



ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

SCOTTSDALE INSURANCE COMPANY

NAIC Group Code.....0140 0140
(Current Period) (Prior Period)

NAIC Company Code..... 41297

Employer's ID Number..... 31-1024978

Organized under the Laws of OHIO
Incorporated/Organized..... January 4, 1982

State of Domicile or Port of Entry OHIO

Country of Domicile US

Statutory Home Office

ONE WEST NATIONWIDE BLVD..... COLUMBUS OH US 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

8877 N. GAINY CENTER DRIVE..... SCOTTSDALE AZ US..... 85258-2108 480-365-4000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address

ONE WEST NATIONWIDE BLVD., 1-04-701..... COLUMBUS OH US .. 43215-2220
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

ONE WEST NATIONWIDE BLVD., 1-04-701..... COLUMBUS OH ... US 43215-2220....614-249-1545
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address

WWW.SCOTTSDALEINS.COM

Statutory Statement Contact

CHERYL M. DENNIS

614-249-1545

(Name)

FINRPT@NATIONWIDE.COM

(Area Code) (Telephone Number) (Extension)

(E-Mail Address)

866-315-1430

(Fax Number)

OFFICERS

Name
1. THOMAS EDWARD CLARK #
3. KENNETH ARI LEVINE #

Title
PRESIDENT
VP & TREASURER

Name
2. ROBERT WILLIAM HORNER III

Title
VP & SECRETARY

PAMELA ANN BIESECKER
GALE VERDELL KING #

SR VP-HEAD OF TAXATION
EXEC VP - CHIEF ADMIN OFF

THOMAS WAYNE JURGENS #
DAVID NEIL NELSON #

SR VP- BRKG-EXCESS & SURPLUS
SR VP-CONTRACT& PRG UNDRW

OTHER

MARK ALLEN BERVEN #
DAVID NEIL NELSON #

DIRECTORS OR TRUSTEES

THOMAS EDWARD CLARK #

THOMAS WAYNE JURGENS #

MICHAEL PATRICK LEACH

State of..... OHIO
County of.... FRANKLIN

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

(Signature)
THOMAS EDWARD CLARK
1. (Printed Name)
PRESIDENT
(Title)

(Signature)
ROBERT WILLIAM HORNER III
2. (Printed Name)
VP & SECRETARY
(Title)

(Signature)
KENNETH ARI LEVINE
3. (Printed Name)
VP & TREASURER
(Title)

Subscribed and sworn to before me
This _____ day of _____

2016

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

Yes [X] No []

SCOTTSDALE INSURANCE COMPANY
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	1,206,805,037		1,206,805,037	1,138,564,535
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	.277,523,112		.277,523,112	280,866,001
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	1,713,462
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(56,426,247), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....20,625,822, Schedule DA).....	(35,800,425)		(35,800,425)	(28,961,645)
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....	11,887,552		11,887,552	3,253,462
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,460,415,276	0	1,460,415,276	1,395,435,815
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	11,470,116		11,470,116	11,945,981
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	.499,944,669	.23,117,012	.476,827,657	449,652,856
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	.119,377,412	.383,047	.118,994,365	117,232,436
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	153,971,369		153,971,369	138,842,541
16.2 Funds held by or deposited with reinsured companies.....	.513,657		.513,657	181,432
16.3 Other amounts receivable under reinsurance contracts.....	.5,929,496		.5,929,496	.436,703
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	50,005,378	.89,023	.49,916,355	.47,275,010
19. Guaranty funds receivable or on deposit.....	.27,782		.27,782	.156,181
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	24,672,567	.227	.24,672,340	.50,202,968
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	13,250,296	.2,728,323	.10,521,973	.11,279,253
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,339,578,018	.26,317,632	.2,313,260,386	.2,222,641,176
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	2,339,578,018	.26,317,632	.2,313,260,386	.2,222,641,176

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Deposits and prepaid assets.....	.657,256	.657,256	0	
2502. Funds held equity pools & associations.....	.6,393,952		.6,393,952	.6,712,029
2503. Miscellaneous assets.....	.2,825,718	.231,843	.2,593,875	.2,854,198
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.3,373,370	.1,839,224	.1,534,146	.1,713,026
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.13,250,296	.2,728,323	.10,521,973	.11,279,253

SCOTTSDALE INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	443,230,814	405,398,649
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	123,453,060	109,225,458
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	89,396,660	88,555,296
4. Commissions payable, contingent commissions and other similar charges.....	16,447,878	15,294,553
5. Other expenses (excluding taxes, licenses and fees).....	4,643,208	5,050,842
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,681,335	4,548,534
7.1 Current federal and foreign income taxes (including \$... (335,236) on realized capital gains (losses)).....	1,194,054	1,504,934
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....1,353,748,082 and including warranty reserves of \$....546,085 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	303,492,700	290,494,052
10. Advance premium.....	5,129,995	5,446,981
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	606,862	505,425
12. Ceded reinsurance premiums payable (net of ceding commissions).....	488,224,137	480,162,413
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	515,211	209,108
14. Amounts withheld or retained by company for account of others.....	13,175,623	13,666,839
15. Remittances and items not allocated.....	1,889,250	2,685,714
16. Provision for reinsurance (including \$....313,800 certified) (Schedule F, Part 8).....	13,870,567	14,865,138
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.871	.692
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	16,269,662	8,327,142
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....	11,992,890	3,393,906
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	8,902,683	8,453,673
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,547,117,460	1,457,789,349
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,547,117,460	1,457,789,349
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	6,027,200	6,027,200
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	173,973,300	173,973,300
35. Unassigned funds (surplus).....	586,142,426	584,851,327
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	766,142,926	764,851,827
38. TOTALS (Page 2, Line 28, Col. 3).....	2,313,260,386	2,222,641,176

DETAILS OF WRITE-INS

2501. Contingent suit liability.....	404,199	698,641
2502. Escrow liability.....	91,864	44,317
2503. Miscellaneous liabilities.....	741,987	656,986
2598. Summary of remaining write-ins for Line 25 from overflow page.....	7,664,633	7,053,729
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	8,902,683	8,453,673
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

SCOTTSDALE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	734,501,038	705,603,889
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	451,813,689	431,430,863
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	70,089,184	70,306,309
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	247,600,767	238,582,770
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	769,503,640	740,319,942
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(35,002,602)	(34,716,053)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	39,789,781	41,776,093
10. Net realized capital gains (losses) less capital gains tax of \$....(335,236) (Exhibit of Capital Gains (Losses)).....	2,577,903	(76,729)
11. Net investment gain (loss) (Lines 9 + 10).....	42,367,684	41,699,364
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....77,690 amount charged off \$....3,003,059).....	(2,925,369)	(2,906,714)
13. Finance and service charges not included in premiums.....	6,094,024	6,356,771
14. Aggregate write-ins for miscellaneous income.....	1,225,761	1,746,372
15. Total other income (Lines 12 through 14).....	4,394,416	5,196,429
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	11,759,498	12,179,740
17. Dividends to policyholders.....	640,572	651,244
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).....	11,118,926	11,528,496
19. Federal and foreign income taxes incurred.....	2,613,014	1,609,763
20. Net income (Line 18 minus Line 19) (to Line 22).....	8,505,912	9,918,733
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	764,851,827	716,364,695
22. Net income (from Line 20).....	8,505,912	9,918,733
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(2,469,694).....	(7,013,889)	16,832,704
25. Change in net unrealized foreign exchange capital gain (loss).....	(915,577)	(544,740)
26. Change in net deferred income tax.....	260,673	1,689,182
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	2,099,438	(2,712,185)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	994,571	(7,082,461)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		30,000,000
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	(2,640,029)	385,899
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,291,099	48,487,132
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	766,142,926	764,851,827

DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Change in contingent suit liability.....	294,443	299,968
1402. Other income.....	931,318	1,446,404
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	1,225,761	1,746,372
3701. Change in surplus miscellaneous.....	(2,640,029)	385,899
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(2,640,029)	385,899

SCOTTSDALE INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	726,223,593	722,956,349
2. Net investment income.....	45,327,612	44,446,274
3. Miscellaneous income.....	(1,430,605)	18,113,742
4. Total (Lines 1 through 3).....	770,120,600	785,516,365
5. Benefit and loss related payments.....	414,919,145	404,795,511
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	315,841,695	305,914,030
7. Commissions, expenses paid and aggregate write-ins for deductions.....	539,135	506,144
9. Federal and foreign income taxes paid (recovered) net of \$....(167,435) tax on capital gains (losses).....	2,588,658	9,310,327
10. Total (Lines 5 through 9).....	733,888,633	720,526,012
11. Net cash from operations (Line 4 minus Line 10).....	36,231,967	64,990,353
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	134,658,883	135,839,563
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	1,803,272	971,078
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(539)	(2,733)
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	136,461,616	136,807,908
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	212,862,642	169,756,087
13.2 Stocks.....	.....	30,000,000
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	.....	.....
13.5 Other invested assets.....	.....	1,785,397
13.6 Miscellaneous applications.....	8,603,804	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	221,466,446	201,541,484
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(85,004,830)	(64,733,576)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	30,000,000
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	.....	.....
16.6 Other cash provided (applied).....	41,934,083	(29,823,781)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	41,934,083	176,219
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(6,838,780)	432,996
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	(28,961,645)	(29,394,641)
19.2 End of year (Line 18 plus Line 19.1).....	(35,800,425)	(28,961,645)

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

20.0001 Tax free exchanges activities.....	4,940,012
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SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	9,143,377	4,669,173	4,670,137	9,142,413
2. Allied lines.....	13,641,203	6,477,722	6,500,552	13,618,373
3. Farmowners multiple peril.....	17,669,780	7,761,803	8,550,836	16,880,747
4. Homeowners multiple peril.....	124,760,226	65,445,253	66,794,864	123,410,615
5. Commercial multiple peril.....	100,751,828	46,828,375	48,831,313	98,748,890
6. Mortgage guaranty.....				0
8. Ocean marine.....	340,088	113,206	118,965	334,329
9. Inland marine.....	9,843,669	4,265,820	4,580,567	9,528,922
10. Financial guaranty.....				0
11.1 Medical professional liability - occurrence.....	(109)	367	22	236
11.2 Medical professional liability - claims-made.....	244,438	78,359	87,367	235,430
12. Earthquake.....	1,839,035	932,173	927,449	1,843,759
13. Group accident and health.....	8,329,527	11,420	10,005	8,330,942
14. Credit accident and health (group and individual).....				0
15. Other accident and health.....	45,645	11,068	19,693	37,020
16. Workers' compensation.....	20,016,555	8,453,444	8,937,165	19,532,834
17.1 Other liability - occurrence.....	53,034,707	21,641,436	23,483,768	51,192,375
17.2 Other liability - claims-made.....	15,620,609	6,209,875	7,240,645	14,589,839
17.3 Excess workers' compensation.....				0
18.1 Products liability - occurrence.....	4,293,091	1,833,718	2,036,857	4,089,952
18.2 Products liability - claims-made.....	32,867	10,902	18,914	24,855
19.1, 19.2 Private passenger auto liability.....	176,096,712	50,999,661	52,089,415	175,006,958
19.3, 19.4 Commercial auto liability.....	53,048,736	23,223,184	24,162,853	52,109,067
21. Auto physical damage.....	136,961,632	40,630,675	43,365,541	134,226,766
22. Aircraft (all perils).....				0
23. Fidelity.....	150,832	83,382	92,244	141,970
24. Surety.....	1,236,031	292,808	570,369	958,470
26. Burglary and theft.....	192,094	120,248	92,302	220,040
27. Boiler and machinery.....	(11,168)	(105,101)	(111,217)	(5,052)
28. Credit.....	9,955	11,853	14,714	7,094
29. International.....				0
30. Warranty.....	215,149	623,857	546,085	292,921
31. Reinsurance - nonproportional assumed property.....	729	(122,782)	(123,275)	1,222
32. Reinsurance - nonproportional assumed liability.....	51	809	809	51
33. Reinsurance - nonproportional assumed financial lines.....				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	747,507,289	290,502,708	303,508,959	734,501,038

DETAILS OF WRITE-INS

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

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	4,672,254	(2,117)			4,670,137
2. Allied lines.....	6,450,273	50,279			6,500,552
3. Farmowners multiple peril.....	8,550,836	-			8,550,836
4. Homeowners multiple peril.....	66,725,525	69,339			66,794,864
5. Commercial multiple peril.....	48,751,177	80,136			48,831,313
6. Mortgage guaranty.....		-			0
8. Ocean marine.....	118,805	160			118,965
9. Inland marine.....	4,572,144	8,423			4,580,567
10. Financial guaranty.....		-			0
11.1 Medical professional liability - occurrence.....	22	-			22
11.2 Medical professional liability - claims-made.....	87,367	-			87,367
12. Earthquake.....	925,566	1,883			927,449
13. Group accident and health.....	10,005	-			10,005
14. Credit accident and health (group and individual).....		-			0
15. Other accident and health.....	3,434	-		14,411	17,845
16. Workers' compensation.....	8,936,878	287			8,937,165
17.1 Other liability - occurrence.....	22,915,836	567,932			23,483,768
17.2 Other liability - claims-made.....	7,068,146	172,499			7,240,645
17.3 Excess workers' compensation.....		-			0
18.1 Products liability - occurrence.....	2,013,324	23,533			2,036,857
18.2 Products liability - claims-made.....	18,914	-			18,914
19.1, 19.2 Private passenger auto liability.....	52,089,400	.15			52,089,415
19.3, 19.4 Commercial auto liability.....	24,140,196	22,657			24,162,853
21. Auto physical damage.....	43,353,670	11,871			43,365,541
22. Aircraft (all perils).....		-			0
23. Fidelity.....	63,845	28,399			.92,244
24. Surety.....	434,915	135,454			570,369
26. Burglary and theft.....	92,286	.16			.92,302
27. Boiler and machinery.....	(111,217)	-			(111,217)
28. Credit.....		14,714			14,714
29. International.....		-			0
30. Warranty.....	(1,838)	547,923			546,085
31. Reinsurance - nonproportional assumed property.....	(123,275)	-			(123,275)
32. Reinsurance - nonproportional assumed liability.....	.809	-			.809
33. Reinsurance - nonproportional assumed financial lines.....		-			0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	301,759,297	1,733,403	0	14,411	303,507,111
36. Accrued retrospective premiums based on experience.....					(14,411)
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					303,492,700

DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: See Notes to Financial Statement #1C

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	55,668,606	17,027,624		63,137,568	415,285	9,143,377
2. Allied lines.....	160,242,759	31,135,737		175,164,601	2,572,692	13,641,203
3. Farmowners multiple peril.....	2,816,286	18,201,055		3,333,184	14,377	17,669,780
4. Homeowners multiple peril.....	84,509,312	127,629,260		86,540,792	837,554	124,760,226
5. Commercial multiple peril.....	367,101,861	252,485,417	3,354,107	519,416,720	2,772,837	100,751,828
6. Mortgage guaranty.....						0
8. Ocean marine.....		9,524,413		8,508,516	675,809	340,088
9. Inland marine.....	12,839,636	262,934,997		265,831,891	99,073	9,843,669
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....		2,313		2,399	23	(109)
11.2 Medical professional liability - claims-made.....	1,248,446	5,106,927		6,110,935		244,438
12. Earthquake.....	12,296,506	1,987,363		12,194,037	250,797	1,839,035
13. Group accident and health.....		9,224,329		894,802		8,329,527
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....		45,645				45,645
16. Workers' compensation.....		84,708,651		39,485,454	25,206,642	20,016,555
17.1 Other liability - occurrence.....	536,370,387	261,413,998		651,810,978	92,938,700	53,034,707
17.2 Other liability - claims-made.....	263,536,087	278,432,073	5,883,393	387,393,625	144,837,319	15,620,609
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....	17,132,036	8,478,749		20,460,110	857,584	4,293,091
18.2 Products liability - claims-made.....	225,197	740,751		821,705	111,376	32,867
19.1, 19.2 Private passenger auto liability.....		176,102,769		6,057		176,096,712
19.3, 19.4 Commercial auto liability.....	54,797,086	366,177,462	2,662	358,164,183	9,764,291	53,048,736
21. Auto physical damage.....	8,832,351	252,269,225	34	124,024,303	115,675	136,961,632
22. Aircraft (all perils).....						0
23. Fidelity.....	4,917	153,559		7,644		150,832
24. Surety.....		3,469,517		2,242,929	(9,443)	1,236,031
26. Burglary and theft.....	74,855	330,628		204,927	8,462	192,094
27. Boiler and machinery.....	2,772,992	3,038,993		31,459	5,791,694	(11,168)
28. Credit.....	830,505	14,064		248,892	585,722	9,955
29. International.....						0
30. Warranty.....		26,796,917		5,378,745	21,203,023	215,149
31. Reinsurance - nonproportional assumed property.....	XXX.	729				729
32. Reinsurance - nonproportional assumed liability.....	XXX.	51				51
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.....	1,581,299,825	2,197,433,216	9,240,196	2,731,416,456	309,049,492	747,507,289

DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1	2	3	4				
	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	25,805,199	11,202,186	31,610,120	5,397,265	2,537,008	1,361,340	6,572,933	71.9
2. Allied lines.....	51,057,619	21,358,230	63,111,917	9,303,932	2,488,609	2,560,618	9,231,923	67.8
3. Farmowners multiple peril.....	1,260,560	8,829,205	1,301,874	8,787,891	4,504,697	3,672,531	9,620,057	57.0
4. Homeowners multiple peril.....	48,816,149	68,125,843	49,488,227	67,453,765	24,266,428	21,292,147	70,428,046	57.1
5. Commercial multiple peril.....	153,484,220	112,970,527	221,010,245	45,444,502	78,381,624	70,960,862	52,865,264	53.5
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....	8,707	8,920,021	8,585,316	343,412	365,921	435,228	274,105	82.0
9. Inland marine.....	4,467,226	164,093,672	164,597,955	3,962,943	1,014,762	1,571,939	3,405,766	35.7
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....		85,107	53,661	31,446	104,604	116,922	19,128	8,105.1
11.2 Medical professional liability - claims-made.....		1,629,896	1,567,208	62,688	287,278	160,224	189,742	80.6
12. Earthquake.....		1,372		1,372	22,740	27,872	(3,760)	(0.2)
13. Group accident and health.....		5,834,877	98,752	5,736,125	45,236	40,743	5,740,618	68.9
14. Credit accident and health (group and individual).....				0			0	0.0
15. Other accident and health.....		171,536	31,089	140,447	114,711	148,704	106,454	287.6
16. Workers' compensation.....		22,757,714	13,766,327	8,991,387	45,989,233	44,579,060	10,401,560	53.3
17.1 Other liability - occurrence.....	265,531,815	141,173,062	385,699,512	21,005,365	77,154,784	68,059,347	30,100,802	58.8
17.2 Other liability - claims-made.....	51,766,701	43,164,581	91,955,329	2,975,953	10,305,953	8,826,497	4,455,409	30.5
17.3 Excess workers' compensation.....				0			0	0.0
18.1 Products liability - occurrence.....	18,090,721	6,549,148	22,903,616	1,736,253	5,965,187	5,312,981	2,388,459	58.4
18.2 Products liability - claims-made.....	199,253	31,370	221,753	8,870	9,842	48,905	(30,193)	(121.5)
19.1, 19.2 Private passenger auto liability.....		116,382,045	2,460	116,379,585	121,834,073	114,190,043	124,023,615	70.9
19.3, 19.4 Commercial auto liability.....	39,802,313	260,206,505	268,257,766	31,751,052	65,838,852	59,472,849	38,117,055	73.1
21. Auto physical damage.....	3,802,898	147,911,205	67,660,697	84,053,406	2,461,078	2,980,786	83,533,698	62.2
22. Aircraft (all perils).....				0	1	3	(2)	0.0
23. Fidelity.....		31,320		31,320	6,345	16,018	21,647	15.2
24. Surety.....		21,171		21,171	81,972	37,547	65,596	6.8
26. Burglary and theft.....	680,075	100,512	703,241	77,346	29,419	21,501	85,264	38.7
27. Boiler and machinery.....	589,523	789,333	1,379,683	(827)	32,996	14,280	17,889	(354.1)
28. Credit.....	538,002	13,739	545,656	6,085	24,520	23,920	6,685	94.2
29. International.....				0			0	0.0
30. Warranty.....		7,035,545	6,761,506	274,039	24,280	1,839	296,480	101.2
31. Reinsurance - nonproportional assumed property.....	XXX	3,144		3,144	(688,963)	(563,622)	(122,197)	(9,999.8)
32. Reinsurance - nonproportional assumed liability.....	XXX	1,584		1,584	27,627	27,565	1,646	3,227.5
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	665,900,981	1,149,394,450	1,401,313,910	413,981,521	443,230,817	405,398,649	451,813,689	61.5

DETAILS OF WRITE-INS

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	6,360,433	2,982,915	7,414,645	1,928,703	7,326,199	2,432,613	.9,150,507	2,537,008	.278,265
2. Allied lines.....	13,645,458	3,358,189	15,250,858	1,752,789	10,083,634	2,140,559	11,488,373	2,488,609	.437,826
3. Farmowners multiple peril.....	429,006	3,834,834	449,006	3,814,834	209,876	1,066,614	.586,627	4,504,697	.883,472
4. Homeowners multiple peril.....	11,942,441	18,593,413	12,129,236	18,406,618	15,552,646	6,221,457	15,914,293	24,266,428	.3,465,506
5. Commercial multiple peril.....	107,386,732	118,319,235	172,352,048	53,353,919	94,933,760	98,826,168	168,732,223	78,381,624	.26,615,465
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		7,176,408	6,900,167	276,241	1,085	2,330,594	.2,241,999	.365,921	.97,889
9. Inland marine.....	1,024,515	4,969,947	5,403,463	590,999	322,699	23,368,822	23,267,758	1,014,762	.150,296
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....	(60,000)	330,378	168,839	101,539	(59,593)	3,065	(59,593)	104,604	.30,380
11.2 Medical professional liability - claims-made.....	101,500	4,811,457	4,750,920	162,037	315,974	2,940,283	3,131,016	.287,278	.207,573
12. Earthquake.....		.146		.146	.293	.23,295	.994	.22,740	.8,766
13. Group accident and health.....				0		.45,236		(a).45,236	.3,859
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....		186,731	.92,920	.93,811		.20,900		(a).114,711	.5,825
16. Workers' compensation.....		.59,292,041	24,791,244	.34,500,797		39,033,841	.27,545,406	.45,989,232	.4,999,207
17.1 Other liability - occurrence.....	498,016,439	.274,078,965	.733,344,773	.38,750,631	.529,509,089	.276,328,420	.767,433,355	.77,154,785	.17,445,355
17.2 Other liability - claims-made.....	.57,308,106	.59,065,257	.113,310,800	.3,062,563	.105,952,862	.210,147,620	.308,857,093	.10,305,952	.7,599,115
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	37,689,425	9,706,567	44,210,548	3,185,444	.46,633,848	9,518,004	.53,372,109	.5,965,187	.4,204,384
18.2 Products liability - claims-made.....	245,200	10,328	245,700	.9,828		.14		.9,842	.12,342
19.1, 19.2 Private passenger auto liability.....		.94,994,269		.94,994,269		.26,839,783		(21).121,834,073	.12,900,854
19.3, 19.4 Commercial auto liability.....	46,019,576	.279,021,906	.282,644,752	.42,396,730	.38,740,638	.213,707,211	.229,005,729	.65,838,850	.8,472,351
21. Auto physical damage.....	.634,615	.16,021,259	.12,118,465	.4,537,409	.45,320	(649,797)	.1,471,854	.2,461,078	.1,425,445
22. Aircraft (all perils).....		1		1				1	
23. Fidelity.....		.853		.853		.5,492		.6,345	.5,901
24. Surety.....		.37,923		.37,923		.366,625	.322,576	.81,972	.90,396
26. Burglary and theft.....	358,000	326,489	658,135	.26,354		.3,831	.766	.29,419	.6,448
27. Boiler and machinery.....	127,812	208,717	349,745	(13,216)	.67,909	.105,277	.126,974	.32,996	.50,010
28. Credit.....				0	.925,508	.23,014	.924,002	.24,520	
29. International.....				0				0	
30. Warranty.....				0	.383,042	.2,765,240	.3,124,002	.24,280	(1)
31. Reinsurance - nonproportional assumed property.....	XXX	(379,366)		(379,366)	XXX	(309,597)		(688,963)	(269)
32. Reinsurance - nonproportional assumed liability.....	XXX	27,627		.27,627	XXX			.27,627	
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.....	781,229,258	956,976,489	1,436,586,264	301,619,483	.850,944,789	.917,304,584	1,626,638,042	.443,230,814	.89,396,660

DETAILS OF WRITE-INS

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

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

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	171,027,698			171,027,698
1.2 Reinsurance assumed.....	134,397,409			134,397,409
1.3 Reinsurance ceded.....	279,429,873			279,429,873
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	25,995,234	0	0	25,995,234
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		329,906,994		329,906,994
2.2 Reinsurance assumed, excluding contingent.....		413,836,087		413,836,087
2.3 Reinsurance ceded, excluding contingent.....		646,809,167		646,809,167
2.4 Contingent - direct.....		62,311,070		62,311,070
2.5 Contingent - reinsurance assumed.....		13,180,437		13,180,437
2.6 Contingent - reinsurance ceded.....		60,511,093		60,511,093
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	111,914,328	0	111,914,328
3. Allowances to manager and agents.....	3,920	891,436	1	895,357
4. Advertising.....	42,389	13,790,058	3	13,832,450
5. Boards, bureaus and associations.....	134,574	137,470	1,345	273,389
6. Surveys and underwriting reports.....	119,659	5,276,981		5,396,640
7. Audit of assureds' records.....	361	178,425		178,786
8. Salary and related items:				
8.1 Salaries.....	26,685,720	46,855,565	46,135	73,587,420
8.2 Payroll taxes.....	3	6,801,746		6,801,749
9. Employee relations and welfare.....	5,740,651	3,757,170	11,587	9,509,408
10. Insurance.....	143,039	366,065	1,082	510,186
11. Directors' fees.....	20,097	113,478	2,081	135,656
12. Travel and travel items.....	2,033,777	3,648,449	2,106	5,684,332
13. Rent and rent items.....	1,541,133	7,109,529	628	8,651,290
14. Equipment.....	1,120,998	3,795,894	351	4,917,243
15. Cost or depreciation of EDP equipment and software.....	738,980	3,600,086	1	4,339,067
16. Printing and stationery.....	323,552	1,781,423	46	2,105,021
17. Postage, telephone and telegraph, exchange and express.....	738,785	2,239,053	6,852	2,984,690
18. Legal and auditing.....	1,308,286	12,409,276	1,764	13,719,326
19. Totals (Lines 3 to 18).....	40,695,924	112,752,104	73,982	153,522,010
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		13,255,663		13,255,663
20.2 Insurance department licenses and fees.....		1,860,420		1,860,420
20.3 Gross guaranty association assessments.....		(280,377)		(280,377)
20.4 All other (excluding federal and foreign income and real estate).....		1,509,042		1,509,042
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	16,344,748	0	16,344,748
21. Real estate expenses.....				0
22. Real estate taxes.....		111,109		111,109
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	3,398,026	6,478,478	800,388	10,676,892
25. Total expenses incurred.....	70,089,184	247,600,767	874,370	(a).....318,564,321
26. Less unpaid expenses - current year.....	89,396,660	25,744,638		115,141,298
27. Add unpaid expenses - prior year.....	88,555,296	24,737,748		113,293,044
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	69,247,820	246,593,877	874,370	316,716,067

DETAILS OF WRITE-INS

2401. Service fees.....		971,682		971,682
2402. Other expenses.....	3,283,838	4,203,806	800,321	8,287,965
2403. Outside services and income.....	114,188	1,299,990	67	1,414,245
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	3,000	0	3,000
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	3,398,026	6,478,478	800,388	10,676,892

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....5,348,308	.....5,069,318
1.1 Bonds exempt from U.S. tax.....	(a).....10,113,187	.....9,555,391
1.2 Other bonds (unaffiliated).....	(a).....25,473,020	.....25,855,625
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....101,459	.....93,099
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....17,421	.....17,421
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....76,555	.....76,555
10. Total gross investment income.....	.....41,129,950	.....40,667,409
11. Investment expenses.....	(g).....874,370	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....0	.....0
15. Aggregate write-ins for deductions from investment income.....	.....3,260	.....
16. Total deductions (Lines 11 through 15).....	.....877,630	.....
17. Net investment income (Line 10 minus Line 16).....	.....39,789,779	.....

DETAILS OF WRITE-INS

0901. Misc. Income.....	.....(1,958)	.....(1,958)
0902. Securities Lending.....	.....78,513	.....78,513
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....76,555	.....76,555
1501. Misc. Exp.....	.....	.....3,260
1502. ....	.....	.....
1503. ....	.....	.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....3,260	.....

(a) Includes \$....1,283,524 accrual of discount less \$....6,345,309 amortization of premium and less \$....374,691 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....3,666,300	.....	.....3,666,300	.....(3,388,086)	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(1,511,652)	.....	.....(1,511,652)	.....(2,752,456)	.....(915,577)
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....(3,342,889)	.....
3. Mortgage loans.....	.....88,558	.....	.....88,558	.....1,253	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(539)	.....(539)	.....(1,404)	.....0
10. Total capital gains (losses).....	.....2,243,206	.....(539)	.....2,242,667	.....(9,483,582)	.....(915,577)

DETAILS OF WRITE-INS

0901. Securities Lending.....	.....	.....0	.....(1,404)	.....
0902. FX on Currency.....	.....	.....(539)	.....(539)	.....
0903. ....	.....	.....0	.....0	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(539)	.....(539)	.....(1,404)

SCOTTSDALE INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....		31,690	31,690
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	31,690	31,690
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	23,117,012	23,897,628	780,616
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	383,047	304,479	(78,568)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	89,023		(89,023)
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....	227	177	(50)
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	2,728,323	4,183,096	1,454,773
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	26,317,632	28,417,070	2,099,438
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	26,317,632	28,417,070	2,099,438

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Deposits and prepaid assets.....	657,256	2,487,636	1,830,380
2502. Miscellaneous assets.....	231,843		(231,843)
2503. Other assets nonadmitted.....	1,827,783	1,678,366	(149,417)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	11,441	17,094	5,653
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,728,323	4,183,096	1,454,773

NOTES TO THE FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying statutory financial statements of Scottsdale Insurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

The Ohio Department of Insurance recognizes only statutory accounting practices (SAP) prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance law. The NAIC's *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Company has no statutory accounting practices that differ from NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

		State of Domicile	2015	2014
<u>Net Income</u>				
(1) Scottsdale Insurance Company state basis (Page 4, Line 20, Columns 1&3)	OH	\$ 8,505,912	\$ 9,918,733	
(2) State prescribed practices that increase/(decrease) NAIC SAP	OH	-	-	
(3) State permitted practices that increase/(decrease) NAIC SAP	OH	-	-	
(4) NAIC SAP (1-2-3=4)	OH	<u>\$ 8,505,912</u>	<u>\$ 9,918,733</u>	
<u>Surplus</u>				
(5) Scottsdale Insurance Company state basis (Page 3, Line 27, Columns 1&2)	OH	\$ 766,142,926	\$ 764,851,827	
(6) State prescribed practices that increase/(decrease) NAIC SAP	OH	-	-	
(7) State permitted practices that increase/(decrease) NAIC SAP	OH	-	-	
(8) NAIC SAP (5-6-7=8)	OH	<u>\$ 766,142,926</u>	<u>\$ 764,851,827</u>	

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

The preparation of statutory 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 Policies

Federal Income Taxes. The Company's parent, Nationwide Mutual Insurance Company (Mutual), files a consolidated federal income tax return, which includes all eligible U.S. subsidiaries and affiliates. In this regard, the included subsidiaries and affiliates pay to Mutual the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. Mutual pays tax due on a consolidated basis.

The Company provides for federal income taxes based on amounts the Company believes it will ultimately owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain items and the realization of certain tax credits. In the event the ultimate deductibility of certain items or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the financial statements which could be significant. Management has used best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation.

In accordance with guidance specified in the NAIC SAP, the Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets (DTA), net of any non-admitted portion and statutory valuation allowance, and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. DTAs and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred taxes, excluding the impact of taxes on unrealized capital gains or losses and nonadmitted deferred taxes, is charged directly to surplus.

Reinsurance Recoverables. The Company cedes insurance to other companies in order to limit potential losses and diversify its exposure. Such agreements do not relieve the Company of its primary obligation to the policyholder in the event the reinsurer is unable to meet the obligations it has assumed. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance agreements regularly in an attempt to minimize its exposure to significant losses from reinsurer insolvencies. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on losses are estimated in a manner consistent with the claim liability associated with the underlying policy. Such reinsurance recoverables and reserved deductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and loss expense reserves in the accompanying statutory statements of admitted assets, liabilities and surplus. There were no contracts using deposit accounting as of December 31, 2015 and 2014.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. The conditional reserves were \$13.9 million and \$14.9 million as of December 31, 2015 and 2014, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of investments with maturities of twelve months or less at acquisition and are stated at amortized cost, which approximates fair value.
2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Amortization of premiums and discounts is calculated using the effective yield method.
3. Unaffiliated common stocks are stated at fair value.
4. Redeemable preferred stocks are stated at amortized cost except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Perpetual preferred stocks are stated at fair value except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value.
5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses.

NOTES TO THE FINANCIAL STATEMENTS

6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost or the lower of amortized cost or fair value in accordance with the provisions of Statement of Statutory Accounting Principles No. 43-Revised and the Purposes and Procedures Manual of the NAIC Securities Valuation Office. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For all other loan-backed securities, the Company uses the prospective adjustment method.
7. Investments in subsidiary and affiliated companies are stated as follows:

The admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying audited statutory surplus adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of affiliated companies is amortized over a period of ten years. Unamortized goodwill at December 31, 2015 and 2014 was \$7.5 million and \$10.4 million respectively, which was fully admitted based upon adjusted policyholder surplus.

8. Other invested assets consist primarily of investments in partnerships, limited liability companies and joint ventures. Underlying investments primarily include hedge funds, private equity funds, emerging market and private debt funds, real estate funds and tax credit partnerships. Except for investments in tax credit partnerships, interests are reported using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received. Partnership interests in tax credits are carried at amortized cost with amortization charged to investment income over the period in which the tax benefits, primarily credits, are earned.

9. Accounting for derivatives

Not applicable.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2015 and 2014, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.

11. The Company establishes losses and loss expense reserves for reported claims and claims incurred but not yet reported (IBNR). Estimating the liability for losses and loss expense reserves involves significant judgment and multiple assumptions. Management considers the Company's experience with similar claims, historical trends, economic factors and judicial, legislative and regulatory changes in establishing reserves. The Company's losses and loss expense reserves are recorded net of reinsurance and amounts expected to be received from salvage (the amount recovered from property after the Company pays for a total loss) and subrogation (the right to recover payments from third parties).

Assumptions and estimates for losses and loss expense reserves are updated as new information becomes available. Due to the inherent uncertainty in estimating losses and loss expense reserves, the actual cost of settling claims may differ materially from recorded amounts. Changes in losses and loss expense reserve estimates are included in results of operations in the period the estimates are revised.

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The Company has not modified its capitalization policy from the prior period.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

D. Going Concern

Not applicable.

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes and Corrections of Errors

Adopted Accounting Standards

In March 2015, the Company adopted SSAP No. 69, Treatment of Non-Cash Items in the Cash-Flow Statements. The adopted revisions clarify that the cash flow statement is limited to transactions involving "cash," which is defined to include cash, cash equivalents and short-term investments, and expand disclosures to include non-cash operating items. The adoption of the guidance resulted in a change in the current year presentation of the Cash-Flow Statement.

On July 1, 2014, the Company adopted revisions to SSAP No. 26, Bonds and SSAP No. 43R, Loan-Backed and Structured Securities. The revisions require expanded disclosures around structured notes to assist financial statement users in assessing risk by CUSIP level. The adoption resulted in increased disclosures only and had no impact on the Company's statutory financial statements. Refer to Note 5 K. for the disclosure requirements in accordance with the adopted guidance.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

1. On December 31, 2008, the Company purchased 100% of Atlantic from Traveler's. In September 2008, Traveler's and Atlantic entered into a transfer and assumption agreement. As a result of the agreement, Atlantic transferred all of its assets, subject to specific exception of the Retained Assets as set forth in the Transfer and Assumption Agreement, and all of its liabilities to and assumed by Travelers as of the date of the sale to the Company. The purchase of Atlantic by the Company included the transfer of investments and premium tax recoverables totaling \$8.7 million. On July 28, 2009, the Ohio Department of Insurance signed the order authorizing the redomestication of Atlantic Insurance Company from Texas to Ohio and changing the name to Freedom Specialty Insurance Company (FSIC).

In July 2008, the Company entered into an agreement with Veterinary Pet Insurance Company (VPI) to acquire the remaining 35% interest in their outstanding shares. Based in Brea, California, VPI is the oldest and largest health insurance provider for pets in the United States offering insurance plans which reimburse eligible veterinary expenses relating to accidents, illnesses and injuries for dogs, cats, birds and exotic pets. The VPI asset acquisition solidifies the Company's position in the pet insurance market, which is available in all 50 states and the District of Columbia. Policies are underwritten by VPI in California, and in all other states by National Casualty Company.

NOTES TO THE FINANCIAL STATEMENTS

2. The two transactions above were accounted for as statutory purchases.
3. The cost of the FSIC acquisition was \$16.0 million, resulting in goodwill of \$7.3 million. The cost of the VPI acquisition was \$29.4 million, resulting in goodwill of \$21.5 million.
4. Goodwill amortization for the year ended December 31, 2015 related to the purchases of FSIC and VPI was \$0.7 million and \$2.1 million, respectively.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

Note 4 – Discontinued Operations

Not applicable.

Note 5 – Investments**A. Mortgage Loans**

1. During 2015 there were no new loans.
2. No holdings as of December 31, 2015.

					December 31, 2015	December 31, 2014
3. Taxes, assessments, and any amounts advanced and not included in the mortgage loan total					\$	\$
4. Age analysis of mortgage loans.						

	Farm	Residential		Commercial		Mezzanine	Total			
		Insured	All Other	Insured	All Other					
a. Current Year										
1. Recorded Investment (All)										
(a) Current	\$	-\$	-\$	-\$	-\$	-\$	-\$			
(b) 30-59 Days Past Due	-	-	-	-	-	-	-			
(c) 60-89 Days Past Due	-	-	-	-	-	-	-			
(d) 90-179 Days Past Due	-	-	-	-	-	-	-			
(e) 180+ Days Past Due	-	-	-	-	-	-	-			
2. Accruing Interest										
90-179 Days Past Due										
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	-\$	-\$			
(b) Interest Accrued	-	-	-	-	-	-	-			
3. Accruing Interest										
180+ Days Past Due										
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	-\$	-\$			
(b) Interest Accrued	-	-	-	-	-	-	-			
4. Interest Reduced										
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	-\$	-\$			
(b) Number of Loans	-	-	-	-	-	-	-			
(c) Percent Reduced	%	%	%	%	%	%	%			

NOTES TO THE FINANCIAL STATEMENTS

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
b. Prior Year							
1. Recorded Investment (All)							
(a) Current	\$	-\$	-\$	-\$	-\$	1,714,715	\$
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest							
90-179 Days Past Due							
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	- \$	-\$
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest							
180+ Days Past Due							
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	- \$	-\$
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	\$	-\$	-\$	-\$	-\$	- \$	-\$
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	%	%	%	%	%	%	%

5. Investments in impaired loans with or without allowance for credit losses:

Not applicable

6. Investment in impaired loans

Not applicable.

7. Allowance for credit losses:

		December 31, 2015	December 31, 2014
(a) Balance at beginning of period	\$	1,253	\$ 1,637
(b) Additions charged to operations	-	-	-
(c) Direct write-downs charged against the allowances	(1,253)	(385)	
(d) Recoveries of amounts previously charged off	-	-	
(e) Balances at end of period	\$ <u> </u> -	\$ <u> </u> 1,252	

8. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continue to perform under its original or restructured contractual terms. Interest received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.

B. Troubled Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

2. Not applicable.

3. Not applicable.

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ <u> </u> (1,585,359)
2. 12 Months or Longer	\$ <u> </u> (149,061)

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

1. Less than 12 Months	\$ <u> </u> 179,937,575
2. 12 Months or Longer	\$ <u> </u> 5,856,644

5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

NOTES TO THE FINANCIAL STATEMENTS

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Repurchase Agreements and Securities Lending Transactions

- For repurchase agreements, the Company policy requires that the reporting entity receive collateral having a fair value of at least 95% of the fair value of the securities transferred.

For reverse repurchase agreements, the Company policy requires that the reporting entity receive as collateral transferred securities having a fair value at least equal to 102% of the purchase price paid by the reporting entity for the securities.

The Company's securities lending agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received is invested in short-term investments and reported on the Asset page as Securities Lending Reinvested Collateral assets. The offsetting collateral liability is reported in the Payable for Securities Lending line on the Liabilities page.

- No assets were pledged as collateral as of year-end.

3. Collateral Received**a. Aggregate Amount Cash Collateral Received**

	<u>Fair Value</u>
1. Repurchase Agreement	
(a) Open	\$ -
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Subtotal	\$ -
(g) Securities Received	-
(h) Total Collateral Received	<u>\$ -</u>

2. Securities Lending

(a) Open	\$ 11,992,890
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Subtotal	\$ 11,992,890
(g) Securities Received	3,781,316
(h) Total Collateral Received	<u>\$ 15,774,206</u>

3. Dollar Repurchase Agreement

(a) Open	\$ -
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Subtotal	\$ -
(g) Securities Received	-
(h) Total Collateral Received	<u>\$ -</u>

- The fair value of that collateral and of the portion of that collateral that it has sold or repledged was \$11,887,552 and \$3,285,152 as of December 31, 2015 and 2014, respectively.
- The reporting entity receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The reporting entity invests the cash collateral (primarily in short-term investments) to earn additional yield.
- The Company did not have any securities lending activities with an affiliated agent.

NOTES TO THE FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

		<u>Amortized Cost</u>	<u>Fair Value</u>
1.	Repurchase Agreement		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less	\$ -	\$ -
(c)	31 to 60 Days	\$ -	\$ -
(d)	61 to 90 Days	\$ -	\$ -
(e)	91 to 120 Days	\$ -	\$ -
(f)	121 to 180 Days	\$ -	\$ -
(g)	181 to 365 Days	\$ -	\$ -
(h)	1 to 2 years	\$ -	\$ -
(i)	2 to 3 years	\$ -	\$ -
(j)	Greater Than 3 years	\$ -	\$ -
(k)	Subtotal	\$ -	\$ -
(l)	Securities Received	\$ -	\$ -
(m)	Total Collateral Reinvested	<u>\$ -</u>	<u>\$ -</u>
2.	Securities Lending		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less	\$ 11,791,357	\$ 11,791,357
(c)	31 to 60 Days	\$ -	\$ -
(d)	61 to 90 Days	\$ -	\$ -
(e)	91 to 120 Days	\$ -	\$ -
(f)	121 to 180 Days	\$ -	\$ -
(g)	181 to 365 Days	\$ -	\$ -
(h)	1 to 2 years	\$ -	\$ -
(i)	2 to 3 years	\$ -	\$ -
(j)	Greater Than 3 years	\$ 104,208	\$ 96,195
(k)	Subtotal	\$ 11,895,565	\$ 11,887,552
(l)	Securities Received	\$ -	\$ -
(m)	Total Collateral Reinvested	<u>\$ 11,895,565</u>	<u>\$ 11,887,552</u>
3.	Dollar Repurchased Agreement		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less	\$ -	\$ -
(c)	31 to 60 Days	\$ -	\$ -
(d)	61 to 90 Days	\$ -	\$ -
(e)	91 to 120 Days	\$ -	\$ -
(f)	121 to 180 Days	\$ -	\$ -
(g)	181 to 365 Days	\$ -	\$ -
(h)	1 to 2 years	\$ -	\$ -
(i)	2 to 3 years	\$ -	\$ -
(j)	Greater Than 3 years	\$ -	\$ -
(k)	Subtotal	\$ -	\$ -
(l)	Securities Received	\$ -	\$ -
(m)	Total Collateral Reinvested	<u>\$ -</u>	<u>\$ -</u>

b. Since the borrower or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

6. The Company has accepted collateral that is not permitted by contract or custom to repledge or sell. The fair value of the securities received as collateral was \$3,781,316 as of December 31, 2015. The Company did not accept collateral that is not permitted by contract or custom to repledge or sell as of December 31, 2014.

7. There are no securities lending transactions that extend beyond one year.

F. Real Estate

Not applicable.

G. Low-Income Housing Tax Credits

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**H. Restricted Assets****1. Restricted Assets (Including Pledged)**

Restricted Asset Category (Including pledged)	Gross Restricted						8	Percentage		
	Current Year					6	7	9	10	
	1	2	3	4	5					
Restricted Asset Category (Including pledged)	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (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	-	-	-	-	-	-	-	-	0.00%	0.00%
B Collateral held under security lending agreements	11,887,552	-	-	-	11,887,552	3,285,152	8,602,400	11,887,552	0.51%	0.51%
C Subject to repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
D Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
E Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
F Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
G Placed under contracts	-	-	-	-	-	-	-	-	0.00%	0.00%
H Letter stock or securities restricted as to sale-excluding FHLB capital stock	-	-	-	-	-	-	-	-	0.00%	0.00%
I FHLB capital stock	-	-	-	-	-	-	-	-	0.00%	0.00%
J On deposit with states	6,099,604	-	-	-	6,099,604	6,164,549	(64,945)	6,099,604	0.26%	0.26%
K On deposit with other regulatory bodies	4,531,609	-	-	-	4,531,609	5,535,901	(1,004,292)	4,531,609	0.19%	0.20%
L Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	0.00%	0.00%
M Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	0.00%	0.00%
N Other restricted assets	17,144,738	-	-	-	17,144,738	3,471,385	13,673,353	17,144,738	0.73%	0.74%
O Total Restricted assets	39,663,503	-	-	-	39,663,503	18,456,987	21,206,516	39,663,503	1.70%	1.71%

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

Not applicable.

3. Detail of Other Restricted Assets

Description of Assts	Gross Restricted						8	Percentage		
	Current Year					6	7	9	10	
	1	2	3	4	5					
Description of Assts	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (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
Loaned to others under conforming securities lending program	17,144,738	-	-	-	17,144,738	3,471,385	13,673,353	17,144,738	0.73%	0.74%
Total	17,144,738	-	-	-	17,144,738	3,471,385	13,673,353	17,144,738	0.73%	0.74%

I. Working Capital Finance Investments

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**J. Offsetting and Netting of Assets and Liabilities**

No assets or liabilities are offset and reported net in accordance with a valid right to offset per SSAP No 64, Offsetting and Netting of Assets and Liabilities.

K. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage- Referenced Security (YES/NO)
391164AF7	\$ 5,664,400	\$ 5,467,725	\$ 5,540,022	NO
71884WAN1	2,309,100	3,694,650	3,209,959	NO
912810FR4	56,388,529	71,721,530	62,995,865	NO
912810PV4	18,207,826	24,809,410	21,224,021	NO
912810PZ5	51,070,484	65,616,596	56,408,499	NO
912828FL9	25,718,033	29,916,730	29,480,297	NO
912828LA6	51,723,116	59,057,029	56,219,691	NO
Total	\$ 211,081,488	\$ 260,283,670	\$ 235,078,354	

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**A. Detail for Those Greater than 10% of Admitted Assets**

Not applicable.

B. Write-downs for Impairments

Not applicable

Note 7 - Investment Income**A. Accrued Investment Income**

The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2015 was \$0.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes**A. The components of the deferred tax asset/(liability) at December 31 are as follows:**

	December 31, 2015		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 49,115,768	\$ 8,237,740	\$ 57,353,508
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ 49,115,768	\$ 8,237,740	\$ 57,353,508
(1d) Deferred tax assets nonadmitted	89,023	-	89,023
(1e) Subtotal net admitted deferred tax asset	\$ 49,026,745	\$ 8,237,740	\$ 57,264,485
(1f) Deferred tax liabilities	337,905	7,010,225	7,348,130
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 48,688,840	\$ 1,227,515	\$ 49,916,355

	December 31, 2014		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
(1d) Deferred tax assets nonadmitted	-	-	-
(1e) Subtotal net admitted deferred tax asset	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
(1f) Deferred tax liabilities	437,368	9,449,362	9,886,730
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 47,004,310	\$ 270,700	\$ 47,275,010

	Change		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 1,674,090	\$ (1,482,322)	\$ 191,768
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ 1,674,090	\$ (1,482,322)	\$ 191,768
(1d) Deferred tax assets nonadmitted	89,023	-	89,023
(1e) Subtotal net admitted deferred tax asset	\$ 1,585,067	\$ (1,482,322)	\$ 102,745
(1f) Deferred tax liabilities	(99,463)	(2,439,137)	(2,538,600)
(1g) Net admitted deferred tax asset/(net deferred tax liability)	\$ 1,684,530	\$ 956,815	\$ 2,641,345

NOTES TO THE FINANCIAL STATEMENTS**Admission Calculation Components SSAP No. 101**

	December 31, 2015		
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 45,492,660	\$ 4,423,695	\$ 49,916,355
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 45,492,660	\$ 4,423,695	\$ 49,916,355
2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ 107,433,986
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$ 3,534,085	\$ 3,814,045	\$ 7,348,130
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$ 49,026,745	\$ 8,237,740	\$ 57,264,485
December 31, 2014			
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 43,574,174	\$ 3,700,837	\$ 47,275,011
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 43,574,174	\$ 3,700,837	\$ 47,275,011
2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ 107,636,523
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$ 3,867,504	\$ 6,019,225	\$ 9,886,729
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
Change			
	Ordinary	Capital	Total
(2a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(2b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$ 1,918,486	\$ 722,858	\$ 2,641,344
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 1,918,486	\$ 722,858	\$ 2,641,344
2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ (202,537)
(2c) Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$ (333,419)	\$ (2,205,180)	\$ (2,538,599)
(2d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$ 1,585,067	\$ (1,482,322)	\$ 102,745
December 31, 2015		December 31, 2014	
(3a) Ratio percentage used to determine recovery period and threshold limitation amount			591.025%
(3b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	\$ 716,226,571	\$ 717,576,817	648.347%

NOTES TO THE FINANCIAL STATEMENTS**Impact of Tax Planning Strategies**

	December 31, 2015		
	Ordinary	Capital	Total
(4a) 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)	\$ 49,115,768	\$ 8,237,740	\$ 57,353,508
(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)	\$ 49,026,745	\$ 8,237,740	\$ 57,264,485
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	0.00%	8.86%	8.86%
December 31, 2014			
	Ordinary	Capital	Total
(4a) 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)	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
(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)	\$ 47,441,678	\$ 9,720,062	\$ 57,161,740
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	0.00%	7.83%	7.83%
Change			
	Ordinary	Capital	Total
(4a) 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)	\$ 1,674,090	\$ (1,482,322)	\$ 191,768
(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)	\$ 1,585,067	\$ (1,482,322)	\$ 102,745
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	0.00%	1.03%	1.03%
(4b) Does this Company's tax-planning strategies include the use of reinsurance?	Yes []	No [X]	

B. There are no temporary differences for which deferred tax liabilities are not recognized.

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

	December 31, 2015		December 31, 2014		Change
	Ordinary	Capital	Ordinary	Capital	
1. Current Income Tax					
(a) Federal	\$ 2,613,014	\$	1,609,763	\$	1,003,251
(b) Foreign	-		-		-
(c) Subtotal	\$ 2,613,014	\$	1,609,763	\$	1,003,251
(d) Federal income tax on net capital gains			(335,236)		(167,803)
(e) Utilization of capital loss carry-forwards	-		-		-
(f) Other	-		-		-
(g) Federal and foreign income taxes incurred	\$ 2,277,778	\$	1,442,330	\$	835,448

NOTES TO THE FINANCIAL STATEMENTS

		December 31, 2015	December 31, 2014	Change
2. Deferred Tax Assets				
(a) Ordinary:				
(1) Discounting of unpaid losses	\$ 10,170,701	\$ 10,599,806	\$ (429,105)	
(2) Unearned premium reserve	21,333,144	20,428,009	905,135	
(3) Policyholder reserves	-	-	-	
(4) Investments	305	11,092	(10,787)	
(5) Deferred acquisition costs	-	-	-	
(6) Policyholder dividends accrual	-	-	-	
(7) Fixed Assets	-	-	-	
(8) Compensation benefits accrual	6,407,831	5,355,099	1,052,732	
(9) Pension accrual	760,526	330,993	429,533	
(10) Receivables - nonadmitted	639,804	587,490	52,314	
(11) Net operating loss carry-forward	550,172	550,172	-	
(12) Tax credit carry-forward	-	-	-	
(13) Other (including items <5% of total ordinary tax assets)	1,028,264	1,108,280	(80,016)	
(14) Nonadmitted miscellaneous	-	-	-	
(15) Intangibles	-	-	-	
(16) Capitalized R&E	-	-	-	
(17) Nonadmitted premiums and agent bal	8,225,021	8,470,737	(245,716)	
(18) Premium deficiency reserve	-	-	-	
(99) Subtotal	\$ 49,115,768	\$ 47,441,678	\$ 1,674,090	
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	
(c) Nonadmitted	89,023	-	89,023	
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 49,026,745	\$ 47,441,678	\$ 1,585,067	
(e) Capital:				
(1) Investments	\$ 8,237,740	\$ 9,720,062	\$ (1,482,322)	
(2) Net capital loss carry-forward	-	-	-	
(3) Real estate	-	-	-	
(4) Other (including items <5% of total capital tax assets)	-	-	-	
(99) Subtotal	\$ 8,237,740	\$ 9,720,062	\$ (1,482,322)	
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	
(g) Nonadmitted	-	-	-	
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 8,237,740	\$ 9,720,062	\$ (1,482,322)	
(i) Admitted deferred tax assets (2d + 2h)	\$ 57,264,485	\$ 57,161,740	\$ 102,745	
3. Deferred Tax Liabilities				
(a) Ordinary:				
(1) Investments	\$ -	\$ -	\$ -	
(2) Fixed assets	-	-	-	
(3) Deferred and uncollected premium	-	-	-	
(4) Policyholder reserves	-	-	-	
(5) Other (including items <5% of total ordinary tax liabilities)	23,122	17,657	5,465	
(6) Compensation and benefits accrual	-	-	-	
(7) Guaranty assessments	-	-	-	
(8) Agent acquisitions	-	-	-	
(9) Surplus note interest accrual	-	-	-	
(10) Pension accrual	-	-	-	
(11) Other liabilities	314,783	419,711	(104,928)	
(12) Unrealized miscellaneous	-	-	-	
(99) Subtotal	\$ 337,905	\$ 437,368	\$ (99,463)	
(b) Capital:				
(1) Investments	\$ 7,010,225	\$ 9,449,362	\$ (2,439,137)	
(2) Real estate	-	-	-	
(3) Other (including items <5% of total capital tax liabilities)	-	-	-	
(99) Subtotal	\$ 7,010,225	\$ 9,449,362	\$ (2,439,137)	
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 7,348,130	\$ 9,886,730	\$ (2,538,600)	
4. Net deferred tax asset/(liability) (2i - 3c)	\$ 49,916,355	\$ 47,275,010	\$ 2,641,345	

NOTES TO THE FINANCIAL STATEMENTS

5. The change in deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted assets as the Change in Nonadmitted Assets are 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
(a) Adjusted gross deferred tax assets	\$ 57,353,508	\$ 57,161,740	\$ 191,768
(b) Deferred tax liabilities	7,348,130	9,886,730	(2,538,600)
(c) Net deferred tax assets (liabilities)	\$ 50,005,378	\$ 47,275,010	\$ 2,730,368
(d) Tax effect of unrealized gains (losses)			2,469,694
(e) Tax effect of unrealized postretirement benefits			-
(f) Change in deferred income tax			\$ 260,674

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

	December 31, 2015	December 31, 2014
(a) Current income taxes incurred	\$ 2,277,778	\$ 1,442,330
(b) Change in deferred income tax	(260,674)	(1,689,182)
(c) Total income tax reported	\$ 2,017,104	\$ (246,852)
(d) Income before taxes	\$ 10,783,688	\$ 11,361,062
(e) Federal statutory tax rate	35%	35%
(f) Expected income tax expense (benefit) at 35% statutory rate	\$ 3,774,291	\$ 3,976,372
(1) Tax-exempt income	\$ (2,662,820)	\$ (3,339,248)
(2) Dividends received deduction	-	-
(3) Nondeductible expenses	136,228	124,041
(4) Deferred tax benefit on nonadmitted assets	765,961	(949,266)
(5) Change in tax reserves	-	10,084
(6) Tax credits	-	-
(7) Other	3,444	(68,835)
(8) Extraordinary distribution	-	-
(9) COLI - change in CSV	-	-
(10) Dividends - Return of Capital	-	-
(g) Total	\$ 2,017,104	\$ (246,852)

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. As of December 31, operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards	\$ -	2002-2011	2017-2027
Operating loss carryforwards	\$ 204,842	2011	2031
Operating loss carryforwards	\$ 1,367,078	2012	2032
Operating loss carryforwards	\$ -	2013	2033
Operating loss carryforwards	\$ -	2014	2034
Operating loss carryforwards	\$ -	2015	2035
Amount of AMT tax credits	\$ -	2008	N/A
Amount of AMT tax credits	\$ -	2009	N/A
Amount of AMT tax credits	\$ -	2010	N/A
Amount of AMT tax credits	\$ -	2011	N/A
Amount of AMT tax credits	\$ -	2012	N/A
Amount of AMT tax credits	\$ -	2013	N/A
Amount of AMT tax credits	\$ -	2014	N/A
Amount of AMT tax credits	\$ -	2015	N/A
Business credits	\$ -	2009	2029
Business credits	\$ -	2010	2030
Business credits	\$ -	2011	2031
Business credits	\$ -	2012	2032
Business credits	\$ -	2013	2033
Business credits	\$ -	2014	2034
Business credits	\$ -	2015	2035

2. The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

2015	\$ -
2014	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS**F. Consolidated Federal Income Tax Return**

1. The company's federal income tax return is consolidated with the following entities:

Nationwide Mutual Insurance Company	Nationwide Global Ventures, Inc.
AGMC Reinsurance, Ltd	Nationwide Indemnity Company
Allied General Agency Company	Nationwide Insurance Company of America
Allied Group, Inc.	Nationwide Insurance Company of Florida
Allied Holding (Delaware), Inc.	Nationwide Investment Services Corporation
Allied Insurance Company of America	Nationwide Life & Annuity Insurance Co.
Allied Property & Casualty Insurance Company	Nationwide Life Insurance Company
Allied Texas Agency, Inc.	Nationwide Lloyds
AMCO Insurance Company	Nationwide Member Solutions Agency, Inc.
American Marine Underwriters	Nationwide Property & Casualty Insurance Company
Crestbrook Insurance Company	Nationwide Retirement Solutions Ins. Agency, Inc.
Depositors Insurance Company	Nationwide Retirement Solutions, Inc.
DVM Insurance Agency, Inc.	Nationwide Retirement Solutions, Inc. of AZ
Eagle Captive Reinsurance LLC	Nationwide Retirement Solutions, Inc. of OH
Freedom Specialty Insurance Company	Nationwide Retirement Solutions, Inc. of TX
Harleysville Group Inc.	NFS Distributors, Inc.
Harleysville Insurance Co. of New York	NWD Asset Management Holdings, Inc.
Harleysville Insurance Company	NWD Investment Management, Inc.
Harleysville Insurance Company of New Jersey	On Your Side Nationwide Insurance Agency, Inc.
Harleysville Lake States Insurance Company	Premier Agency, Inc.
Harleysville Preferred Insurance Company	Registered Investment Advisors Services, Inc.
Harleysville Worcester Insurance Company	Riverview International Group, Inc.
Insurance Intermediaries, Inc.	Scottsdale Indemnity Company
Lone Star General Agency, Inc.	Scottsdale Insurance Company
National Casualty Company	Scottsdale Surplus Lines Insurance Company
Nationwide Advantage Mortgage Company	THI Holdings (Delaware), Inc.
Nationwide Affinity Insurance Company of America	Titan Auto Insurance of New Mexico, Inc.
Nationwide Agribusiness Insurance Company	Titan Indemnity Company
Nationwide Assurance Company	Titan Insurance Company
Nationwide Bank	Titan Insurance Services, Inc.
Nationwide Cash Management Company	Veterinary Pet Insurance Company
Nationwide Corporation	Victoria Automobile Insurance Company
Nationwide Fin. Institution Distrib. Agency, Inc.	Victoria Fire & Casualty Company
Nationwide Financial Assignment Company	Victoria National Insurance Company
Nationwide Financial General Agency, Inc.	Victoria Select Insurance Company
Nationwide Financial Services, Inc.	Victoria Specialty Insurance Company
Nationwide General Insurance Company	VPI Services, Inc.
Nationwide Global Holdings, Inc.	Western Heritage Insurance Company

Effective January 1, 2015, the consolidated federal income tax filing group of which the Company is a member expanded to include Mutual's eligible life insurance subsidiaries and non-insurance subsidiaries of the life insurance companies.

2. Effective January 1, 2015, the Company became a party to a revised tax sharing agreement which was approved by the Board of Directors. The revised tax sharing agreement reflects Mutual's new consolidated federal return group which includes its eligible life and non-life subsidiaries. The method of allocation among the companies is based upon separate return calculations with current benefit for tax losses and credits utilized in the consolidated return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of Relationships**

All outstanding shares of the Company are owned by Mutual.

Bonds and stocks, if any owned, acquired or disposed of in any year by the Company in any subsidiary or affiliate are set forth in Schedule D of either this statement or those of prior years. Intercompany relationships and specific holdings are detailed in the Nationwide Corporate Organizational Chart, which appears as Schedule Y of this statement.

The Company is a party to various reinsurance agreements including a pooling agreement with several affiliated companies. See Note 26.

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of Mutual, under which NCMC acts as a common agent in handling the purchases and sales of short-term investments for the respective accounts of the participants. Amounts on deposit with NCMC were \$20.6 million and \$25.6 million as of December 31, 2015 and 2014, respectively.

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

On May 28, 2014, the Company received a capital contribution of \$30 million from Nationwide Mutual Insurance Company. The Company contributed the \$30 million to Scottsdale Surplus Lines Insurance Company.

C. Change in Terms of Intercompany Arrangements

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**D. Amounts Due to or from Related Parties**

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The Company reported gross amounts of \$24.7 million and \$50.2 million due from parent and affiliates and \$16.3 million and \$8.3 million due to parent and affiliates at December 31, 2015 and 2014, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

The Company has no guarantees or contingent commitments to affiliates.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company and various affiliates share a home office, other facilities, equipment, common management and administrative services. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC SAP. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, claims counts, policies in force, direct written premium, paid losses, pro rata share of employees or their salaries, and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

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

Not applicable.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

The Company does not hold any investments in affiliates.

M. Investments in non-insurance SCA entities

Not applicable.

N. Investments in insurance SCA entities

Not applicable.

Note 11 - Debt**A. All Other Debt**

Not applicable.

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

Not applicable.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A-D. Defined Benefit Plans**

Mutual sponsors a defined benefit pension plan and a postretirement health care benefit plan covering substantially all employees of the Company. See Note 12G.

E. Defined Contribution Plans

Mutual sponsors a defined contribution savings plan covering substantially all employees of the Company. See Note 12G.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in non-qualified deferred compensation and defined benefit arrangements for certain employees and agents. Expenses are allocated to the Company based on individual participants. Total Plan liabilities for non-qualified deferred compensation plans were \$274.4 million and \$278.9 million on December 31, 2015 and 2014, respectively. Total Plan liabilities for non-qualified defined benefit plans were \$336.7 million and \$322.3 million on December 31, 2015 and 2014, respectively. Total expense related to the non-qualified benefit plans was \$22.5 million and \$14.3 million for years ended December 31, 2015 and 2014, respectively.

The ASCP is a non-qualified, unfunded deferred compensation program available to eligible agents. The designated agents covered by the ASCP are not employees of the Company, but they are independent contractors exclusively representing the Company in the sale of insurance and related products. Accordingly, the Company believes it is appropriate to apply the concepts of SSAP No. 89, *Accounting for Pensions, A Replacement of SSAP No. 8*, by analogy to the ASCP.

NOTES TO THE FINANCIAL STATEMENTS

Total liabilities related to the ASCP were \$1.03 billion and \$1.15 billion at December 31, 2015 and 2014, respectively. Total expense recorded for this program was \$61.1 million and \$62.2 million for the years ended December 31, 2015 and 2014, respectively.

H. Postemployment Benefits and Compensated Absences

Not applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits

Mutual sponsors a postretirement health care benefit plan. See Note 12D.

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

A. Outstanding Shares

The Company has 100,000 shares of \$200 par value stock authorized and 30,136 shares issued and outstanding.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Dividend Restrictions

The payment of dividends by the Company is limited by state insurance laws. For example, Ohio Insurance Code requires Ohio-domiciled insurance companies to seek prior regulatory approval to pay a dividend or distribution of cash or other property if the fair market value thereof, together with that of other dividends or distributions made in the preceding twelve months, exceeds the greater of (i) 10% of the insurer's surplus as regards policyholders as of the thirty-first day of December next preceding or (ii) the net income of the insurer for the twelve month period ending the thirty-first day of December next preceding. Additionally, the Ohio Insurance Code requires insurers to seek prior regulatory approval for any dividend paid from surplus that is other than earned. Subject to applicable regulatory approval(s), dividends are paid as determined by the Company's board of directors.

D. Dividends Paid

No dividends were paid by the Company during 2015 and 2014.

E. Profits Available for Ordinary Dividends

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

F. Restrictions on Surplus

There is no restriction on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

G. Advances to Surplus Not Repaid

Not applicable.

H. Stock Held by Company for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$122.8 million less applicable deferred tax expenses of \$6.9 million for a net unrealized capital gain of \$115.8 million.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable

Note 14 – Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitment to affiliates or other entities. As indicated in Note 10 E, the Company has made no guarantees on behalf of affiliates.

B. Guaranty Fund and Other Assessments

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

As of December 31, 2015 and 2014, the Company accrued a liability for guaranty fund and other assessments of \$16 thousand and \$470 thousand and a related premium tax benefit asset of \$26 thousand and \$20 thousand, respectively. These represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

NOTES TO THE FINANCIAL STATEMENTS

(1) Description	(2) Amount
a. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges prior year-end	\$ 19,949
b. Decreases current year:	
Premium tax offsets applied	\$ 4,162
c. Increases current year:	
Change in accrued premium tax offsets	\$ 10,127
d. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges current year-end	\$ 25,914

C. Gain Contingencies

Not applicable.

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

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

Claims related ECO and bad faith losses paid during the reporting period: \$3.5 million

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) 0 - 25 claims	(b) 26 - 50 claims	(c) 51 - 100 claims	(d) 101 - 500 claims	(e) More than 500 claims
X				

(f) Per Claim [X] Per Claimant []

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation were reserved net of anticipated recoveries for \$1.8 million and \$2.1 million at December 31, 2015 and 2014, respectively.

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

Not applicable.

B. Lessor Leasing Arrangements

Not applicable.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**A. Financial Instruments with Off-Balance Sheet Risk**

Not applicable.

B. Financial Instruments with Concentrations of Credit Risk

Not applicable.

C. Exposure to Credit-Related Losses

Not applicable.

D. Collateral Policy

Not applicable.

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

Not applicable.

B. Transfers and Servicing of Financial Assets

1. The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

NOTES TO THE FINANCIAL STATEMENTS

The fair value of loaned securities was \$15,359,020, at December 31, 2015. The Company holds \$3,781,316 of non-cash collateral for loaned securities as of December 31, 2015.

Reinvested collateral assets reported on Schedule DL are excluded from other statutory schedules and disclosures.

See Note 5 E. for additional information concerning securities lending.

1. No servicing assets or liabilities were recognized during the period.
3. No servicing assets or liabilities were recognized during the period.
4. There were no assets securitized during the period.
5. There were no transfers of financial assets accounted for as a secured borrowing.
6. There were no transfers of receivables with recourse.
7. There were no repurchase, reverse repurchase, dollar repurchase, or reverse dollar repurchase agreements open at year end

C. Wash Sales

Not applicable.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

Note 20 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

The Company categorizes its financial assets and liabilities into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The Company categorizes financial assets and liabilities as follows:

Level 1. Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date and mutual funds where the value per share (unit) is determined and published daily and is the basis for current transactions.

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means. Primary inputs to this valuation technique may include comparative trades, bid/asks, interest rate movements, U.S. Treasury rates, U.S. LIBOR, prime rates, cash flows, maturity dates, callability, estimated prepayments and/or underlying collateral values.

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Primary inputs to this valuation technique include broker quotes and comparative trades.

The Company reviews its fair value hierarchy classifications for financial assets and liabilities quarterly. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications are reported as transfers at the beginning of the period in which the change occurs.

To determine the fair value of bonds and stocks for which market quotations are available, independent pricing services are most often utilized. For these bonds and stocks, the Company obtains the pricing services' methodologies, inputs and assumptions and classifies the investments accordingly in the fair value hierarchy.

A corporate pricing matrix is used in valuing certain corporate bonds. The corporate pricing matrix was developed using publicly available spreads for privately placed corporate securities with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a particular bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

Non-binding broker quotes are also utilized to determine the fair value of certain bonds when quotes are not available from independent pricing services or a corporate pricing matrix. These bonds are classified accordingly in the fair value hierarchy as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased. Inputs used in the development of prices are not provided to the Company by the brokers as the brokers often do not provide the necessary transparency into their quotes and methodologies. Broker quotes are subject to validation of price movements that require approval from the Company's management. Management uses its knowledge of the investment and current market conditions to determine if the price is indicative of the investment's fair value.

NOTES TO THE FINANCIAL STATEMENTS

The following table summarizes financial assets and liabilities measured at fair value as of December 31, 2015:

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
U.S. Government bonds	\$	- \$	- \$	- \$
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	-	-	-
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	4,943,146	-	4,943,146
Total Bonds	\$	- \$	4,943,146 \$	4,943,146
Sec Lending	-	96,195	-	96,195
Preferred Stocks	-	-	-	-
Common Stocks	-	-	-	-
Loans held for sale	-	-	-	-
Separate Account Assets	-	-	-	-
Derivative Assets	-	-	-	-
Total Assets at Fair Value	\$	- \$	5,039,341 \$	5,039,341
Liabilities at Fair Value				
Derivatives Liabilities	\$	- \$	- \$	- \$
Total Liabilities at Fair Value	\$	- \$	- \$	- \$

The following table summarizes aggregate carrying value and fair value, by level, for all financial assets and liabilities, excluding assets and liabilities reported at fair value, as of December 31, 2015:

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Assets						
Bonds	\$1,241,620,626	\$1,201,861,891	\$333,377,835	\$908,016,621	\$226,170	\$-
Stocks	277,523,112	277,523,112	-	-	277,523,112	-
Mortgage loans	-	-	-	-	-	-
Short-term investments	20,625,822	20,625,822	-	20,625,822	-	-
Derivative assets	-	-	-	-	-	-
Policy loans	-	-	-	-	-	-
Securities lending collateral assets ¹	11,791,357	11,791,357	11,791,357	-	-	-
Total Assets	\$1,551,560,917	\$1,511,802,182	\$345,169,192	\$928,642,443	\$277,749,282	\$-
Liabilities						
Derivatives Liabilities	\$-	\$-	\$-	\$-	\$-	\$-
Total Liabilities	\$-	\$-	\$-	\$-	\$-	\$-

1 Includes nonadmitted assets

Note 21 - Other Items

A. Unusual or Infrequent Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

Effective June 1, 2015, the Company renewed its Property Catastrophe Program as follows: South East Regional Tower (covering the states of NC, SC, VA, MD, DC, DE, WV, GA and PA) – 70% of \$500.0 million excess of \$500.0 million; Northeast Regional Tower (covering the states of NJ, NY, CT, RI, MA, VT, NH, ME and PA) – 70% of \$500.0 million excess of \$500.0 million; and National Tower – First Layer: 70% of \$150.0 million excess of \$1.006 billion; Second Layer: 70% of \$350.0 million excess of \$1.156 billion; Third Layer: 70% of \$300.0 million excess of \$2.236 billion; Fourth Layer: 70% of \$500.0 million excess of \$2.536 billion.

Effective January 1, 2015, the Scottsdale Surety Bond program was modified from a 70% quota share of \$30 million arrangement to three excess layers: \$7 million in excess of \$3 million, \$10 million in excess of \$10 million and \$10 million in excess of \$20 million.

Effective June 1, 2014, the Company renewed its Property Catastrophe Program at 45% of \$200.0 million in excess of \$300.0 million.

Effective January 1, 2016, VPI entered into a 100% quota share reinsurance agreement with the Company.

D. Uncollectible Premiums Receivable

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**E. State Transferable and Non-Transferable Tax Credits****1. Description of State Transferable and Non-Transferable Tax Credits**

	State	Carrying Value	Unused Amount
1717 East 9th LLC	OH	\$ -	\$ 200,000
CCP NI Master Tenant LLC	NC	-	8,289
CDS Enterprises Master Tenant LLC	OH	-	120,000
Mayberry Solar LLC	NC	-	30,880
Nationwide Affordable Housing Fund 51: Red Stone Equity Fund 39 LLC	NC	-	113,138
Rose Hill Owner LLC	NC	-	42,678
SC State Tax Credit Partner LLC	SC	-	9,421
STCE NC Nationwide Fund LLC	NC	-	6,000
Stonehenge Investor III LLC	NC	-	431,957
Strata Fund 24 Lessee LLC	NC	-	34,830
Strata Fund 25 Lessee LLC	NC	-	42,225
The Historic Granville Inn LLC	OH	-	56,000
The Old Cotton Factory Investor LLC	SC	-	2,644
Town Of Dunn Solar Farm - Owner	NC	-	42,590
Total			1,140,652

2. The Company estimates the utilization of remaining transferable and non-transferable state tax credits by projecting future premium and taking into account policy growth, while also projecting future tax liability in the relevant jurisdiction.
3. The Company did not recognize any impairment on state tax credits in 2015.
4. State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	\$ -	\$ -
b. Non-transferable	\$ 1,140,652	\$ -

F. Subprime Mortgage Related Risk Exposure

1. The Company evaluates many characteristics when classifying collateral as subprime, including the credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.
2. The Company has no direct exposure through investments in subprime mortgage loans.
3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$23,866,672	\$24,297,820	\$24,209,527	\$121,686
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets.				
g. Total	\$23,866,672	\$24,297,820	\$24,209,527	\$121,686

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

G. Insurance Linked Securities

Not applicable.

Note 22 - Events Subsequent**Type I – Recognized Subsequent Events:**

Subsequent events have been considered through February 22, 2016 for the statutory statement issued on February 23, 2016.

There were no material Type I events occurring subsequent to the end of the year that merited recognition or disclosure in these statements that have not already been reflected as required.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 22, 2017 for the statutory statement issued on February 23, 2016.

There were no material Type II events occurring subsequent to the end of the year that merited disclosure in these statements that have not already been reflected as required.

NOTES TO THE FINANCIAL STATEMENTS**Note 23 – Reinsurance****A. Unsecured Reinsurance Recoverables**

The Company has unsecured aggregate reinsurance recoverable for paid and unpaid losses, loss adjustment expenses, and unearned premiums from an individual reinsurer that exceeds 3% of policyholders' surplus. The amount is shown below by reinsurer.

NAIC Group	Reinsurer	FEIN #	Unsecured Reinsurance (000's)
0140	Nationwide Mutual Insurance Company	31-4177100	\$4,571,785
0140	Veterinary Pet Insurance Company	95-3750113	\$138,441
	Alterra Reinsurance USA Inc	06-1481194	\$66,492
	Bateleur Insurance Company Ltd	AA-3190490	\$23,428
	Endurance Reinsurance Corporation	35-2293075	\$40,861
	Everest Reinsurance Company	22-2005057	\$43,790
	Guarantee Insurance Company	22-2222789	\$28,647
	Hannover Ruck SE	AA-1340125	\$31,140
	Munich Reinsurance America Inc	13-4924125	\$63,378
	Odyssey Reinsurance Company	47-0698507	\$28,937
	Swiss Reinsurance America Corporation	13-1675535	\$30,057
	Toa Reinsurance Company of America	13-2918573	\$34,076
	Transatlantic Reinsurance Company	13-5616275	\$103,558

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed and Ceded

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

(\$000's)	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	\$948,265	\$185,629	\$1,171,794	\$268,160	\$(223,529)	\$(82,531)
b. All Others	2,469	1,031	181,954	52,527	(179,485)	(51,496)
c. Totals	\$950,734	\$186,660	\$1,353,748	\$320,687	\$(403,014)	\$(134,027)
d. Direct Unearned Premium Reserve			\$706,507			

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2015 are as follows:

(\$000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	\$100,683	\$15,995	\$106,396	\$10,281
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commissions	-	-	-	-
d. Totals	\$100,683	\$15,995	\$106,396	\$10,281

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

D. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due from the companies listed below, in the amount of \$334 thousand, which is reflected as:

a. Losses Incurred	\$	253,915
b. Loss adjustment expenses Incurred	\$	80,004
c. Premiums earned	\$	-
d. Other	\$	-
e. <u>Company</u>		<u>Amount</u>
Beacon Insurance Company	\$	(2,278)
Central National Insurance Co		38,183
Folksam International		35,958
Hearland Group Syndicate		26,409
Mutual Fire & Inland Marine		50,789
NEM Reinsurance Co		79,225
Paladin Re Bermuda		79,225
Sovereign Marine & General		26,408
Total	\$	<u>333,919</u>

NOTES TO THE FINANCIAL STATEMENTS**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	\$	(87,335)
2.	Loss adjustment expenses Incurred	\$	(300,478)
3.	Premiums earned	\$	(1,296,000)
4.	Other	\$	-
5.	<u>Company</u>		<u>Amount</u>
	American Centennial Ins	\$	89,788
	Atlantic Mutual Insurance Co		
	Candon Syndicate		26,408
	Converium Reinsurance North America		19,892
	CX Reinsurance Company		7,830
	Dominion Insurance Co		26,408
	Everest Reinsurance Company		(1,299,559)
	Excalibur Insurance Co		(794,566)
	First National Indemnity		19,349
	First New York Syndicate		(3,254)
	Global Re Corp of America		(4,404)
	Imperial Casualty		163,672
	Maiden Lane Syndicate		(1,540)
	Municipal General Ins Co		(64,336)
	Reliance Insurance Company		49,336
	Rosemont Reinsurance Limited		13,070
	San Francisco Re Co		100,903
	Sirius America Insurance Company		110
	South Place Syndicate		(1,540)
	St Paul Fire & Marine Insurance Co		(2,328)
	Swiss Reinsurance America Corp		(69,392)
	Trenwick America Reinsurance Corp		40,340
	Total	\$	<u>(1,683,813)</u>

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2015.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2015.

H. There was no transfer of any property and casualty run-off agreements requiring approval of regulators and qualifying under SSAP No. 62R, Property and Casualty Reinsurance, to receive property & casualty run-off accounting treatment.

I. Certified Reinsurer Rating Downgrades or Status Subject to Revocation

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination**A. Method Used to Estimate**

The Company sells accident and health policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contracts to arrive at the best estimates of return or additional premiums.

B. Method Used to Record

The Company records retrospective premium accruals as earned by adjusting unearned premiums. These amounts are not recorded as premiums written until they are billed to the policyholders. Return premiums are recorded as liabilities and additional premiums are recorded as assets.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for the current year on retrospective accident and health policies were \$23 thousand, or 0.01% of accident and health premiums written.

D. Medical Loss Ratio Rebates

Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses**

(in thousands)	2015 Calendar Year Losses and LAE Incurred			2015 Loss Year Losses and LAE Incurred	Shortage (Redundancy)	Loss & DCC Shortage Redundancy)	Impact of AO on Total Shortage (Redundancy)
	Line of Business	Losses Incurred	LAE Incurred				
Homeowners / Farmowners	\$80,048	\$10,797	\$90,845	\$90,538	\$307	(\$148)	\$455
Commercial Multiple Peril	52,865	11,027	63,892	62,429	1,463	1,006	457
Workers' Compensation	10,402	1,938	12,339	13,738	(1,399)	(1,415)	16
Other Liability	34,556	8,409	42,966	39,663	3,303	2,703	600
Product Liability	2,358	1,089	3,447	2,647	800	765	35
Auto	245,674	34,285	279,959	272,864	7,095	5,784	1,311
All Others	25,910	2,545	28,455	28,270	185	82	103
Totals	\$451,814	\$70,089	\$521,903	\$510,149	\$11,754	\$8,777	\$2,977

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$11.8 million (2.4% of prior year reserves) during 2015, as shown in the chart above. The shortage was primarily driven through higher than expected claim emergence levels in the commercial auto liability line, the excess/surplus segment, and contractor exposures. Partially offsetting these adverse impacts, favorable development occurred in workers compensation and the agribusiness segment stemming from claims process improvements and the increased adequacy of case reserve levels.

Note 26 - Intercompany Pooling Arrangements

Mutual is the lead company in the Nationwide Pool. Each pool member company contributes 100% of its underwriting results to the Nationwide Pool through the reinsurance pooling agreement.

As of December 31, 2015 and 2014, the companies in the Nationwide Pool assuming a proportionate share of the pool are:

	NAIC #	2015 Pool	2014 Pool
Nationwide Mutual Insurance Company	23787	83.0%	83.0%
Nationwide Mutual Fire Insurance Company	23779	12.0%	12.0%
Scottsdale Insurance Company	41297	4.0%	4.0%
Farmland Mutual Insurance Company	13838	1.0%	1.0%

All of the other companies in the Nationwide Pool have a 0% retrocession. The zero percent participants in the Nationwide Pool are: Nationwide General Insurance Company (NAIC # 23760), Nationwide Property and Casualty Insurance Company (NAIC # 37877), Nationwide Affinity Insurance Company of America (NAIC # 26093), Crestbrook Insurance Company (NAIC # 18961), Allied Insurance Company of America (NAIC # 10127), AMCO Insurance Company (NAIC # 19100), Allied Property and Casualty Insurance Company (NAIC # 42579), Depositors Insurance Company (NAIC # 42587), Nationwide Agribusiness Insurance Company (NAIC # 28223), Victoria Fire & Casualty Company (NAIC # 42889), Victoria Automobile Insurance Company (NAIC # 10644), Victoria Specialty Insurance Company (NAIC # 10777), Victoria Select Insurance Company (NAIC # 10105), Victoria National Insurance Company (NAIC # 10778), Harleysville Preferred Insurance Company (NAIC #35696), Harleysville Insurance Company of New Jersey (NAIC #42900), Harleysville Worcester Insurance Company (NAIC #26182), Harleysville Insurance Company of New York (NAIC #10674), Harleysville Lake States Insurance Company (NAIC #14516) and Harleysville Insurance Company (NAIC #23582).

All lines of business are subject to the pooling agreements.

There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.

Amounts due to/from the lead entity and pool participants as of December 31, 2015:

Name of Insurer	Amounts Receivable	Amounts Payable
Nationwide Mutual Insurance Company (Lead Insurer)	\$ 96,973,573	\$ 189,438,423
Nationwide Mutual Fire Insurance Company	\$ 14,713,975	\$ 4,662,247
Scottsdale Insurance Company	\$ 15,386,868	\$ 16,963
Farmland Mutual Insurance Company	\$ 65,288,536	\$ 54,997,455
Nationwide General Insurance Company	\$ 9,138,878	\$ 342,175
Nationwide Property & Casualty Insurance Company	\$ 63,256	\$ 11,606,857
Nationwide Affinity Insurance Company of America	\$ 5,595	\$ 13,078,255
Crestbrook Insurance Company	\$ 608,255	\$ 616,026
Allied Insurance Company of America	\$ 4,095,307	\$ 3,726,031
AMCO Insurance Company	\$ 166,228,179	\$ 82,604,757
Allied Property & Casualty Insurance Company	\$ 24,668,336	\$ 24,830,631
Depositors Insurance Company	\$ 8,424,224	\$ 7,135,556
Nationwide Agribusiness Insurance Company	\$ 27,940,190	\$ 18,154,223
Victoria Fire & Casualty Company	\$ 113,216	\$ 24,309,908
Victoria Automobile Insurance Company	\$ 2,946,084	\$ 3,632,160
Victoria Specialty Insurance Company	\$ 2,526,227	\$ 3,152,503
Victoria Select Insurance Company	\$ 2,385,258	\$ 3,558,361
Victoria National Insurance Company	\$ -	\$ 251
Harleysville Worcester Insurance Company	\$ 1,971,018	\$ 50,430
Harleysville Insurance Company of New Jersey	\$ 307,908	\$ 6,025
Harleysville Preferred Insurance Company	\$ 672	\$ 1,274,966
Harleysville Lake States Insurance Company	\$ 1,074,749	\$ 46,115
Harleysville Insurance Company	\$ 7,955,777	\$ 60,707
Harleysville Insurance Company of New York	\$ 1,066,083	\$ 3,001

The following companies are covered under a separate 100% quota share reinsurance agreement with Mutual as of and for the years ended December 31, 2015 and 2014: Nationwide Assurance Company, Titan Insurance Company, Titan Indemnity Company, Nationwide Lloyds, Nationwide Insurance Company of America, National Casualty Company and Colonial County Mutual Insurance Company. Mutual then cedes this business into the Nationwide Pool.

The following companies are covered under a separate 100% quota share reinsurance agreement with the Company as of and for the years ended December 31, 2015 and 2014: Scottsdale Surplus Lines Insurance Company, Western Heritage Insurance Company, Scottsdale Indemnity Company and Freedom Specialty Insurance Company. The Company then cedes 100% of this business to Mutual.

NOTES TO THE FINANCIAL STATEMENTS**Note 27 - Structured Settlements****A. Reserves Released due to Purchases of Annuities**

The Company has settled certain losses with structured settlement agreements whereby the Company has purchased an annuity with the claimant as the payee. Certain of these annuities are without qualified assignments. The Company is contingently liable under the settlement agreements without qualified assignments if the annuity-issuing company is unable to meet the payment obligations to the Company's claimant under the settlement agreement. The amortized value of the annuities under such agreements for direct losses as of December 31, 2015 and 2014 is \$5.4 million and \$5.8 million, respectively.

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
\$5.4 million	\$0

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

There were no annuity insurers with balances due greater than 1% of policyholders' surplus in 2015.

Note 28 - Health Care Receivables**A. Pharmaceutical Rebate Receivables**

Not applicable.

B. Risk Sharing Receivables

Not applicable.

Note 29 – Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company's liability for premium deficiency reserves as of December 31, 2015 is as follows:

1. Liability carried for premium deficiency reserves	\$0.00
2. Date of the most recent evaluation of this liability	January 15, 2016
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 – High Deductibles

Not applicable.

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

The Company discounts the liabilities for unpaid losses and loss expenses for long-term accident and health claims. The Company does not discount IBNR for accident and health claims. Different companies service our long-term accident and health unpaid disability claims and supply the reserves and tabular discount; thus, different methodologies have been utilized.

A. Tabular Discounts

1. 1987 Commissioner's Group Disability Table (CGDT)
2. For the 1987 CGDT, rate used was the maximum interest rate permitted by law in the valuation of a single premium immediate annuity issued on the same date as the claim incurrable date, reduced by one hundred basis points (rates used vary from 3.0% to 10.25%).
3. The December 31, 2015 liabilities include \$11 thousand of such discounted reserves.

NOTES TO THE FINANCIAL STATEMENTS

4. The table below represents the amount of tabular discount as of December 31, 2015:

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*		
	1 Case		2 IBNR
1. Homeowners/Farmowners	\$	-	\$
2. Private Passenger Auto Liability/Medical		-	-
3. Commercial Auto/Truck Liability/Medical		-	-
4. Workers' Compensation		-	-
5. Commercial Multiple Peril		-	-
6. Medical Professional Liability - occurrence		-	-
7. Medical Professional Liability - claims-made		-	-
8. Special Liability		-	-
9. Other Liability - occurrence		-	-
10. Other Liability - claims-made		-	-
11. Special Property		-	-
12. Auto Physical Damage		-	-
13. Fidelity, Surety		-	-
14. Other (including Credit, Accident & Health)		11,389	-
15. International		-	-
16. Reinsurance Nonproportional Assumed Property		-	-
17. Reinsurance Nonproportional Assumed Liability		-	-
18. Reinsurance Nonproportional Assumed Financial Lines		-	-
19. Products Liability - occurrence		-	-
20. Products Liability - claims-made		-	-
21. Financial Guaranty/Mortgage Guaranty		-	-
22. Warranty		-	-
23. Total	\$	11,389	\$

* Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-Tabular Discounts

The Company does not have any non-tabular discount.

C. Changes in Discount Assumptions

None

NOTES TO THE FINANCIAL STATEMENTS**Note 33 - Asbestos/Environmental Reserves**

A. The Company has exposure to asbestos and environmental claims through either the direct issuance of general liability policies or through reinsurance assumptions. The Company estimates the full impact of its asbestos and environmental exposure by establishing case reserves when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposures on both known and unasserted claims, primarily utilizing historical information.

This schedule includes all loss segments that now reside in the Company. The Company's asbestos and environmental related losses for calendar years 2011 through 2012 have been restated to reflect the pooling changes that were effective January 1, 2013, in conjunction with Mutual's merger with Harleysville, and are as follows:

(1) Asbestos Claims - Direct	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 1,983,412	\$ 1,745,221	\$ 1,615,973	\$ 1,821,676	\$ 2,105,655
Incurred Loss and Loss Adj. Expense:	\$ 15,237	\$ 100,810	\$ 552,683	\$ 543,446	\$ 547,974
Calendar Year Payments:	\$ 253,428	\$ 230,058	\$ 346,980	\$ 259,467	\$ 562,977
Ending Reserve:	\$ 1,745,221	\$ 1,615,973	\$ 1,821,676	\$ 2,105,655	\$ 2,090,652
(2) Asbestos Claims - Assumed	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 4,977,480	\$ 4,958,555	\$ 4,842,665	\$ 4,000,086	\$ 3,458,738
Incurred Loss and Loss Adj. Expense:	\$ 4,615	\$ (160,493)	\$ 187,376	\$ (120,000)	\$ 120,000
Calendar Year Payments:	\$ 23,540	\$ (44,603)	\$ 1,029,955	\$ 421,348	\$ (345,470)
Ending Reserve:	\$ 4,958,555	\$ 4,842,665	\$ 4,000,086	\$ 3,458,738	\$ 3,924,208
(3) Asbestos Claims - Net	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 588,751	\$ 493,492	\$ 780,674	\$ 416,794	\$ 452,614
Incurred Loss and Loss Adj. Expense:	\$ (73,118)	\$ 143,681	\$ (90,296)	\$ 35,820	\$ 129,406
Calendar Year Payments:	\$ 22,141	\$ (143,501)	\$ 273,583	\$ -	\$ 122,012
Ending Reserve:	\$ 493,492	\$ 780,674	\$ 416,794	\$ 452,614	\$ 460,008
B. Bulk and IBNR Losses and LAE					
(1) Direct					\$ 1,683,738
(2) Assumed					\$ 2,915,975
(3) Net of Ceded Reinsurance					\$ 235,644
C. Case, Bulk and IBNR LAE					
(1) Direct					\$ 1,175,485
(2) Assumed					\$ 19,538
(3) Net of Ceded Reinsurance					\$ 87,086
D. See A above					
(1) Environmental Claims - Direct	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 1,470,721	\$ 1,488,913	\$ 1,794,126	\$ 1,753,434	\$ 1,327,317
Incurred Loss & Loss Adj. Expense:	\$ 151,230	\$ 51,864	\$ 69,796	\$ (356,863)	\$ 80,871
Calendar Year Payments:	\$ 133,038	\$ (253,349)	\$ 110,488	\$ 69,254	\$ 152,439
Ending Reserve:	\$ 1,488,913	\$ 1,794,126	\$ 1,753,434	\$ 1,327,317	\$ 1,255,749
(2) Environmental Claims - Assumed	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 1,915,502	\$ 1,556,978	\$ 1,300,236	\$ 1,029,955	\$ 678,048
Incurred Loss and Loss Adj. Expense:	\$ (360,120)	\$ (277,301)	\$ (82,905)	\$ (240,000)	\$ 208,000
Calendar Year Payments:	\$ (1,596)	\$ (20,559)	\$ 187,376	\$ 111,906	\$ (59,989)
Ending Reserve:	\$ 1,556,978	\$ 1,300,236	\$ 1,029,955	\$ 678,048	\$ 946,037
(3) Environmental Claims - Net	2011	2012	2013	2014	2015
Beginning Reserves:	\$ 1,325,827	\$ 1,372,675	\$ 1,698,327	\$ 1,656,570	\$ 1,233,728
Incurred Loss and Loss Adj. Expense:	\$ 176,675	\$ 54,417	\$ 67,434	\$ (356,863)	\$ 79,319
Calendar Year Payments:	\$ 129,827	\$ (271,235)	\$ 109,190	\$ 65,979	\$ 147,006
Ending Reserve:	\$ 1,372,675	\$ 1,698,327	\$ 1,656,570	\$ 1,233,728	\$ 1,166,041
E. Bulk and IBNR Losses and LAE					
(1) Direct					\$ 1,026,974
(2) Assumed					\$ 693,157
(3) Net of Ceded Reinsurance					\$ 959,054
F. Case, Bulk and IBNR LAE					
(1) Direct					\$ 340,336
(2) Assumed					\$ 6,761
(3) Net of Ceded Reinsurance					\$ 283,852

NOTES TO THE FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

Not applicable.

Note 35 – Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

Not applicable.

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

1.1	Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1, 1A and 2.	Yes [X] No []				
1.2	If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes [X] No [] N/A []				
1.3	State regulating? <u>OH</u>					
2.1	Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes [] 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.	12/31/2011				
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.	12/31/2011				
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).	03/13/2013				
3.4	By what department or departments? <u>OH</u>					
3.5	Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?	Yes [] No [] N/A [X]				
3.6	Have all of the recommendations within the latest financial examination report been complied with?	Yes [] No [] N/A [X]				
4.1	During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:					
4.11	sales of new business?	Yes [] No [X]				
4.12	renewals?	Yes [] No [X]				
4.2	During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:					
4.21	sales of new business?	Yes [] No [X]				
4.22	renewals?	Yes [] No [X]				
5.1	Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?	Yes [] No [X]				
5.2	If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.					
	1 Name of Entity	2 NAIC Company Code	3 State of Domicile			
6.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?	Yes [] No [X]				
6.2	If yes, give full information:					
7.1	Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?	Yes [] No [X]				
7.2	If yes,					
7.21	State the percentage of foreign control	%				
7.22	State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).					
	1 Nationality	2 Type of Entity				
8.1	Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?	Yes [] No [X]				
8.2	If response to 8.1 is yes, please identify the name of the bank holding company.					
8.3	Is the company affiliated with one or more banks, thrifts or securities firms?	Yes [X] No []				
8.4	If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.					
	1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
	Nationwide Bank	Columbus, OH	NO	YES	NO	NO
	Nationwide Mutual Insurance Company	Columbus, OH	YES	NO	NO	NO
	Nationwide Mutual Fire Insurance Company	Columbus, OH	YES	NO	NO	NO
	Nationwide Corporation	Columbus, OH	YES	NO	NO	NO
	Nationwide Financial Services, Inc.	Columbus, OH	YES	NO	NO	NO
	Nationwide Investment Services Corp	Columbus, OH	NO	NO	NO	YES
	Nationwide Investment Advisors, LLC	Columbus, OH	NO	NO	NO	YES
	Nationwide Securities, LLC	Dublin, OH	NO	NO	NO	YES
	Nationwide Fund Advisors	King of Prussia, PA	NO	NO	NO	YES
	Nationwide Fund Distributors, LLC	King of Prussia, PA	NO	NO	NO	YES
	Nationwide Asset Management, LLC	Columbus, OH	NO	NO	NO	YES
9.	What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? KPMG LLP, 191 W. NATIONWIDE BLVD., SUITE 500, COLUMBUS, OH 43215					

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

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

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed 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?
G. Chris Nyce, FCAS, MAAA, KPMG LLP, Three Radnor Corporate Center Suite 105, 100 Matsonford Road Radnor, PA 19087-4568

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 _____ 0

12.13 Total book/adjusted carrying value _____ \$ 0

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).

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

20.11 To directors or other officers	\$ 164,000
20.12 To stockholders not officers	\$ 0
20.13 Trustees, supreme or grand (Fraternal only)	\$ 0

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

20.21 To directors or other officers	\$ 0
20.22 To stockholders not officers	\$ 0
20.23 Trustees, supreme or grand (Fraternal only)	\$ 0

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

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

21.21 Rented from others	\$ 0
21.22 Borrowed from others	\$ 0
21.23 Leased from others	\$ 0
21.24 Other	\$ 0

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0

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

Yes [X] No []

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

\$ 14,772,303

INVESTMENT

24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []

24.02 If no, give full and complete information, relating thereto:

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

Nationwide utilizes a third party to administer its Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collateral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on balance sheet. Additionally, Nationwide participates in a Cash Release Program. Nationwide can borrow a limited amount of cash from the program subject to the underwriting of the plan administrator. Nationwide pays 1 month LIBOR on the borrowings, a majority of which comes back to Nationwide as earnings on the securities lending program. As of December 31, 2015, Nationwide had loaned \$15,359,020 to approved counterparties and received cash collateral amounts of \$11,992,890 and non-cash off-balance sheet collateral of \$3,781,315

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 [X] No [] N/A []

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

\$ 15,668,868

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

\$ 0

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

\$ 11,887,552

\$ 11,887,552

\$ 11,992,890

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

Yes [X] No []

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

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

25.3 For category (25.26) provide the following:

\$ 0

1 Nature of Restriction	2 Description	3 Amount
		\$ 0

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

Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] N/A [X]

If no, attach a description with this statement.

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

Yes [] No [X]

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

\$ 0

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

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286
BNY Trust of Canada	320 Bay St., 11th Floor, Toronto, ON M5H 4A6

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

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

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
N/A	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution	One Nationwide Plaza, Columbus, Ohio 43215

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 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	1,206,805,038	1,246,583,559	39,778,521
30.2	Preferred Stocks	0	0	0
30.3	Totals	1,206,805,038	1,246,583,559	39,778,521

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

For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or "corporate pricing matrix" is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.

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

Yes [X] No []

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

Yes [] No [X]

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

Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

32.2 If no, list exceptions:

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

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ _____ 0

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	\$ _____

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	\$ _____

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	\$ _____

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 734,501,038	\$ 705,603,889
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	\$ 183,070	\$ 216,185
2.5	Reserve Denominator	\$ 959,573,234	\$ 893,673,455
2.6	Reserve Ratio (2.4/2.5)	0.019	0.024
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [] No [X]	
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$ 0	0
3.22	Non-participating policies	\$ 0	0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	%	
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	0
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	No []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	N/A []	
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?	Yes []	No []
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?		
	<u>The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Exposure of the Pooled Companies to a Workers' Compensation catastrophe is protected by a Liability Excess of Loss (Clash) treaty providing \$90M limit excess of \$10M per occurrence retention and containing a \$10M per claimant limit.</u>		
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:		
	<u>The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool. Catastrophic risk to the Pool arises primarily from windstorm events in the eastern United States affecting personal and commercial lines. The company's property exposures are aggregated with the other Nationwide companies and modeled using Applied Insurance Research (AIR) software.</u>		
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?		
	<u>The company's net property-catastrophe exposures, if any, are mitigated through managed coastal growth, purchase of excess of loss reinsurance, policy provisions such as higher deductibles, and enforcement of underwriting guidelines related to building construction, etc.</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [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:		

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

7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [X] No []
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	3
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [X] No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:	
	(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;	
	(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;	
	(c) Aggregate stop loss reinsurance coverage;	
	(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;	
	(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or	
	(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:	
	(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.	
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:	Yes [] No [X]
	(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 reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [] No [X]
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:	
12.11	Unpaid losses	\$ _____ 0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ _____ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ _____ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [] No [X] N/A []
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:	
12.41	From	% _____
12.42	To	% _____
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [X] No []
12.6	If yes, state the amount thereof at December 31 of current year:	
12.61	Letters of Credit	\$ _____ 8,229,496
12.62	Collateral and other funds	\$ _____ 406,691
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ _____ 960,000

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

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. 4

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:
Companies that are not part of the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements receive a fair and equitable allocation of ceded premium and loss.
The terms of the Nationwide Pooling and Quota Share Agreements govern the allocation and recording of ceded premium and loss for the participating companies.

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

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 [X]

14.5 If the answer to 14.4 is no, please explain:
Written agreements are in place for all multi-cedent reinsurance treaties that cover any company that does not participate in the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements.

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 [X] No []

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$ 0 \$	0 \$	0 \$	0 \$	0
16.12 Products	\$ 0 \$	0 \$	0 \$	0 \$	0
16.13 Automobile	\$ 250,440 \$	383,042 \$	0 \$	0 \$	4,078,104
16.14 Other*	\$ 0 \$	0 \$	0 \$	0 \$	0

* Disclose type of coverage:

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

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

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.12 Unfunded portion of Interrogatory 17.11	\$ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14 Case reserves portion of Interrogatory 17.11	\$ 0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16 Unearned premium portion of Interrogatory 17.11	\$ 0
17.17 Contingent commission portion of Interrogatory 17.11	\$ 0

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

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.19 Unfunded portion of Interrogatory 17.18	\$ 0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ 0
17.21 Case reserves portion of Interrogatory 17.18	\$ 0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ 0
17.23 Unearned premium portion of Interrogatory 17.18	\$ 0
17.24 Contingent commission portion of Interrogatory 17.18	\$ 0

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

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

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

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

FIVE-YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
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)	2,060,358,987	1,977,074,362	1,844,242,501	1,610,700,431	1,592,172,746
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	815,640,321	806,047,105	754,086,564	633,694,585	399,866,047
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	871,433,696	852,600,297	796,878,068	703,794,444	632,159,259
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	40,539,453	37,049,064	35,562,729	50,340,210	59,202,845
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	780	(7,087)	(9,935)	(11)	51
6. Total (Line 35)	3,787,973,237	3,672,763,741	3,430,759,927	2,998,529,659	2,683,400,948
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)	322,387,606	311,673,205	306,955,650	264,457,716	250,785,278
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	171,621,010	164,298,323	159,618,088	144,116,758	138,556,881
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	243,510,754	235,592,415	232,348,855	182,230,526	172,258,722
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,987,139	9,535,519	8,174,237	8,103,240	10,830,620
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	780	(7,087)	(9,935)	(11)	51
12. Total (Line 35)	747,507,289	721,092,375	707,086,895	598,908,229	572,431,552
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(35,002,602)	(34,716,053)	(12,309,910)	(42,597,650)	(62,328,299)
14. Net investment gain (loss) (Line 11)	42,367,684	41,699,364	35,510,789	34,321,803	39,118,800
15. Total other income (Line 15)	4,394,416	5,196,429	4,808,857	5,235,177	6,583,786
16. Dividends to policyholders (Line 17)	640,572	651,244	475,406	323,150	306,958
17. Federal and foreign income taxes incurred (Line 19)	2,613,014	1,609,763	11,339,111	(1,071,772)	(5,347,897)
18. Net income (Line 20)	8,505,912	9,918,733	16,195,219	(2,292,048)	(11,584,774)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,313,260,386	2,222,641,176	2,133,326,158	1,879,518,242	1,747,475,296
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	476,827,657	449,652,856	453,365,276	383,150,590	166,745,426
20.2 Deferred and not yet due (Line 15.2)	118,994,365	117,232,436	109,821,565	92,933,194	89,769,118
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,547,117,460	1,457,789,349	1,416,961,463	1,209,319,530	1,068,706,404
22. Losses (Page 3, Line 1)	443,230,814	405,398,649	379,084,069	313,878,539	310,802,977
23. Loss adjustment expenses (Page 3, Line 3)	89,396,660	88,555,296	87,337,625	67,770,398	66,904,127
24. Unearned premiums (Page 3, Line 9)	303,492,700	290,494,052	275,005,566	235,253,350	224,670,185
25. Capital paid up (Page 3, Lines 30 & 31)	6,027,200	6,027,200	6,027,200	6,027,200	6,027,200
26. Surplus as regards policyholders (Page 3, Line 37)	766,142,926	764,851,827	716,364,695	670,198,712	678,768,892
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	36,231,967	64,990,353	161,608,252	(101,181,460)	26,098,581
Risk-Based Capital Analysis					
28. Total adjusted capital	766,142,926	764,851,827	716,364,695	670,198,712	678,768,892
29. Authorized control level risk-based capital	121,183,780	110,677,878	104,418,478	93,349,894	89,339,905
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)	82.6	81.6	83.9	75.0	79.3
31. Stocks (Lines 2.1 & 2.2)	19.0	20.1	18.0	19.6	17.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2)		0.1	0.2	0.2	0.3
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	(2.5)	(2.1)	(2.2)	5.0	1.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivable for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)	0.8	0.2	0.1	0.1	1.3
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	277,523,112	280,866,002	237,058,885	229,514,580	199,775,817
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	277,523,112	280,866,002	237,058,885	229,514,580	199,775,817
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	36.2	36.7	33.1	34.2	29.4

SCOTTSDALE INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(7,013,889)	16,832,704	9,385,630	31,822,141	6,356,175
52. Dividends to stockholders (Line 35).....				(45,000,000)	
53. Change in surplus as regards policyholders for the year (Line 38).....	1,291,099	48,487,132	46,165,983	(8,570,180)	23,647,482
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).....	967,370,231	819,924,110	697,405,356	726,025,265	838,480,198
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	430,480,194	386,655,788	382,620,225	334,137,926	202,363,716
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	403,794,088	401,913,430	364,352,591	359,688,933	363,660,026
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	13,646,190	18,408,887	25,255,105	43,535,705	46,768,060
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,728	38,589	407,575		
59. Total (Line 35).....	1,815,295,431	1,626,940,804	1,470,040,852	1,463,387,829	1,451,272,000
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).....	182,942,599	169,801,750	126,596,843	151,501,313	151,338,821
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	102,796,264	96,715,068	87,547,348	84,834,003	86,276,449
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	122,028,743	132,556,970	87,440,457	112,668,580	141,006,327
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	6,209,187	6,003,906	5,342,760	5,896,452	7,961,593
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,728	38,589	407,575		
65. Total (Line 35).....	413,981,521	405,116,283	307,334,983	354,900,348	386,583,190
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	61.5	61.1	55.8	60.8	65.6
68. Loss expenses incurred (Line 3).....	9.5	10.0	10.4	11.1	11.3
69. Other underwriting expenses incurred (Line 4).....	33.7	33.8	35.7	35.3	34.0
70. Net underwriting gain (loss) (Line 8).....	(4.8)	(4.9)	(1.8)	(7.2)	(11.0)
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).....	32.5	32.4	33.0	33.8	32.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	71.1	71.1	66.2	71.9	76.9
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).....	97.6	94.3	98.7	89.4	84.3
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).....	8,777	4,012	(6,346)	(7,483)	(16,663)
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).....	1.1	0.6	(0.9)	(1.1)	(2.5)
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).....	6,832	(5,888)	(11,851)	(24,928)	(32,878)
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).....	1.0	(0.9)	(1.7)	(3.8)	(5.4)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of

SSAP No. 3, Accounting Changes and Correction of Errors?

Yes No

If no, please explain:

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....4,595	.....2,405	.....989	.....417	.....261	.....70	.....316	.....2,954	....XXX.....
2. 2006.....	....735,156	....73,621	....661,535	....368,970	....35,509	....21,418	....2,333	....65,403	....3,106	.....18,756	.....414,844	....XXX.....
3. 2007.....	....746,188	....78,149	....668,039	....392,113	....42,402	....21,539	....1,916	....36,936	....1,899	.....23,203	.....404,370	....XXX.....
4. 2008.....	....760,299	....101,258	....659,041	....453,987	....51,680	....21,309	....1,752	....55,448	....3,826	.....20,332	.....473,486	....XXX.....
5. 2009.....	....738,921	....100,981	....637,940	....419,043	....51,103	....20,331	....1,997	....50,673	....4,546	.....19,798	.....432,402	....XXX.....
6. 2010.....	....718,433	....97,087	....621,346	....403,090	....43,359	....18,956	....1,730	....50,709	....4,693	.....20,654	.....422,974	....XXX.....
7. 2011.....	....681,015	....65,732	....615,283	....445,491	....37,241	....20,868	....2,453	....51,507	....2,018	.....22,608	.....476,154	....XXX.....
8. 2012.....	....705,174	....71,150	....634,024	....418,018	....51,613	....16,425	....1,471	....50,344	....2,818	.....23,066	.....428,885	....XXX.....
9. 2013.....	....742,935	....75,603	....667,332	....361,945	....29,113	....12,008	....1,160	....46,618	....1,857	.....22,871	.....388,442	....XXX.....
10. 2014.....	....782,795	....77,192	....705,603	....363,023	....25,920	....6,838	....514	....45,906	....1,757	.....23,003	.....387,575	....XXX.....
11. 2015.....	....815,143	....80,644	....734,499	....266,023	....20,200	....2,217	....84	....38,571	....1,321	.....15,222	.....285,205	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....3,896,297	....390,545	....162,898	....15,827	....492,377	....27,910	....209,831	....4,117,290	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....54,870	....34,354	....13,528	....7,380	....1,332	....716	....3,895	....1,503	....1,043	.....5	.....435	.....30,711	....XXX.....
2. 2006.....	....4,719	....3,404	....1,181	....526	....229	....13	....648	....48	....220	.....1	.....69	.....3,005	....XXX.....
3. 2007.....	....5,498	....1,290	....1,223	....299	....248	....23	....892	....52	....180	.....10	.....124	.....6,368	....XXX.....
4. 2008.....	....5,488	....1,390	....1,527	....314	....293	....65	....1,169	....27	....382	.....39	.....139	.....7,024	....XXX.....
5. 2009.....	....6,961	....1,969	....2,130	....708	....293	....48	....1,485	....69	....402	.....20	.....206	.....8,458	....XXX.....
6. 2010.....	....8,642	....1,624	....3,487	....1,307	....474	....79	....2,053	....143	....556	.....33	.....334	.....12,027	....XXX.....
7. 2011.....	....19,433	....4,309	....5,762	....2,443	....957	....254	....3,690	....271	....901	.....107	.....649	.....23,360	....XXX.....
8. 2012.....	....26,947	....4,130	....8,529	....3,174	....1,379	....275	....5,467	....399	....1,232	.....111	.....913	.....35,465	....XXX.....
9. 2013.....	....45,220	....3,828	....16,188	....4,752	....2,090	....384	....9,939	....809	....1,975	.....163	....1,737	.....65,476	....XXX.....
10. 2014.....	....75,262	....6,777	....34,204	....7,408	....2,107	....428	....17,091	....1,482	....3,500	.....279	.....3,339	.....115,790	....XXX.....
11. 2015.....	....119,413	....7,757	....95,448	....13,286	....1,668	....384	....24,345	....2,415	....8,475	.....562	.....12,466	.....224,944	....XXX.....
12. Totals.....	....372,452	....70,833	....183,207	....41,596	....11,070	....2,670	....70,673	....7,217	....18,869	.....1,329	.....20,412	.....532,628	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....	.....	....XXX.....	.....26,664	.....4,046
2. 2006.....	....462,788	....44,939	....417,849	....63.0	....61.0	....63.2	.....	.....	.....4.00	.....1,969	.....1,036
3. 2007.....	....458,629	....47,891	....410,738	....61.5	....61.3	....61.5	.....	.....	.....4.00	.....5,131	.....1,237
4. 2008.....	....539,603	....59,093	....480,510	....71.0	....58.4	....72.9	.....	.....	.....4.00	.....5,311	.....1,713
5. 2009.....	....501,318	....60,458	....440,860	....67.8	....59.9	....69.1	.....	.....	.....4.00	.....6,415	.....2,043
6. 2010.....	....487,967	....52,967	....435,001	....67.9	....54.6	....70.0	.....	.....	.....4.00	.....9,198	.....2,828
7. 2011.....	....548,610	....49,096	....499,514	....80.6	....74.7	....81.2	.....	.....	.....4.00	.....18,444	.....4,916
8. 2012.....	....528,342	....63,992	....464,351	....74.9	....89.9	....73.2	.....	.....	.....4.00	.....28,172	.....7,293
9. 2013.....	....495,984	....42,066	....453,918	....66.8	....55.6	....68.0	.....	.....	.....4.00	.....52,828	.....12,649
10. 2014.....	....547,931	....44,566	....503,365	....70.0	....57.7	....71.3	.....	.....	.....4.00	.....95,280	.....20,510
11. 2015.....	....556,159	....46,010	....510,149	....68.2	....57.1	....69.5	.....	.....	.....4.00	.....193,818	.....31,126
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	.....443,231	.....89,397

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior.....	246,319	247,007	246,881	244,217	243,044	241,424	239,377	238,194	235,693	233,881	(1,812)	(4,313)
2. 2006.....	366,955	363,172	362,867	360,452	357,880	356,415	355,679	355,481	355,476	355,333	(143)	(148)
3. 2007.....	XXX.....	385,885	388,116	383,136	379,576	377,131	376,753	375,865	375,325	375,531	206	(334)
4. 2008.....	XXX.....	XXX.....	435,730	438,752	433,733	429,620	429,352	428,703	428,395	428,544	149	(159)
5. 2009.....	XXX.....	XXX.....	XXX.....	411,912	400,421	396,470	395,066	394,095	394,365	394,349	(16)	254
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	397,264	392,628	390,763	388,853	388,614	388,461	(153)	(392)
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	445,237	444,451	445,874	447,960	449,230	1,270	3,356
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	415,154	413,177	414,905	415,704	799	2,527
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	401,302	404,857	407,344	2,487	6,042
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	450,004	455,995	5,991	XXX.....
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	464,987	XXX.....	XXX.....	XXX.....
									12. Totals.....	8,777		6,832

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior.....	000.....	80,719	127,336	158,443	175,419	186,644	192,999	197,978	201,436	204,198	XXX.....	XXX.....
2. 2006.....	194,024	271,105	304,216	324,891	337,584	344,286	347,593	350,128	351,633	352,546	XXX.....	XXX.....
3. 2007.....	XXX.....	206,774	287,125	318,865	340,940	354,036	361,702	365,390	367,562	369,334	XXX.....	XXX.....
4. 2008.....	XXX.....	XXX.....	246,681	337,390	371,477	394,921	408,548	415,610	419,467	421,863	XXX.....	XXX.....
5. 2009.....	XXX.....	XXX.....	XXX.....	225,599	306,470	341,059	363,092	374,999	381,926	386,275	XXX.....	XXX.....
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	224,922	305,410	337,967	359,015	371,056	376,957	XXX.....	XXX.....
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	267,992	352,750	387,771	411,754	426,664	XXX.....	XXX.....
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	234,489	320,244	356,915	381,360	XXX.....	XXX.....
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	220,970	305,798	343,680	XXX.....	XXX.....
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	251,204	343,426	XXX.....	XXX.....
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	247,955	XXX.....	XXX.....	XXX.....

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior.....	107,522	71,949	51,156	39,363	32,716	24,343	20,299	16,772	11,753	8,547
2. 2006.....	94,554	45,580	26,557	15,524	9,079	5,735	3,829	2,811	1,981	1,256
3. 2007.....	XXX.....	93,846	45,161	27,344	15,577	8,894	5,719	3,791	2,506	1,764
4. 2008.....	XXX.....	XXX.....	95,353	46,866	26,115	13,623	8,135	5,247	3,397	2,356
5. 2009.....	XXX.....	XXX.....	XXX.....	95,167	40,126	21,417	12,006	7,281	4,343	2,838
6. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	86,427	36,103	20,104	10,952	6,291	4,090
7. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	84,787	36,170	20,097	10,607	6,739
8. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	89,709	37,850	20,151	10,424
9. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	87,061	38,629	20,566
10. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	93,562	42,404
11. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	104,092

SCOTTSDALE INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)	
		2 Direct Premiums Written	3 Direct Premiums Earned							
1. Alabama.....	AL E.....	25,959,003	25,455,882		6,679,605	5,632,427	11,103,819			
2. Alaska.....	AK E.....	3,840,351	3,929,194		474,487	.909,334	2,995,223			
3. Arizona.....	AZ L.....	10,845,317	11,682,237		4,579,423	4,756,950	7,955,172	.990	51,668	
4. Arkansas.....	AR E.....	9,526,326	9,368,894		4,270,632	6,166,090	7,057,254			
5. California.....	CA E.....	259,176,051	256,973,769		116,204,598	119,718,812	248,524,549	1,755	(396)	
6. Colorado.....	CO E.....	22,460,028	21,782,728		14,398,881	19,232,395	24,460,065			
7. Connecticut.....	CT E.....	10,162,444	10,653,274		7,908,284	5,984,671	10,935,776			
8. Delaware.....	DE L.....	658,833	805,565		83,762	(195,616)	1,173,022			
9. District of Columbia.....	DC E.....	11,568,109	10,619,430		224,355	342,214	5,227,904		6,292,628	
10. Florida.....	FL Q.....	190,599,940	187,373,992		80,313,185	87,220,919	145,500,698			
11. Georgia.....	GA E.....	38,158,106	37,359,972		18,621,481	20,657,001	33,507,492			
12. Hawaii.....	HI E.....	12,112,961	12,216,168		3,844,084	2,200,841	8,028,324			
13. Idaho.....	ID E.....	4,697,372	4,399,012		1,668,299	2,246,695	3,082,202			
14. Illinois.....	IL E.....	36,271,279	33,663,841		12,424,490	13,201,869	36,674,033			
15. Indiana.....	IN E.....	23,766,106	24,021,178		7,999,875	13,422,961	24,491,827	.210		
16. Iowa.....	IA E.....	7,614,166	7,461,212		2,107,676	.981,256	7,843,479			
17. Kansas.....	KS E.....	8,798,432	9,124,362		7,513,799	6,796,698	6,981,769			
18. Kentucky.....	KY E.....	6,995,612	6,957,556		2,151,203	3,866,498	7,737,807	.45		
19. Louisiana.....	LA E.....	93,447,361	91,331,367		39,305,551	39,172,449	62,684,821			
20. Maine.....	ME E.....	2,051,253	2,097,932		797,954	.654,390	1,599,175			
21. Maryland.....	MD E.....	11,283,929	13,178,551		10,689,423	11,371,197	14,964,628			
22. Massachusetts.....	MA E.....	24,108,845	23,297,406		8,330,339	6,407,512	30,225,865			
23. Michigan.....	MI E.....	12,211,597	11,926,380		3,801,356	4,203,501	12,167,983			
24. Minnesota.....	MN E.....	14,792,512	13,930,988		3,736,051	5,759,168	13,406,299	.135		
25. Mississippi.....	MS E.....	16,117,689	16,881,909		5,984,231	6,411,311	8,501,761	.65		
26. Missouri.....	MO E.....	17,782,981	19,197,970		11,615,756	13,086,961	18,085,358			
27. Montana.....	MT E.....	8,293,770	7,880,964		1,959,873	7,426,138	11,296,579			
28. Nebraska.....	NE E.....	6,785,087	6,613,688		1,743,585	1,122,690	3,347,543			
29. Nevada.....	NV E.....	8,628,764	8,232,164		1,212,973	.990,765	8,403,345		6,490	
30. New Hampshire.....	NH E.....	1,211,034	1,197,713		341,859	(127,462)	1,883,702			
31. New Jersey.....	NJ E.....	63,359,989	64,396,026		39,685,330	42,234,715	87,754,106			
32. New Mexico.....	NM E.....	8,389,077	8,312,732		2,783,385	5,386,384	7,714,805			
33. New York.....	NY Q.....	230,641,351	227,780,457		76,205,188	199,566,794	439,193,135			
34. North Carolina.....	NC E.....	28,917,161	28,298,213		6,131,692	7,702,664	14,501,776	.45		
35. North Dakota.....	ND E.....	2,920,826	2,648,219		396,793	.525,169	1,148,598			
36. Ohio.....	OH L.....	5,101,366	7,016,052		2,247,186	(180,483)	4,419,899	.295	4,347	
37. Oklahoma.....	OK E.....	18,874,742	19,058,045		7,193,721	7,907,629	12,342,579			
38. Oregon.....	OR E.....	13,812,510	12,506,443		5,271,067	6,756,277	12,109,262	.60		
39. Pennsylvania.....	PA Q.....	23,880,364	24,280,521		21,551,071	9,472,285	42,745,454	.45		
40. Rhode Island.....	RI E.....	3,818,577	3,421,553		1,836,585	1,673,839	4,161,950			
41. South Carolina.....	SC E.....	27,585,205	27,239,896		12,851,321	17,434,314	22,709,964			
42. South Dakota.....	SD E.....	1,782,570	1,634,992		1,101,254	.709,157	.868,033			
43. Tennessee.....	TN E.....	14,160,006	14,023,658		11,195,468	8,015,681	13,327,825			
44. Texas.....	TX E.....	163,982,827	163,240,233		77,314,319	103,551,684	130,288,483	.45	166,600	
45. Utah.....	UT E.....	7,731,075	7,151,347		703,314	1,762,577	6,139,457			
46. Vermont.....	VT E.....	1,848,605	1,859,681		161,129	.473,033	1,700,067		(598)	
47. Virginia.....	VA E.....	22,454,720	21,518,227		6,757,679	6,667,918	15,881,284			
48. Washington.....	WA E.....	24,227,611	22,759,889		6,892,283	7,631,661	22,420,601	.135	26,250	
49. West Virginia.....	WV E.....	6,355,412	6,407,328		2,580,730	2,338,311	4,351,703			
50. Wisconsin.....	WI E.....	7,326,884	7,020,465		1,551,618	1,417,642	6,419,503	.45		
51. Wyoming.....	WY E.....	3,567,001	3,276,175		.502,778	.718,483	1,301,129			
52. American Samoa.....	AS N.....									
53. Guam.....	GU N.....									
54. Puerto Rico.....	PR E.....	136,466	186,880			26,669	110,721			
55. US Virgin Islands.....	VI N.....									
56. Northern Mariana Islands.....	MP N.....									
57. Canada.....	CAN N.....	4,621	3,388			.227	.227			
58. Aggregate Other Alien.....	OT XXX	495,601	347,981	.0	.0	.457,865	.716,012	.0	.0	
59. Totals.....	(a) 3	1,581,299,825	1,564,003,699	.0	.0	.665,900,981	.841,871,130	.1,632,174,047	.3,870	.6,546,989

DETAILS OF WRITE-INS

58001. BMU Bermuda.....	XXX	370,800	200,850			30,217	164,562		
58002. EG England.....	XXX	124,801	147,131			.427,648	.551,450		
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0			0	0		
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	.495,601	.347,981	.0		.457,865	.716,012	.0	.0

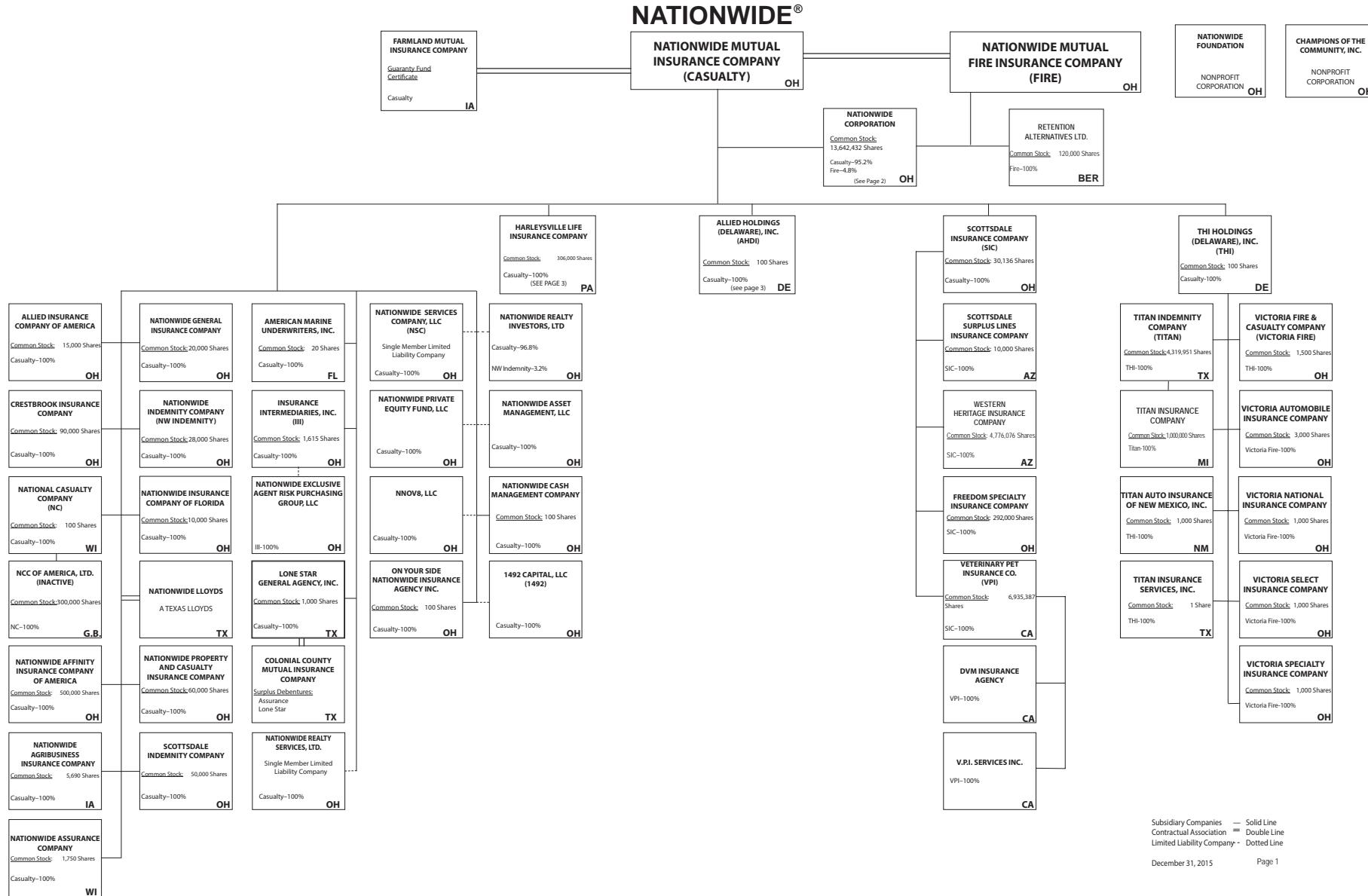
(a) Insert the number of "I" responses except for Canada and Other Alien.

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

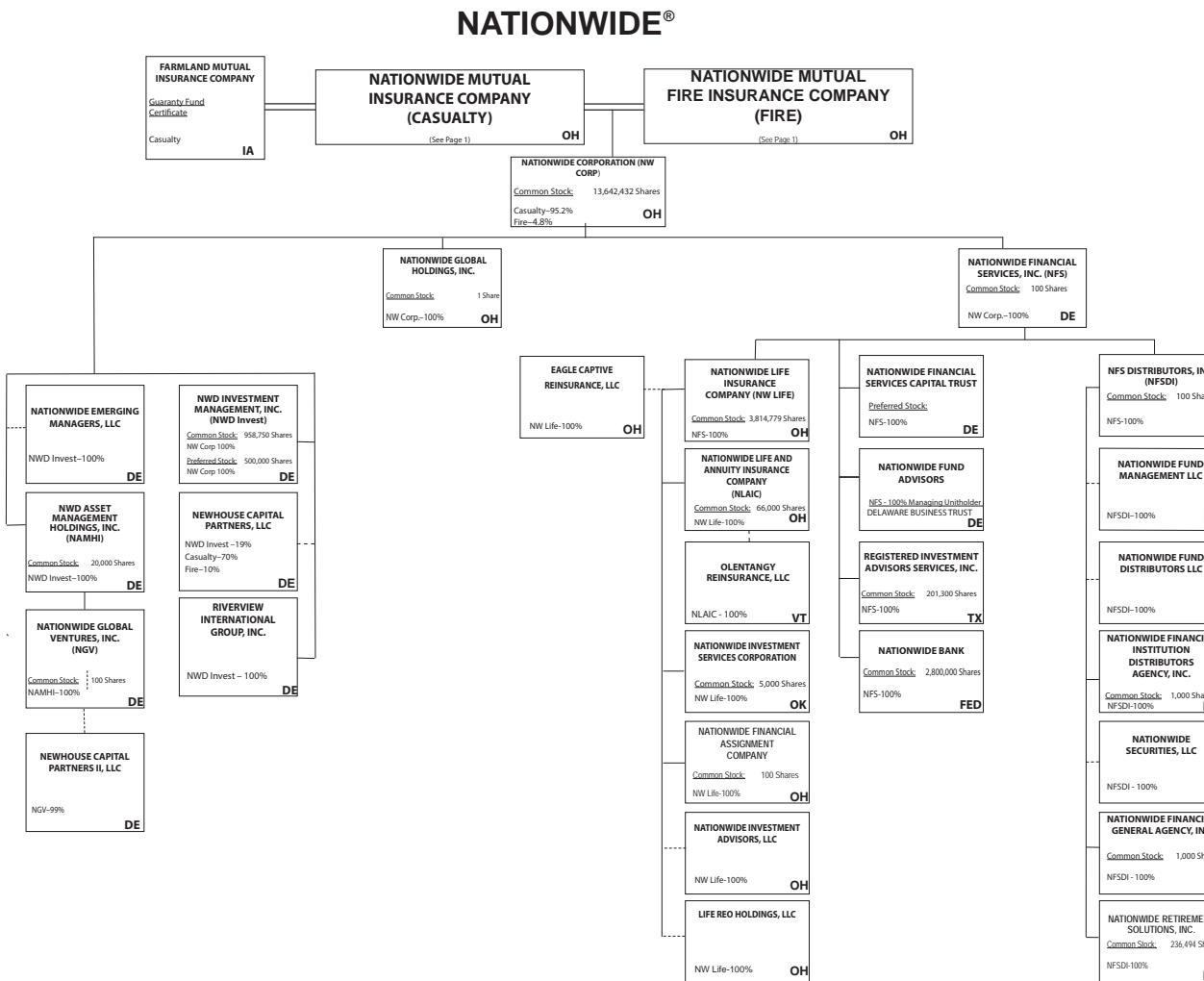
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

Premiums are allocated to those states where the insured risks are located: principle garage for automobile, physical address for homeowners, commercial multiple peril and other liability and main place of work for workers' compensation. Allocation of premiums for individual and group health insurance is based on the situs of the contract.



(Casualty/Fire subsidiaries)

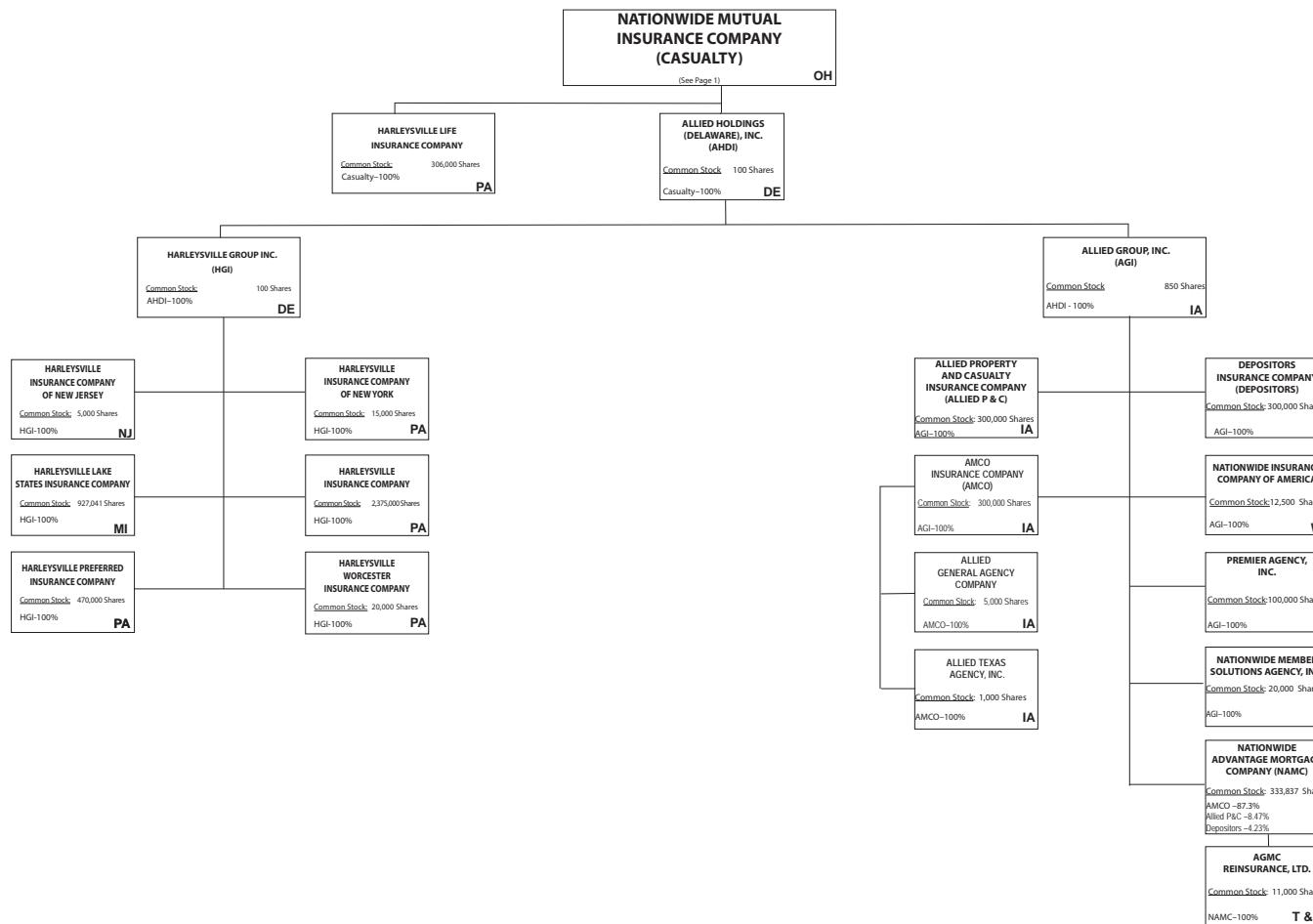


Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company -- Dotted Line

December 31, 2015 Page 2

(Nationwide Corp. subsidiaries)

NATIONWIDE®



(ALLIED/Harleysville subsidiaries)

Subsidiary Companies — Solid
 Contractual Association = Double
 Limited Liability Company -- Dotted

December 31, 2015 Page

NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	15821	OH	42-4523959	Eagle Captive Reinsurance, LLC
0140	Nationwide	13838	IA	42-0618271	Farmland Mutual Insurance Company
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	23582	PA	41-0417250	Harleysville Insurance Company
0140	Nationwide	42900	NJ	23-2253669	Harleysville Insurance Company of New Jersey
0140	Nationwide	10674	PA	23-2864924	Harleysville Insurance Company of New York
0140	Nationwide	14516	MI	38-3198542	Harleysville Lake States Insurance Company
0140	Nationwide	64327	PA	23-1580983	Harleysville Life Insurance Company
0140	Nationwide	35696	PA	23-2384978	Harleysville Preferred Insurance Company
0140	Nationwide	26182	PA	04-1989660	Harleysville Worcester Insurance Company
0140	Nationwide	11991	WI	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	WI	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	WI	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	13999	VT	27-1712056	Olentangy Reinsurance, LLC
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	13242	TX	74-2286759	Titan Indemnity Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	CA	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	10644	OH	34-1785903	Victoria Automobile Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company
0140	Nationwide	10777	OH	34-1842602	Victoria Specialty Insurance Company
0140	Nationwide	37150	AZ	86-0561941	Western Heritage Insurance Company
4664	PURE	12873	FL	20-8287105	Privilege Underwriters Reciprocal Exchange
4664	PURE	13204	FL	26-3109178	PURE Insurance Company

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