



ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

National Interstate Insurance Company

NAIC Group Code.....84, 84
(Current Period) (Prior Period)

NAIC Company Code..... 32620

Employer's ID Number..... 34-1607395

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... February 10, 1989

Commenced Business..... March 28, 1989

Statutory Home Office

3250 Interstate Drive..... Richfield OH US 44286
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

3250 Interstate Drive..... Richfield OH US..... 44286
(Street and Number) (City or Town, State, Country and Zip Code)

330-659-8900
(Area Code) (Telephone Number)

Mail Address

3250 Interstate Drive..... Richfield OH US 44286
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

3250 Interstate Drive..... Richfield OH US 44286
(Street and Number) (City or Town, State, Country and Zip Code)

330-659-8900
(Area Code) (Telephone Number)

Internet Web Site Address

www.natl.com

Statutory Statement Contact

Jan Marie Lombardi
(Name)

330-659-8900 -1156
(Area Code) (Telephone Number) (Extension)

Jan.Lombardi@natl.com
(E-Mail Address)

330-659-8904
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Anthony Joseph Mercurio	President	2. Arthur Jeffrey Gonzales	Senior VP, General Counsel, & Secretary
3. Julie Ann McGraw	VP, Chief Financial Officer, & Treasurer	4. Terry Eugene Phillips	Senior Vice President

OTHER

Gary Norman Monda	VP, Chief Investment Officer, & Assistant Treasurer	James Allan Parks	VP & Chief Underwriting Officer
Terri Kaye Johnson	Vice President	George Olaf Skuggen	Senior Vice President
Matthew Jon Grimm	Vice President	Chris Edward Mikolay	Vice President
Shawn Vincent Los	Vice President	Stephen Edward Winborn	Vice President
Anthony Derrick Brown #	Vice President, Human Resources	Scott Edward Noerr #	Vice President, Chief Information Officer
Stephen Joseph Blankenship Jr. #	Vice President		

DIRECTORS OR TRUSTEES

Arthur Jeffrey Gonzales	Julie Ann McGraw	Anthony Joseph Mercurio	David Warner Michelson
Gary Norman Monda	Terry Eugene Phillips	James Allan Parks	

State of..... OH
County of..... Summit

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

(Signature)	(Signature)	(Signature)
Anthony Joseph Mercurio	Arthur Jeffrey Gonzales	Julie Ann McGraw
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Senior VP, General Counsel, & Secretary	VP, Chief Financial Officer, & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 23 day of February 2017

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

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	712,226,132		712,226,132	668,717,649
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	15,063,715		15,063,715	14,834,966
2.2 Common stocks.....	212,649,097	266,691	212,382,405	215,250,621
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	18,627,795		18,627,795	16,600,385
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 (\$.....13,531,012, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....59,402,184, Schedule DA).....	72,933,196		72,933,196	35,405,550
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	36,121,328		36,121,328	31,275,726
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,067,621,263	266,691	1,067,354,572	982,084,897
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,629,107		5,629,107	6,050,715
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	25,620,828	64,047	25,556,781	11,941,121
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	129,689,866	670,657	129,019,209	154,828,220
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	17,292,037		17,292,037	4,845,935
16.2 Funds held by or deposited with reinsured companies.....	3,228,501		3,228,501	4,169,889
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.....	1,452,624		1,452,624	2,922,408
18.2 Net deferred tax asset.....	27,278,215	1,166,165	26,112,050	23,084,669
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	1,650,029		1,650,029	1,504,791
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.....	6,340,244		6,340,244	5,834,669
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	4,097,596	1,183,807	2,913,789	2,872,902
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,289,900,310	3,351,367	1,286,548,943	1,200,140,217
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	1,289,900,310	3,351,367	1,286,548,943	1,200,140,217

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 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Receivable from insureds for deductible payments.....	1,828,376	82,911	1,745,466	1,732,673
2502. Prepaid expenses.....	1,100,896	1,100,896	0	
2503. Commission receivable.....	633,888		633,888	444,526
2598. Summary of remaining write-ins for Line 25 from overflow page.....	534,436	0	534,436	695,702
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	4,097,596	1,183,807	2,913,789	2,872,902

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	356,089,387	329,140,383
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	69,200,843	73,996,145
4. Commissions payable, contingent commissions and other similar charges.....	9,941,424	10,873,039
5. Other expenses (excluding taxes, licenses and fees).....	13,542,953	5,825,499
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,079,521	5,588,197
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....157,887,790 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	143,854,837	133,053,010
10. Advance premium.....	447,337	475,926
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	21,587,584	24,113,155
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	295,714,130	293,326,164
14. Amounts withheld or retained by company for account of others.....	22,518,893	18,619,070
15. Remittances and items not allocated.....	6,376,830	2,086,218
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	986,800	1,808,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	4,113,397	3,607,035
20. Derivatives.....		
21. Payable for securities.....	97,430	1,996,912
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	32,030	35,363
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	949,583,395	904,544,115
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	949,583,395	904,544,115
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	32,108,779	32,108,779
35. Unassigned funds (surplus).....	301,856,769	260,487,324
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).....	336,965,548	295,596,102
38. TOTAL (Page 2, Line 28, Col. 3).....	1,286,548,943	1,200,140,217

DETAILS OF WRITE-INS

2501. Unearned rental income.....	32,030	35,363
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	32,030	35,363
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

National Interstate Insurance Company
STATEMENT OF INCOME

			1	2
UNDERWRITING INCOME			Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....		298,151,159	293,864,554
DEDUCTIONS:				
2.	Losses incurred (Part 2, Line 35, Column 7).....		182,004,541	183,358,573
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		27,322,086	37,361,208
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		85,665,845	81,204,623
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		294,992,472	301,924,404
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		3,158,687	(8,059,849)
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		29,701,263	28,373,356
10.	Net realized capital gains (losses) less capital gains tax of \$.....1,857,429 (Exhibit of Capital Gains (Losses)).....		(3,127,831)	(2,150,867)
11.	Net investment gain (loss) (Lines 9 + 10).....		26,573,432	26,222,489
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....		0	
13.	Finance and service charges not included in premiums.....		197,776	188,990
14.	Aggregate write-ins for miscellaneous income.....		(4,825,219)	(4,472,724)
15.	Total other income (Lines 12 through 14).....		(4,627,443)	(4,283,734)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		25,104,676	13,878,905
17.	Dividends to policyholders.....			
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....		25,104,676	13,878,905
19.	Federal and foreign income taxes incurred.....		8,958,603	1,331,092
20.	Net income (Line 18 minus Line 19) (to Line 22).....		16,146,072	12,547,813
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		295,596,102	284,679,704
22.	Net income (from Line 20).....		16,146,072	12,547,813
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,908,087.....		19,107,272	(1,711,470)
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		2,769,709	583,975
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		2,525,192	(2,866,920)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		821,200	2,363,000
29.	Change in surplus notes.....			
30.	Surplus (contributed to) withdrawn from Protected Cells.....			
31.	Cumulative effect of changes in accounting principles.....			
32.	Capital changes:			
32.1	Paid in.....			
32.2	Transferred from surplus (Stock Dividend).....			
32.3	Transferred to surplus.....			
33.	Surplus adjustments:			
33.1	Paid in.....			
33.2	Transferred to capital (Stock Dividend).....			
33.3.	Transferred from capital.....			
34.	Net remittances from or (to) Home Office.....			
35.	Dividends to stockholders.....			
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....			
37.	Aggregate write-ins for gains and losses in surplus.....		0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		41,369,445	10,916,398
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		336,965,548	295,596,102
DETAILS OF WRITE-INS				
0501.	.....		
0502.	.....		
0503.	.....		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		0	0
1401.	Miscellaneous.....		963,819	1,236,101
1402.	Funds held interest.....		(5,789,038)	(5,708,825)
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		(4,825,219)	(4,472,724)
3701.	.....		
3702.	.....		
3703.	.....		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		0	0

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	318,631,010	296,286,429
2.	Net investment income.....	32,468,400	30,939,075
3.	Miscellaneous income.....	(4,627,443)	(4,283,734)
4.	Total (Lines 1 through 3).....	346,471,966	322,941,770
5.	Benefit and loss related payments.....	166,560,250	149,382,962
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	111,508,949	112,789,581
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....1,857,429 tax on capital gains (losses).....	9,346,248	5,494,541
10.	Total (Lines 5 through 9).....	287,415,447	267,667,084
11.	Net cash from operations (Line 4 minus Line 10).....	59,056,519	55,274,685
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	187,447,493	126,713,380
12.2	Stocks.....	22,126,932	26,527,935
12.3	Mortgage loans.....		
12.4	Real estate.....		
12.5	Other invested assets.....	4,214,465	750,000
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7	Miscellaneous proceeds.....		314,725
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	213,788,890	154,306,040
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	230,894,242	192,694,305
13.2	Stocks.....	7,341,041	22,096,104
13.3	Mortgage loans.....		
13.4	Real estate.....	2,621,982	1,170,876
13.5	Other invested assets.....	2,978,718	3,997,680
13.6	Miscellaneous applications.....	1,899,482	
13.7	Total investments acquired (Lines 13.1 to 13.6).....	245,735,465	219,958,965
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).....	(31,946,575)	(65,652,926)
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.....		
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).....	10,417,701	26,298,445
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	10,417,701	26,298,445
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	37,527,645	15,920,204
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	35,405,550	19,485,346
19.2	End of year (Line 18 plus Line 19.1).....	72,933,196	35,405,550
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001	Municipal bond exchange.....	1,277,146	
20.0002	Preferred stock exchange by General Electric Corp.....	1,104,940	
20.0003	Stock exchange in merger transaction - Apollo Commercial Real Estate and Apollo Residential Mortgage.....	577,280	
20.0004	Stock exchange in merger transaction - Dell Technologies and EMC Corporation.....	105,209	
20.0005	Municipal bond exchange.....	1,039,286	
20.0006	Bank Loan Exchange.....	400,000	
20.0007	Exchange - Corp.Bond for preferred stock and common stock- Permian Holding Co.....	280,505	
20.0008	Stock Merger - Sutherland Asset Management.....	1,275,340	

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.....	34,603	21,590	9,684	46,509
2.	Allied lines.....	33,737	31,096	17,141	47,692
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	0		0	0
5.	Commercial multiple peril.....	4,159,984	2,094,772	2,404,882	3,849,874
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	6,430		0	6,430
9.	Inland marine.....	2,812,093	1,467,378	1,468,567	2,810,903
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	0		0	0
11.2	Medical professional liability - claims-made.....	0		0	0
12.	Earthquake.....	0		0	0
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	9,889	12,204	8,630	13,464
16.	Workers' compensation.....	113,787,144	45,273,781	52,133,278	106,927,647
17.1	Other liability - occurrence.....	11,921,981	6,734,834	6,921,499	11,735,317
17.2	Other liability - claims-made.....	297,428	34,573	108,226	223,775
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	3,318,781	1,535,635	1,575,376	3,279,039
19.3, 19.4	Commercial auto liability.....	124,705,354	55,161,764	57,806,883	122,060,235
21.	Auto physical damage.....	47,775,404	20,680,560	21,352,052	47,103,912
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0	7,529	7,529	0
24.	Surety.....	40,583	10,684	14,751	36,516
26.	Burglary and theft.....	743	1,639	167	2,216
27.	Boiler and machinery.....	48,829	(15,031)	26,171	7,628
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	0		0	0
32.	Reinsurance - nonproportional assumed liability.....	0		0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	308,952,985	133,053,010	143,854,837	298,151,159

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	9,684				9,684
2.	Allied lines.....	17,141				17,141
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....	2,404,882				2,404,882
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	1,468,567				1,468,567
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....	8,630				8,630
16.	Workers' compensation.....	52,133,278				52,133,278
17.1	Other liability - occurrence.....	6,921,499				6,921,499
17.2	Other liability - claims-made.....	108,226				108,226
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	1,575,376				1,575,376
19.3, 19.4	Commercial auto liability.....	57,806,883				57,806,883
21.	Auto physical damage.....	21,352,052				21,352,052
22.	Aircraft (all perils).....					0
23.	Fidelity.....	7,529				7,529
24.	Surety.....	14,751				14,751
26.	Burglary and theft.....	167				167
27.	Boiler and machinery.....	26,171				26,171
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	143,854,837	0	0	0	143,854,837
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					143,854,837

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 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

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

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.....	12,390	41,173		14,857	4,103	34,603
2.	Allied lines.....	4,187,515	43,583		14,482	4,182,879	33,737
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....	2,108,036	4,251,730		1,886,015	313,768	4,159,984
6.	Mortgage guaranty.....						0
8.	Ocean marine.....		9,186		2,756		6,430
9.	Inland marine.....	4,854,678	799,237		2,111,564	730,258	2,812,093
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....						0
11.2	Medical professional liability - claims-made.....						0
12.	Earthquake.....						0
13.	Group accident and health.....						0
14.	Credit accident and health (group and individual).....						0
15.	Other accident and health.....	19,968			10,079		9,889
16.	Workers' compensation.....	97,663,735	126,020,435	2,840,377	100,108,717	12,628,686	113,787,144
17.1	Other liability - occurrence.....	41,600,800	10,579,944		6,370,929	33,887,833	11,921,981
17.2	Other liability - claims-made.....	423,689	26,542		143,937	8,866	297,428
17.3	Excess workers' compensation.....						0
18.1	Products liability - occurrence.....						0
18.2	Products liability - claims-made.....						0
19.1, 19.2	Private passenger auto liability.....	3,844,556	1,202,071		1,427,602	300,244	3,318,781
19.3, 19.4	Commercial auto liability.....	219,060,454	44,321,800	2,338,884	107,571,560	33,444,223	124,705,354
21.	Auto physical damage.....	62,002,460	21,820,267	152,849	27,571,462	8,628,709	47,775,404
22.	Aircraft (all perils).....						0
23.	Fidelity.....						0
24.	Surety.....	38,539	19,600		17,464	91	40,583
26.	Burglary and theft.....	924	137		318		743
27.	Boiler and machinery.....	49,251	69,756		20,927	49,251	48,829
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	435,866,995	209,205,462	5,332,110	247,272,670	94,178,912	308,952,985

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 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....		1,619	486	1,133	0	700	433	0.9
2.	Allied lines.....	1,705,524	34,207	1,715,786	23,945	0	4,544	19,400	40.7
3.	Farmowners multiple peril.....				0	0		0	0.0
4.	Homeowners multiple peril.....				0	0		0	0.0
5.	Commercial multiple peril.....	327,993	1,497,792	617,504	1,208,282	2,849,889	1,625,327	2,432,843	63.2
6.	Mortgage guaranty.....				0	0		0	0.0
8.	Ocean marine.....				0	33,256	35,482	(2,226)	(34.6)
9.	Inland marine.....	1,726,474	110,373	1,051,666	785,180	577,805	714,258	648,728	23.1
10.	Financial guaranty.....				0	0		0	0.0
11.1	Medical professional liability - occurrence.....				0	0		0	0.0
11.2	Medical professional liability - claims-made.....				0	0		0	0.0
12.	Earthquake.....		6	(112)	119	159	1,233	(956)	0.0
13.	Group accident and health.....				0	0		0	0.0
14.	Credit accident and health (group and individual).....				0	0		0	0.0
15.	Other accident and health.....				0	166,317	77,163	89,154	662.2
16.	Workers' compensation.....	63,306,209	39,588,944	68,741,601	34,153,552	128,997,535	123,274,804	39,876,283	37.3
17.1	Other liability - occurrence.....	36,683,827	7,263,469	33,908,570	10,038,726	14,196,399	11,556,356	12,678,769	108.0
17.2	Other liability - claims-made.....	288,785	127	135,907	153,005	745,070	283,807	614,268	274.5
17.3	Excess workers' compensation.....				0	0		0	0.0
18.1	Products liability - occurrence.....				0	0		0	0.0
18.2	Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2	Private passenger auto liability.....	3,914,437	925,014	1,545,325	3,294,126	3,250,274	4,085,190	2,459,210	75.0
19.3, 19.4	Commercial auto liability.....	173,173,376	25,141,983	118,035,451	80,279,908	199,689,481	184,704,039	95,265,350	78.0
21.	Auto physical damage.....	28,487,019	15,291,996	18,661,628	25,117,387	5,565,871	2,772,745	27,910,513	59.3
22.	Aircraft (all perils).....				0	0		0	0.0
23.	Fidelity.....				0	0		0	0.0
24.	Surety.....				0	17,040	11,173	5,867	16.1
26.	Burglary and theft.....		24	(149)	174	292	(6,438)	6,904	311.6
27.	Boiler and machinery.....				0	0		0	0.0
28.	Credit.....				0	0		0	0.0
29.	International.....				0	0		0	0.0
30.	Warranty.....				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	309,613,645	89,855,554	244,413,662	155,055,537	356,089,387	329,140,383	182,004,541	61.0
DETAILS OF WRITE-INS									
3401.	.....				0	0		0	0.0
3402.	.....				0	0		0	0.0
3403.	.....				0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....				0				0	
2.	Allied lines.....	391,217		391,217	0	263,072		263,072	0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....	622,705	889,140	466,545	1,045,301	553,285	2,331,037	1,079,734	2,849,889	646,968
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....		(31)	(9)	(22)	3,077	47,539	17,338	33,256	3,967
9.	Inland marine.....	475,381	62,352	225,579	312,154	5,056,248	23,619	4,814,216	577,805	29,966
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0				0	
11.2	Medical professional liability - claims-made.....				0				0	
12.	Earthquake.....		5	(87)	92	3,055		2,988	159	5
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....	1		1	0	1,274,068		1,107,752	(a) 166,317	60,178
16.	Workers' compensation.....	66,419,493	50,952,641	67,184,492	50,187,642	100,438,256	77,442,483	99,070,846	128,997,535	22,090,268
17.1	Other liability - occurrence.....	30,695,987	3,501,438	27,844,641	6,352,784	10,209,382	8,137,159	10,502,926	14,196,399	4,029,678
17.2	Other liability - claims-made.....	877,504	99	307,602	570,000	307,656	24,765	157,351	745,070	166,800
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....				0				0	
18.2	Products liability - claims-made.....				0				0	
19.1, 19.2	Private passenger auto liability.....	2,125,560	710,861	1,064,050	1,772,371	2,160,505	602,846	1,285,448	3,250,274	457,324
19.3, 19.4	Commercial auto liability.....	187,650,383	32,481,346	124,589,201	95,542,528	174,769,225	42,931,682	113,553,955	199,689,481	40,492,761
21.	Auto physical damage.....	6,117,202	2,106,114	4,112,618	4,110,698	8,600,939	586,240	7,732,006	5,565,871	1,214,014
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0	30,346		13,306	17,040	8,765
26.	Burglary and theft.....		19	(116)	135	4,592		4,434	292	149
27.	Boiler and machinery.....				0				0	
28.	Credit.....				0				0	
29.	International.....				0				0	
30.	Warranty.....				0				0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	295,375,433	90,703,984	226,185,734	159,893,683	303,673,705	132,127,370	239,605,371	356,089,387	69,200,843
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 through 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.

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	30,402,792			30,402,792
1.2 Reinsurance assumed.....	11,928,892			11,928,892
1.3 Reinsurance ceded.....	30,167,952			30,167,952
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	12,163,732	0	0	12,163,732
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		30,852,674		30,852,674
2.2 Reinsurance assumed, excluding contingent.....		18,850,789		18,850,789
2.3 Reinsurance ceded, excluding contingent.....		23,952,978		23,952,978
2.4 Contingent - direct.....		35,306		35,306
2.5 Contingent - reinsurance assumed.....		539,235		539,235
2.6 Contingent - reinsurance ceded.....		124,333		124,333
2.7 Policy and membership fees.....		117,761		117,761
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	26,318,455	0	26,318,455
3. Allowances to manager and agents.....	21	94,288		94,310
4. Advertising.....	16,105	384,995	163	401,263
5. Boards, bureaus and associations.....	120,527	4,270,292		4,390,820
6. Surveys and underwriting reports.....	1,554	1,275,716		1,277,270
7. Audit of assureds' records.....		226,426		226,426
8. Salary and related items:				
8.1 Salaries.....	10,433,358	23,955,951	429,078	34,818,388
8.2 Payroll taxes.....	793,869	1,670,879	29,298	2,494,046
9. Employee relations and welfare.....	1,816,922	5,151,146	107,727	7,075,795
10. Insurance.....	32,685	151,592		184,277
11. Directors' fees.....	39	11,075		11,114
12. Travel and travel items.....	191,928	2,080,536	25,525	2,297,989
13. Rent and rent items.....	95,072	710,942	13,506	819,520
14. Equipment.....	3,836	131,605	3,759	139,199
15. Cost or depreciation of EDP equipment and software.....	291,555	2,341,153	14,244	2,646,952
16. Printing and stationery.....	117,578	515,490	11,368	644,436
17. Postage, telephone and telegraph, exchange and express.....	67,562	534,694	2,792	605,049
18. Legal and auditing.....	206,013	2,932,143	667,448	3,805,604
19. Totals (Lines 3 to 18).....	14,188,624	46,438,926	1,304,907	61,932,456
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....72,879.....	(4,799)	10,491,439		10,486,639
20.2 Insurance department licenses and fees.....	111,127	538,339		649,466
20.3 Gross guaranty association assessments.....	(6,168)	89,170		83,002
20.4 All other (excluding federal and foreign income and real estate).....	48,880	406,544		455,423
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	149,039	11,525,491	0	11,674,530
21. Real estate expenses.....	769,303	1,239,171	1,053,639	3,062,112
22. Real estate taxes.....			327,542	327,542
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	51,388	143,803	117	195,307
25. Total expenses incurred.....	27,322,086	85,665,845	2,686,204	(a).....115,674,135
26. Less unpaid expenses - current year.....	69,200,843	28,229,483	334,416	97,764,741
27. Add unpaid expenses - prior year.....	73,996,144	21,955,199	331,536	96,282,880
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).....	32,117,387	79,391,561	2,683,324	114,192,273

DETAILS OF WRITE-INS				
2401. Miscellaneous expenses.....	51,388	143,803	117	195,307
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	51,388	143,803	117	195,307

(a) Includes management fees of \$.....961,039 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).....242,574	.....242,357
1.1 Bonds exempt from U.S. tax.....	(a).....4,971,474	.....4,879,216
1.2 Other bonds (unaffiliated).....	(a).....20,388,680	.....20,091,608
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....751,894	.....780,665
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....2,458,672	.....2,383,875
2.21 Common stocks of affiliates.....	.....1,100,000	.....1,100,000
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....3,325,864	.....3,325,864
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....85,006	.....102,484
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....61,482	.....61,482
9. Aggregate write-ins for investment income.....	.....14,488	.....14,488
10. Total gross investment income.....	.....33,400,133	.....32,982,039
11. Investment expenses.....		(g).....2,686,204
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).....594,572
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....3,280,776
17. Net investment income (Line 10 minus Line 16).....		.....29,701,263

DETAILS OF WRITE-INS

0901. Income on a disposed preferred stock.....	.....14,181	.....14,181
0902. Income from fractional share disposals.....	.....34	.....34
0903. Bank Loans - Commitment Fees.....	.....274	.....274
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....14,488	.....14,488
1501. ....		.....
1502. ....		.....
1503. ....		.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....3,165,501 accrual of discount less \$.....4,905,021 amortization of premium and less \$....407,871 paid for accrued interest on purchases.
- (b) Includes \$.....126 accrual of discount less \$.....8,683 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....2,896,767 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....3,343 accrual of discount less \$.....20,838 amortization of premium and less \$.....17,693 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 \$.....594,572 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.....			.....0		
1.1 Bonds exempt from U.S. tax.....	.....(89,027)	.....(1,262,458)	.....(1,351,485)		
1.2 Other bonds (unaffiliated).....	.....1,556,668	.....(1,691,938)	.....(135,270)	.....3,222,281	
1.3 Bonds of affiliates.....			.....0		
2.1 Preferred stocks (unaffiliated).....	.....120,200		.....120,200	.....(176,914)	
2.11 Preferred stocks of affiliates.....			.....0		
2.2 Common stocks (unaffiliated).....	.....4,788,592	.....(3,622,946)	.....1,165,646	.....2,406,312	
2.21 Common stocks of affiliates.....	.....(3,589,300)		.....(3,589,300)	.....12,002,138	
3. Mortgage loans.....			.....0		
4. Real estate.....			.....0		
5. Contract loans.....			.....0		
6. Cash, cash equivalents and short-term investments.....			.....0		
7. Derivative instruments.....			.....0		
8. Other invested assets.....	.....2,519,805		.....2,519,805	.....3,561,543	
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....5,306,939	.....(6,577,342)	.....(1,270,403)	.....21,015,360	.....0

DETAILS OF WRITE-INS

0901. ....			.....0		
0902. ....			.....0		
0903. ....			.....0		
0998. Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

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.....	266,691	559,317	292,625
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	266,691	559,317	292,625
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.....	64,047	201,054	137,007
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	670,657	572,482	(98,174)
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.....	1,166,165	3,331,925	2,165,760
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	1,183,807	1,211,781	27,974
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	3,351,367	5,876,559	2,525,192
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	3,351,367	5,876,559	2,525,192

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 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Receivable from insureds for deductible payments.....	82,911	86,257	3,346
2502. Prepaid expenses.....	1,100,896	1,124,849	23,953
2503. Commission receivable.....		675	675
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,183,807	1,211,781	27,974

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The Annual Statement of National Interstate Insurance Company (Company) has been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in these financial statements as shown below:

	SSAP #	F/S Page	F/S Line #	2016	2015
1. Net income state basis	XXX	XXX	XXX	\$ 16146,072	\$ 12,547,813
2. Effect of state prescribed practices				-	-
3. Effect of state permitted practices				-	-
4. Net income, NAIC SAP	XXX	XXX	XXX	\$ 16,146,072	\$ 12,547,813
5. Statutory surplus state basis	XXX	XXX	XXX	\$ 336,965,548	\$ 295,596,102
6. Effect of state prescribed practices				-	-
7. Effect of state permitted practices				-	-
8. Statutory surplus, NAIC SAP	XXX	XXX	XXX	\$ 336,965,548	\$ 295,596,102

B. Use of Estimates

The preparation of financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* requires management to make estimates and assumptions that affect amounts reported in these financial statements and notes. Actual results could differ from the estimates and assumptions used.

C. Accounting Policies

Premiums that are written, assumed and ceded under the Company's insurance policies and reinsurance contracts are earned over the terms of the related policies and contracts on a pro rata basis. Unearned reserves are liabilities established on the portion of premiums written that have not yet been earned.

Unlike the recognition of premium revenue, expenses incurred while producing new insurance business such as commissions and premium taxes are charged to operations as incurred and ceding allowances received or receivable are credited to operations through reductions in expenses incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.

2. Investment grade bonds are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.

3. All other common stocks other than those in Item 7 below are stated at fair value.

4. Redeemable preferred stocks with an NAIC designation of 1 or 2 are stated at amortized cost. Perpetual preferred stocks with an NAIC designation of 1 or 2 are stated at market. All other preferred stocks are stated at the lower of cost, amortized cost, or fair value.

5. Not applicable as the Company investment portfolio does not include any mortgage loans.

6. Investment grade loan-backed securities are stated at amortized value. The prospective adjustment method is used for all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.

7. Investments in subsidiary and affiliated companies are stated as follows:

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

8. Investments in limited partnerships are stated at the underlying audited GAAP equity value.

9. Not applicable as the Company does not invest in derivative instruments.

NOTES TO FINANCIAL STATEMENTS

- 10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
- 11. Unpaid losses and loss adjustment expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses include an amount determined using individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates and the ultimate liability may be in excess of or less than the amounts provided, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are reflected in the period determined.
- 12. The Company has a capitalization policy for prepaid expenses and purchases of items such as office equipment, software/hardware, furniture, vehicles, and other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- 13. Not applicable as the Company is a property and casualty insurance company only and does not write major medical and/or prescription drug coverage.

D. Going Concern

Based on its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

- 1. The Company purchased a 100% interest in Vanliner Group, Inc. on July 1, 2010. The affiliates of Vanliner Group, Inc. include Vanliner Insurance Company, a Missouri domiciled insurance company licensed in all 50 states whose primary business is providing insurance for the moving and storage industry, Vanliner Reinsurance Limited, a Bermuda domiciled reinsurance company and TransProtection Service Company, an insurance agency. As of July 30, 2013, Vanliner Group, Inc. was dissolved. The dissolution had no financial impact on the Company as the above identified affiliates were the only assets of Vanliner Group, Inc. and subsequent to the dissolution they are directly owned by the Company. The goodwill associated with the original purchase is solely attributable to VIC, a surviving entity after the dissolution. As of July 1, 2015, Vanliner Reinsurance Limited was dissolved. At that time, it had a nonadmitted GAAP value of \$152,365. The net assets of \$152,365 were transferred to the Company, its direct parent.
- 2. The transaction was accounted for as a statutory purchase.
- 3. The cost of the Vanliner Group, Inc. acquisition was \$120,529,625, resulting in \$22,328,870 of positive goodwill of which \$7,815,104 is unamortized.
- 4. Goodwill is amortized over ten years. Goodwill amortization relating to the purchase of Vanliner Insurance Company was \$2,232,887 for the year ending December 31, 2016. Goodwill is recorded as a component of the change in unrealized gains (losses).

B. Statutory Mergers

Not applicable

C. Impairment Loss

Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1.

The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
2.

The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.
3.

The following table shows each loan-backed security with an other-than-temporary (“OTTI”) impairment recognized during 2016.

<u>CUSIP</u>	<u>Amortized Cost Before OTTI</u>	<u>Present Value of Projected Cash Flows</u>	<u>Recognized OTTI</u>	<u>Amortized Cost After OTTI</u>	<u>Fair Value at Time of OTTI</u>	<u>Date Reported</u>
3622EAAA8	\$ 1,811,245	\$ 1,553,020	\$ 94,749	\$ 1,716,496	\$ 1,716,496	03/31/2016
872225AD9	712,485	640,626	47,684	664,801	664,801	03/31/2016
TOTAL	XXXX	XXXX	\$ 142,433	XXXX	XXXX	XXXX

4.

The following table shows all loan-backed securities with an unrealized loss:

a.

The aggregate amount of unrealized losses:

1.

Less than 12 months

\$ (3,007,255)

2.

12 months or longer

(1,021,892)

b.

The aggregate related fair value of securities with unrealized losses:

1.

Less than 12 months

\$ 162,943,127

2.

12 months or longer

32,235,217

5.

Based on historical payment data and analysis of expected future cash flows of the underlying collateral, independent credit ratings and other facts and analysis, including management’s current intent and ability to hold these securities for a period of time sufficient to allow for anticipated recovery, management believes that, based upon information currently available, the Company will recover its cost basis in all of these securities and no additional charges for other-than-temporary impairments will be required at December 31, 2016.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company does not have any repurchase agreement and/or securities lending transactions at December 31, 2016.

F. Write-down’s for Impairments of Real Estate, Real Estate Sales, Retail Land Sales, Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted							8	9	Percentage	
	Current Year					6	7			10	11
	1	2	3	4	5						
	Total General Account (G/A)	G/A Supporting Protected Cell Activity (a)	Total Protected Cell Account Restrictd Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown					\$ 0		\$ 0		\$ 0	0.000	0.000
b. Collateral held under security lending agreements					0		0		0	0.000	0.000
c. Subject to repurchase agreements					0		0		0	0.000	0.000
d. Subject to reverse repurchase agreements					0		0		0	0.000	0.000
e. Subject to dollar repurchase agreements					0		0		0	0.000	0.000
f. Subject to dollar reverse repurchase					0		0		0	0.000	0.000
g. Placed under option contracts					0		0		0	0.000	0.000
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock					0		0		0	0.000	0.000
i. FHLB capital stock					0		0		0	0.000	0.000
j. On deposit with states	86,134,143				86,134,143	80,625,780	5,508,363		86,134,143	6.678	6.695
k. On deposit with other regulatory bodies	603,193				603,193	604,325	(1,132)		603,193	0.047	0.047
l. Pledged as collateral to FHLB (including assets backing funding agreements)					0		0		0	0.000	0.000
m. Pledged as collateral not captured in other categories					0		0		0	0.000	0.000
n. Other restricted assets					0		0		0	0.000	0.000
o. Total Restricted Assets	86,737,336	0	0	0	86,737,336	81,230,105	5,507,231		86,737,336	6.724	6.742

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Assets Page, Column 1, Line 28
- (d) Column 9 divided by Assets Page, Column 3, Line 28

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

Not Applicable

3. Detail of Other Restricted Assets

Not Applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not Applicable

I. Working Capital Finance Investments

The Company does not have any working capital finance investments at December 31, 2016.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any derivative, repurchase agreements, reverse repurchase agreements, securities borrowing or securities lending assets or liabilities at December 31, 2016.

K. Structured Notes

The Company does not have any structured notes at December 31, 2016.

L. 5* Securities

The Company does not have any 5* securities at December 31, 2016.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

NOTES TO FINANCIAL STATEMENTS

B. Write-down's for Impairment of Joint Ventures, Partnerships and LLCs

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not applicable as the Company's due and accrued investment income is current and therefore, none is excluded.

Note 8 – Derivative Instruments

A - F. Not applicable as the Company does not invest in derivative instruments.

Note 9 – Income Taxes

A. Deferred Tax Asset/(Liability)

1. Components of Net Deferred Tax Assets (Liability):

	2016			2015			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	23,604,574	5,499,902	29,104,476	20,869,793	6,090,389	26,960,182	2,734,781	(590,487)	2,144,294
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	23,604,574	5,499,902	29,104,476	20,869,793	6,090,389	26,960,182	2,734,781	(590,487)	2,144,294
(d) Deferred Tax Assets Nonadmitted	1,166,165	-	1,116,165	2,484,487	847,438	3,331,925	(1,318,322)	(847,438)	(2,165,760)
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	22,438,409	5,499,902	27,938,311	18,385,306	5,242,951	23,628,257	4,053,103	256,951	4,310,054
(f) Deferred Tax Liabilities	290,550	1,535,711	1,826,261	325,067	218,520	543,587	(34,517)	1,317,191	1,282,674
(g) Net Admitted Deferred Tax Assets (1e-1f)	22,147,859	3,964,191	26,112,050	18,060,239	5,024,431	23,084,670	4,087,620	(1,060,240)	3,027,380

2. Admission Calculation Components:

	2016			2015			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) Col 7+8) Total
A. Federal income taxes paid in prior years recoverable through loss carrybacks	11,900,129	4,881,402	16,781,531	2,778,163	4,847,144	7,625,307	9,121,966	34,258	9,156,224
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:	8,712,019	618,500	9,330,519	15,282,075	177,287	15,459,362	(6,570,056)	441,213	(6,128,843)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	8,712,019	618,500	9,330,519	15,282,075	177,287	15,459,362	(6,570,056)	441,213	(6,128,843)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	44,200,531	XXX	XXX	39,143,798	XXX	XXX	5,056,733
C. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	1,826,261		1,826,261	325,067	218,520	543,587	1,501,194	(218,520)	1,282,674
D. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	22,438,409	5,499,902	27,938,311	18,385,305	5,242,951	23,628,256	4,053,104	256,951	4,310,055

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria:

	2016	2015
a. Ratio percentage used to determine recovery period and threshold limitation amount	517%	483%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 304,069,659	\$ 272,511,433

4. Impact of Tax Planning Strategies:

	2016			2015			Change		
	Ordinary	Capital	Total %	Ordinary	Capital	Total %	Ordinary	Capital	Total %
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.									
1. Adjusted gross DTAs amount from Note 9A1(c)	23,604,574	5,499,902	29,104,476	20,869,793	6,090,389	26,960,182	2,734,781	(590,487)	2,144,294
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0.0%	0.0%	0.0%	0.0%	15.7%	3.6%	0.0%	-15.7%	-3.6%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e).	22,438,409	5,499,902	27,938,311	18,385,306	5,242,951	23,628,257	4,053,103	256,951	4,310,054
4. Percentage of net adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	4.9%	0.0%	4.9%	0.0%	2.1%	4.1%	4.9%	-2.1%	0.8%

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

B. Unrecognized Deferred Tax Liabilities

Not Applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

	(1) 2016	(2) 2015	(3) (Col 1-2) Change
(a) Federal	8,958,603	1,331,092	7,627,511
(b) Foreign	-	-	-
(c) Subtotal	8,958,603	1,331,092	7,627,511
(d) Federal income tax on net capital gains	1,857,429	2,030,322	(172,893)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	10,816,032	3,361,414	7,454,618

NOTES TO FINANCIAL STATEMENTS

2.

Deferred Tax Assets:		(1)	(2)	(3)
		2016	2015	(Col 1-2) Change
(a)	Ordinary:			
(1)	Discounting of unpaid losses	9,843,507	9,688,116	155,391
(2)	Unearned premium reserve	10,101,152	9,347,140	754,012
(3)	Policyholder reserves	-	-	-
(4)	Investments	-	-	-
(5)	Deferred acquisition costs	-	-	-
(6)	Policyholder dividends accrual	-	-	-
(7)	Fixed assets	-	-	-
(8)	Compensation and benefits accrual	1,845,396	379,407	1,465,989
(9)	Pension accrual	-	-	-
(10)	Receivables - nonadmitted	723,151	391,874	331,277
(11)	Net operating loss carry-forward	-	-	-
(12)	Tax credit carry-forward	-	-	-
(13)	Other (including items <5% of total ordinary tax assets)	1,091,368	1,063,256	28,112
(14)	Other assets – nonadmitted	-	-	-
(99)	Subtotal	23,604,574	20,869,792	2,734,781
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Nonadmitted	1,166,165	2,484,487	(1,318,322)
(d)	Admitted ordinary deferred tax assets (2a99-2b-2c)	22,438,409	18,385,305	4,053,104
(e)	Capital:			
(1)	Investments	4,937,040	6,090,389	(1,153,349)
(2)	Net capital loss carry-forward	562,862	-	562,862
(3)	Real estate	-	-	-
(4)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	5,499,902	6,090,389	(590,487)
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Nonadmitted	-	847,438	(847,438)
(h)	Admitted capital deferred tax assets (2e99-2f-2g)	5,499,902	5,242,951	256,951
(i)	Admitted deferred tax assets (2d+2h)	27,938,311	23,628,257	4,310,055

3.

Deferred Tax Liabilities:		2016	2015	Change
(a)	Ordinary:			
(1)	Investments	-	-	-
(2)	Fixed assets	290,550	325,067	(34,517)
(3)	Deferred and uncollected premium	-	-	-
(4)	Policyholder reserves	-	-	-
(5)	Other (including items <5% of total ordinary tax assets)	-	-	-
(6)	Additional acquisition costs-installment premiums	-	-	-
(7)	Discount of accrued salvage and subrogation	-	-	-
(8)	Guaranty funds receivable	-	-	-
(99)	Subtotal	290,550	325,067	(34,517)
(b)	Capital:			
(1)	Investments	1,535,711	218,520	1,317,191
(2)	Real estate			
(3)	Other (including items <5% of total capital tax assets)			
(99)	Subtotal	1,535,711	218,520	1,317,191
(c)	Deferred tax liabilities (3a99+3b99)	1,826,261	543,587	1,282,674

4. Net Deferred Tax Assets/Liabilities (2i-3c)\$ 26,112,050 \$ 23,084,670 \$ 3,027,381

NOTES TO FINANCIAL STATEMENTS

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	2016	
	Amount In Thousands	Effective Tax Rate (%)
Income taxes at the statutory rate	\$ 9,512,606	35.0%
Tax exempt income deduction	(1,400,909)	-5.2%
Dividend received deduction	(337,717)	-1.2%
Other items	(322,205)	-1.2%
Total	\$ 7,451,775	27.4%
Federal and foreign income taxes incurred	\$ 8,958,603	33.0%
Change in net deferred income taxes ex. Unrealized	\$ (3,364,257)	-12.4%
Federal taxes on net capital gains/(losses)	1,857,429	6.8%
Total statutory income taxes	\$ 7,451,775	27.4%

E. Operating Loss and Tax Credit Carryforwards

- 1. At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- 2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses:

Year	Total	Ordinary	Capital
2016	11,192,078	8,280,289	2,911,789
2015	4,303,697	3,619,840	683,858
2014	1,285,756	-	1,285,756

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

F. Consolidated Federal Income Tax Return

- 1. The Company's federal income tax return is consolidated with the Corporation (see Note 10) and the Corporation's other wholly owned subsidiaries.
- 2. The method of allocation among companies is subject to a written agreement approved by the Board of Directors, whereby allocation of income taxes to companies in the group is based on taxable income or loss.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company is a wholly owned subsidiary of National Interstate Corporation (the Corporation), an insurance holding company which is a wholly owned subsidiary of Great American Insurance Company (GAIC). The Company also owns 100% of TCC, NIHI and VIC. Other subsidiaries of the Corporation include Hudson Indemnity Ltd. (HIL), National Interstate Insurance Agency, Inc. (NIIA), Explorer RV Insurance Agency, Inc., American Highways Insurance Agency, Inc., Safety, Claims and Litigation Services, LLC (MT), Safety, Claims and Litigation Services, LLC (OH), Hudson Management Group, Ltd and TransProtection Service Company.

On November 10, 2016, GAIC, a wholly owned subsidiary of American Financial Group, Inc. (NYSE, NASDAQ: AFG), acquired an additional 49% of the outstanding shares of the corporation, resulting in 100% ownership.

NOTES TO FINANCIAL STATEMENTS

B. Detail of Transactions Greater than ½% of Admitted Assets

Not applicable

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company had the following inter-company receivables and (payables) at December 31,

	2016	2015
National Interstate Corporation	\$ 359,213	\$ 171,955
National Interstate Insurance Agency, Inc.	(85,882)	(106,944)
National Interstate Insurance of Hawaii, Inc.	3,252,804	(316,065)
Triumphe Casualty Company	2,709,452	(2,608,905)
American Highways Insurance Agency, Inc.	(53,265)	168,224
Explorer RV Insurance Agency, Inc.	9,225	(4,721)
Hudson Indemnity, Ltd.	(859,757)	(414,350)
Hudson Management Group, Ltd.	(156,050)	(156,050)
TransProtection Service Company	9,550	9,550
Vanliner Insurance Company	(2,958,443)	5,484,940
Total	\$ 2,226,847	\$ 2,227,634

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

E. Guarantees or Undertakings for Related Parties

Not applicable (see Note 14A)

F. Management, Service Contracts, Cost Sharing Arrangements

The Company is party with some of its affiliate companies to a Cash Management Agreement under which the Company manages all cash accounts for the other parties to the Agreement. Expenses incurred and fees charged to the participants are allocated among the parties at cost.

The Company has a cost sharing agreement with some of its affiliates under which costs are allocated between companies to reflect the actual costs incurred to operate each company. Allocated costs for 2016 were \$961,039.

G. Nature of Relationships that Could Affect Operations

The Company is a wholly owned subsidiary of the Corporation (See Note 10A).

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

The Company owns a 100% interest in Vanliner Insurance Company (“VIC”) whose carrying value is equal to or exceeds 10% of the net admitted assets of the Company. The Company carries VIC at its statutory equity value of \$140,843,769 which includes unamortized goodwill of \$10,047,991 (See Note 3A). Goodwill is amortized on a straight-line basis over a ten year period.

Summarized statutory information for VIC follows.

Description	Amount
Admitted Assets	\$405,998,439
Liabilities	\$265,651,868
Policyholders’ Surplus	\$140,346,571
Net Income	\$4,980,938

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

Not applicable

K. Foreign Subsidiary Valued Using CARVM

Not applicable

NOTES TO FINANCIAL STATEMENTS

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable

M. Non-insurance Subsidiary, Controlled and Affiliated (SCA) Entity Valuations

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
	%	\$ -	\$ -	\$ -
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
TransProtection Services Company	100 %	\$ 266,691	\$ -	\$ 266,691
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 266,691	\$ -	\$ 266,691
c. SSAP No. 97 8b(iii) Entities				
	%	\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities				
	%	\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	\$ 266,691	\$ -	\$ 266,691
f. Aggregate Total (a + e)	XXX	\$ 266,691	\$ -	\$ 266,691

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities						
			\$ -			
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
TransProtection Services Company	S2	6/22/16	\$ -	Y	N	I
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
			\$ -			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
			\$ -			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	XXX	\$ -	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$ -	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Insurance SCA Entities Utilizing Prescribed or Permitted Practices

Not applicable

Note 11 – Debt

A. Not applicable as the Company has no debt.

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A – F. Not applicable

G. Consolidated / Holding Company Plans

The Company’s employees participate in the National Interstate Savings and Profit Sharing Plan (the Savings Plan) sponsored by the Corporation. Effective August 1, 2015, the Savings Plan provides for employer matching of participant contributions for 100% on the first 3% and 50% on the next 3% of the employee’s qualifying salary. The Company’s matching contributions expense was \$1,173,989 and \$372,912 in 2016 and 2015, respectively. In addition, each year the Corporation may make a discretionary contribution to the profit sharing portion of the Savings Plan. The Company’s profit sharing expense was \$88,832 in 2015. There was no discretionary contribution in 2016. Contributions made by the Corporation vest after three years of service. The Company has no liability for future contributions to the Savings Plan.

H – I. Not applicable

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

A. Outstanding Shares

The Company has 3,000 Common shares with a par value of \$1,000 a share, authorized, issued and outstanding at December 31, 2016.

B. Dividend Rate of Preferred Stock

Not applicable as no preferred shares are authorized.

C. Dividend Restrictions

The payment of dividends by Ohio domiciled insurance companies, without the prior approval of the Superintendent of Insurance, is limited to the greater of 10% of statutory surplus as of the most recent year end or the net income for the prior year. The Ohio Insurance Holding Company law requires an insurance company’s surplus to be reasonable in relation to its liabilities and adequate for its financial needs following any dividend that it may pay to its parent. The maximum dividend payment that may be made without prior approval in 2017 is \$33,696,555.

D. Dates and Amounts of Dividends Paid

The Company did not pay dividends during the year ended December 31, 2016.

E. Amount of Ordinary Dividends That May Be Paid

Other than the limitations described above in paragraph C, there are no other limitations on the amount of ordinary dividends that may be paid.

F. Restrictions on Unassigned Funds

There are no restrictions on the unassigned funds of the Company other than those described above in paragraph C and these unassigned funds are held for the benefit of the owner and policyholders.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

Not applicable

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$21,044,121 after deducting applicable deferred taxes of \$1,416,960.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of its affiliates or on indebtedness of others.

B. Guaranty Fund and Other Assessments

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

The Company has accrued a liability for guaranty fund and other assessments of \$3,479,646 and \$3,500,447, for the current and prior year, respectively. The liability is included in the taxes, licenses and fees liability. The amounts represent management's best estimates based on information received from the states in which the pooled group (refer to Note 26) writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies

Not applicable

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

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

At the end of the current and prior year, the Company had admitted assets of \$154,575,990 and \$166,769,341 respectively in premiums due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectable premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amounts totaling \$734,704 and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial position.

During the current year, the Company recognized other than temporary impairment charges of \$2,954,396 and \$3,622,946 relating to bonds and unaffiliated common stocks, respectively. Considerations the Company used in the impairment evaluation process included, but were not limited to, whether the issuer is experiencing significant financial difficulties, the economic stability of an entire industry sector or subsection, and the extent to which the unrealized gain is credit-driven or a result of changes in market interest rates.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. At December 31, 2016 there are no office lease obligations for the Company. Rental expense for the current year and the prior year was \$5,106 and \$0, respectively.
2. At December 31, 2016 there are no future minimum rental payments.
3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

- a. The Company leases space at its Richfield, Ohio campus to unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation. The lease period is 5 years and contains renewal options. The Company is responsible for the payment of property taxes, insurance and maintenance costs related to the leased spaced.

NOTES TO FINANCIAL STATEMENTS

- b. Rental income for the current and the prior year was approximately \$429,097 and \$478,791 current and prior year, respectively.
- c. Future minimum lease payments receivables under noncancelable leasing arrangements are as follows:

Year	Amount
2017	\$ 384,356
2018	389,550
2019	394,744
2020	399,938
2021	405,132
Total	\$ 1,973,720

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

2. Leveraged Leases

Not applicable

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

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

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company does not have any wash sales at December 31, 2016.

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 Premium Written / Produced by Managing General Agents / Third Party Administrators

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

Note 20 – Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Level 1, 2 and 3

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTES TO FINANCIAL STATEMENTS

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides information as of December 31, 2016 about the Company’s investments measured at fair value.

Assets at fair value	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and Misc	\$ -	\$ 6,842,923	\$ -	\$ 6,842,923
Total Bonds	\$ -	\$ 6,842,923	\$ -	\$ 6,842,923
Perpetual Preferred Stock				
Industrial and Misc	\$ 9,598,960	\$ 1,022,500	\$ 140,253	\$ 10,761,713
Total Preferred Stocks	\$ 9,598,960	\$ 1,022,500	\$ 140,253	\$ 10,761,713
Common Stock				
Industrial and Misc	\$ 30,087,794	\$ -	\$ 940,253	\$ 31,028,047
Total Common Stocks	\$ 30,087,794	\$ -	\$ 940,253	\$ 31,028,047
Total assets at fair value	\$ 39,686,754	\$ 7,865,423	\$ 1,080,506	\$ 48,632,683

The following table provides information as of December 31, 2015 about the Company’s investments measured at fair value.

Assets at fair value	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and Misc	\$ -	\$ 14,463,319	\$ -	\$ 14,463,319
Residential Mortgage Backed Securities	-	1,062,275	-	1,062,275
Total Bonds	\$ -	\$ 15,525,594	\$ -	\$ 15,525,594
Perpetual Preferred Stock				
Industrial and Misc	\$ 8,640,780	\$ 2,046,000	\$ -	\$ 10,686,780
Total Preferred Stocks	\$ 8,640,780	\$ 2,046,000	\$ -	\$ 10,686,780
Common Stock				
Industrial and Misc	\$ 36,594,100	\$ 806,004	\$ 2,301,726	\$ 39,701,830
Mutual Funds	2,899,895	-	-	2,899,895
Total Common Stocks	\$ 39,493,995	\$ 806,004	\$ 2,301,726	\$ 42,601,725
Total assets at fair value	\$ 48,134,775	\$ 18,377,598	\$ 2,301,726	\$ 68,814,099

The Company uses the end of the reporting period as its policy for determining transfers into and out of each level. During the year ended December 31, 2016 the Company transferred one perpetual preferred stock and two common stocks with aggregate fair values of \$1.1 million and \$0.8 million, respectively, from Level 2 to Level 1 due to increases in trading activity. During the year ended December 31, 2015 there was one perpetual preferred stock totaling \$1.0 million and one common stock totaling \$0.9 million that transferred from Level 1 to Level 2 due to decreases in trading activity.

NOTES TO FINANCIAL STATEMENTS

2. Rollforward of Level 3 Items

The following tables present a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the years ended December 31, 2016 and 2015. The transfers in and out of Level 3 were due to changes in the availability of market observable inputs

	Beginning Balance at 1/1/2016	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
Industrial and Misc Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,253	\$ -	\$ -	\$ -	\$ 140,253
Industrial and Misc Common Stocks (a)	\$ 2,301,726	\$ -	\$ (1,304,435)	\$ (786,706)	\$ 589,415	\$ 140,253	\$ -	\$ -	\$ -	\$ 940,253
Total	\$ 2,301,726	\$ -	\$ -	\$ (786,706)	\$ 589,415	\$ 280,506	\$ -	\$ -	\$ -	\$ 1,080,506

(a) Transfer out of level 3 for the year ended December 31, 2016 is the result of one security transferred into level 1 due to increases in the availability of market observable inputs.

	Beginning Balance at 1/1/2015	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
Industrial and Misc Common Stocks (b)	\$ 3,987,987	\$ -	\$ (966,274)	\$ (277,931)	\$ (600,306)	\$ 158,250	\$ -	\$ -	\$ -	\$ 2,301,726
Total	\$ 3,987,987	\$ -	\$ (966,274)	\$ (277,931)	\$ (600,306)	\$ 158,250	\$ -	\$ -	\$ -	\$ 2,301,726

(b) Transfer out of level 3 for the year ended December 31, 2015 is the result of one security transferred into level 1 due to increases in the availability of market observable inputs.

3. Policy on Determining when Transfers between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between levels. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

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

The Company's investment manager, American Money Management Corporation ("AMMC") (an affiliate) is responsible for the valuation process and uses data from outside sources (including nationally recognized pricing services and broker/dealers) in establishing fair value. Pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and prices obtained from external sources are reviewed by the Company's affiliated investment professionals who are familiar with the securities being priced and the markets in which they trade to ensure the fair value determination is representative of an exit price. To validate the appropriateness of the prices obtained, these investment professionals compare the valuation received to independent third party pricing sources and consider widely published indices (as benchmarks), recent trades, changes in interest rates, general economic conditions and the credit quality of the specific issuers. In addition, AMMC communicates directly with the pricing service regarding the methods and assumptions used in pricing, including verifying, on a test basis, the inputs used by the pricing service to value specific securities.

Level 1 consists of publicly traded equity securities and highly liquid, direct obligations of the U.S. Government whose fair value is based on quoted prices that are readily and regularly available in an active market. Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and include U.S. government agency securities, fixed maturity investments and perpetual preferred stocks that are not actively traded. Level 3 consists of valuations derived from market valuation techniques generally consistent with those used to estimate the fair value of Level 2 financial instruments in which one or more significant inputs are unobservable or when the market for a security exhibits significantly less liquidity relative to

NOTES TO FINANCIAL STATEMENTS

markets supporting Level 2 fair value measurements. The unobservable inputs may include management’s own assumptions about the assumptions market participants would use based on the best information available in the circumstances. The Company’s Level 3 is comprised of financial instruments whose fair value is estimated based on non-binding broker quotes or internally developed using significant inputs not based on, or corroborated by, observable market information. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

Not applicable

B. The Company has no additional fair value disclosures.

C. Other Fair Value Disclosures

The table below reflects, as of December 31, 2016, the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method.

	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable
Bonds	\$ 719,990,331	\$ 712,226,132	\$ 2,374,184	\$ 692,677,833	\$ 24,938,314	\$ -
Preferred Stocks	15,485,080	15,063,715	14,275,127	1,069,700	140,253	-
Common Stocks	31,028,047	31,028,047	30,087,794	-	940,253	-
Cash & Short Term Investments	72,938,973	72,933,196	70,334,330	2,604,643	-	-
Total debt securities	\$ 839,442,431	\$ 831,251,090	\$ 117,071,435	\$ 696,352,176	\$ 26,018,820	\$ -

The table below reflects, as of December 31, 2015, the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method.

	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable
Bonds	\$ 678,943,008	\$ 668,717,649	\$ 3,558,586	\$ 653,225,781	\$ 22,158,641	\$ -
Preferred Stocks	15,117,790	14,834,966	12,573,360	2,046,000	498,400	-
Common Stocks	42,601,725	42,601,725	39,493,995	806,004	2,301,726	-
Cash & Short Term Investments	35,406,068	35,405,550	33,405,644	2,000,424	-	-
Total debt securities	\$ 772,068,561	\$ 761,559,890	\$ 89,031,585	\$ 658,078,209	\$ 24,958,767	\$ -

D. Not Practicable to Estimate Fair Values

Not applicable

Note 21 – Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Investments carried at \$86,737,336 and \$81,230,105 at the end of December 31, 2016 and 2015, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax Credits

Not applicable

NOTES TO FINANCIAL STATEMENTS

F. Sub-Prime Exposure

1.

The Company invests in mortgage-backed securities that could potentially be adversely affected by subprime mortgage exposure. The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. Conservative investment practices limit the Company’s exposure to such losses.
2.

The Company does not have any investments with direct exposure in subprime mortgage loans.
3.

Direct exposure to subprime mortgage risk through other investments in the following securities:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 19,076,708	\$ 17,244,363	\$ 18,759,497	\$ 2,320,121
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs *	9,331,471	9,714,675	10,099,996	-
f. Other Assets	-	-	-	-
g. Totals	\$ 28,408,179	\$ 26,959,038	\$ 28,859,493	\$ 2,320,121

- * The Company has 100% owned SCA entities whose investment holdings in residential mortgage backed securities have exposure to subprime mortgage risk. These investments comprise approximately 1% of the Company’s invested assets.
4.

The Company has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty coverages.

G. Insurance-Linked Securities (ILS) Contracts

Not applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 23, 2017, the date of issuance of these financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has the following unsecured aggregate reinsurance recoverable for paid and unpaid losses including IBNR, loss adjustment expenses, and unearned premiums from an individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders’ surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
21172	86-0114294	Vanliner Ins Co	\$211,621,546
25364	13-1675535	Swiss Reinsurance America Corp	66,172,702
11051	99-0345306	National Interstate Insurance Company of Hawaii	16,278,581
41106	95-3623282	Triumphe Casualty Company	16,278,581
10227	13-4924125	Munich Reins America Inc	11,687,366

B. Reinsurance Recoverables in Dispute

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

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded and Protected Cells

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed		Ceded		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
Affiliates	\$103,444,829	\$8,381,676	\$119,989,158	\$5,319,041	\$(16,544,329)	\$3,062,635
All other	2,983,872	1,028,563	37,898,633	5,726,959	(34,914,761)	(4,698,396)
Totals	\$106,428,701	\$9,410,239	\$157,887,791	\$11,046,000	\$(51,459,090)	\$(1,635,761)

Direct Unearned Premium Reserve \$ 195,313,927

2. Amounts accrued at the end of the current year for additional or return on commission resulting from existing contractual arrangements are as follows:

	Direct	Assumed	Ceded	Net
Contingent commissions	\$ -	\$947,675	\$275,139	\$672,536
Sliding scale adjustments	-	-	-	-
Other profit commissions	-	-	-	-
Totals	\$ -	\$947,675	\$275,139	\$672,536

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

D. Uncollectible Reinsurance

The Company has no reinsurance in dispute nor does it deem any of its reinsurance recoverables to be uncollectible.

E. Commutation of Ceded Reinsurance

During 2016 the Company commuted several treaties with the reinsurers listed below. The Company recognized the amounts received from the reinsurers as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The Company also increased its loss and loss adjustment expense reserves by the same amount (thereby increasing losses and loss adjustment expense incurred) to recognize the effect of releasing the reinsurer from its obligation under the treaty. The net effect of the commutations was \$0. The amounts received are shown below by reinsurer and treaty year.

Reinsurer and Treaty Year	Amounts Received
TRAX Insurance Ltd (2012 – 2013)	\$1,476,127
Tenn Re Inc. (2010 – 2012)	70,812
The Preferred Energy Group Ltd (2011 – 2012)	20,266
Total	\$1,567,205

F. Retroactive Reinsurance

Not applicable as the Company does not have any retroactive reinsurance agreements.

G. Reinsurance Accounted for as a Deposit

Not applicable as the Company does not have any reinsurance contracts that are accounted for as a deposit.

H. Run-off Agreements

Not applicable as the Company did not have any run-off agreements in the current year.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 24 – Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate

The Company has not entered into any contracts that are retrospectively rated or subject to redetermination, however, the Company assumes premium from retrospective policies written by an affiliated company, Vanliner Insurance Company, due to the intercompany pooling arrangement in which the Company participates (see note 26).

B. Method Used to Record

The Company records accrued retrospective premium through written premium.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for 2016 on retrospective policies were \$30,646,516 or 9.9% of total net premiums written.

D. Medical Loss Ratio

Not Applicable

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not Applicable

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending balances for outstanding losses and loss adjustment expenses (LAE), net of reinsurance recoverable, for 2016 and 2015:

	Year Ended December 31	
	2016	2015
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 403,136,528	\$ 366,587,988
Add provision for claims, net of reinsurance, occurring in:		
Current year	202,322,000	205,726,000
Prior years	7,004,627	14,993,781
Net incurred losses during the current year	209,326,627	220,719,781
Deduct payments for claims, net of reinsurance occurring in:		
Current year	52,946,000	52,408,000
Prior years	134,226,925	131,763,241
Net claim payments during the current year	187,172,925	184,171,241
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	\$ 425,290,230	\$ 403,136,528

The foregoing reconciliation shows that a \$7,004,627 unfavorable development in the December 31, 2015 balances emerged in 2016 and a \$14,993,781 unfavorable development in the December 31, 2014 balances emerged in 2015. The unfavorable development in 2016 and 2015 resulted from the combination of settling cases and adjusting current estimates of case and incurred but not reported (IBNR) reserves for amounts more than the case and IBNR estimates carried at the end of the prior year. Management of the Company evaluates case and IBNR estimates based on data from a variety of sources including the Company's historical experience and knowledge of various factors such as the historic loss experience of the industry, trends in claims frequency and severity, the Company's mix of business and claims processing procedures, legislative enactments, judicial decisions, legal developments in imposition of damages and changes and trends in general economic conditions, including the effects of inflation.

NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended intercompany reinsurance pooling agreement with its subsidiaries, NIHI, TCC and VIC. The effect is to transfer all net retained insurance liabilities of the subsidiaries to NIIC and to cede specified percentages of the net underwriting results of the group to the participating companies as follows:

Name of Insurer	NAIC Code	% Participation
Triumphe Casualty Company	41106	2%
National Interstate Insurance Company of Hawaii, Inc.	11051	2%
Vanliner Insurance Company	21172	26%
National Interstate Insurance Company (Lead)	32620	70%

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of December 31, 2016 under the pooling agreement, the Company, the lead entity for pooling activity, has receivable balances due from NIHI and TCC of \$1,136,798 and \$1,617,331, respectively and a \$1,694,105 payable due to VIC. These amounts are settled on a quarterly basis.

Note 27 – Structured Settlements

A. Reserves Released Due to Purchase of Annuities

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

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 9,718,723	\$ -

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

None

Note 28 – Health Care Receivables

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

Note 29 – Participating Policies

A. Not applicable as the Company does not have participating policies.

Note 30 – Premium Deficiency Reserves

As of December 31, 2016, the Company does not have any premium deficiency reserves.

Liability carried for premium deficiency reserves	\$ -
Date of the most recent evaluation of this liability	1/20/2017
Was anticipated investment income utilized in the calculation?	Yes [] No [X]

Note 31 – High Deductibles

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

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

A - C. The Company does not discount its liabilities for unpaid loss and loss adjustment expenses.

Note 33 – Asbestos/Environmental Reserves

A - F. Not applicable as the Company does not have on the books, nor has it ever written an insured for which it has identified a potential for the existence of a liability due to asbestos or environmental losses.

Note 34 – Subscriber Savings Accounts

A. Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 35 – Multiple Peril Crop Insurance

A. Not applicable

Note 36 – Financial Guaranty Insurance

A - B. Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X]No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

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

1.3

State regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes []No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015

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.

12/31/2015

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).

11/02/2016

3.4

By what department or departments?
Ohio Department of Insurance

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes []No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes []No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

1 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
American Money Management Corporation	Cincinnati, OH	NO	NO	NO	YES
Great American Advisors, Inc.	Cincinnati, OH	NO	NO	NO	YES

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP 950 Main Avenue, Suite 1800, Cleveland, OH 44113

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes []No [X]

10.2

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

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes []No [X]

10.4

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

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

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

10.6

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Lisa Hays, Divisional Senior VP - Great American Insurance Company 301 East 4th Street, Cincinnati, Ohio 45202
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐ No ☒

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 ☒ 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 ☒

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 ☒

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 ☐

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
043000847	Allegheny Valley Bank	Non Payment of Policy Premiums	6,500
103002617	Bank of Commerce	Non Payment of Policy Premiums	56,896
053112039	Bank of North Carolina	Non Payment of Policy Premiums	149,410
121101037	Bank of Stockton	Non Payment of Policy Premiums	200,545
053112482	Cabarrus Bank and Trust Company	Non Payment of Policy Premiums	21,000
062102386	Camden National Bank	Non Payment of Policy Premiums	73,979
081500859	Central Bank of Boone County	Non Payment of Policy Premiums	200,000
072410013	Chemical Bank	Non Payment of Policy Premiums	25,000
031308302	Citizens & Northern Bank	Non Payment of Policy Premiums	15,000
061101197	Citizens Bank of Washington County	Non Payment of Policy Premiums	200,000
101001306	Country Club Bank	Non Payment of Policy Premiums	7,559
211070123	East Boston Savings Bank	Non Payment of Policy Premiums	300,000
031306278	Erie Bank	Non Payment of Policy Premiums	36,939
307088754	Farm Credit West, PCA	Non Payment of Policy Premiums	155,229
121108441	Farmers & Merchants Bank of Central California	Non Payment of Policy Premiums	306,829
041208421	Farmers State Bank	Non Payment of Policy Premiums	36,193
091305031	First International Bank and Trust	Non Payment of Policy Premiums	31,349
043318092	First National Bank	Non Payment of Policy Premiums	192,968
064202828	First Peoples Bank of Tennessee	Non Payment of Policy Premiums	17,906
084304243	First State Bank	Non Payment of Policy Premiums	80,005
091905525	First State Bank of Swanville	Non Payment of Policy Premiums	25,312
071105756	First Trust Bank of IL	Non Payment of Policy Premiums	100,000
111905612	Gilmer National Bank	Non Payment of Policy Premiums	87,659
071905040	Harris N.A.	Non Payment of Policy Premiums	100,000
031207856	Harvest Community Bank	Non Payment of Policy Premiums	11,604
122239982	Heritage Oaks Bank	Non Payment of Policy Premiums	9,474
073913755	Hills Bank and Trust	Non Payment of Policy Premiums	10,645
075911852	Johnson Bank	Non Payment of Policy Premiums	284,234
044210063	Kingston National Bank	Non Payment of Policy Premiums	14,068
081500862	Landmark Bank	Non Payment of Policy Premiums	123,912
101107886	Legacy Bank	Non Payment of Policy Premiums	26,276

15.1

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
071925567	Libertyville Bank & Trust	Non Payment of Policy Premiums	14,430
072414174	Main Street Bank	Non Payment of Policy Premiums	15,000
062203078	Merchants Bank of Alabama	Non Payment of Policy Premiums	5,947
031307086	Merchants Bank of Bangor	Non Payment of Policy Premiums	84,367
062204019	Metro Bank	Non Payment of Policy Premiums	17,286
283971901	Mid-Southern Savings Bank, FSB	Non Payment of Policy Premiums	5,862
123171955	Mountain West Bank	Non Payment of Policy Premiums	50,044
031308784	National Penn Bank	Non Payment of Policy Premiums	8,452
122400779	Nevada State Bank	Non Payment of Policy Premiums	1,933,870
031205340	Newfield National Bank	Non Payment of Policy Premiums	5,000
101201863	Nodaway Valley Bank	Non Payment of Policy Premiums	37,277
243374218	Northwest Savings Bank	Non Payment of Policy Premiums	88,414
044101305	Park National Bank	Non Payment of Policy Premiums	240,080
064008637	Pinnacle National Bank	Non Payment of Policy Premiums	1,000,000
104102309	Platte Valley Bank	Non Payment of Policy Premiums	100,210
041215582	Premier Bank & Trust	Non Payment of Policy Premiums	40,000
051409456	Select Bank	Non Payment of Policy Premiums	151,877
041215621	Signature Bankcorp, Inc.	Non Payment of Policy Premiums	59,369
073913755	Sterling Bank	Non Payment of Policy Premiums	46,862
062105985	SunSouth Bank	Non Payment of Policy Premiums	8,625
031309123	Susquehanna Bank	Non Payment of Policy Premiums	60,269
113121135	Texas State Bank	Non Payment of Policy Premiums	18,844
081903867	The Bank of Missouri	Non Payment of Policy Premiums	97,267
103903046	Triad Bank	Non Payment of Policy Premiums	200,000
011601100	Union Bank	Non Payment of Policy Premiums	129,739
051403164	Union First Market Bank	Non Payment of Policy Premiums	70,306
061103593	Wachovia Bank	Non Payment of Policy Premiums	1,500,000
071925389	Wintrust Financial Corp.	Non Payment of Policy Premiums	1,402

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 ☒ No ☐
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes ☒ 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 ☒ 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 ☒
- 20.1

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

20.11

To directors or other officers

\$0

20.12

To stockholders not officers

\$0

20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 20.2

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

20.21

To directors or other officers

\$0

20.22

To stockholders not officers

\$0

20.23

Trustees, supreme or grand (Fraternal only)

\$0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes ☐ No ☒
- 21.2

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

21.21

Rented from others

\$

21.22

Borrowed from others

\$

21.23

Leased from others

\$

21.24

Other

\$
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$
- 23.1

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

Yes ☒ No ☐
- 23.2

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

\$6,340,244

INVESTMENT

- 24.01

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

Yes ☒ No ☐
- 24.02

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.03

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

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes ☐ No ☐ N/A ☒

24.05

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

\$

24.06

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

\$

24.07

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

Yes ☐ No ☐ N/A ☒

24.08

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

Yes ☐ No ☐ N/A ☒

24.09.

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

Yes ☐ No ☐ N/A ☒

24.10

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

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

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

Yes ☒ No ☐

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$86,134,143

25.29

On deposit with other regulatory bodies

\$603,193

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

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

Yes ☐ No ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☒

27.1

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

Yes ☐ No ☒

27.2

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

\$

28.

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

Yes ☒ No ☐

28.01

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

1 Name of Custodian(s)	2 Custodian's Address
Key Bank	PO Box 6717 Cleveland, OH 44101
US Bank	Two Liberty Place 50 South 16th Street, Suite 2000 Philadelphia, PA 19102

28.02

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

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

28.03

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

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

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

28.05

Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
American Money Management Corporation	A
Emerald Advisers, Inc.	U
Ancora Advisors LLC	U
Fort Washington Investment Advisors, Inc.	U
Gary Monda	I

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Brett Goodrich	I
Terry Butt	I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [☐] No [☒]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [☐] No [☒]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
161853	American Money Management Corporation		SEC	DS
107496	Emerald Advisers, Inc.		SEC	NO
16076	Ancora Advisors LLC		SEC	NO
8099	Fort Washington Investment Advisors, Inc.		SEC	NO

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 [☐]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
31761R 66 6	EMERALD SMALL CAP VALUE FUND	1,112,702
922042 71 8	VANGUARD FTSE ALL WO X-US SC	197,181
922042 77 5	VANGUARD FTSE ALL-WORLD EX-U	287,082
922908 36 3	VANGUARD S&P 500 ETF	612,029
922908 65 2	VANGUARD EXTENDED MARKET ETF	488,611
29.2999	TOTAL	2,697,605

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 Holding	4 Date of Valuation
EMERALD SMALL CAP VALUE FUND	Dreyfus Government Cash M	40,625	11/30/2016
EMERALD SMALL CAP VALUE FUND	Great Western Bancorp Inc	38,355	11/30/2016
EMERALD SMALL CAP VALUE FUND	First Merchants Corp	37,910	11/30/2016
EMERALD SMALL CAP VALUE FUND	Viad Corp	37,153	11/30/2016
EMERALD SMALL CAP VALUE FUND	Vonage Holdings Corp	35,084	11/30/2016
VANGUARD FTSE ALL WO X-US SC	Teck Resources Ltd.	789	12/31/2016
VANGUARD FTSE ALL WO X-US SC	Open Text Corp.	789	12/31/2016
VANGUARD FTSE ALL WO X-US SC	Dollarama Inc.	789	12/31/2016
VANGUARD FTSE ALL WO X-US SC	First Quantum Minerals Ltd.	592	12/31/2016
VANGUARD FTSE ALL WO X-US SC	CCL Industries Inc.	592	12/31/2016
VANGUARD FTSE ALL-WORLD EX-U	Royal Dutch Shell plc	3,732	12/31/2016
VANGUARD FTSE ALL-WORLD EX-U	Nestle SA	3,445	12/31/2016
VANGUARD FTSE ALL-WORLD EX-U	Novatis AG	2,871	12/31/2016
VANGUARD FTSE ALL-WORLD EX-U	Samsung Electronics Co. Ltd.	2,871	12/31/2016
VANGUARD FTSE ALL-WORLD EX-U	Roche Holding AG	2,584	12/31/2016
VANGUARD S&P 500 ETF	Apple Inc.	19,585	12/31/2016
VANGUARD S&P 500 ETF	Microsoft Corp.	15,301	12/31/2016
VANGUARD S&P 500 ETF	Alphabet Inc.	14,689	12/31/2016
VANGUARD S&P 500 ETF	Exxon Mobil Corp.	11,629	12/31/2016
VANGUARD S&P 500 ETF	Johnson & Johnson	9,792	12/31/2016
VANGUARD EXTENDED MARKET ETF	Liberty Global plc	2,932	12/31/2016
VANGUARD EXTENDED MARKET ETF	Tesla Motors Inc.	2,932	12/31/2016
VANGUARD EXTENDED MARKET ETF	Las Vegas Sands Corp.	2,443	12/31/2016
VANGUARD EXTENDED MARKET ETF	Incyte Corp.	1,954	12/31/2016
VANGUARD EXTENDED MARKET ETF	T-Mobile US Inc.	1,954	12/31/2016

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	771,625,371	779,395,346	7,769,976
30.2	Preferred Stocks	15,063,715	15,485,080	421,364
30.3	Totals	786,689,086	794,880,426	8,191,340

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

The source used to determine the fair value is primarily from pricing services and to a lesser extent broker quotes when necessary.

- 31.1

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

Yes [X] No []
- 31.2

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

Yes [] No [X]
- 31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
For the securities that were priced using broker prices, the investment professionals affiliated with the reporting entity obtain data from brokers that are familiar with the securities being priced and the markets in which they trade.
- 32.1

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

Yes [X] No []
- 32.2

If no, list exceptions:

OTHER

- 33.1

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

\$ 651,691
- 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
INSURANCE SERVICES OFFICE	\$ 388,721
- 34.1

Amount of payments for legal expenses, if any?

\$ 665,401
- 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
THOMPSON HINE LLP	\$ 299,478
- 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
	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:			
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [X]	No []	
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.			63
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 noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes [X]	No []	
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [X]	No []	
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.			
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , 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 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes []	No [X]	
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X]	No []	N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes []	No [X]	
11.2	If yes, give full information			
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$		0
		\$		0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$		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	\$		9,137,079

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.62	Collateral and other funds	\$	6,631,916				
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	3,500,000				
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?		Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]			
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.		1				
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?		Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]			
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>The allocation would be based on the percentage of the individual company's claim to the total of all claims.</u>						
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]			
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?		Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]			
14.5	If the answer to 14.4 is no, please explain:						
15.1	Has the reporting entity guaranteed any financed premium accounts?		Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]			
15.2	If yes, give full information						
16.1	Does the reporting entity write any warranty business?		Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]			
	If yes, disclose the following information for each of the following types of warranty coverage:						
		1	2	3	4	5	
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned	
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	0	
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	0	
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	0	
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	0	
	* Disclose type of coverage:						
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5.					Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
	Incurring 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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]			
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]			
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 2016	2 2015	3 2014	4 2013	5 2012
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).....	549,923,287	553,066,322	535,622,684	490,375,464	450,749,415
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	93,915,213	90,141,414	91,482,125	89,928,007	88,882,113
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	6,487,960	5,645,496	5,147,370	3,840,687	2,802,654
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	78,107	170,018	803,483	842,323	1,135,545
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	650,404,567	649,023,250	633,055,661	584,986,481	543,569,727
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).....	254,030,689	242,168,889	236,943,887	224,239,997	207,278,256
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	50,656,580	49,380,760	50,705,633	50,953,193	51,479,453
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,215,243	3,647,557	3,138,358	2,020,922	1,379,516
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	50,472	93,353	412,352	435,147	577,286
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	308,952,985	295,290,559	291,200,230	277,649,259	260,714,511
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	3,158,687	(8,059,849)	(15,669,165)	4,443,847	19,139,606
14. Net investment gain (loss) (Line 11).....	26,573,432	26,222,489	26,357,865	26,870,775	48,533,333
15. Total other income (Line 15).....	(4,627,443)	(4,283,734)	(4,590,344)	(3,550,418)	(3,338,402)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	8,958,603	1,331,092	743,114	5,839,043	11,454,575
18. Net income (Line 20).....	16,146,072	12,547,813	5,355,242	21,925,161	52,879,962
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	1,286,548,943	1,200,140,217	1,117,627,560	1,054,079,940	1,017,470,693
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	25,556,781	11,941,121	9,196,431	6,636,788	9,980,869
20.2 Deferred and not yet due (Line 15.2).....	129,019,209	154,828,220	153,129,206	141,366,715	131,368,564
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	949,583,395	904,544,115	832,947,856	770,660,825	747,774,754
22. Losses (Page 3, Line 1).....	356,089,387	329,140,383	298,096,458	271,998,832	266,206,397
23. Loss adjustment expenses (Page 3, Line 3).....	69,200,843	73,996,145	68,491,530	63,396,473	60,883,895
24. Unearned premiums (Page 3, Line 9).....	143,854,837	133,053,010	131,627,005	125,011,309	121,869,462
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	336,965,548	295,596,102	284,679,704	283,419,115	269,695,939
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	59,056,519	55,274,685	34,373,376	23,883,507	38,323,542
Risk-Based Capital Analysis					
28. Total adjusted capital.....	336,965,548	295,596,102	284,679,704	283,419,115	269,695,939
29. Authorized control level risk-based capital.....	58,767,162	56,473,154	50,002,935	43,870,706	41,486,288
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).....	66.7	68.1	67.1	67.9	71.2
31. Stocks (Lines 2.1 & 2.2).....	21.3	23.4	25.8	26.4	22.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	1.7	1.7	1.8	1.8	1.9
34. Cash, cash equivalents and short-term investments (Line 5).....	6.8	3.6	2.1	1.1	2.2
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	3.4	3.2	3.2	2.8	2.6
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	181,621,050	173,208,212	171,023,923	165,540,227	155,187,444
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.....	181,621,050	173,208,212	171,023,923	165,540,227	155,187,444
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).....	53.9	58.6	60.1	58.4	57.5

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2016	2015	2014	2013	2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	19,107,272	(1,711,470)	6,882,220	1,891,184	(16,468,838)
52. Dividends to stockholders (Line 35).....			(10,000,000)	(10,000,000)	(60,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	41,369,445	10,916,398	1,260,589	13,723,176	(23,917,765)
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).....	350,286,172	301,246,698	323,233,524	286,204,006	224,141,848
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	47,357,242	49,118,841	48,433,563	54,233,297	57,318,629
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,825,785	1,342,456	1,129,404	325,454	778,096
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....		207,460	169,981	31,251	14,367
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	399,469,199	351,915,455	372,966,473	340,794,009	282,252,940
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).....	127,919,318	125,010,242	130,877,173	125,731,934	98,177,302
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	25,927,937	26,290,606	27,902,385	29,565,199	32,293,588
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,208,282	939,964	788,489	167,987	415,922
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....		73,836	59,493	10,938	5,029
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	155,055,537	152,314,648	159,627,540	155,476,057	130,891,841
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).....	61.0	62.4	65.3	58.7	51.2
68. Loss expenses incurred (Line 3).....	9.2	12.7	13.4	12.0	11.0
69. Other underwriting expenses incurred (Line 4).....	28.7	27.6	26.8	27.6	30.1
70. Net underwriting gain (loss) (Line 8).....	1.1	(2.7)	(5.5)	1.6	7.6
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).....	29.2	29.0	27.8	28.6	30.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	70.2	75.1	78.7	70.8	62.2
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).....	91.7	99.9	102.3	98.0	96.7
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).....	13,404	14,657	20,736	1,941	(7,963)
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).....	4.5	5.1	7.3	0.7	(2.7)
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).....	28,386	37,510	19,511	(6,058)	(21,346)
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).....	10.0	13.2	7.2	(2.1)	(7.8)

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

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....531	.....192	.....248	.....27	.....138	.....	.....(2)	.....698	.....XXX.....
2. 2007.....	.....368,825	.....126,300	.....242,525	.....182,850	.....65,357	.....28,261	.....12,978	.....14,438	.....	.....4,553	.....147,214	.....XXX.....
3. 2008.....	.....405,254	.....143,951	.....261,303	.....257,556	.....116,382	.....34,065	.....17,964	.....16,661	.....	.....4,856	.....173,936	.....XXX.....
4. 2009.....	.....391,667	.....133,572	.....258,095	.....192,004	.....60,413	.....27,948	.....12,216	.....17,186	.....	.....4,229	.....164,509	.....XXX.....
5. 2010.....	.....388,397	.....134,176	.....254,221	.....249,189	.....95,163	.....34,554	.....16,707	.....16,432	.....4	.....4,656	.....188,301	.....XXX.....
6. 2011.....	.....392,230	.....146,659	.....245,571	.....272,502	.....117,637	.....39,412	.....21,829	.....15,144	.....	.....4,957	.....187,592	.....XXX.....
7. 2012.....	.....405,272	.....154,351	.....250,921	.....245,135	.....111,639	.....33,812	.....19,470	.....12,706	.....	.....4,124	.....160,544	.....XXX.....
8. 2013.....	.....454,725	.....180,218	.....274,507	.....264,872	.....126,072	.....30,853	.....18,227	.....12,885	.....	.....3,889	.....164,311	.....XXX.....
9. 2014.....	.....488,205	.....203,622	.....284,583	.....234,555	.....125,155	.....21,250	.....13,938	.....13,337	.....	.....4,072	.....130,049	.....XXX.....
10. 2015.....	.....512,201	.....218,337	.....293,864	.....187,836	.....103,234	.....13,622	.....9,789	.....13,875	.....	.....3,620	.....102,310	.....XXX.....
11. 2016.....	.....519,895	.....221,743	.....298,152	.....80,761	.....38,782	.....4,451	.....3,163	.....9,679	.....	.....1,693	.....52,946	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	..2,167,791	.....960,026	.....268,476	.....146,308	.....142,481	.....4	.....40,647	.....1,472,410	.....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					
1. Prior.....	.....6,370	.....1,223	.....3,537	.....1,606	.....402	.....80	.....558	.....352	.....158			.....7,764	....XXX.....
2. 2007.....	.....1,890	.....821	.....1,157	.....740	.....106	.....49	.....317	.....196	.....77			.....1,741	....XXX.....
3. 2008.....	.....2,709	.....664	.....1,775	.....955	.....127	.....20	.....518	.....281	.....116			.....3,325	....XXX.....
4. 2009.....	.....4,538	.....927	.....4,034	.....2,116	.....274	.....(26)	.....806	.....435	.....183			.....6,383	....XXX.....
5. 2010.....	.....7,646	.....3,868	.....6,966	.....3,297	.....421	.....66	.....986	.....424	.....314			.....8,678	....XXX.....
6. 2011.....	.....6,726	.....2,325	.....9,360	.....2,952	.....760	.....245	.....1,270	.....462	.....447			.....12,579	....XXX.....
7. 2012.....	.....16,799	.....6,735	.....22,748	.....10,768	.....1,121	.....76	.....2,395	.....697	.....833		.....680	.....25,620	....XXX.....
8. 2013.....	.....31,310	.....14,802	.....31,405	.....15,336	.....2,344	.....1,023	.....6,147	.....2,482	.....1,479		.....357	.....39,042	....XXX.....
9. 2014.....	.....55,754	.....25,642	.....49,552	.....22,228	.....3,051	.....1,207	.....8,896	.....2,748	.....2,431	.....1	.....1,573	.....67,858	....XXX.....
10. 2015.....	.....91,231	.....48,630	.....74,521	.....30,681	.....4,140	.....2,057	.....14,359	.....4,651	.....4,690	.....(1)	.....1,001	.....102,923	....XXX.....
11. 2016.....	.....92,585	.....52,030	.....146,664	.....64,842	.....4,459	.....2,398	.....24,321	.....8,810	.....9,430	.....3	.....2,673	.....149,376	....XXX.....
12. Totals...	.....317,558	.....157,667	.....351,719	.....155,521	.....17,205	.....7,195	.....60,573	.....21,538	.....20,158	.....3	.....6,284	.....425,289	....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
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....7,078	.....686
2. 2007.	.....229,096	.....80,141	.....148,955	.....62.1	.....63.5	.....61.4	.....	.....	.....	.....1,486	.....255
3. 2008.	.....313,527	.....136,266	.....177,261	.....77.4	.....94.7	.....67.8	.....	.....	.....	.....2,865	.....460
4. 2009.	.....246,973	.....76,081	.....170,892	.....63.1	.....57.0	.....66.2	.....	.....	.....	.....5,529	.....854
5. 2010.	.....316,508	.....119,529	.....196,979	.....81.5	.....89.1	.....77.5	.....	.....	.....	.....7,447	.....1,231
6. 2011.	.....345,621	.....145,450	.....200,171	.....88.1	.....99.2	.....81.5	.....	.....	.....	.....10,809	.....1,770
7. 2012.	.....335,549	.....149,385	.....186,164	.....82.8	.....96.8	.....74.2	.....	.....	.....	.....22,044	.....3,576
8. 2013.	.....381,295	.....177,942	.....203,353	.....83.9	.....98.7	.....74.1	.....	.....	.....	.....32,577	.....6,465
9. 2014.	.....388,826	.....190,919	.....197,907	.....79.6	.....93.8	.....69.5	.....	.....	.....	.....57,436	.....10,422
10. 2015.	.....404,274	.....199,041	.....205,233	.....78.9	.....91.2	.....69.8	.....	.....	.....	.....86,441	.....16,482
11. 2016.	.....372,350	.....170,028	.....202,322	.....71.6	.....76.7	.....67.9	.....	.....	.....	.....122,377	.....26,999
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....356,089	.....69,200

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	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior.....	.....159,907	.....141,263	.....128,228	.....120,340	.....119,158	.....113,926	.....111,643	.....110,141	.....111,255	.....111,385	.....130	.....1,244
2. 2007.....	.....161,305	.....145,207	.....138,599	.....136,979	.....138,469	.....135,035	.....134,936	.....134,495	.....134,895	.....134,440	.....(455)	.....(55)
3. 2008.....	.....XXX.....	.....179,538	.....172,110	.....166,802	.....165,553	.....162,560	.....161,060	.....160,548	.....161,416	.....160,484	.....(932)	.....(64)
4. 2009.....	.....XXX.....	.....XXX.....	.....169,091	.....165,950	.....163,701	.....154,457	.....153,216	.....153,598	.....153,567	.....153,523	.....(44)	.....(75)
5. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....173,020	.....169,982	.....175,767	.....172,280	.....177,663	.....179,773	.....180,237	.....464	.....2,574
6. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....148,690	.....155,845	.....166,361	.....173,112	.....178,934	.....184,580	.....5,646	.....11,468
7. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....154,152	.....154,188	.....161,696	.....165,687	.....172,625	.....6,938	.....10,929
8. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....178,881	.....182,047	.....184,547	.....188,989	.....4,442	.....6,942
9. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....186,717	.....184,600	.....182,140	.....(2,460)	.....(4,577)
10. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....186,992	.....186,667	.....(325)	.....XXX.....
11. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....183,216	.....XXX.....	.....XXX.....
12. Totals.....											.....13,404	.....28,386

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	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior.....	.....000.....	.....40,874	.....67,151	.....81,519	.....88,899	.....95,163	.....99,239	.....101,207	.....103,219	.....103,779	.....XXX.....	.....XXX.....
2. 2007.....	.....45,875	.....77,745	.....96,658	.....112,177	.....120,584	.....126,421	.....129,843	.....131,161	.....132,279	.....132,776	.....XXX.....	.....XXX.....
3. 2008.....	.....XXX.....	.....53,005	.....93,281	.....117,567	.....136,433	.....146,469	.....151,563	.....155,435	.....156,915	.....157,275	.....XXX.....	.....XXX.....
4. 2009.....	.....XXX.....	.....XXX.....	.....48,290	.....83,203	.....104,726	.....122,045	.....134,944	.....143,057	.....146,013	.....147,323	.....XXX.....	.....XXX.....
5. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....52,151	.....92,613	.....117,794	.....145,076	.....163,871	.....169,555	.....171,873	.....XXX.....	.....XXX.....
6. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....55,278	.....91,403	.....120,340	.....144,952	.....163,290	.....172,448	.....XXX.....	.....XXX.....
7. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....46,981	.....81,993	.....111,803	.....134,034	.....147,838	.....XXX.....	.....XXX.....
8. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....55,567	.....98,027	.....128,965	.....151,426	.....XXX.....	.....XXX.....
9. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....47,141	.....86,430	.....116,712	.....XXX.....	.....XXX.....
10. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....43,543	.....88,435	.....XXX.....	.....XXX.....
11. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....43,267	.....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	2	3	4	5	6	7	8	9	10
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior.....	.....91,137	.....52,640	.....29,146	.....20,276	.....18,071	.....11,157	.....7,367	.....1,151	.....1,871	.....2,137
2. 2007.....	.....82,882	.....41,178	.....20,673	.....11,155	.....9,639	.....3,954	.....2,791	.....594	.....841	.....538
3. 2008.....	.....XXX.....	.....81,992	.....42,204	.....23,859	.....15,271	.....7,743	.....4,100	.....1,083	.....1,983	.....1,057
4. 2009.....	.....XXX.....	.....XXX.....	.....80,434	.....52,634	.....38,338	.....17,670	.....7,918	.....2,698	.....2,818	.....2,289
5. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....80,927	.....50,242	.....32,484	.....9,028	.....5,403	.....4,805	.....4,231
6. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....63,180	.....36,398	.....20,021	.....10,763	.....5,440	.....7,216
7. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....77,036	.....40,185	.....21,376	.....13,274	.....13,678
8. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....83,457	.....45,690	.....26,605	.....19,734
9. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....94,941	.....56,032	.....33,472
10. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....94,328	.....53,548
11. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....97,333

National Interstate Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			2	3						
States, Etc.		Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama.....AL	..L	.....4,147,720	.....3,699,715	.....	.....2,093,735	.....1,309,688	.....3,510,039	.....25	.....1,711,175
2.	Alaska.....AK	..L	.....5,597,226	.....5,816,878	.....	.....2,079,937	.....3,908,790	.....7,974,319	.....233	.....13,802
3.	Arizona.....AZ	..L	.....5,810,604	.....6,003,024	.....	.....2,961,408	.....3,150,645	.....6,518,618	.....6,515	.....697,792
4.	Arkansas.....AR	..L	.....2,608,929	.....4,713,104	.....	.....4,372,949	.....5,537,484	.....6,169,611	.....3,175	.....526,724
5.	California.....CA	..L	.....82,849,958	.....92,008,940	.....	.....62,168,372	.....59,868,218	.....123,155,927	.....11,950	.....8,906,378
6.	Colorado.....CO	..L	.....3,257,428	.....3,779,620	.....	.....2,732,818	.....2,475,756	.....5,324,255	.....6,480	.....298,496
7.	Connecticut.....CT	..L	.....5,361,853	.....6,745,124	.....	.....11,737,080	.....4,277,554	.....11,498,159	.....2,174	.....1,837,150
8.	Delaware.....DE	..L	.....19,475,246	.....17,140,905	.....	.....10,933,123	.....14,162,746	.....24,256,713	.....40	.....556,310
9.	District of Columbia.....DC	..L	.....	.....52	.....	.....	.....8	.....39	.....	.....
10.	Florida.....FL	..L	.....20,221,010	.....19,964,257	.....	.....16,841,123	.....16,901,693	.....22,098,585	.....19,174	.....5,464,672
11.	Georgia.....GA	..L	.....5,525,042	.....6,229,449	.....	.....3,740,675	.....3,636,429	.....6,545,768	.....7,250	.....1,871,947
12.	Hawaii.....HI	..L	.....17,451,150	.....17,278,877	.....	.....8,792,791	.....6,699,076	.....15,596,492	.....625	.....240,970
13.	Idaho.....ID	..L	.....6,201,371	.....5,642,131	.....	.....2,194,318	.....2,107,543	.....4,795,623	.....1,114	.....864,120
14.	Illinois.....IL	..L	.....12,053,407	.....11,299,506	.....	.....11,729,137	.....6,834,946	.....14,903,898	.....3,740	.....4,062,785
15.	Indiana.....IN	..L	.....4,741,388	.....5,564,475	.....	.....2,649,953	.....3,797,956	.....6,998,179	.....3,280	.....900,175
16.	Iowa.....IA	..L	.....2,402,610	.....2,084,790	.....	.....3,254,124	.....1,305,169	.....4,954,813	.....745	.....297,041
17.	Kansas.....KS	..L	.....7,872,348	.....7,630,249	.....	.....6,024,362	.....4,919,353	.....10,480,958	.....1,140	.....2,374,478
18.	Kentucky.....KY	..L	.....2,318,571	.....6,726,090	.....	.....3,029,985	.....5,455,301	.....7,504,725	.....	.....412,860
19.	Louisiana.....LA	..L	.....6,242,362	.....5,911,559	.....	.....2,716,254	.....4,086,961	.....4,339,583	.....4,909	.....536,658
20.	Maine.....ME	..L	.....200,515	.....215,878	.....	.....276,883	.....350,669	.....474,842	.....720	.....
21.	Maryland.....MD	..L	.....3,340,380	.....3,350,605	.....	.....1,823,737	.....2,818,687	.....6,197,352	.....875	.....2,139,062
22.	Massachusetts.....MA	..L	.....9,235,121	.....11,081,059	.....	.....15,182,180	.....18,712,997	.....24,735,612	.....50	.....2,434,085
23.	Michigan.....MI	..L	.....46,415	.....41,925	.....	.....	.....(48)	.....3,119	.....	.....
24.	Minnesota.....MN	..L	.....6,201,468	.....4,438,228	.....	.....1,620,924	.....1,776,618	.....4,219,697	.....1,944	.....1,691,027
25.	Mississippi.....MS	..L	.....2,812,395	.....2,902,184	.....	.....2,384,391	.....2,384,973	.....3,527,034	.....	.....1,321,685
26.	Missouri.....MO	..L	.....19,264,788	.....15,402,506	.....	.....9,994,744	.....10,156,182	.....17,379,909	.....1,595	.....3,075,214
27.	Montana.....MT	..L	.....4,960,512	.....4,849,150	.....	.....2,911,699	.....2,920,421	.....3,549,206	.....17,010	.....726,498
28.	Nebraska.....NE	..L	.....3,458,065	.....4,074,117	.....	.....1,249,738	.....1,634,386	.....4,177,498	.....385	.....317,347
29.	Nevada.....NV	..L	.....1,713,054	.....1,835,663	.....	.....1,954,711	.....1,521,521	.....5,324,173	.....3,065	.....393,903
30.	New Hampshire.....NH	..L	.....2,411,795	.....2,502,528	.....	.....1,256,885	.....2,404,107	.....4,125,239	.....1,799	.....546,971
31.	New Jersey.....NJ	..L	.....104,640	.....109,696	.....	.....29,354	.....(14,260)	.....7,608	.....	.....
32.	New Mexico.....NM	..L	.....1,135,097	.....945,878	.....	.....1,153,666	.....529,598	.....1,495,788	.....2,660	.....120,225
33.	New York.....NY	..L	.....32,813,009	.....33,620,945	.....	.....22,022,684	.....24,419,805	.....47,957,591	.....4,204	.....15,517,976
34.	North Carolina.....NC	..L	.....15,371,272	.....15,012,491	.....	.....11,022,584	.....4,230,006	.....21,504,029	.....9,715	.....2,169,372
35.	North Dakota.....ND	..L	.....1,971,541	.....1,650,571	.....	.....343,178	.....948,307	.....1,270,194	.....365	.....745,787
36.	Ohio.....OH	..L	.....13,037,654	.....11,301,302	.....	.....5,254,024	.....8,079,443	.....14,637,776	.....1,800	.....5,470,581
37.	Oklahoma.....OK	..L	.....5,886,512	.....5,924,117	.....	.....1,461,953	.....1,890,490	.....4,404,678	.....2,355	.....1,358,052
38.	Oregon.....OR	..L	.....1,574,749	.....1,544,159	.....	.....1,566,631	.....701,705	.....2,007,107	.....3,010	.....649,596
39.	Pennsylvania.....PA	..L	.....18,942,216	.....19,785,645	.....	.....14,477,755	.....12,682,427	.....26,472,085	.....8,135	.....2,910,654
40.	Rhode Island.....RI	..L	.....1,931,297	.....1,776,511	.....	.....488,849	.....764,218	.....1,384,772	.....	.....241,796
41.	South Carolina.....SC	..L	.....6,213,071	.....6,786,050	.....	.....5,628,593	.....7,465,190	.....9,782,339	.....2,625	.....522,473
42.	South Dakota.....SD	..L	.....1,296,291	.....1,298,358	.....	.....822,381	.....919,846	.....587,245	.....7,615	.....248,425
43.	Tennessee.....TN	..L	.....17,260,497	.....18,921,305	.....	.....11,645,906	.....18,432,990	.....29,358,998	.....4,090	.....2,234,798
44.	Texas.....TX	..L	.....22,070,840	.....26,099,060	.....	.....21,367,588	.....19,824,420	.....39,157,889	.....38,990	.....2,443,180
45.	Utah.....UT	..L	.....7,890,634	.....8,105,780	.....	.....4,218,711	.....6,820,768	.....9,933,256	.....565	.....810,174
46.	Vermont.....VT	..L	.....1,164,586	.....2,412,416	.....	.....627,033	.....1,291,803	.....2,626,522	.....	.....512,046
47.	Virginia.....VA	..L	.....6,449,296	.....7,748,877	.....	.....4,422,535	.....4,850,192	.....11,133,936	.....4,475	.....903,973
48.	Washington.....WA	..L	.....4,366,740	.....4,208,596	.....	.....1,846,656	.....1,874,006	.....3,394,283	.....4,906	.....1,839,515
49.	West Virginia.....WV	..L	.....367,679	.....346,725	.....	.....498,788	.....303,669	.....743,489	.....	.....
50.	Wisconsin.....WI	..L	.....8,121,582	.....8,412,321	.....	.....1,996,421	.....4,971,057	.....10,766,693	.....1,450	.....1,502,859
51.	Wyoming.....WY	..L	.....115,060	.....112,224	.....	.....10,315	.....(13,105)	.....82,872	.....804	.....9,174
52.	American Samoa.....AS	..N	.....	.....	.....	.....	.....	.....	.....	.....
53.	Guam.....GU	..N	.....	.....	.....	.....	.....	.....	.....	.....
54.	Puerto Rico.....PR	..N	.....	.....	.....	.....	.....	.....	.....	.....
55.	US Virgin Islands.....VI	..N	.....	.....	.....	.....	.....	.....	.....	.....
56.	Northern Mariana Islands...MP	..N	.....	.....	.....	.....	.....	.....	.....	.....
57.	Canada.....CAN	..N	.....	.....	.....	.....	.....	.....	.....	.....
58.	Aggregate Other Alien.....OT	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Totals.....	(a) ..51	.....435,866,995	.....455,055,618	.....0	....309,613,645	....316,088,405	....599,049,139	.....197,776	.....84,429,981

DETAILS OF WRITE-INS									
58001.	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58002.	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58003.	XXX	.....	.....	.....	.....	.....	.....	.....	.....
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

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

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

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

Allied Lines - Location of property

Commercial multiperil - Location of property

Inland Marine - Location of property

Other Accident and Health - Individual, by personal residence

Workers' Compensation - Location of risk

Other Liability - Location of risk

Auto Liability - Location of primary garage

Auto Physical - Location of primary garage

Surety - Location of contractor

Boiler and machinery - Location of property

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
American Financial Capital Trust II	DE	31-6549738	
American Financial Capital Trust III	DE	16-6543606	
American Financial Capital Trust IV	DE	16-6543609	
American Financial Enterprises, Inc.	CT	31-0996797	
American Money Management Corporation	OH	31-0828578	
American Real Estate Capital Company, LLC	OH	27-1577326	
Mid-Market Capital Partners, LLC	DE	27-2829629	
APU Holding Company	OH	41-2112001	
American Premier Underwriters, Inc.	PA	23-6000765	
The Associates of the Jersey Company	NJ	23-6297584	
Cal Coal, Inc.	IL	37-1094159	
Great Southwest Corporation	DE	95-2802826	
The Indianapolis Union Railway Company	IN	35-6001691	
Lehigh Valley Railroad Company	PA	13-6400464	
Pennsylvania Lehigh Oil & Gas Holdings LLC	PA	46-1665396	
Magnolia Alabama Holdings, Inc.	DE	20-1548213	
Magnolia Alabama Holdings LLC	AL	20-1574094	
Michigan Oil & Gas Holdings, LLC	MI	46-1852532	
Ohio Oil & Gas Holdings, LLC	OH	46-1480078	
The Owasco River Railway, Inc.	NY	13-6021353	
PCC Real Estate, Inc.	NY	31-1236926	
PCC Technical Industries, Inc.	DE	76-0080537	
PCC Maryland Realty Corp.	MD	31-1388401	
Penn Central Energy Management Company	DE	06-1209709	
Penn Towers, Inc.	PA	23-1537928	
Pennsylvania Oil & Gas Holdings, LLC	PA	46-3246684	
Pennsylvania-Reading Seashore Lines (66.67%)	NJ	23-6000766	
Pittsburgh and Cross Creek Railroad Company (83%)	PA	23-6207599	
Terminal Realty Penn Co.	DC	23-1707450	
Waynesburg Southern Railroad Company	PA	23-1675796	
GAI Insurance Company, Ltd. *	BMU	98-1073776	
Great American Specialty & Affinity Limited	GBR		
Hangar Acquisition Corp.	OH	31-1446308	
Premier Lease & Loan Services Insurance Agency, Inc.	WA	91-1242743	
Premier Lease & Loan Services of Canada, Inc.	WA	91-1508644	
Risiko Management Corporation	DE	31-1262960	
Dixie Terminal Corporation	OH	31-0823725	
GAI Holding Bermuda Ltd. ^	BMU	98-0606803	
GAI Indemnity, Ltd. #	GBR	98-0556144	
Neon Capital Limited (fka Marketform Group Limited)	GBR		
Neon Holdings (U.K.) Limited (fka Marketform Holdings Limited)	GBR		
Lavenham Underwriting Limited #	GBR	98-0412245	
Marketform Hong Kong Limited	HKG		
Neon Management Services Limited (fka Marketform Management Services Limited)	GBR		
Neon Service Company (U.K.) Limited (fka Marketform Limited)	GBR		
Marketform Australia Pty Limited	AUS		
Studio Marketform SRL	ITA		
Neon Underwriting Bermuda Limited	BMU		
Neon Underwriting Limited (fka Marketform Managing Agency Limited)	GBR		
Sampford Underwriting Limited #	GBR	98-0431601	
Spectrum Agency Limited	GBR		

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Financial Resources, Inc. ^	DE	06-1356481	
AAG Insurance Agency, Inc.	KY	31-1422717	
Ceres Group, Inc.	DE	34-1017531	
Continental General Corporation	NE	47-0717079	
QQAAgency of Texas, Inc.	TX	34-1947042	
Great American Advisors, Inc.	OH	31-1395344	
Great American Life Insurance Company *	OH	13-1935920	63312
Annuity Investors Life Insurance Company *	OH	31-1021738	93661
Bay Bridge Marina Hemingway's Restaurant, LLC (85%)	MD	27-4078277	
Bay Bridge Marina Management, LLC (85%)	MD	27-0513333	
Brothers Management, LLC (99%)	FL	20-1246122	
Charleston Harbor Fishing, LLC	SC	81-3737639	
GA Key Lime, LLC ^	OH	47-5618395	
GALIC - Bay Bridge Marina, LLC	MD	20-4604276	
GALIC - Sorrento, LLC ^	FL	45-5565693	
GALIC Brothers, Inc. (80%)	OH	31-1391777	
GALIC Pointe, LLC ^	FL	45-1144095	
Manhattan National Holding Corporation	OH	26-3260520	
Manhattan National Life Insurance Company *	OH	45-0252531	67083
Skipjack Marina Corp.	MD	52-2179330	
Great American Holding, Inc.	OH	42-1575938	
Agricultural Services, LLC	OH	27-3062314	
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
GAI Australia Pty Ltd	AUS		
Great American International Insurance Designated Activity Company *	IRL		
Mid-Continent Casualty Company *	OH	73-0556513	23418
Mid-Continent Assurance Company *	OH	73-1406844	15380
Mid-Continent Excess and Surplus Insurance Company *	DE	38-3803661	13794
Mid-Continent Specialty Insurance Services, Inc.	OK	30-0571535	
Oklahoma Surety Company *	OH	73-0773259	23426
Republic Indemnity Company of America *	CA	95-2801326	22179
Republic Indemnity Company of California *	CA	31-1054123	43753
Summit Consulting, LLC	FL	59-1683711	
Heritage Summit Healthcare, LLC	FL	59-3385208	
Summit Holding Southeast, Inc.	FL	59-3409855	
Bridgefield Employers Insurance Company*	FL	59-1835212	10701
Bridgefield Casualty Insurance Company*	FL	59-3269531	10335

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Insurance Company *	OH	31-0501234	16691
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation (80%)	OH	59-2840291	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
Crescent Centre Apartments ^	OH	20-4498054	
Crop Managers Insurance Agency, Inc.	KS	31-1277904	
Dempsey & Siders Agency, Inc.	OH	31-0589001	
Eden Park Insurance Brokers, Inc.	CA	31-1341668	
El Aguila, Compañía de Seguros, S.A. de C.V. *	MEX		
Financiadora de Primas Condor, S.A. de C.V. (99%)	MEX		
Farmers Crop Insurance Alliance, Inc.	KS	39-1404033	
FCIA Management Company, Inc.	NY	13-3628555	
Foreign Credit Insurance Association @	NY		
GAI Mexico Holdings, LLC	DE	81-0814136	
GAI Warranty Company	OH	31-1753938	
GAI Warranty Company of Florida	FL	31-1765544	
GAI Warranty Company of Canada Inc.	CAN		
Global Premier Finance Company	OH	61-1329718	
Great American Agency of Texas, Inc.	TX	74-2693636	
Great American Alliance Insurance Company *	OH	95-1542353	26832
Great American Assurance Company *	OH	15-6020948	26344
Great American Casualty Insurance Company *	OH	61-0983091	39896
Great American Contemporary Insurance Company *	OH	36-4079497	10646
Great American E & S Insurance Company *	DE	31-0954439	37532
Great American Fidelity Insurance Company *	DE	31-1036473	41858
Great American Insurance Agency, Inc.	OH	31-1652643	
Great American Insurance Company of New York *	NY	13-5539046	22136
Great American Lloyd's Insurance Company * @	TX	31-0974853	38024
Great American Lloyd's, Inc.	TX	31-1073664	
Great American Management Services, Inc.	OH	31-0856644	
Great American Protection Insurance Company *	OH	31-1288778	38580
Great American Re Inc.	DE	31-0918893	
Great American Security Insurance Company *	OH	31-1209419	31135
Great American Spirit Insurance Company *	OH	31-1237970	33723
Insurance (GB) Limite	GBR		
Key Largo Group, Inc.	FL	59-1263251	
National Interstate Corporation	OH	34-1607394	
American Highways Insurance Agency, Inc.	OH	34-1899058	
Explorer RV Insurance Agency, Inc.	OH	31-1548235	
Hudson Indemnity, Ltd. *	CYM	98-0191335	
Hudson Management Group, Ltd.	VIR	66-0660039	
National Interstate Insurance Agency, Inc.	OH	34-1607396	
Commercial For Hire Transportation Purchasing Group @	SC		
National Interstate Insurance Company *	OH	34-1607395	32620
National Interstate Insurance Company of Hawaii, Inc. *	OH	99-0345306	11051
TransProtection Service Company	MO	43-1254631	
Triumphe Casualty Company *	OH	95-3623282	41106
Vanliner Insurance Company *	MO	86-0114294	21172
Safety Claims & Litigation Services, LLC	MT	20-5546054	
Safety, Claims and Litigation Services, LLC	OH	46-4570914	
PLLS Canada Insurance Brokers Inc. (49%)	CAN	871850814	
Professional Risk Brokers, Inc.	IL	31-1293064	
One East Fourth, Inc.	OH	31-0686194	
Pioneer Carpet Mills, Inc.	OH	31-0883227	
TEJ Holdings, Inc.	OH	31-1119320	
Three East Fourth, Inc.	OH	31-0728327	

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

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