





PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF MARCH 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## CINCINNATI CASUALTY COMPANY

NAIC Group Code  (Current Period)	0244	NAIC Company Code  (Prior Period)	28665	Employer's ID Number	31-0826946
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		
Country of Domicile		United States			
Incorporated/Organized		12/27/1972	Commenced Business		
Statutory Home Office		6200 SOUTH GILMORE ROAD (Street and Number)	FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)		
Main Administrative Office		6200 SOUTH GILMORE ROAD (Street and Number)	FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)	513-870-2000 (Area Code) (Telephone Number)	
Mail Address		P.O. BOX 145496 (Street and Number or P.O. Box)	CINCINNATI, OH, US 45250-5496 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records		6200 SOUTH GILMORE ROAD (Street and Number)	FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)	513-870-2000-4938 (Area Code) (Telephone Number)	
Internet Web Site Address		www.cinfin.com			
Statutory Statement Contact		Christina Scherpenberg (Name)	513-870-2000 (Area Code) (Telephone Number) (Extension)		
		christina_scherpenberg@cinfin.com (E-Mail Address)	513-603-5500 (Fax Number)		

### OFFICERS

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

### OTHER OFFICERS

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

### DIRECTORS OR TRUSTEES

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

State of ..... OHIO .....

County of ..... BUTLER ..... ss

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

STEVEN J. JOHNSTON CHIEF EXECUTIVE OFFICER, PRESIDENT	MICHAEL J. SEWELL CHIEF FINANCIAL OFFICER, SENIOR VICE PRESIDENT	THERESA A. HOFFER SENIOR VICE PRESIDENT, TREASURER
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Subscribed and sworn to before me this  
20 day of June, 2016

a. Is this an original filing? Yes [ ] No [X]

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

**STATEMENT AS OF March 31, 2016 FOR THE CINCINNATI CASUALTY COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

	STATE OF DOMICILE	2016	2015
<b><u>NET INCOME</u></b>			
(1) Company state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$2,736,800	\$12,228,673
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(4) NAIC SAP (1-2-3=4)	Ohio	\$2,736,800	\$12,228,673
<b><u>SURPLUS</u></b>			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$342,866,717	\$336,503,250
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(8) NAIC SAP (5-6-7=8)	Ohio	\$342,866,717	\$336,503,250

B. Use of Estimates in the Preparation of the Financial Statements – No Change

C. Accounting Policy – No Change

D. Going Concern- As of March 31, 2016 management's evaluation of The Cincinnati Casualty Company determined there was no going concerns to report.

2. Accounting Changes and Correction of Errors – No Change

3. Business Combinations and Goodwill – No Change

4. Discontinued Operations – No Change

5. Investments- No Change

6. Joint Ventures, Partnerships and Limited Liability Companies – No Change

7. Investment Income – No Change

8. Derivative Instruments – No Change

**9 - Income Taxes**

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

1.

	2016		
	Ordinary	Capital	Total
	\$	\$	\$
(a) Gross deferred tax assets	-	119,081	119,081
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	-	119,081	119,081
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	-	119,081	119,081
(f) Deferred Tax Liabilities	10,895	14,540,105	14,551,000
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	\$ (10,895)	\$ (14,421,024)	\$ (14,431,919)

	2015		
	Ordinary	Capital	Total
	\$	\$	\$
(a) Gross deferred tax assets	-	121,858	121,858
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	-	121,858	121,858
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	-	121,858	121,858
(f) Deferred Tax Liabilities	10,804	12,585,740	12,596,544
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	\$ (10,804)	\$ (12,463,882)	\$ (12,474,686)

	Change		
	Ordinary	Capital	Total
	\$	\$	\$
(a) Gross deferred tax assets	-	(2,777)	(2,777)
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	-	(2,777)	(2,777)
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	-	(2,777)	(2,777)
(f) Deferred Tax Liabilities	91	1,954,365	1,954,456
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	\$ (91)	\$ (1,957,142)	\$ (1,957,233)

**STATEMENT AS OF March 31, 2016 FOR THE CINCINNATI CASUALTY COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

2.

<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>	2016		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	- -	- -	- -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	- -	- -	- -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	51,430,008	51,430,008	51,430,008
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	- -	119,081	119,081
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	- -	119,081	119,081

<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>	2015		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	- -	- -	- -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	- -	- -	- -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	50,475,488	50,475,488	50,475,488
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	- -	121,858	121,858
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	- -	121,858	121,858

<b>SSAP 101, paragraphs 11.a., 11.b., and 11.c.:</b>	Change		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below)	- -	- -	- -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	- -	- -	- -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	954,520	954,520	954,520
(c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	- -	(2,777)	(2,777)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c))	- -	(2,777)	(2,777)

3.

	2016	2015
	Percentage	Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	3322%	3322%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 above	336,503,250	336,503,250

4.

	2016		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	- -	119,081	119,081
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)	- -	119,081	119,081
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

**STATEMENT AS OF March 31, 2016 FOR THE CINCINNATI CASUALTY COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

	2015		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	-	121,858	121,858
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)	-	121,858	121,858
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

	Change		
	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	-	(2,777)	(2,777)
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)	-	(2,777)	(2,777)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%	0.00%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.			

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

	2016	2015	Change
(a) Federal	\$ 639,664	\$ 2,454,628	\$ (1,814,964)
(b) Foreign	-	-	-
(c) Subtotal	639,664	2,454,628	(1,814,964)
(d) Federal Income Tax on capital gains/(losses)	52,786	884,776	(831,990)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
<b>Federal income taxes incurred</b>	<b>\$ 692,450</b>	<b>\$ 3,339,404</b>	<b>\$ (2,646,954)</b>

2. Deferred tax assets

	March 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Other	-	-	-
(99) Subtotal	-	-	-
(b) Statutory valuation allowance adj	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	-	-	-
 (e) Capital			
(1) Investments	119,081	121,858	(2,777)
(2) Unrealized losses on investments	-	-	-
(99) Subtotal	119,081	121,858	(2,777)
(f) Statutory valuation allowance adj	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	119,081	121,858	(2,777)
 (i) Admitted deferred tax assets (2d + 2h)	119,081	121,858	(2,777)

3. Deferred tax liabilities

	March 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Other, net	10,895	10,804	91
(99) Subtotal	10,895	10,804	91
 (b) Capital			
(1) Unrealized gains on investments	14,540,105	12,585,740	1,954,365
(2) Other	-	-	-
(99) Subtotal	14,540,105	12,585,740	1,954,365
 (c) Deferred tax liabilities (3a99 + 3b99)	14,551,000	12,596,544	1,954,456

4. Net deferred tax assets/liabilities (2i-3c)

**STATEMENT AS OF March 31, 2016 FOR THE CINCINNATI CASUALTY COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

	March 31, 2016	December 31, 2015	Change
Total deferred tax assets	\$ 119,081	\$ 121,858	\$ (2,777)
Total deferred tax liabilities	14,551,000	12,596,544	1,954,456
Net deferred tax asset/liability	\$ (14,431,919)	\$ (12,474,686)	\$ (1,957,233)
Tax effect of unrealized (gains)/losses			1,954,365
Change in net deferred income tax (charge)/benefit			<u>\$ (2,868)</u>

  

	December 31, 2015	December 31, 2014	Change
Total deferred tax assets	\$ 121,858	\$ 139,528	\$ (17,670)
Total deferred tax liabilities	12,596,544	15,790,996	(3,194,452)
Net deferred tax asset/liability	\$ (12,474,686)	\$ (15,651,468)	\$ 3,176,782
Tax effect of unrealized (gains)/losses			<u>(3,192,979)</u>
Change in net deferred income tax (charge)/benefit			<u>\$ (16,197)</u>

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

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

Description	As of March 31, 2016		
	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 3,429,251	\$ 1,200,238	35.00%
Tax Exempt Interest	(1,037,760)	(363,216)	-10.59%
Dividends received deduction	(404,486)	(141,570)	-4.13%
Other items permanent in nature	(3)	(1)	0.00%
DRD on Accrued	(380)	(133)	0.00%
<b>Total</b>	<b>\$ 1,986,622</b>	<b>\$ 695,318</b>	<b>20.28%</b>
 Federal income taxes incurred expense/(benefit)	 \$ 1,827,611	 \$ 639,664	 18.65%
Tax on capital gains/(losses)	150,817	52,786	1.54%
Change in net deferred income tax charge/(benefit)	8,194	2,868	0.09%
<b>Total statutory income taxes</b>	<b>\$ 1,986,622</b>	<b>\$ 695,318</b>	<b>20.28%</b>
As of December 31, 2015			
Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 15,568,077	\$ 5,448,827	35.00%
Tax Exempt Interest	(4,439,663)	(1,553,882)	-9.98%
Dividends received deduction	(1,547,174)	(541,511)	-3.48%
Other	8	3	0.00%
DRD on Accrued	6,183	2,164	0.01%
<b>Total</b>	<b>\$ 9,587,431</b>	<b>\$ 3,355,601</b>	<b>21.55%</b>
 Federal income taxes incurred expense/(benefit)	 \$ 7,013,223	 \$ 2,454,628	 15.77%
Tax on capital gains/(losses)	2,527,931	884,776	5.68%
Change in net deferred income tax charge/(benefit)	46,277	16,197	0.10%
<b>Total statutory income taxes</b>	<b>\$ 9,587,431</b>	<b>\$ 3,355,601</b>	<b>21.55%</b>

**E. Operating Loss and Tax Credit Carryforwards**

(1) At March 31, 2016, the Company had net operating loss and tax credit carryforwards of:  
(2) At March 31, 2016, the Company had capital loss carryforwards of:

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

Year	Ordinary	Capital	Total
2016	\$ 639,664	\$ 52,786	\$ 692,450
2015	2,454,628	884,776	3,339,404
2014	-	930,916	930,916
<b>Total</b>	<b>\$ 3,094,292</b>	<b>\$ 1,868,478</b>	<b>\$ 4,962,770</b>

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

**STATEMENT AS OF March 31, 2016 FOR THE CINCINNATI CASUALTY COMPANY**  
**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:

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

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

**G. Federal or Foreign Federal Income Tax Loss Contingencies**

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

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties – No Change
11. Debt – No Change
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans – No Change
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations – No Change
14. Contingencies – No Change
15. Leases - The Company does not have material lease obligations at this time.
16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – No Change
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – No Change
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – No Change
19. The Company does not have any direct premiums written through managing general agents or third party administrators equal or greater than 5% of surplus.
20. Fair Value Measurement
  - A. Not applicable
  - B. Not applicable
  - C.

<u>Type of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not Practicable (Carrying Value)</u>
<b>Bonds</b>	276,613,093	264,139,580	1,807,589	272,800,504	2,005,000	
<b>Common Stock</b>	87,386,650	87,386,650	87,386,650			
<b>Perpetual Preferred Stock</b>						
<b>Mortgage Loans</b>						

- D. Not applicable
21. Other Items – No Change
22. Subsequent Events – No Change
23. Reinsurance – No Change
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – No Change
25. Change in Incurred Losses and Loss Adjustment Expenses – No Change
26. Intercompany Pooling Arrangements – No Change
27. Structured Settlements – No Change
28. Health Care Receivables – No Change
29. Participating Policies – No Change
30. Premium Deficiency Reserves – No Change
31. High Deductibles – No Change
32. The Company does not discount unpaid losses or loss adjustment expenses except for income tax purposes.
33. Asbestos and Environmental Reserves – No Change
34. Subscriber Savings Accounts – No Change
35. Multiple Peril Crop Insurance – No Change
36. Financial Guaranty Insurance – No Change
37. Other – No Change