,381 | 3,166,336 | 1,585,955 | 72,366 | 141,910 | 2,128 | 166,299 | 0 | 54,852 | 1,819,670 | XXX |
| 3. 2007 | 3,302,038 | 174,551 | 3,127,487 | 1,513,295 | 63,299 | 132,968 | 3,586 | 180,346 | 2 | 47,999 | 1,759,721 | XXX |
| 4. 2008 | 3,185,612 | 177,290 | 3,008,322 | 1,774,389 | 132,004 | 144,818 | 5,182 | 207,074 | 6,493 | 52,507 | 1,982,602 | XXX |
| 5. 2009 | 3,054,331 | 167,561 | 2,886,770 | 1,587,750 | 67,838 | 146,484 | 2,526 | 186,465 | 0 | 49,538 | 1,850,336 | XXX |
| 6. 2010 | 3,039,382 | 161,559 | 2,877,823 | 1,583,892 | 29,431 | 127,831 | 1,421 | 185,636 | 0 | 57,478 | 1,866,507 | XXX |
| 7. 2011 | 3,177,114 | 215,272 | 2,961,842 | 2,105,116 | 268,468 | 130,605 | 964 | 192,970 | 8,345 | 62,741 | 2,150,914 | XXX |
| 8. 2012 | 3,438,157 | 184,651 | 3,253,506 | 1,786,347 | 64,294 | 108,625 | 1,903 | 188,343 | 17 | 55,093 | 2,017,101 | XXX |
| 9. 2013 | 3,800,345 | 200,269 | 3,600,076 | 1,519,278 | 7,433 | 82,734 | 296 | 174,972 | 0 | 56,578 | 1,769,256 | XXX |
| 10. 2014 | 4,075,542 | 175,644 | 3,899,898 | 1,498,592 | 7,937 | 49,534 | 470 | 175,950 | 0 | 50,913 | 1,715,669 | XXX |
| 11. 2015 | 4,259,930 | 153,489 | 4,106,441 | 1,023,044 | 8,908 | 21,316 | 260 | 103,413 | 0 | 26,667 | 1,138,605 | XXX |
| 12. Totals | XXX | XXX | XXX | 16,002,239 | 727,901 | 1,092,153 | 19,695 | 1,764,900 | 14,858 | 515,433 | 18,096,837 | XXX |

| | Losses Unpaid | | | | Defense and Cost Containment Unpaid | | | | Adjusting and Other Unpaid | | 23 | 24 | 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Case Basis | | Bulk + IBNR | | Case Basis | | Bulk + IBNR | | 21 | 22 | Salvage and Subrog-ation Anticipated | Total Net Losses and Expenses Unpaid | Number of Claims Outstand-ing Direct and Assumed |
| | 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. | 243,983 | 123,591 | 185,517 | 6,342 | 28,459 | 26,797 | 25,350 | 4,787 | 5,674 | 0 | 521 | 327,466 | XXX |
| 2. | 26,232 | 6,686 | 20,718 | 657 | 58 | 58 | 5,852 | 0 | 1,090 | 0 | 577 | 46,549 | XXX |
| 3. | 29,451 | 1,988 | 27,549 | 1,518 | 85 | 84 | 7,829 | 90 | 1,325 | 0 | 513 | 62,558 | XXX |
| 4. | 31,493 | 3,280 | 42,737 | 1,372 | 33 | 33 | 11,662 | 60 | 1,678 | 0 | 947 | 82,858 | XXX |
| 5. | 44,960 | 2,938 | 36,632 | 1,590 | 116 | 115 | 17,480 | 45 | 2,313 | 0 | 1,365 | 96,812 | XXX |
| 6. | 67,383 | 4,073 | 41,355 | 1,930 | 17 | 16 | 23,865 | 45 | 3,485 | 0 | 3,172 | 130,040 | XXX |
| 7. | 124,975 | 4,282 | 46,279 | 3,306 | 115 | 112 | 42,391 | 105 | 5,878 | 0 | 5,308 | 211,833 | XXX |
| 8. | 185,697 | 3,543 | 56,097 | 4,862 | 41 | 30 | 64,103 | 150 | 9,587 | 0 | 8,201 | 306,939 | XXX |
| 9. | 307,760 | 10,896 | 99,377 | 7,603 | 122 | 100 | 113,449 | 160 | 21,040 | 0 | 12,170 | 522,989 | XXX |
| 10. | 481,818 | 14,978 | 182,703 | 10,055 | 541 | 496 | 167,215 | 245 | 53,333 | 0 | 25,887 | 859,836 | XXX |
| 11. | 748,948 | 16,480 | 451,785 | 14,131 | 713 | 635 | 220,324 | 240 | 122,340 | 0 | 55,239 | 1,512,625 | XXX |
| 12. | 2,292,701 | 192,735 | 1,190,749 | 53,367 | 30,300 | 28,478 | 699,520 | 5,927 | 227,743 | 0 | 113,900 | 4,160,506 | XXX |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred/Premiums Earned) | | | Nontabular Discount | | 34 | Net Balance Sheet Reserves After Discount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Expense | Inter-Company Pooling Participation Percentage | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| 1. | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 299,567 | 27,899 |
| 2. | 1,948,114 | 81,895 | 1,866,219 | 58.6 | 52.0 | 58.9 | 0 | 0 | | 39,608 | 6,942 |
| 3. | 1,892,848 | 70,568 | 1,822,280 | 57.3 | 40.4 | 58.3 | 0 | 0 | | 53,494 | 9,064 |
| 4. | 2,213,885 | 148,425 | 2,065,460 | 69.5 | 83.7 | 68.7 | 0 | 0 | | 69,578 | 13,280 |
| 5. | 2,022,200 | 75,052 | 1,947,148 | 66.2 | 44.8 | 67.5 | 0 | 0 | | 77,063 | 19,749 |
| 6. | 2,033,464 | 36,917 | 1,996,547 | 66.9 | 22.9 | 69.4 | 0 | 0 | | 102,735 | 27,306 |
| 7. | 2,648,328 | 285,582 | 2,362,746 | 83.4 | 132.7 | 79.8 | 0 | 0 | | 163,667 | 48,166 |
| 8. | 2,398,840 | 74,800 | 2,324,040 | 69.8 | 40.5 | 71.4 | 0 | 0 | | 233,388 | 73,551 |
| 9. | 2,318,732 | 26,487 | 2,292,245 | 61.0 | 13.2 | 63.7 | 0 | 0 | | 388,638 | 134,351 |
| 10. | 2,609,686 | 34,181 | 2,575,505 | 64.0 | 19.5 | 66.0 | 0 | 0 | | 639,488 | 220,348 |
| 11. | 2,691,885 | 40,655 | 2,651,230 | 63.2 | 26.5 | 64.6 | 0 | 0 | | 1,170,123 | 342,502 |
| 12. | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 3,237,348 | 923,158 |

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<br>2006 | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 | 11<br>One Year | 12<br>Two Year |
| 1. Prior | 1,976,745 | 1,853,056 | 1,701,177 | 1,743,330 | 1,749,871 | 1,750,916 | 1,748,366 | 1,772,180 | 1,767,781 | 1,740,419 | (27,362) | (31,761) |
| 2. 2006 | 1,932,951 | 1,844,574 | 1,771,406 | 1,725,501 | 1,720,752 | 1,708,582 | 1,695,064 | 1,693,685 | 1,696,787 | 1,698,831 | 2,043 | 5,146 |
| 3. 2007 | XXX | 1,865,872 | 1,801,030 | 1,760,519 | 1,713,146 | 1,668,220 | 1,646,679 | 1,640,053 | 1,646,124 | 1,640,611 | (5,513) | 558 |
| 4. 2008 | XXX | XXX | 2,136,486 | 2,025,406 | 1,949,914 | 1,916,961 | 1,866,790 | 1,872,766 | 1,864,056 | 1,863,202 | (854) | (9,564) |
| 5. 2009 | XXX | XXX | XXX | 2,025,162 | 1,887,095 | 1,847,331 | 1,756,925 | 1,771,202 | 1,769,198 | 1,758,370 | (10,828) | (12,832) |
| 6. 2010 | XXX | XXX | XXX | XXX | 2,050,406 | 1,902,332 | 1,850,380 | 1,799,912 | 1,802,325 | 1,807,426 | 5,101 | 7,514 |
| 7. 2011 | XXX | XXX | XXX | XXX | XXX | 2,381,460 | 2,222,426 | 2,185,801 | 2,176,987 | 2,172,244 | (4,743) | (13,558) |
| 8. 2012 | XXX | XXX | XXX | XXX | XXX | XXX | 2,270,863 | 2,158,626 | 2,165,080 | 2,126,127 | (38,953) | (32,499) |
| 9. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,170,080 | 2,116,418 | 2,096,233 | (20,185) | (73,847) |
| 10. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,392,177 | 2,346,222 | (45,955) | XXX |
| 11. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,425,477 | XXX | XXX |
| | | | | | | | | | | 12. Totals | (147,250) | (160,844) |

# 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<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1<br>2006 | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 | | |
| 1. Prior | 000 | 523,382 | 845,732 | 1,047,132 | 1,157,141 | 1,255,194 | 1,320,410 | 1,362,265 | 1,395,601 | 1,418,626 | XXX | XXX |
| 2. 2006 | 742,661 | 1,136,167 | 1,320,058 | 1,448,337 | 1,526,798 | 1,568,432 | 1,606,535 | 1,633,720 | 1,642,469 | 1,653,371 | XXX | XXX |
| 3. 2007 | XXX | 695,730 | 1,078,743 | 1,258,687 | 1,386,725 | 1,474,161 | 1,519,113 | 1,547,417 | 1,570,372 | 1,579,378 | XXX | XXX |
| 4. 2008 | XXX | XXX | 871,158 | 1,262,663 | 1,447,453 | 1,575,493 | 1,668,207 | 1,725,665 | 1,763,646 | 1,782,021 | XXX | XXX |
| 5. 2009 | XXX | XXX | XXX | 830,310 | 1,168,517 | 1,350,363 | 1,487,388 | 1,577,048 | 1,631,788 | 1,663,870 | XXX | XXX |
| 6. 2010 | XXX | XXX | XXX | XXX | 842,232 | 1,227,755 | 1,423,446 | 1,529,562 | 1,630,188 | 1,680,871 | XXX | XXX |
| 7. 2011 | XXX | XXX | XXX | XXX | XXX | 1,111,075 | 1,519,168 | 1,710,287 | 1,870,879 | 1,966,289 | XXX | XXX |
| 8. 2012 | XXX | XXX | XXX | XXX | XXX | XXX | 1,017,312 | 1,457,871 | 1,679,294 | 1,828,775 | XXX | XXX |
| 9. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 941,759 | 1,378,441 | 1,594,284 | XXX | XXX |
| 10. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,089,758 | 1,539,719 | XXX | XXX |
| 11. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,035,192 | 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<br>2006 | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior | 799,242 | 525,064 | 308,367 | 326,756 | 301,197 | 277,942 | 250,490 | 248,415 | 234,989 | 199,738 |
| 2. 2006 | 521,498 | 296,464 | 161,788 | 87,979 | 70,569 | 59,566 | 30,044 | 24,585 | 25,927 | 25,913 |
| 3. 2007 | XXX | 482,308 | 256,965 | 150,258 | 106,244 | 82,283 | 56,942 | 45,865 | 46,277 | 33,770 |
| 4. 2008 | XXX | XXX | 558,860 | 297,212 | 177,527 | 124,789 | 71,110 | 74,233 | 55,340 | 52,967 |
| 5. 2009 | XXX | XXX | XXX | 552,158 | 277,365 | 203,352 | 93,161 | 90,774 | 67,513 | 52,477 |
| 6. 2010 | XXX | XXX | XXX | XXX | 559,680 | 284,589 | 180,070 | 112,092 | 74,157 | 63,244 |
| 7. 2011 | XXX | XXX | XXX | XXX | XXX | 565,008 | 292,785 | 173,690 | 113,131 | 85,260 |
| 8. 2012 | XXX | XXX | XXX | XXX | XXX | XXX | 562,067 | 285,661 | 204,523 | 115,187 |
| 9. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 551,285 | 325,277 | 205,063 |
| 10. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 578,903 | 339,618 |
| 11. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 657,738 |

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

**Allocated By States And Territories**

| States, etc. | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken<br>2<br>Direct Premiums Written | <br>3<br>Direct Premiums Earned | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges Not Included in Premiums | 9<br>Direct Premium Written for Federal Purchasing Groups (Included in Col. 2) |
|---|---|---|---|---|---|---|---|---|---|
| 1. Alabama AL | L | 132,207,437 | 131,250,524 | 981 | 55,655,175 | 66,667,223 | 58,778,226 | 247,208 | |
| 2. Alaska AK | L | 67,968 | 114,980 | 0 | 0 | 4,900 | 26,197 | 15 | |
| 3. Arizona AZ | L | 42,968,982 | 42,020,879 | 345,484 | 24,625,200 | 22,664,976 | 29,916,456 | 91,709 | |
| 4. Arkansas AR | L | 58,826,688 | 58,039,209 | 35,692 | 30,187,547 | 30,451,012 | 23,837,158 | 108,318 | |
| 5. California CA | L | 3,675,520 | 3,841,547 | 22,826 | 4,280,922 | 917,987 | 7,821,376 | 3,415 | |
| 6. Colorado CO | L | 22,244,771 | 21,939,743 | 0 | 11,929,979 | 11,876,987 | 18,124,219 | 71,467 | |
| 7. Connecticut CT | L | 15,900,611 | 13,423,901 | 0 | 3,704,591 | 6,039,499 | 7,631,719 | 24,052 | |
| 8. Delaware DE | L | 12,114,325 | 11,976,706 | 248,805 | 5,978,863 | 11,585,288 | 18,544,450 | 9,805 | |
| 9. Dist. Columbia DC | L | 1,258,021 | 1,115,328 | 42,062 | 704,717 | 866,305 | 1,151,549 | 393 | |
| 10. Florida FL | L | 37,635,992 | 38,372,154 | 2,700 | 22,277,121 | 16,333,543 | 40,522,594 | 32,384 | |
| 11. Georgia GA | L | 198,701,099 | 195,837,075 | 211,527 | 128,370,732 | 149,542,277 | 113,866,041 | 335,599 | |
| 12. Hawaii HI | L | 174,197 | 154,317 | 0 | 0 | 3,770 | 29,927 | 90 | |
| 13. Idaho ID | L | 31,367,822 | 30,128,106 | 0 | 13,055,757 | 12,720,393 | 19,502,875 | 66,345 | |
| 14. Illinois IL | L | 217,384,478 | 218,888,193 | 1,329,805 | 112,826,619 | 92,194,133 | 189,695,856 | 464,389 | |
| 15. Indiana IN | L | 218,491,935 | 215,512,846 | 143,157 | 103,407,260 | 120,518,198 | 158,488,464 | 445,740 | |
| 16. Iowa IA | L | 64,162,534 | 65,249,608 | 1,298,995 | 30,232,574 | 23,567,941 | 68,480,209 | 82,606 | |
| 17. Kansas KS | L | 42,093,229 | 41,854,948 | 369,101 | 21,416,543 | 21,637,408 | 24,056,903 | 66,185 | |
| 18. Kentucky KY | L | 139,904,214 | 138,660,236 | 41,777 | 74,679,259 | 78,293,607 | 81,898,057 | 118,936 | |
| 19. Louisiana LA | L | 2,288,546 | 2,427,165 | 0 | 1,019,155 | 464,125 | 1,924,678 | 296 | |
| 20. Maine ME | L | 202,195 | 196,621 | 0 | 63,202 | 1,182,997 | 1,173,248 | 27 | |
| 21. Maryland MD | L | 65,329,648 | 61,982,358 | 519,331 | 33,310,301 | 43,577,051 | 50,437,466 | 124,883 | |
| 22. Massachusetts MA | L | 1,227,761 | 1,420,747 | 1,100 | 666,912 | 745,895 | 1,146,326 | 720 | |
| 23. Michigan MI | L | 202,861,629 | 194,626,454 | 722,597 | 103,238,544 | 98,511,021 | 136,850,736 | 452,098 | |
| 24. Minnesota MN | L | 103,309,228 | 101,802,659 | 259,908 | 44,598,504 | 43,851,916 | 62,097,063 | 184,745 | |
| 25. Mississippi MS | L | 1,955,772 | 1,801,637 | 2,563 | 466,109 | 395,582 | 1,432,397 | 292 | |
| 26. Missouri MO | L | 93,811,525 | 92,301,046 | 309,189 | 41,227,772 | 35,719,460 | 78,607,058 | 191,714 | |
| 27. Montana MT | L | 40,957,777 | 39,691,347 | 0 | 16,693,890 | 14,427,319 | 23,861,183 | 36,388 | |
| 28. Nebraska NE | L | 28,380,805 | 28,034,671 | 494,616 | 10,408,107 | 12,162,202 | 25,123,499 | 29,953 | |
| 29. Nevada NV | L | 1,432,031 | 1,449,751 | 6,046 | 674,702 | 1,809,523 | 2,307,228 | 394 | |
| 30. New Hampshire NH | L | 13,377,549 | 14,112,246 | 189,326 | 8,473,479 | 8,938,298 | 11,312,262 | 41,773 | |
| 31. New Jersey NJ | L | 2,535,847 | 2,651,198 | 70,492 | 1,810,346 | 2,096,111 | 7,986,061 | 299 | |
| 32. New Mexico NM | L | 14,617,981 | 13,806,834 | 3,333 | 6,345,127 | 12,163,141 | 11,927,261 | 45,868 | |
| 33. New York NY | L | 66,496,815 | 63,313,311 | 116,889 | 38,336,742 | 31,129,045 | 66,920,157 | 115,275 | |
| 34. No.Carolina NC | L | 192,690,354 | 186,850,286 | 201,724 | 81,680,408 | 92,796,851 | 98,160,602 | 346,875 | |
| 35. No.Dakota ND | L | 18,500,192 | 19,380,874 | 0 | 4,377,486 | 4,607,606 | 8,056,815 | 17,163 | |
| 36. Ohio OH | L | 619,486,438 | 622,652,556 | 0 | 266,676,546 | 282,729,506 | 335,039,281 | 1,131,910 | |
| 37. Oklahoma OK | L | 1,606,576 | 1,507,348 | 0 | 312,379 | 436,591 | 2,133,192 | 372 | |
| 38. Oregon OR | L | 26,640,014 | 23,077,316 | 0 | 7,905,465 | 16,723,576 | 15,890,264 | 78,086 | |
| 39. Pennsylvania PA | L | 169,860,913 | 169,806,202 | 1,945,042 | 78,231,277 | 73,191,715 | 182,204,286 | 377,974 | |
| 40. Rhode Island RI | L | 177,199 | 166,577 | 0 | 57,128 | 132,410 | 231,928 | 50 | |
| 41. So. Carolina SC | L | 55,972,314 | 53,579,926 | 36,230 | 24,654,570 | 38,740,177 | 42,242,843 | 70,338 | |
| 42. So. Dakota SD | L | 9,270,034 | 9,686,337 | 141,815 | 4,153,457 | 3,165,273 | 9,275,578 | 14,430 | |
| 43. Tennessee TN | L | 141,399,130 | 139,578,079 | 129,935 | 57,482,212 | 60,551,408 | 76,406,690 | 312,506 | |
| 44. Texas TX | L | 80,053,101 | 78,473,933 | 3,856 | 30,423,739 | 46,080,595 | 107,540,299 | 198,037 | |
| 45. Utah UT | L | 50,220,946 | 49,189,571 | 0 | 24,948,716 | 27,650,082 | 32,596,256 | 111,689 | |
| 46. Vermont VT | L | 19,701,183 | 19,568,070 | 315,106 | 10,425,637 | 11,043,061 | 15,191,052 | 56,971 | |
| 47. Virginia VA | L | 114,662,300 | 114,669,888 | 724,808 | 48,962,683 | 54,780,146 | 84,186,599 | 273,777 | |
| 48. Washington WA | L | 15,859,120 | 16,433,954 | 0 | 5,367,401 | 10,513,208 | 14,321,744 | 46,480 | |
| 49. West Virginia WV | L | 23,035,265 | 22,473,420 | 0 | 18,564,312 | 14,239,906 | 14,921,247 | 32,073 | |
| 50. Wisconsin WI | L | 109,733,165 | 110,172,971 | 5,196,680 | 53,908,952 | 52,540,405 | 130,020,039 | 164,960 | |
| 51. Wyoming WY | L | 5,569,110 | 5,278,151 | 0 | 3,601,145 | 2,459,963 | 1,909,949 | 3,567 | |
| 52. American Samoa AS | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 53. Guam GU | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 54. Puerto Rico PR | L | 225 | 225 | 0 | 0 | (54) | (69) | 0 | |
| 55. U.S. Virgin Islands VI | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 56. Northern Mariana Islands MP | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 57. Canada CAN | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 58. Aggregate other alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | (a) 52 | 3,532,402,509 | 3,490,544,028 | 15,483,498 | 1,672,399,263 | 1,765,441,559 | 2,515,807,495 | 6,630,637 | 0 |
| **DETAILS OF WRITE-INS** | | | | | | | | | |
| 58001. | XXX | | | | | | | | |
| 58002. | XXX | | | | | | | | |
| 58003. | XXX | | | | | | | | |
| 58998. Sum. of remaining write-ins for Line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

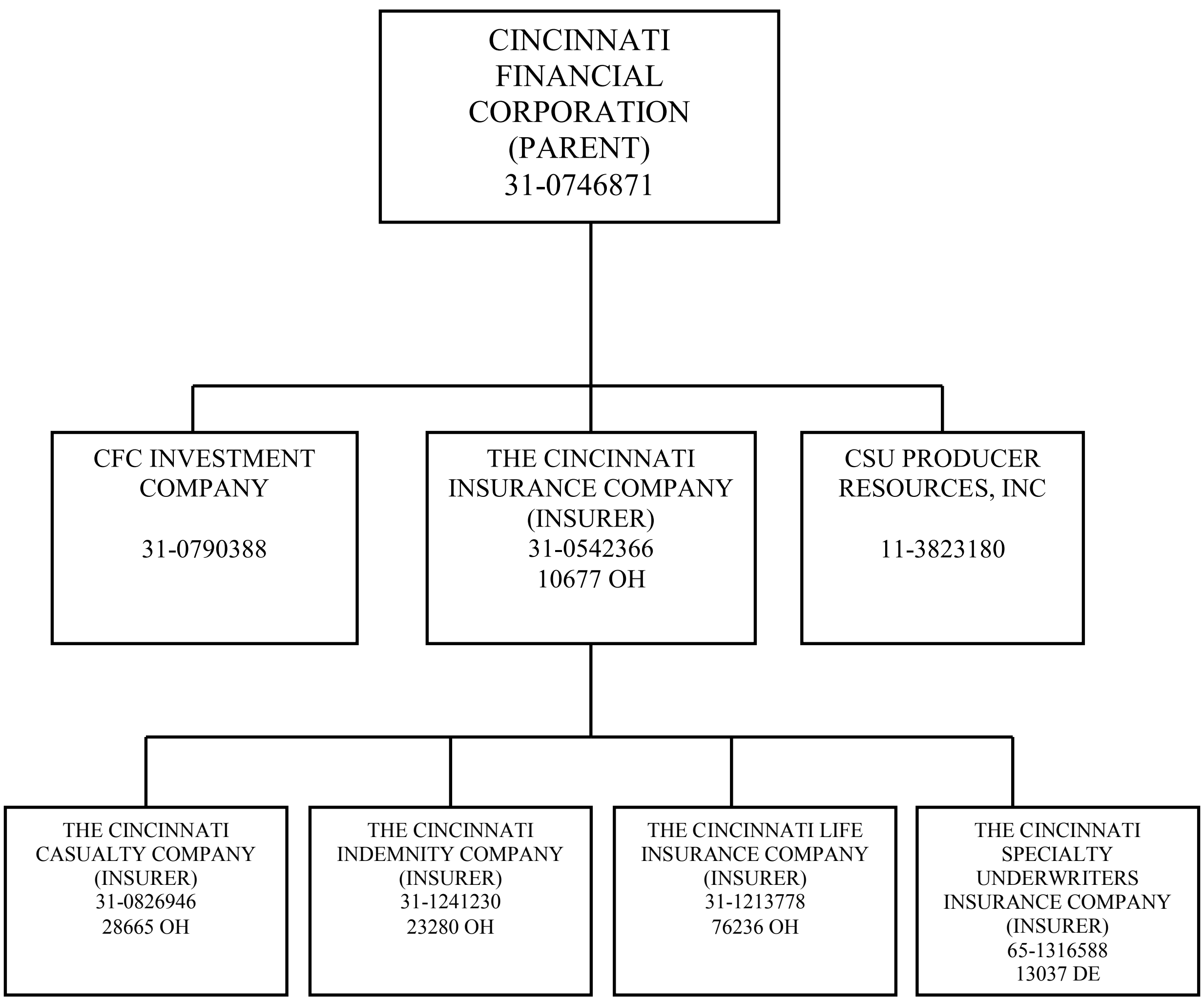
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Premiums recieved on all classes are booked to the state in which the risk is located.

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

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



# ALPHABETICAL INDEX

**ANNUAL STATEMENT BLANK**

# ALPHABETICAL INDEX

**ANNUAL STATEMENT BLANK (Continued)**

# ALPHABETICAL INDEX

**ANNUAL STATEMENT BLANK (Continued)**

# ALPHABETICAL INDEX

**ANNUAL STATEMENT BLANK (Continued)**

# ALPHABETICAL INDEX

**ANNUAL STATEMENT BLANK (Continued)**