



ANNUAL STATEMENT

For the Year Ended December 31, 2018

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		Leah Marie Blazek (Name)		330-659-8900 -5498 (Area Code) (Telephone Number) (Extension)	
		Leah.Blazek@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	Senior VP, Chief Financial Officer, & Treasurer	4. Stephen Edward Winborn	Senior Vice President

OTHER

James Allan Parks	VP, Chief Underwriting Officer	George Olaf Skuggen	Senior Vice President
Gary Norman Monda	VP, Chief Investment Officer, & Assistant Treasurer	Terri Kaye Johnson	Vice President
Stephen Joseph Blankenship Jr.	Vice President	Matthew Jon Grimm	Vice President
Chris Edward Mikolay	Vice President	Shawn Vincent Los	Vice President
Scott Edward Noerr	Vice President, Chief Information Officer	Howard Kim Baird #	Assistant Treasurer
Robert Jude Zbacnik #	Assistant Treasurer		

DIRECTORS OR TRUSTEES

Anthony Joseph Mercurio	George Olaf Skuggen	Arthur Jeffrey Gonzales	Gary Norman Monda
Julie Ann McGraw	Stephen Edward Winborn	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) Anthony Joseph Mercurio 1. (Printed Name) President (Title)	(Signature) Arthur Jeffrey Gonzales 2. (Printed Name) Senior VP, General Counsel, & Secretary (Title)	(Signature) Julie Ann McGraw 3. (Printed Name) Senior VP, Chief Financial Officer, & Treasurer (Title)
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Subscribed and sworn to before me
This 22nd day of February 2019

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

Yes [X] No []

Annual Statement for the year 2018 of the **National Interstate Insurance Company**
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	732,796,633		732,796,633	707,764,412
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	16,105,148		16,105,148	15,530,086
2.2 Common stocks.....	192,276,869	854,376	191,422,493	197,644,031
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).....	39,972,682		39,972,682	30,758,365
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 (\$....29,588,926, Schedule E-Part 1), cash equivalents (\$....31,879,216, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	61,467,142		61,467,142	84,217,924
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	18,909,278		18,909,278	20,423,666
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).....	1,061,527,753	854,376	1,060,673,377	1,056,338,484
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,354,321		5,354,321	5,467,736
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	23,047,082	157,045	22,890,037	25,871,994
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	150,170,669	136,239	150,034,430	133,493,969
15.3 Accrued retrospective premiums (\$....5,702,994) and contracts subject to redetermination (\$.....0).....	5,772,144	69,150	5,702,994	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	13,528,055		13,528,055	10,532,440
16.2 Funds held by or deposited with reinsured companies.....	2,308,368		2,308,368	1,838,729
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.....	16,014,636		16,014,636	14,982,078
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	1,798,497		1,798,497	2,019,775
21. Furniture and equipment, including health care delivery assets (\$.....0).....	3,669,224	3,669,224	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	667,150		667,150	18,880,597
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	6,321,298	2,253,791	4,067,507	2,967,379
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,290,179,198	7,139,825	1,283,039,372	1,272,393,181
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	1,290,179,198	7,139,825	1,283,039,372	1,272,393,181

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.....	3,391,875	890,726	2,501,149	1,846,147
2502. Prepaid expenses.....	1,361,557	1,361,557	0	
2503. Miscellaneous receivable.....	927,773		927,773	476,451
2598. Summary of remaining write-ins for Line 25 from overflow page.....	640,093	1,508	638,585	644,781
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	6,321,298	2,253,791	4,067,507	2,967,379

National Interstate Insurance Company
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	384,947,589	370,855,100
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	9,788	4,401
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	84,709,365	74,434,847
4. Commissions payable, contingent commissions and other similar charges.....	12,539,720	11,172,721
5. Other expenses (excluding taxes, licenses and fees).....	15,438,123	19,262,789
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	6,460,184	5,819,803
7.1 Current federal and foreign income taxes (including \$....1,911,076 on realized capital gains (losses)).....	786,758	1,321,171
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 \$....150,925,725 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).....	163,804,586	159,410,012
10. Advance premium.....	166,437	121,184
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	.....	.....
12. Ceded reinsurance premiums payable (net of ceding commissions).....	20,611,955	19,297,172
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	282,441,181	279,314,582
14. Amounts withheld or retained by company for account of others.....	23,472,060	17,632,570
15. Remittances and items not allocated.....	3,727,245	3,034,006
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	836,000	.....
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....
18. Drafts outstanding.....	.....	.....
19. Payable to parent, subsidiaries and affiliates.....	12,362,637	3,503,192
20. Derivatives.....	.....	.....
21. Payable for securities.....	5,170,070	5,963,954
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.....	38,138	36,014
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,017,521,837	971,183,517
27. Protected cell liabilities.....	.....	.....
28. Total liabilities (Lines 26 and 27).....	1,017,521,837	971,183,517
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.....	32,413,054	32,108,779
35. Unassigned funds (surplus).....	230,104,481	266,100,885
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).....	265,517,535	301,209,664
38. TOTAL (Page 2, Line 28, Col. 3).....	1,283,039,372	1,272,393,181

DETAILS OF WRITE-INS

2501. Unearned rental income.....	38,138	36,014
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).....	38,138	36,014
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

Annual Statement for the year 2018 of the **National Interstate Insurance Company**
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	320,758,527	307,821,703
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	152,670,602	168,361,812
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	42,225,654	37,863,644
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	93,112,129	86,078,190
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	288,008,385	292,303,646
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	32,750,142	15,518,056
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	46,299,340	46,473,328
10. Net realized capital gains (losses) less capital gains tax of \$....(1,911,076) (Exhibit of Capital Gains (Losses)).....	6,292,347	8,661,783
11. Net investment gain (loss) (Lines 9 + 10).....	52,591,687	55,135,111
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.....	23,447	155,451
14. Aggregate write-ins for miscellaneous income.....	(6,280,695)	(4,377,077)
15. Total other income (Lines 12 through 14).....	(6,257,248)	(4,221,626)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	79,084,581	66,431,542
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).....	79,084,581	66,431,542
19. Federal and foreign income taxes incurred.....	12,498,383	12,044,240
20. Net income (Line 18 minus Line 19) (to Line 22).....	66,586,198	54,387,301
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	301,209,664	336,965,548
22. Net income (from Line 20).....	66,586,198	54,387,301
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(979,563).....	(2,344,139)	(10,676,711)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	52,995	(11,120,273)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(4,455,458)	666,999
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(836,000)	986,800
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.....	304,275	
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(95,000,000)	(70,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(35,692,129)	(35,755,884)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	265,517,535	301,209,664

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.....	1,285,173	1,598,095
1402. Funds held interest.....	(7,565,868)	(5,975,172)
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).....	(6,280,695)	(4,377,077)
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

Annual Statement for the year 2018 of the **National Interstate Insurance Company**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	307,373,091	316,221,157
2. Net investment income.....	47,883,452	49,549,962
3. Miscellaneous income.....	(6,257,248)	(4,221,626)
4. Total (Lines 1 through 3).....	348,999,295	361,549,493
5. Benefit and loss related payments.....	142,037,979	145,442,330
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	126,992,651	111,026,039
7. Commissions, expenses paid and aggregate write-ins for deductions.....	11,121,720	10,729,359
8. Dividends paid to policyholders.....	280,152,351	267,197,728
9. Federal and foreign income taxes paid (recovered) net of \$....(1,911,076) tax on capital gains (losses).....	68,846,944	94,351,765
10. Total (Lines 5 through 9).....		
11. Net cash from operations (Line 4 minus Line 10).....		
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	161,829,183	220,932,350
12.2 Stocks.....	5,387,422	8,841,332
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	7,181,264	25,035,278
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		5,866,524
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	174,397,870	260,675,484
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	187,881,924	218,141,574
13.2 Stocks.....	3,061,724	1,292,423
13.3 Mortgage loans.....		
13.4 Real estate.....	10,150,532	12,771,317
13.5 Other invested assets.....	1,005,180	2,861,518
13.6 Miscellaneous applications.....	793,884	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	202,893,244	235,066,832
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).....	(28,495,374)	25,608,652
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.....	304,275	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	95,000,000	70,000,000
16.6 Other cash provided (applied).....	31,593,372	(38,675,688)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(63,102,353)	(108,675,688)
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).....	(22,750,782)	11,284,728
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	84,217,924	72,933,196
19.2 End of year (Line 18 plus Line 19.1).....	61,467,142	84,217,924

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

20.0001 Exchange of equity securities in merger transaction.....	9,617,031	1,997,895
20.0002 Exchange of debt securities.....		4,520,095
20.0003 Intercompany transfer of debt securities.....		1,526,264
20.0004 Common stock spin off.....		327,711
20.0005 Common stock spin off and exchange of rights.....		30,616

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	15,622	3,311	3,887	15,046
2. Allied lines.....	16,101	8,184	9,193	15,092
3. Farmowners multiple peril.....	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0
5. Commercial multiple peril.....	3,470,224	2,390,545	2,092,910	3,767,859
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	0	0	0	0
9. Inland marine.....	3,558,413	1,580,114	1,836,516	3,302,012
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0
12. Earthquake.....	0	0	0	0
13. Group accident and health.....	355,890	148,541	210,610	293,821
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	9,300	8,212	7,191	10,321
16. Workers' compensation.....	104,780,111	64,056,434	59,725,019	109,111,526
17.1 Other liability - occurrence.....	10,920,707	6,438,703	5,679,056	11,680,354
17.2 Other liability - claims-made.....	399,990	138,500	143,468	395,022
17.3 Excess workers' compensation.....	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	(45,044)	653,618	1,351	607,224
19.3, 19.4 Commercial auto liability.....	165,077,697	66,047,908	78,311,990	152,813,615
21. Auto physical damage.....	36,569,905	17,896,214	15,743,188	38,722,931
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	0	7,529	7,529	0
24. Surety.....	22,645	6,087	6,414	22,317
26. Burglary and theft.....	1,772	221	401	1,592
27. Boiler and machinery.....	(233)	25,893	25,864	(204)
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	325,153,100	159,410,013	163,804,586	320,758,527

DETAILS OF WRITE-INS

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

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	3,887				3,887
2. Allied lines.....	9,193				9,193
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....	2,092,910				2,092,910
6. Mortgage guaranty.....					0
8. Ocean marine.....	0				0
9. Inland marine.....	1,836,516				1,836,516
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....	0				0
13. Group accident and health.....	210,610				210,610
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....	7,191				7,191
16. Workers' compensation.....	59,725,019				59,725,019
17.1 Other liability - occurrence.....	5,679,056				5,679,056
17.2 Other liability - claims-made.....	143,468				143,468
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.....	1,351				1,351
19.3, 19.4 Commercial auto liability.....	78,311,990				78,311,990
21. Auto physical damage.....	15,743,188				15,743,188
22. Aircraft (all perils).....					0
23. Fidelity.....	7,529				7,529
24. Surety.....	6,414				6,414
26. Burglary and theft.....	401				401
27. Boiler and machinery.....	25,864				25,864
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.....	163,804,586	0	0	0	163,804,586
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					163,804,586

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

National Interstate Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	25,081	2,481		6,735	5,205	15,622
2. Allied lines.....	18,062	8,648		6,929	3,679	16,101
3. Farmowners multiple peril.....					-	0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....	2,156,933	3,229,202		1,519,598	396,313	3,470,224
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	5,779,394	954,222		2,543,006	632,197	3,558,413
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.....		757,753		401,862		355,890
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....	18,779			9,479		9,300
16. Workers' compensation.....	103,776,193	89,393,310	1,432,131	77,564,497	12,257,027	104,780,111
17.1 Other liability - occurrence.....	36,041,347	8,283,759		6,836,272	26,568,127	10,920,707
17.2 Other liability - claims-made.....	822,364	28,216		257,727	192,862	399,990
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.....	(51,260)	(16,042)		(18,253)	(4,005)	(45,044)
19.3, 19.4 Commercial auto liability.....	290,462,378	52,090,045	4,789,508	131,704,393	50,559,842	165,077,697
21. Auto physical damage.....	56,141,111	13,643,644	265,453	24,449,256	9,031,047	36,569,905
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....	31,357	1,100		9,757	55	22,645
26. Burglary and theft.....	2,469	.70		.763	4	1,772
27. Boiler and machinery.....	68,782	(333)		(100)	68,782	(233)
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.....	495,292,992	168,376,072	6,487,093	245,291,922	99,711,134	325,153,100

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.....				0	3,199		3,199	21.3
2. Allied lines.....		139,400	41,820	97,580	6,961	(4,368)	108,908	721.7
3. Farmowners multiple peril.....				0	0		0	0.0
4. Homeowners multiple peril.....				0	0		0	0.0
5. Commercial multiple peril.....	1,631,337	1,663,284	1,154,615	2,140,006	4,204,907	3,427,175	2,917,737	77.4
6. Mortgage guaranty.....				0	0		0	0.0
8. Ocean marine.....				0	34,431	34,431	0	0.0
9. Inland marine.....	2,692,260	178,543	1,709,139	1,161,664	1,019,496	863,964	1,317,196	39.9
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.....		2	(27)	.28	.87	.50	.65	0.0
13. Group accident and health.....		81,570	43,504	38,066	58,955	34,000	63,021	21.4
14. Credit accident and health (group and individual).....				0	0		0	0.0
15. Other accident and health.....				0	170,214	168,224	1,990	19.3
16. Workers' compensation.....	48,447,457	46,168,222	56,466,461	38,149,218	149,227,398	141,317,028	46,059,588	42.2
17.1 Other liability - occurrence.....	25,113,810	5,584,765	23,983,011	6,715,563	16,145,328	14,005,052	8,855,839	75.8
17.2 Other liability - claims-made.....	16,000	30	15,318	.712	.787,347	.510,582	.277,477	70.2
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.....	1,315,453	1,344,994	829,634	1,830,813	1,808,679	3,474,013	165,479	27.3
19.3, 19.4 Commercial auto liability.....	140,157,624	35,033,517	103,909,842	71,281,299	207,880,000	200,683,100	78,478,199	51.4
21. Auto physical damage.....	25,139,621	8,877,639	16,856,254	17,161,006	3,571,589	6,317,889	14,414,705	37.2
22. Aircraft (all perils).....				0	0		0	0.0
23. Fidelity.....				0	0		0	0.0
24. Surety.....				0	28,251	23,508	.4,742	21.2
26. Burglary and theft.....		6	(36)	.41	.747	.450	.338	21.2
27. Boiler and machinery.....	(85,333)		(85,333)	0	2	1	1	(0.4)
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.....	244,428,229	99,071,971	204,924,204	138,575,996	384,947,589	370,855,100	152,668,486	47.6
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 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....			(0)	0	.6,116	.421	.3,338	.3,199	.564
2. Allied lines.....				0	.4,269	.6,990	.4,298	.6,961	.566
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....	.772,496	.2,352,127	.1,220,767	.1,903,856	.1,096,316	.2,471,307	.1,266,572	.4,204,907	.920,206
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		(31)	(9)	(22)	.3,077	.49,218	.17,842	.34,431	.4,330
9. Inland marine.....	.984,548	.69,257	.543,266	.510,539	.3,210,429	.10,959	.2,712,431	.1,019,496	.35,465
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....		1	(10)	.11	(.587)		(.662)	.87	.6
13. Group accident and health.....		.223,227	.119,054	.104,173		(.2,963)	.42,255	(a)... .58,955	(4,276)
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....			0	(0)	.814,530		.644,315	(a)... .170,214	.61,110
16. Workers' compensation.....	.60,756,287	.50,716,665	.60,914,120	.50,558,832	.95,767,811	.101,320,689	.98,419,934	.149,227,398	.26,422,541
17.1 Other liability - occurrence.....	.21,141,159	.4,699,734	.20,082,121	.5,758,771	.57,618,696	.8,443,186	.55,675,326	.16,145,328	.4,670,293
17.2 Other liability - claims-made.....	.206,001	12	.118,364	.87,649	.1,201,679	.74,978	.576,959	.787,347	.154,702
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.....	.528,531	.305,995	.250,413	.584,113	.1,727,795	.387,036	.890,265	.1,808,679	.274,801
19.3, 19.4 Commercial auto liability.....	.186,549,255	.33,021,892	.131,386,941	.88,184,205	.229,754,478	.46,963,554	.157,022,237	.207,880,000	.49,726,000
21. Auto physical damage.....	.5,583,381	.770,110	.3,558,939	.2,794,552	.9,805,533	(339,344)	.8,689,152	.3,571,589	.2,432,037
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0	.52,308		.24,058	.28,251	.10,744
26. Burglary and theft.....		2	(14)	16	.121	.175	(435)	.747	.252
27. Boiler and machinery.....	.5,500		.5,500	0	(.179)	.183	2	2	.23
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.....	.276,527,158	.92,158,990	.218,199,453	.150,486,695	.401,062,391	.159,386,389	.325,987,885	.384,947,589	.84,709,365

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.

Annual Statement for the year 2018 of the **National Interstate Insurance Company**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	53,399,238			53,399,238
1.2 Reinsurance assumed.....	14,598,983			14,598,983
1.3 Reinsurance ceded.....	41,410,411			41,410,411
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	26,587,810	0	0	26,587,810
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		33,827,949		33,827,949
2.2 Reinsurance assumed, excluding contingent.....		19,261,407		19,261,407
2.3 Reinsurance ceded, excluding contingent.....		23,863,172		23,863,172
2.4 Contingent - direct.....		179,184		179,184
2.5 Contingent - reinsurance assumed.....		417,502		417,502
2.6 Contingent - reinsurance ceded.....		259,534		259,534
2.7 Policy and membership fees.....		2,327		2,327
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	29,565,663	0	29,565,663
3. Allowances to manager and agents.....		60,156		60,156
4. Advertising.....	4,931	384,077	2,042	391,050
5. Boards, bureaus and associations.....	128,860	4,313,419		4,442,279
6. Surveys and underwriting reports.....	1,037	843,181		844,218
7. Audit of assureds' records.....		186,040		186,040
8. Salary and related items:				
8.1 Salaries.....	11,331,016	25,952,829	585,414	37,869,258
8.2 Payroll taxes.....	835,964	1,743,145	29,677	2,608,786
9. Employee relations and welfare.....	1,928,617	4,561,581	67,357	6,557,555
10. Insurance.....	(889)	150,500		149,611
11. Directors' fees.....				0
12. Travel and travel items.....	135,132	2,063,930	39,880	2,238,942
13. Rent and rent items.....	(4,060)	918,544	9,037	923,521
14. Equipment.....	(2,405)	460,423	47,949	505,967
15. Cost or depreciation of EDP equipment and software.....	(4,891)	3,462,248		3,457,357
16. Printing and stationery.....	111,008	508,550	6,793	626,351
17. Postage, telephone and telegraph, exchange and express.....	166,762	376,708	1,964	545,434
18. Legal and auditing.....	11,736	1,204,859	1,201,521	2,418,115
19. Totals (Lines 3 to 18).....	14,642,818	47,190,190	1,991,634	63,824,642
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....120,935.....	.47	11,013,328		11,013,375
20.2 Insurance department licenses and fees.....	78,500	347,282		425,782
20.3 Gross guaranty association assessments.....		2,789		2,789
20.4 All other (excluding federal and foreign income and real estate).....		556,573		556,573
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	78,547	11,919,971	0	11,998,518
21. Real estate expenses.....	913,104	1,011,412	2,200,958	4,125,474
22. Real estate taxes.....			376,806	376,806
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	3,375	3,424,893	640	3,428,908
25. Total expenses incurred.....	42,225,654	93,112,129	4,570,038	(a).....139,907,821
26. Less unpaid expenses - current year.....	84,709,365	33,981,887	456,140	119,147,392
27. Add unpaid expenses - prior year.....	74,434,847	35,911,273	344,040	110,690,160
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).....	31,951,136	95,041,515	4,457,938	131,450,589

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	3,375	3,424,893	640	3,428,908
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).....	3,375	3,424,893	640	3,428,908

(a) Includes management fees of \$....16,121,180 to affiliates and \$.....0 to non-affiliates.

National Interstate Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....166,301	.....174,054
1.1 Bonds exempt from U.S. tax.....	(a).....5,030,970	.....4,987,489
1.2 Other bonds (unaffiliated).....	(a).....22,095,851	.....22,067,755
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....854,143	.....898,697
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,569,251	.....1,516,752
2.21 Common stocks of affiliates.....	.....17,000,000	.....17,000,000
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....4,060,172	.....4,060,172
5. Contract loans.....	(e).....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....633,832	.....799,484
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....148,786	.....148,786
9. Aggregate write-ins for investment income.....	.....152,404	.....152,404
10. Total gross investment income.....	.....51,711,708	.....51,805,592
11. Investment expenses.....	(g).....	.....4,570,038
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).....936,214	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....0
16. Total deductions (Lines 11 through 15).....	.....5,506,252	.....
17. Net investment income (Line 10 minus Line 16).....	.....46,299,340	.....

DETAILS OF WRITE-INS

0901. Miscellaneous investment income.....	.....152,404	.....152,404
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....152,404	.....152,404
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....0	.....0

- (a) Includes \$....3,332,226 accrual of discount less \$....3,749,296 amortization of premium and less \$....260,843 paid for accrued interest on purchases.
- (b) Includes \$....(742) accrual of discount less \$....4,571 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 \$....3,651,281 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$....20,050 accrual of discount less \$....1,095 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$....936,214 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.....	.....320	.....(256,360)	.....(256,040)	.....	.....
1.2 Other bonds (unaffiliated).....	.....(57,256)	.....	.....(57,256)	.....(290,154)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....786,347	.....	.....786,347	.....(1,440,899)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....671,766	.....(1,175,493)	.....(503,728)	.....(3,183,283)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....1,340,884	.....
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.....	.....4,411,946	.....0	.....4,411,946	.....249,750	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....5,813,124	.....(1,431,853)	.....4,381,271	.....(3,323,702)	.....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

National Interstate Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.....0	.....0	.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	.....0	.....0	.....0
2.2 Common stocks.....	854,376	539,589	(314,787)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	.....0	.....0	.....0
3.2 Other than first liens.....	.....0	.....0	.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	.....0	.....0	.....0
4.2 Properties held for the production of income.....	.....0	.....0	.....0
4.3 Properties held for sale.....	.....0	.....0	.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.....0	.....0	.....0
6. Contract loans.....	.....0	.....0	.....0
7. Derivatives (Schedule DB).....	.....0	.....0	.....0
8. Other invested assets (Schedule BA).....	.....0	.....0	.....0
9. Receivables for securities.....	.....0	.....0	.....0
10. Securities lending reinvested collateral assets (Schedule DL).....	.....0	.....0	.....0
11. Aggregate write-ins for invested assets.....	.0	0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	854,376	539,589	(314,787)
13. Title plants (for Title insurers only).....	.....0	.....0	.....0
14. Investment income due and accrued.....	.....0	.....0	.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	157,045	63,449	(93,596)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	136,239	420,438	284,199
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	69,150	.....0	(69,150)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	.....0	.....0	.....0
16.2 Funds held by or deposited with reinsured companies.....	.....0	.....0	.....0
16.3 Other amounts receivable under reinsurance contracts.....	.....0	.....0	.....0
17. Amounts receivable relating to uninsured plans.....	.....0	.....0	.....0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	.....0	.....0	.....0
18.2 Net deferred tax asset.....	.....0	.....0	.....0
19. Guaranty funds receivable or on deposit.....	.....0	.....0	.....0
20. Electronic data processing equipment and software.....	.....0	.....0	.....0
21. Furniture and equipment, including health care delivery assets.....	3,669,224	.....0	(3,669,224)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	.....0	.....0	.....0
23. Receivables from parent, subsidiaries and affiliates.....	.....0	.....0	.....0
24. Health care and other amounts receivable.....	.....0	.....0	.....0
25. Aggregate write-ins for other-than-invested assets.....	2,253,791	1,660,892	(592,899)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	7,139,825	2,684,368	(4,455,458)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....0	.....0	.....0
28. TOTALS (Lines 26 and 27).....	7,139,825	2,684,368	(4,455,458)

DETAILS OF WRITE-INS

1101.....	.....0	.....0	.....0
1102.....	.....0	.....0	.....0
1103.....	.....0	.....0	.....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. Prepaid expenses.....	1,361,557	726,909	(634,648)
2502. Receivable from insureds for deductible payments.....	890,726	933,983	43,257
2503. Commission receivable.....	1,508	.....0	(1,508)
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).....	2,253,791	1,660,892	(592,899)

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 #	2018	2017
1. Net income state basis	XXX	XXX	XXX	\$ 66,586,198	\$ 54,387,301
2. Effect of state prescribed practices				-	-
3. Effect of state permitted practices				-	-
4. Net income, NAIC SAP	XXX	XXX	XXX	<u>\$ 66,586,198</u>	<u>\$ 54,387,301</u>
5. Statutory surplus state basis	XXX	XXX	XXX	\$ 265,517,535	\$ 301,209,664
6. Effect of state prescribed practices				-	-
7. Effect of state permitted practices				-	-
8. Statutory surplus, NAIC SAP	XXX	XXX	XXX	<u>\$ 265,517,535</u>	<u>\$ 301,209,664</u>

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 premiums are established as liabilities and represent the portion of premiums written, but not yet 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. Bonds with a NAIC rating 1 and 2 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or fair value. The Company does not own any SVO Identified Exchange Traded Funds.
3. Common stocks are stated at fair value except for investments in subsidiaries – see Item 7.
4. Redeemable preferred stocks rated RP1 and RP2 are stated at amortized cost; perpetual preferred stocks rated P1 and P2 are stated at fair value; all others are stated at the lower of cost, amortized cost or fair value.
5. The Company's investment portfolio does not include any mortgage loans.
6. For residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and other loan-backed and structured securities (LBASS), the NAIC has retained third-party investment management firms to assist in the determination of the appropriate NAIC designations and Book Adjusted Carrying Values based not only on the probability of loss, but also on the severity of loss. Those RMBS, CMBS and other LBASS securities that are not modeled but receive a current year NAIC Credit Rating Provider (CRP) rating are subject to the Modified Filing Exempt process, which determines the appropriate NAIC designations and Book Adjusted Carrying Values. The prospective adjustment method is used for all these securities.
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 the statutory equity in net assets plus any applicable remaining goodwill. TransProtection Service Company (TPSC), a wholly owned non-insurance subsidiary, is stated at GAAP equity value, but is nonadmitted. Goodwill arising from the acquisition of VIC 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.

NOTES TO FINANCIAL STATEMENTS

9. The Company does not invest in derivative instruments.
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, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. 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

The Company purchased a 100% interest in Vanliner Group, Inc. on July 1, 2010. The affiliates of Vanliner Group, Inc. included VIC, 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. Goodwill is recorded as a component of the change in unrealized gains (losses). 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. The transaction was accounted for as a statutory purchase and reflects the following:

Cost of Acquired Entity	Original Amount of Admitted Goodwill	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
\$ 120,529,625	\$ 22,328,870	\$ 3,349,330	\$ 2,232,887	2.4%

B. Statutory Merger

Not applicable

C. Assumption Reinsurance

Not applicable

D. Impairment Loss

Not applicable

Note 4 – Discontinued Operations

A - D. Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable

NOTES TO FINANCIAL STATEMENTS**B. Debt Restructuring**

Not applicable

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 had no loan-backed securities with a recognized other-than-temporary impairment ("OTTI") due to either the intent to sell or the inability or lack of intent to hold to recovery during 2018.
3. The Company does not have any loan-backed securities with OTTI recognized during 2018.
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		\$	(3,619,361)
2. 12 months or longer			(2,110,912)
b. The aggregate related fair value of securities with unrealized losses:			
1. Less than 12 months		\$	225,064,823
2. 12 months or longer			65,296,218

5. Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses as of December 31, 2018. The Company has the intent to hold such securities until they recover in value or mature.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

J. Real Estate

Not applicable

K. Low-Income Housing Tax Credits

Not applicable

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

	Gross (Admitted & Nonadmitted) Restricted					6	7	8	9	Percentage	
	Current Year									10	11
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	19,189,783	-	-	-	19,189,783	-	19,189,783	-	19,189,783	1.5%	1.5%
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	-	-
j. On deposit with states	96,435,118	-	-	-	96,435,118	93,775,349	2,659,769	-	96,435,118	7.5%	7.5%
k. On deposit with other regulatory bodies	600,879	-	-	-	600,879	602,045	(1,166)	-	600,879	0.0%	0.0%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
o. Total restricted assets	\$116,225,780	\$ -	\$ -	\$ -	\$ 116,225,780	\$ 94,377,394	\$ 21,848,386	\$ -	\$ 16,225,780	9.0%	9.1%

(a) Subset of column 1

(b) Subset of column 2

(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

M. Working Capital Finance Investments

Not applicable

N. Offsetting and Netting of Assets and Liabilities

Not applicable

O. Structured Notes

Not applicable

NOTES TO FINANCIAL STATEMENTS**P. 5GI Securities**

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds – AC	2	3	\$ 142,921	\$ 110,901	\$ 143,156	\$ 110,955
(2) Bonds – FV	-	-	-	-	-	-
(3) LB & SS – AC	-	-	-	-	-	-
(4) LB & SS – FV	3	-	367,627	-	367,627	-
(5) Preferred Stock – AC	-	-	-	-	-	-
(6) Preferred Stock – FV	1	1	140,253	140,253	140,253	140,253
(7) Total (1+2+3+4+5+6)	6	4	\$ 650,801	\$ 251,154	\$ 651,036	\$ 251,208

AC – Amortized Cost FV – Fair Value

Q. Short Sales

The company did not have any short sales during 2018.

R. Prepayment Penalty and Acceleration Fees

During 2018, the Company had 16 bonds sold, redeemed or otherwise disposed as a result of a callable feature with a total prepayment penalty of \$365,346.

	General Account	Protected Cell
(1) Number of CUSIPs	16	-
(2) Aggregate Amount of Investment Income	\$ 365,346	\$ -

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

Not applicable

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

There are no amounts excluded as the Company's due and accrued investment income is current.

Note 8 – Derivative Instruments**A - H. Not applicable as the Company does not invest in derivative instruments.****Note 9 – Income Taxes****A. Deferred Tax Assets and Deferred Tax Liabilities****1. The components of the net deferred tax asset / (liability) at December 31 are as follows:**

	2018			2017			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) Gross Deferred Tax Assets	\$19,500,393	\$3,001,046	\$22,501,439	\$17,722,345	\$3,308,323	\$ 21,030,668	\$ 1,778,048	\$ (307,277)	\$ 1,470,771
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	19,500,393	3,001,046	22,501,439	17,722,345	3,308,323	21,030,668	1,778,048	(307,277)	1,470,771
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal (Net Deferred Tax Assets) (1c-1d)	19,500,393	3,001,046	22,501,439	17,722,345	3,308,323	21,030,668	1,778,048	(307,277)	1,470,771
(f) Deferred Tax Liabilities	5,089,129	1,397,674	6,486,803	3,933,282	2,115,308	6,048,590	1,155,847	(717,634)	438,213
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e-1f)	\$14,411,264	\$1,603,372	\$16,014,636	\$13,789,063	\$1,193,015	\$14,982,078	\$ 622,201	\$ 410,357	\$ 1,032,558

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components, SSAP No. 101:

	2018			2017			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	\$10,302,247	\$ -	\$10,302,247	\$ 3,896,676	\$ -	\$ 3,896,676	\$ 6,405,571	\$ -	\$ 6,405,571
(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:	5,872,607	3,001,046	8,873,653	11,153,472	3,308,323	14,461,795	(5,280,865)	(307,277)	(5,588,142)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	5,872,607	3,001,046	8,873,653	11,153,472	3,308,323	14,461,795	(5,280,865)	(307,277)	(5,588,142)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	36,653,261	XXX	XXX	41,793,839	XXX	XXX	(5,140,578)
(c). Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	3,325,539	-	3,325,539	2,672,197	-	2,672,197	653,342	-	653,342
(d). Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$19,500,393	\$3,001,046	\$22,501,439	\$17,722,345	\$ 3,308,323	\$21,030,668	\$ 1,778,048	\$ (307,277)	\$1,470,771

3. Other Admissibility Criteria:

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	432%	459%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 249,502,899	\$ 286,227,586

NOTES TO FINANCIAL STATEMENTS**4. Impact of Tax Planning Strategies**

	2018			2017			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)	\$19,500,393	\$3,001,046	\$22,501,439	\$17,722,345	\$3,308,323	\$21,030,668	\$1,778,048	\$(307,277)	\$1,470,771
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%	0.0%	0.0%	0.0%	0.0%	0.0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e).	\$19,500,393	\$3,001,046	\$22,501,439	\$17,722,345	\$3,308,323	\$21,030,668	\$1,778,048	\$(307,277)	\$1,470,771
4. Percentage of net adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

B. The Company has recognized all deferred tax liabilities.

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

1.

Current Income Tax:	(1) 2018	(2) 2017	(3) (Col 1-2) Change
(a) Federal	\$ 12,495,210	\$ 12,044,240	\$ 454,143
(b) Foreign	3,173	-	3,173
(c) Subtotal	12,498,383	12,044,240	454,143
(d) Federal income tax on net capital gains	(1,911,076)	1,458,913	(3,369,989)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and Foreign income taxes incurred	\$ 10,587,307	\$ 13,503,153	\$ (2,915,846)

NOTES TO FINANCIAL STATEMENTS

2.

Deferred Tax Assets:	(1) 2018	(2) 2017	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 9,076,802	\$ 8,960,798	\$ 116,004
(2) Unearned premium reserve	6,886,783	6,700,310	186,473
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	1,819,192	1,305,816	513,376
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	718,546	680,865	37,681
(14) Other assets – nonadmitted	999,070	74,556	924,514
(99) Subtotal	\$19,500,393	\$ 17,722,345	\$ 1,778,048
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$19,500,393	\$ 17,722,345	\$ 1,778,048
(e) Capital:			
(1) Investments	\$ 3,001,046	\$ 3,308,323	\$ (307,277)
(2) Net capital loss carry-forward	-	-	-
(3) Real Estate			
(4) Other (including items <5% of total capital tax assets)			
(99) Subtotal	\$ 3,001,046	\$ 3,308,323	\$ (307,277)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 3,001,046	\$ 3,308,323	\$ (307,277)
(i) Admitted deferred tax assets (2d+2h)	\$ 22,501,439	\$ 21,030,668	\$ 1,470,771

3.

Deferred Tax Liabilities:	(1) 2018	(2) 2017	(3) (Col 1-2) Change
(a) Ordinary:			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed assets	2,032,765	300,712	1,732,053
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Discount of unpaid losses transition	2,589,608	3,430,574	(840,966)
(6) Other (including items <5% of total ordinary tax liabilities)	466,756	201,996	264,760
(99) Subtotal	\$ 5,089,129	\$ 3,933,282	\$ 1,155,847
(b) Capital:			
(1) Investments	\$ 1,397,674	\$ 2,115,308	\$ (717,634)
(2) Real estate			-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 1,397,674	\$ 2,115,308	\$ (717,634)
(c) Deferred tax liabilities (3a99+3b99)	\$ 6,486,803	\$ 6,048,590	\$ 438,213

4. Net Deferred Tax Assets/Liabilities (2i-3c) \$ 16,014,636 \$ 14,982,078 \$ 1,032,558

NOTES TO FINANCIAL STATEMENTS

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

The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory rate of 21% in 2018, and 35% in 2017, to net income are as follows:

	2018	2017
Income taxes at the statutory rate	\$ 16,266,930	\$ 23,812,820
Tax rate change from 35% to 21%	-	9,988,051
Intercompany dividends	(3,570,000)	(6,195,000)
Tax exempt income deduction	(785,530)	(1,481,648)
Dividend received deduction	(98,615)	(292,922)
Other	(1,172,483)	(1,207,875)
Totals	\$ 10,640,302	\$ 24,623,426
Federal and foreign income taxes incurred	\$ 12,498,383	\$ 12,044,240
Federal income tax on net capital (losses) gains	(1,911,076)	1,458,913
Change in net deferred income taxes ex. unrealized	52,995	11,120,273
Total statutory income taxes	\$ 10,640,302	\$ 24,623,426

E. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2018, 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	Amount	Ordinary	Capital
2018	\$ 7,124,441	\$ 7,124,441	\$ -
2017	3,177,806	3,177,806	-
2016 (11/11-12/31)	-	-	-

3. At December 31, 2018, the Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. The Company's federal income tax return is consolidated.

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

AAG Insurance Agency, Inc.	Great American Management Services, Inc.
ABA Insurance Services, Inc.	Great American Protection Insurance Company
American Empire Insurance Company	Great American Re Inc.
American Empire Surplus Lines Insurance Company	Great American Security Insurance Company
American Empire Underwriters, Inc.	Great American Spirit Insurance Company
American Financial Enterprises, Inc.	Great Southwest Corporation
American Financial Group, Inc.	Great American Underwriters Insurance Company
American Highways Insurance Agency, Inc.	Hangar Acquisition Corp.
American Money Management Corporation	Hudson Indemnity, Ltd.
American Premier Underwriters, Inc.	Indianapolis Union Railway Company (The)
American Signature Underwriters, Inc.	Key Largo Group, Inc.
Annuity Investors Life Insurance Company	Lehigh Valley Railroad Company
APU Holding Company	Magnolia Alabama Holdings, Inc.
Associates of the Jersey Company (The)	Manhattan National Holding Corporation
Bridgefield Casualty Insurance Company	Manhattan National Life Insurance Company
Bridgefield Employers Insurance Company	Mid-Continent Assurance Company
Brothers Pennsylvanian Corporation	Mid-Continent Casualty Company
Brothers Property Corporation	Mid-Continent Excess and Surplus Insurance Company
Brothers Property Management Corporation	Mid-Continent Specialty Insurance Services, Inc.
Ceres Group, Inc.	National Interstate Corporation
Continental General Corporation	National Interstate Insurance Agency, Inc.
Crop Managers Insurance Agency, Inc.	National Interstate Insurance Company
Dempsey & Siders Agency, Inc.	National Interstate Insurance Company of Hawaii, Inc.
Dixie Terminal Corporation	Oklahoma Surety Company
Eden Park Insurance Brokers, Inc.	One East Fourth, Inc.
Explorer RV Insurance Agency, Inc.	Owasco River Railway, Inc. (The)
Farmers Crop Insurance Alliance, Inc.	PCC Maryland Realty Corp.
FCIA Management Company, Inc.	PCC Technical Industries, Inc.

NOTES TO FINANCIAL STATEMENTS

GAI Insurance Company, Ltd.	Penn Central Energy Management Company
GAI Mexico Holdings, LLC	Penn Towers, Inc.
GAI Warranty Company	Pioneer Carpet Mills, Inc.
GAI Warranty Company of Florida	Pittsburgh and Cross Creek Railroad Company
GALIC Brothers, Inc.	Premier Lease & Loan Services Insurance Agency, Inc.
Global Premier Finance Company	Premier Lease & Loan Services of Canada, Inc.
Great American Advisors, Inc.	Professional Risk Brokers, Inc.
Great American Agency of Texas, Inc.	QQAgency of Texas, Inc.
Great American Alliance Insurance Company	Republic Indemnity Company of America
Great American Assurance Company	Republic Indemnity Company of California
Great American Casualty Insurance Company	Risico Management Corporation
Great American Contemporary Insurance Company	Safety Claims & Litigation Services, LLC
Great American E & S Insurance Company	Safety, Claims and Litigation Services, LLC
Great American Fidelity Insurance Company	Skipjack Marina Corp.
Great American Financial Resources, Inc.	Summit Consulting, LLC
Great American Holding, Inc.	Summit Holding Southeast, Inc.
Great American Insurance Agency, Inc.	TEJ Holdings, Inc.
Great American Insurance Company	Three East Fourth, Inc.
Great American Insurance Company of New York	TransProtection Service Company
Great American Life Insurance Company	Triumph Casualty Company
Great American Lloyd's Insurance Company	Vanliner Insurance Company
Great American Lloyd's, Inc.	Waynesburg Southern Railroad Company

2. Pursuant to the tax allocation agreement, the Company's tax expense will be determined based upon its inclusion in the consolidated tax return of AFG and its included subsidiaries. Estimated payments are to be made quarterly during the year. Following year-end, additional settlements will be made on the original due date of the return and, when extended, at the time the return is filed. The method of allocation among the companies under the agreement is based upon separate return calculations with current credit for net losses to the extent the losses provide a benefit in the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company does not have any tax loss contingencies.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

The Company has no liability under the Repatriation Transition Tax.

I. Alternative Minimum Tax (AMT Credit)

The Company has no AMT credit.

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. The Company also owns 100% of TCC, NIHI, VIC, and Transprotection Service Company (TPSC). 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), and Hudson Management Group, Ltd.

On June 30, 2017, the Company's indirect parent, National Interstate Corporation (the Corporation), along with its subsidiaries, was transferred through a dividend from Great American Insurance Company to its parent American Financial Group, Inc. (AFG), a public company (NYSE:AFG). AFG then contributed the Corporation and its subsidiaries to Great American Holding, Inc., another subsidiary of AFG. The organizational structure of the Corporation's subsidiaries remains unchanged.

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

The Company received the following dividends from its wholly owned subsidiaries during 2018:

<u>Date</u>	<u>Amount</u>	<u>Type</u>	<u>Entity</u>
11/26/2018	\$ 1,200,000	Ordinary	NIHI
11/26/2018	\$ 1,900,000	Ordinary	TCC
11/26/2018	\$ 13,400,000	Ordinary	VIC
11/26/2018	\$ 500,000	N/A	TPSC

NOTES TO FINANCIAL STATEMENTS

The Company paid the following dividends to its parent National Interstate Corporation during 2018:

<u>Date</u>	<u>Amount</u>	<u>Type</u>
06/18/2018	\$ 40,000,000	Extraordinary
12/17/2018	\$ 14,387,301	Ordinary
12/17/2018	\$ 40,612,699	Extraordinary

The Corporation paid the following dividends to its parent Great American Holding, Inc. during 2018:

<u>Date</u>	<u>Amount</u>	<u>Type</u>
06/20/2018	\$ 40,000,000	N/A
12/19/2018	\$ 55,000,000	N/A

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,

	<u>2018</u>	<u>2017</u>
National Interstate Corporation	\$ (52,766)	\$ 183,986
National Interstate Insurance Agency, Inc.	(45,524)	77,865
National Interstate Insurance of Hawaii, Inc.	403,738	(755,492)
Triumphé Casualty Company	(2,437,984)	(2,591,650)
American Highways Insurance Agency, Inc.	100,929	42,325
Explorer RV Insurance Agency, Inc.	196	6,360
Hudson Indemnity, Ltd.	(1,525,483)	1,777,711
Hudson Management Group, Ltd.	(156,050)	(156,050)
TransProtection Service Company	162,287	342,252
Vanliner Insurance Company	<u>(8,144,830)</u>	<u>16,450,098</u>
Total	\$ (11,695,487)	\$ 15,377,405

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 2018 were \$15,302,605.

The Company has an agreement with American Money Management Corporation (AMMC), a wholly owned subsidiary of AFG, whereby AMMC manages a majority of the Company's investment portfolio at an annual cost of 15 basis points of the portfolio's fair value. Fees incurred for these services during 2018 were \$648,969.

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 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 \$141,849,324, which includes unamortized goodwill of \$3,349,330 (See Note 3A).

NOTES TO FINANCIAL STATEMENTS

Goodwill is amortized on a straight-line basis over a ten-year period.

Summarized statutory information for VIC follows.

Description	Amount
Admitted Assets	\$478,167,948
Liabilities	\$339,667,954
Policyholders' Surplus	\$138,499,994
Net Income	\$17,568,696

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

Not applicable

K. Foreign Subsidiary Valued Using CARVM

Not applicable

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 %	\$ 854,376	\$ -	\$ 854,376
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 854,376	\$ -	\$ 854,376
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	\$ 854,376	\$ -	\$ 854,376
f. Aggregate Total (a + e)	XXX	\$ 854,376	\$ -	\$ 854,376

(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	S1	5/15/14	\$ -	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

NOTES TO FINANCIAL STATEMENTS

O. SCA Loss Tracking

Not applicable

Note 11 – Debt

- A. The Company does not have any outstanding liability for borrowed money.
- B. The Company does not have any agreements with the Federal Home Loan Bank.

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

- A. Defined Benefit Plans - The Company does not have any defined benefit plans.
- B. Defined Benefit Plan Assets - The Company does not have any defined benefit plans.
- C. Defined Benefit Plan Fair Value of Assets - The Company does not have any defined benefit plans.
- D. Defined Benefit Plans - Rate of Return on Assets Assumptions - The Company does not have any defined benefit plans.
- E. Defined Contribution Plans - The Company does not have any defined contribution plans.
- F. Multiemployer Plans - The Company does not have any multiemployer plans.
- G. Consolidated / Holding Company Plans
Employee Retirement Plan

AFG has established the American Financial Group, Inc. 401(k) Retirement and Savings Plan (the AFG Plan) for the benefit of employees of AFG and its participating subsidiaries, which includes the Company. The Company transitioned to the AFG Plan on January 1, 2018. Substantially all employees of the Company meeting minimum requirements regarding service are eligible to participate in the AFG Plan. The AFG Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by the Company on their behalf. The AFG Plan has three types of contributions, including (1) Retirement Contributions made by the Company, (2) 401(k) Contributions made by participating employees, and (3) Matching Contributions made by the Company. The benefits for the Retirement Contributions are based on eligible compensation as defined by the AFG Plan for each year of participation. Funding is determined annually. Each AFG participating subsidiary contributes an amount for Retirement Contributions based upon the relationship of its total eligible compensation to total eligible compensation under the AFG Plan for all participating subsidiaries. In addition, participating employees are permitted to make 401(k) Contributions to the AFG Plan. Matching Contributions may be made by the Company based on the amount of 401(k) Contributions made by the participating employees. The AFG Plan costs are funded as they accrue and vested benefits are fully funded. Both Retirement Contributions and Matching Contributions to the Plan are subject to the discretion of the Company. The Company has no liability for future contributions to the AFG Plan. At December 31, 2018, the fair market value of the AFG Plan's Retirement Contribution assets was \$418,316,722 and the fair market value of the AFG Plan's Matching Contributions assets was \$257,844,922. The Company's share of the expense for the plan during 2018 was \$1,386,726.

During 2017, the Company's employees participated in the National Interstate Savings and Profit Sharing Plan (the Savings Plan) sponsored by the Corporation. The Company's share of the expense for the plan during 2017 was \$1,143,842.

Postretirement Benefit Plan

The Company provides postretirement health care and life insurance benefits to employees meeting age and service requirements through plans sponsored by AFG. The retiree medical care plan is a contributory plan covering all eligible employees hired prior to 1993; employees hired after 1992 pay the full cost of retiree medical coverage. The Company has established a cap on the total amount of health care costs that are subsidized for the majority of current retirees. All eligible future retirees receive a flat dollar amount contributed to a Retiree Health Reimbursement Arrangement Account. The Company currently pays the full cost of life insurance coverage for past retirees, but no coverage is provided for new retirees after 2005. The medical plan is funded by monthly payments to a trust. Life insurance benefits are provided by insurance contracts. AFG has the right to modify or terminate either of these plans in the future. The Company has the right to terminate its participation at any time in the future.

The Company accrues its postretirement benefits over the period the employees qualify for such benefits. At December 31, 2018, the Company's accumulated postretirement benefit obligation was \$156,933 using a discount rate of 4.00% of which \$19,947 is currently accrued. Net postretirement benefit costs for the year ended December 31, 2018, were \$54,946, which includes service cost, interest cost and amortization of the transition obligation.

NOTES TO FINANCIAL STATEMENTS

The weighted average annual assumed rate of increase in the health care cost trend rate is 6.50% for 2019 and is assumed to decrease gradually to 5.00% over 6 years and to remain at that level thereafter. The effect of a 1% increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation at December 31, 2018 by \$156.

H. Postemployment Benefits and Compensated Absences

The Company has accrued for postemployment benefits in accordance with SSAP No. 11.

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, 2018.

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 2019 is \$66,586,198.

D. Dates and Amounts of Dividends Paid

The Company paid an extraordinary dividend in the amount of \$40,000,000 on June 18, 2018. The Company paid an ordinary dividend in the amount of \$14,387,301 and another extraordinary dividend in the amount of \$40,612,699 on December 17, 2018.

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 \$4,061,589 after deducting applicable deferred taxes of \$1,079,663.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

At December 31, 2018, the Company has an outstanding capital commitment of \$8,885,384 related to future investments in limited partnerships. There were no commitments or contingent commitments to affiliates or any other entities, and the Company has made no guarantees on behalf of its affiliates or on indebtedness of others.

NOTES TO FINANCIAL STATEMENTS

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 \$3,382,450 and \$3,552,984, 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 \$178,627,461 and \$159,365,963, 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 \$362,434 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 \$256,360 and \$1,175,493 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, 2018, there are no office lease obligations for the Company. There was no rental expense in either 2018 or 2017.
2. At December 31, 2018, 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 an unrelated party. 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.
- b. Rental income for the current and the prior year was approximately \$408,891 and \$399,169, respectively.

NOTES TO FINANCIAL STATEMENTS

c. Future minimum lease payments receivables under non-cancelable leasing arrangements are as follows:

Year	Amount
2019	\$ 394,744
2020	399,938
2021	405,132
2022	-
2023	-
Thereafter	-
Total	\$ 1,199,814

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 has no financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

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

- A. The Company did not sell any receivable balances during 2018.
- B. Transfers and Servicing of Financial Assets – Not applicable.
- C. The Company was not involved in any wash sale transactions during 2018.

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

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

The following table provides information as of December 31, 2018 about the Company's investments measured at fair value.

Assets at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
Bonds					
Industrial and misc	\$ 346,150	\$ 8,175,316	\$ 470,089	\$ -	\$ 8,991,555
Total bonds	\$ 346,150	\$ 8,175,316	\$ 470,089	\$ -	\$ 8,991,555
Perpetual preferred stock					
Industrial and misc	\$ 13,359,176	\$ 980,000	\$ -	\$ -	\$ 14,339,176
Total preferred stocks	\$ 13,359,176	\$ 980,000	\$ -	\$ -	\$ 14,339,176
Common stock					
Industrial and misc	\$ 17,171,786	\$ -	\$ 1,026,128	\$ -	\$ 18,197,914
Total common stocks	\$ 17,171,786	\$ -	\$ 1,026,128	\$ -	\$ 18,197,914
Total assets at fair value	<u>\$ 30,877,112</u>	<u>\$ 9,155,316</u>	<u>\$ 1,496,217</u>	<u>\$ -</u>	<u>\$ 41,528,645</u>

The following table provides information as of December 31, 2017 about the Company's investments measured at fair value.

Assets at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
Bonds					
Industrial and misc	\$ -	\$ 4,097,484	\$ 342,430	\$ -	\$ 4,439,914
Total bonds	\$ -	\$ 4,097,484	\$ 342,430	\$ -	\$ 4,439,914
Perpetual preferred stock					
Industrial and misc	\$ 10,048,030	\$ 1,040,000	\$ 140,253	\$ -	\$ 11,228,283
Total preferred stocks	\$ 10,048,030	\$ 1,040,000	\$ 140,253	\$ -	\$ 11,228,283
Common stock					
Industrial and misc	\$ 24,650,868	\$ -	\$ 815,253	\$ -	\$ 25,466,121
Total common stocks	\$ 24,650,868	\$ -	\$ 815,253	\$ -	\$ 25,466,121
Total assets at fair value	<u>\$ 34,698,898</u>	<u>\$ 5,137,484</u>	<u>\$ 1,297,936</u>	<u>\$ -</u>	<u>\$ 41,134,318</u>

The Company uses the end of the reporting period as its policy for determining transfers into and out of each level. There were no transfers between Level 1 and Level 2 during the year ended December 31, 2018 and 2017, respectively.

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, 2018 and 2017.

	Beginning Balance at 1/1/2018	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 12/31/2018
Industrial and misc bonds	\$ 342,430	\$ -	\$ 168,750	\$ -	\$ (23,281)	\$ -	\$ -	\$ (17,810)	\$ -	\$ 470,089
Industrial and misc preferred stocks	140,253	-	(140,253)	-	-	-	-	-	-	-
Industrial and misc common stocks	815,253	-	-	-	246,785	-	-	(35,910)	-	1,026,128
Total	<u>\$ 1,297,936</u>	<u>\$ -</u>	<u>\$ 28,497</u>	<u>\$ -</u>	<u>\$ 223,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,720)</u>	<u>\$ -</u>	<u>1,496,217</u>

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance at 1/1/2017	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 12/31/2017
Industrial and misc bonds	\$ -	\$ 342,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,430
Industrial and misc preferred stocks	140,253	-	-	-	-	-	-	-	-	140,253
Industrial and misc common stocks	940,253	-	-	-	(125,000)	-	-	-	-	815,253
Total	\$ 1,080,506	\$ 342,430	\$ -	\$ -	\$ (125,000)	\$ -	\$ -	\$ -	\$ -	\$ 1,297,936

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, 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 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.

NOTES TO FINANCIAL STATEMENTS**C. Other Fair Value Disclosures**

The table below reflects, as of December 31, 2018, 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	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 733,086,209	\$ 732,796,633	\$ 4,764,862	\$ 718,243,014	\$ 10,078,333	\$ -	\$ -
Preferred stocks	16,326,215	16,105,148	15,165,963	1,019,999	140,253	-	-
Common stocks	18,197,914	18,197,914	17,171,786	-	1,026,128	-	-
Cash, cash equivalents & short-term investments	61,467,142	61,467,142	61,467,142	-	-	-	-
Totals	\$ 829,077,480	\$ 828,566,837	\$ 98,569,753	\$ 719,263,013	\$ 11,244,714	\$ -	\$ -

The table below reflects, as of December 31, 2017, 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	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 719,389,766	\$ 707,764,412	\$ 3,327,394	\$ 697,513,135	\$ 18,549,237	\$ -	\$ -
Preferred stocks	16,102,545	15,530,086	14,870,292	1,092,000	140,253	-	-
Common stocks	25,466,121	25,466,121	24,650,868	-	815,253	-	-
Cash, cash equivalents & short-term investments	84,217,924	84,217,924	84,217,924	-	-	-	-
Totals	\$ 845,176,356	\$ 832,978,543	\$ 127,066,478	\$ 698,605,135	\$ 19,504,743	\$ -	\$ -

D. Not Practicable to Estimate Fair Values

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

Not applicable

Note 21 – Other Items**A. Unusual or Infrequent Items**

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Investments carried at \$97,035,997 and \$94,377,394 at the end of December 31, 2018 and 2017, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax Credits

Not applicable

F. 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.

NOTES TO FINANCIAL STATEMENTS

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	\$ 10,408,805	\$ 8,139,853	\$ 9,388,290	\$ 2,320,121	
b. Commercial mortgage-backed securities	-	-	-	-	
c. Collateralized debt obligations	-	-	-	-	
d. Structured securities	-	-	-	-	
e. Equity investments in SCAs *	5,907,619	6,391,653	6,796,075		
f. Other Assets	-	-	-	-	
g. Totals	<u>\$ 16,316,424</u>	<u>\$ 14,531,506</u>	<u>\$ 16,184,365</u>	<u>\$ 2,320,121</u>	

* 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 22, 2019, the date of issuance of these financial statements.

The Company filed an extraordinary dividend notice with the Ohio Department of Insurance on February 5, 2019. This dividend is payable to the Corporation on March 8, 2019, subject to regulatory approval, in the amount of \$20,000,000.

There were no other 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	\$235,619,000
25364	13-1675535	Swiss Reinsurance America Corp	68,046,000
10227	13-4924125	Munich Reins America Inc.	42,580,000
22039	13-2673100	General Reinsurance Corporation	21,309,000
11051	99-0345306	National Interstate Insurance Company of Hawaii	18,124,000
41106	95-3623282	Triumphre Casualty Company	18,124,000
10357	52-1952955	Renaissance Reinsurance U.S. Inc.	14,473,000
42439	13-2918573	TOA Reinsurance Company of America	11,280,000

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	\$ 93,253,664	\$ 9,648,160	\$116,634,829	\$ 6,572,856	\$(23,381,165)	\$ 3,075,304
All other	2,876,239	813,362	34,290,896	3,497,726	(31,414,657)	(2,684,364)
Totals	\$ 96,129,903	\$10,461,522	\$150,925,725	\$10,070,582	\$(54,795,822)	\$ 390,940

Direct Unearned Premium Reserve: \$ 218,600,408

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	\$ -	\$1,630,734	\$394,875	\$1,235,859
Sliding scale adjustments	-	-	-	-
Other profit commissions	-	-	-	-
Totals	\$ -	\$1,630,734	\$394,875	\$1,235,859

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 2018, 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 (2014 – 2015)	\$1,970,186
Wheels Ins Ltd (2013 – 2014)	881,520
Wheels Ins Ltd (2014 – 2015)	729,807
Total	<u>\$3,581,513</u>

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 deposits.

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 VIC an affiliated 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 2018 on retrospective policies were \$18,107,357, or 5.6%, of total net premiums written.

D. Medical Loss Ratio

Not applicable

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Ten percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserves), or collateral as permitted by SSAP No. 66, Retrospectively Rated Contracts, has been nonadmitted. The calculation is summarized as follows:

<u>Accrued Retrospective Premiums</u>	<u>Amount</u>
a. Total accrued retro premium	\$5,772,144
b. Unsecured amount	691,501
c. Less: Nonadmitted amount (10% of unsecured)	69,150
d. Less: Nonadmitted for any person whom agents' balances or uncollected premiums are nonadmitted	-
e. Admitted amount (a – c – d)	<u><u>\$5,702,994</u></u>

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

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. 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 2018 and 2017:

	Year Ended December 31	
	2018	2017
Outstanding losses and LAE, net of reinsurance recoverables, at beginning of year	\$ 445,289,947	\$ 425,290,230
Add provision for claims, net of reinsurance, occurring in:		
Current year	208,850,000	208,380,000
Prior years	<u>(13,955,650)</u>	<u>(2,154,544)</u>
Net incurred losses during the current year	<u><u>194,894,350</u></u>	<u><u>206,225,456</u></u>
Deduct payments for claims, net of reinsurance occurring in:		
Current year	44,807,000	52,935,000
Prior years	<u>125,720,343</u>	<u>133,290,739</u>
Net claim payments during the current year	<u><u>170,527,343</u></u>	<u><u>186,225,739</u></u>
Outstanding losses and LAE, net of reinsurance recoverables, at end of year	<u><u>\$ 469,656,954</u></u>	<u><u>\$ 445,289,947</u></u>

The foregoing reconciliation shows that \$13,955,650 of favorable development in the December 31, 2017 balances emerged in 2018 and \$2,154,544 of favorable development in the December 31, 2016 balances emerged in 2017. The favorable development in 2018 and 2017 resulted from the combination of settling cases and adjusting current estimates of case and incurred but not reported (IBNR) reserves for amounts less than the case and IBNR estimates carried at

NOTES TO FINANCIAL STATEMENTS

the end of December 31, 2017 and December 31, 2016, respectively. 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.

B. Significant Change in Methodologies and Assumptions

Not applicable

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
Triumph 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 pool members will share the uncollectible balance in accordance with the pooling participation schedule. As of December 31, 2018, under the pooling agreement, the Company, the lead entity for pooling activity, has payable balances due to NIHI and TCC of \$167,623 and \$1,064,810, respectively and a \$453,858 receivable due from 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 twenty-eight 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
\$ 6,261,813	\$ -

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

Not applicable as the Company does not have participating policies.

Note 30 – Premium Deficiency Reserves

As of December 31, 2018, the Company does not have any premium deficiency reserves.

Liability carried for premium deficiency reserves	\$ -
Date of the most recent evaluation of this liability	1/09/2018
Was anticipated investment income utilized in the calculation?	Yes [] No [X]

NOTES TO FINANCIAL STATEMENTS

Note 31 – High Deductibles

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

1. Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims

Annual Statement Line of Business	Gross (of High Deductible) Loss Reserves	Reserve Credit for High Deductibles	Billed Recoverables on Paid Claims	Total High Deductibles and Billed Recoverables
Auto Liability	\$ 2,575,776	\$ 1,663,282	\$ 278,831	\$ 1,942,113
Workers' Compensation	135,707	135,707	56,492	192,199

2. Unsecured Amounts of High Deductibles

a. Total high deductibles and billed recoverables on paid claims	\$ 2,134,312
b. Collateral on balance sheet	596,771
c. Collateral off balance sheet	6,090,359
d. Total Unsecured deductibles and billed recoverables on paid claims	364,322
e. Percentage unsecured	17.07%

3. High Deductible Recoverables Amounts on Paid Claims

a. Amount of overdue nonadmitted (either due to aging or collateral)	\$ 13,936
b. Total over 90 days overdue admitted	<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black;"/>
c. Total overdue (a+b)	\$ 13,936

4. The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies

Counterparty Ranking	Top Unsecured High Deductible Amounts
Counterparty 1	\$ 288,059
Counterparty 2	35,838
Counterparty 3	21,700
Counterparty 4	18,725

B. Unsecured High Deductibles Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which are Greater Than 1% of Capital and Surplus – Not Applicable

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

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

The Company does not write financial guaranty insurance.

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

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

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

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

1.3 State regulating? Ohio

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [X] No []

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 1042046

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. 12/31/2016

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. 12/31/2016

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). 11/17/2017

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 [X] No []

4.12 renewals? Yes [X] No []

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 [X] No []

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]

If the answer is YES, complete and file the merger history data file with the NAIC.

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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?			Yes [X]	No []	N/A []
10.6	If the response to 10.5 is no or n/a, please explain:					
11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?			<u>Lisa Hays, Divisional Senior VP - Great American Insurance Company 301 East 4th Street, Cincinnati, Ohio 45202</u>		
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?			Yes []	No [X]	
	12.11	Name of real estate holding company				0
	12.12	Number of parcels involved				
	12.13	Total book/adjusted carrying value			\$	0
12.2	If yes, provide explanation					
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:					
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?					
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?			Yes []	No []	
13.3	Have there been any changes made to any of the trust indentures during the year?			Yes []	No []	
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?			Yes []	No []	N/A []
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?			Yes [X]	No []	
	(a)	Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;				
	(b)	Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;				
	(c)	Compliance with applicable governmental laws, rules and regulations;				
	(d)	The prompt internal reporting of violations to an appropriate person or persons identified in the code; and				
	(e)	Accountability for adherence to the code.				
14.11	If the response to 14.1 is no, please explain:					
14.2	Has the code of ethics for senior managers been amended?			Yes []	No [X]	
14.21	If the response to 14.2 is yes, provide information related to amendment(s).					
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?			Yes []	No [X]	
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).					
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?			Yes [X]	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	2	3	4		
	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount		
	104000854	American National Bank	Non Payment of Policy Premiums	\$	50,000	
	082905505	Anstaff Bank	Non Payment of Policy Premiums	\$	26,000	
	271972899	Bank Financial	Non Payment of Policy Premiums	\$	14,721	
	075901134	Bank First National	Non Payment of Policy Premiums	\$	30,201	
	053112039	Bank of North Carolina	Non Payment of Policy Premiums	\$	149,410	
	075903446	Bank of the Prairie	Non Payment of Policy Premiums	\$	20,000	
	062102386	Camden National Bank	Non Payment of Policy Premiums	\$	73,979	
	081500859	Central Bank of Boone County	Non Payment of Policy Premiums	\$	200,000	
	244172095	Century National Bank	Non Payment of Policy Premiums	\$	41,840	
	072410013	Chemical Bank	Non Payment of Policy Premiums	\$	21,538	
	031308302	Citizens & Northern Bank	Non Payment of Policy Premiums	\$	15,000	
	064201120	Community National Bank	Non Payment of Policy Premiums	\$	12,259	
	091907125	Deerwood Bank	Non Payment of Policy Premiums	\$	12,038	
	243074385	Dollar Bank	Non Payment of Policy Premiums	\$	51,578	
	121108441	Farmers & Merchants Bank of Central California	Non Payment of Policy Premiums	\$	540,131	
	041208421	Farmers State Bank	Non Payment of Policy Premiums	\$	34,081	
	083900525	Field & Main Bank	Non Payment of Policy Premiums	\$	28,000	
	084008811	First Capital Bank	Non Payment of Policy Premiums	\$	120,321	
	064204774	First Century Bank	Non Payment of Policy Premiums	\$	17,906	
	062102726	First Community Bank	Non Payment of Policy Premiums	\$	62,044	
	091305031	First International Bank and Trust	Non Payment of Policy Premiums	\$	31,349	
	082901538	First Security Bank	Non Payment of Policy Premiums	\$	53,024	
	084304243	First State Bank	Non Payment of Policy Premiums	\$	80,005	
	091905525	First State Bank of Swanville	Non Payment of Policy Premiums	\$	25,312	
	071925826	First Trust Bank of IL	Non Payment of Policy Premiums	\$	100,000	
	103100881	First United Bank & Trust	Non Payment of Policy Premiums	\$	930,625	
	071122616	Fisher National Bank of Mahomet	Non Payment of Policy Premiums	\$	14,433	
	042108397	Forcht Bank	Non Payment of Policy Premiums	\$	50,000	
	325181248	Gesa Credit Union	Non Payment of Policy Premiums	\$	18,490	
	111905612	Gilmer National Bank	Non Payment of Policy Premiums	\$	87,659	

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

067006775	Harbor Community Bank	Non Payment of Policy Premiums	\$ 700,000
075911852	Johnson Bank	Non Payment of Policy Premiums	\$ 54,533
031310219	The Juniata Valley Bank	Non Payment of Policy Premiums	\$ 79,191
044210063	Kingston National Bank	Non Payment of Policy Premiums	\$ 20,906
081500862	Landmark Bank	Non Payment of Policy Premiums	\$ 35,490
101107886	Legacy Bank	Non Payment of Policy Premiums	\$ 34,187
062203078	Merchants Bank of Alabama	Non Payment of Policy Premiums	\$ 5,947
031307086	Merchants Bank of Bangor	Non Payment of Policy Premiums	\$ 84,367
283971901	Mid-Southern Savings Bank	Non Payment of Policy Premiums	\$ 5,862
031205340	Newfield National Bank	Non Payment of Policy Premiums	\$ 5,000
101201863	Nodaway Valley Bank	Non Payment of Policy Premiums	\$ 26,184
243374218	Northwest Savings Bank	Non Payment of Policy Premiums	\$ 43,797
104102309	Platte Valley Bank	Non Payment of Policy Premiums	\$ 184,463
122042205	Preferred Bank	Non Payment of Policy Premiums	\$ 47,336
122221686	Rabbobank	Non Payment of Policy Premiums	\$ 31,537
081916731	Security National Bank	Non Payment of Policy Premiums	\$ 43,459
051409456	Select Bank	Non Payment of Policy Premiums	\$ 48,963
041215621	Signature Bankcorp, Inc.	Non Payment of Policy Premiums	\$ 21,355
071122645	Soy Capital	Non Payment of Policy Premiums	\$ 8,317
073913755	Sterling Bank	Non Payment of Policy Premiums	\$ 46,862
083000564	Stock Yards Bank & Trust	Non Payment of Policy Premiums	\$ 181,349
062105985	SunSouth Bank	Non Payment of Policy Premiums	\$ 8,625
113121135	Texas State Bank	Non Payment of Policy Premiums	\$ 18,844
081903867	The Bank of Missouri	Non Payment of Policy Premiums	\$ 111,165
041210448	The Middlefield Banking Company	Non Payment of Policy Premiums	\$ 11,295
071006486	The PrivateBank	Non Payment of Policy Premiums	\$ 364,799
011601100	Union Bank	Non Payment of Policy Premiums	\$ 31,739
051403164	Union First Market Bank	Non Payment of Policy Premiums	\$ 168,306
0611119464	United Community Bank	Non Payment of Policy Premiums	\$ 37,510
041272279	Westfield Bank	Non Payment of Policy Premiums	\$ 45,606

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

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

22.2 If answer is yes:

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

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

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

INVESTMENT

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

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

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 <i>Risk-Based Capital Instructions</i> ?	Yes []	No []	N/A [X]
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$ 0		
24.06	If answer to 24.04 is no, report amount of collateral for other programs	\$ 0		
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes []	No []	N/A [X]
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes []	No []	N/A [X]
24.09.	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?	Yes []	No []	N/A [X]
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:			
24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0		
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0		
24.103	Total payable for securities lending reported on the liability page:	\$ 0		
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes [X] No []		
25.2	If yes, state the amount thereof at December 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	\$ 19,189,783		
25.27	FHLB Capital Stock	\$ 96,435,118		
25.28	On deposit with states	\$ 600,879		
25.29	On deposit with other regulatory bodies	\$ 0		
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ 0		
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ 0		
25.32	Other	\$ 0		
25.3	For category (25.26) provide the following:			
	1 Nature of Restriction	2 Description	3 Amount	
	Partnership limitation	CANAL MEZZANINE PARTNERS II, LP	\$ 3,651,826	
	Partnership limitation	CANAL CAPITAL PARTNERS III, LP	\$ 839,598	
	Partnership limitation	CF SPECIAL SITUATION FUND I, LP	\$ 281,816	
	Partnership limitation	FORT WASHINGTON PRIVATE EQUITY OPPORTUNITIES FUND III, LP	\$ 5,036,188	
	Partnership limitation	PRIMUS CAPITAL FUND VII LP	\$ 9,099,850	
	Not registered with SEC	PERMIAN HOLDCO 2 INC	\$ 140,253	
	Not registered with SEC	PERMIAN HOLDCO 2 A	\$ 140,253	
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [] No [X]		
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?	Yes [] No [] N/A [X]		
	If no, attach a description with this statement.			
27.1	Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes [] No [X]		
27.2	If yes, state the amount thereof at December 31 of the current year:	\$ 0		
28.	Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC <i>Financial Condition Examiners Handbook</i> ?	Yes [X] No []		
28.01	For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , 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		
	The Bank of New York Mellon	1 Wall Street, New York, NY 10286		
28.02	For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , 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 [X] No []		
28.04	If yes, give full and complete information relating thereto:			
	1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
	US Bank	The Bank of New York Mellon	09/17/2018	Consolidate investments of all AFG insurance companies at one bank.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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
Gary Monda	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 [X]

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 [X]

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 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
161853	American Money Management Corporation	54930048Y5YTQDRCSM84	SEC	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 732,796,633	\$ 733,086,209	\$ 289,576
30.2	Preferred Stocks	\$ 16,105,148	\$ 16,326,215	\$ 221,067
30.3	Totals	\$ 748,901,781	\$ 749,412,424	\$ 510,643

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

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

Yes [X] No []

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:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?

Yes [X] No []

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

OTHER

35.1	Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?	\$	732,491
35.2	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	\$	492,551
36.1	Amount of payments for legal expenses, if any?	\$	146,117
36.2	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	\$	112,497
37.1	Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?	\$	0
37.2	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**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 320,758,527	\$ 307,821,703
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ 503,805	\$ 424,535
2.5	Reserve Denominator	\$ 633,471,328	\$ 604,704,360
2.6	Reserve Ratio (2.4/2.5)	0.1%	0.1%
3.1	Does the reporting entity issue both participating and non-participating policies?		Yes [] No [X]
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$ 0	0
3.22	Non-participating policies	\$ 0	0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	0
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	N/A [X]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes []	No []
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes []	No []
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?		
	<u>The Company is party to an intercompany pooling agreement where it retains no more than 700,000 per occurrence. In addition, the pool purchases up to 20M per person WC coverage and up to 55M multiple person WC coverage subject to a 15M maximum any one life.</u>		
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:		
	<u>The Company obtains its results from its Reinsurer and/or its Broker using RMS RiskLink model v17 for Hurricane and v17 for EQ to help identify locations of concentrations. In addition to RMS, AIR Touchstone v 5.0.0 results were attained and produced significantly lower PMLs through all loss return periods up to and including the 500 year event. Company also limits writing of property insurance in HI and coastal areas on the mainland.</u>		
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?		
	<u>The Company purchases up to 14.5M in Cat reinsurance limit in excess of 500K for property in HI and for select products located on the Mainland. All other property has catastrophe protection in excess of 500K retention. In addition, the Company maintains property per risk protection 14.9M xs 100K(minimum retention and varies by product).</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?		Yes [X] No []

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 [] 64
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [X] No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:	
	(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;	
	(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;	
	(c) Aggregate stop loss reinsurance coverage;	
	(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;	
	(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or	
	(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	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,	Yes [] No [X]
	(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [] No [X]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [] No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [] No [X]
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:	
12.11	Unpaid losses	\$ _____ 0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ _____ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ _____ 5,080,643
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	% _____

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

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	\$ 20,738,986			
12.62	Collateral and other funds	\$ 21,712,840			
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 1,400,000			
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [] No [X]			
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.	2			
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?	Yes [X] No []			
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <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 [X] No []			
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?	Yes [] No []			
14.5	If the answer to 14.4 is no, please explain:				
15.1	Has the reporting entity guaranteed any financed premium accounts?	Yes [] No [X]			
15.2	If yes, give full information				
16.1	Does the reporting entity write any warranty business?	Yes [] No [X]			
	If yes, disclose the following information for each of the following types of warranty coverage:				
	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0
16.14	Other*	\$ 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 is exempt from the statutory provision for unauthorized reinsurance?	Yes [] No [X]			
	Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:				
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ 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			
18.1	Do you act as a custodian for health savings accounts?	Yes [] No [X]			
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.	\$ 0			
18.3	Do you act as an administrator for health savings accounts?	Yes [] No [X]			
18.4	If yes, please provide the balance of the funds administered as of the reporting date.	\$ 0			
19.	Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states?	Yes [X] No []			
19.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes [] No []			

National Interstate Insurance Company
FIVE-YEAR HISTORICAL DATA

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

	1 2018	2 2017	3 2016	4 2015	5 2014
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)	587,051,950	567,565,299	549,923,287	553,066,322	535,622,684
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	76,840,634	86,254,369	93,915,213	90,141,414	91,482,125
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,454,584	6,405,146	6,487,960	5,645,496	5,147,370
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	808,989	576,261	78,107	170,018	803,483
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	670,156,156	660,801,075	650,404,567	649,023,250	633,055,661
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)	281,133,461	272,748,970	254,030,689	242,168,889	236,943,887
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	40,161,812	46,245,195	50,656,580	49,380,760	50,705,633
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,469,991	4,104,236	4,215,243	3,647,557	3,138,358
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	387,835	278,478	50,472	93,353	412,352
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	325,153,100	323,376,879	308,952,985	295,290,559	291,200,230
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	32,750,142	15,518,056	3,158,687	(8,059,849)	(15,669,165)
14. Net investment gain (loss) (Line 11)	52,591,687	55,135,111	26,573,432	26,222,489	26,357,865
15. Total other income (Line 15)	(6,257,248)	(4,221,626)	(4,627,443)	(4,283,734)	(4,590,344)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	12,498,383	12,044,240	8,958,603	1,331,092	743,114
18. Net income (Line 20)	66,586,198	54,387,301	16,146,072	12,547,813	5,355,242
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,283,039,372	1,272,393,181	1,286,548,943	1,200,140,217	1,117,627,560
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	22,890,037	25,871,994	25,556,781	11,941,121	9,196,431
20.2 Deferred and not yet due (Line 15.2)	150,034,430	133,493,969	129,019,209	154,828,220	153,129,206
20.3 Accrued retrospective premiums (Line 15.3)	5,702,994				
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,017,521,837	971,183,517	949,583,395	904,544,115	832,947,856
22. Losses (Page 3, Line 1)	384,947,589	370,855,100	356,089,387	329,140,383	298,096,458
23. Loss adjustment expenses (Page 3, Line 3)	84,709,365	74,434,847	69,200,843	73,996,145	68,491,530
24. Unearned premiums (Page 3, Line 9)	163,804,586	159,410,012	143,854,837	133,053,010	131,627,005
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)	265,517,535	301,209,664	336,965,548	295,596,102	284,679,704
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	68,846,944	94,351,765	59,056,519	55,274,685	34,373,376
Risk-Based Capital Analysis					
28. Total adjusted capital	265,517,535	301,209,664	336,965,548	295,596,102	284,679,704
29. Authorized control level risk-based capital	57,718,628	62,278,699	58,767,162	56,473,154	50,002,935
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)	69.1	67.0	66.7	68.1	67.1
31. Stocks (Lines 2.1 & 2.2)	19.6	20.2	21.3	23.4	25.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.8	2.9	1.7	1.7	1.8
34. Cash, cash equivalents and short-term investments (Line 5)	5.8	8.0	6.8	3.6	2.1
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.8	1.9	3.4	3.2	3.2
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)	174,078,956	172,717,498	181,621,050	173,208,212	171,023,923
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	174,078,956	172,717,498	181,621,050	173,208,212	171,023,923
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)	65.6	57.3	53.9	58.6	60.1

National Interstate Insurance Company
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(2,344,139)	(10,676,711)	19,107,272	(1,711,470)	6,882,220
52. Dividends to stockholders (Line 35).....	(95,000,000)	(70,000,000)	.....	.....	(10,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	(35,692,129)	(35,755,884)	41,369,445	10,916,398	1,260,589
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).....	303,181,872	333,328,362	350,286,172	301,246,698	323,233,524
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	37,027,470	52,098,426	47,357,242	49,118,841	48,433,563
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	3,209,288	1,746,142	1,825,785	1,342,456	1,129,404
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	81,570	8,486	.....	207,460	169,981
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
59. Total (Line 35).....	343,500,200	387,181,416	399,469,199	351,915,455	372,966,473
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).....	117,977,605	128,496,221	127,919,318	125,010,242	130,877,173
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	18,420,319	23,999,103	25,927,937	26,290,606	27,902,385
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,140,006	1,097,193	1,208,282	939,964	788,489
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	38,066	3,582	.....	73,836	59,493
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
65. Total (Line 35).....	138,575,996	153,596,100	155,055,537	152,314,648	159,627,540
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).....	47.6	54.7	61.0	62.4	65.3
68. Loss expenses incurred (Line 3).....	13.2	12.3	9.2	12.7	13.4
69. Other underwriting expenses incurred (Line 4).....	29.0	28.0	28.7	27.6	26.8
70. Net underwriting gain (loss) (Line 8).....	10.2	5.0	1.1	(2.7)	(5.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	30.6	27.9	29.2	29.0	27.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	60.8	67.0	70.2	75.1	78.7
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).....	122.5	107.4	91.7	99.9	102.3
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(16,801)	(3,943)	13,404	14,657	20,736
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(5.6)	(1.2)	4.5	5.1	7.3
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(19,401)	11,159	28,386	37,510	19,511
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(5.8)	3.8	10.0	13.2	7.2

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.....	.....1,911	.....698	.....320	.....105	.....229	.....	.....242	.....1,657	.....XXX.....
2. 2009.....	.....391,667	.....133,572	.....258,095	.....194,384	.....60,797	.....28,277	.....12,326	.....17,393	.....	.....4,234	.....166,930	.....XXX.....
3. 2010.....	.....388,397	.....134,176	.....254,221	.....253,030	.....96,535	.....35,308	.....16,824	.....16,685	.....4	.....4,698	.....191,659	.....XXX.....
4. 2011.....	.....392,230	.....146,659	.....245,571	.....276,690	.....118,776	.....40,597	.....22,122	.....15,461	.....	.....5,039	.....191,851	.....XXX.....
5. 2012.....	.....405,272	.....154,351	.....250,921	.....260,673	.....119,840	.....36,291	.....20,301	.....13,245	.....	.....4,214	.....170,069	.....XXX.....
6. 2013.....	.....454,725	.....180,218	.....274,507	.....291,334	.....135,609	.....35,719	.....20,167	.....13,610	.....	.....4,158	.....184,887	.....XXX.....
7. 2014.....	.....488,205	.....203,622	.....284,583	.....285,525	.....145,619	.....31,587	.....18,751	.....14,689	.....	.....4,576	.....167,431	.....XXX.....
8. 2015.....	.....512,201	.....218,337	.....293,864	.....293,031	.....159,016	.....27,330	.....17,687	.....16,317	.....	.....4,947	.....159,974	.....XXX.....
9. 2016.....	.....519,895	.....221,743	.....298,152	.....201,767	.....99,650	.....18,132	.....12,416	.....16,819	.....	.....5,017	.....124,652	.....XXX.....
10. 2017.....	.....508,056	.....200,234	.....307,822	.....169,496	.....86,297	.....11,305	.....8,177	.....15,165	.....	.....3,518	.....101,493	.....XXX.....
11. 2018.....	.....520,524	.....199,765	.....320,759	.....74,474	.....39,953	.....3,893	.....3,180	.....9,572	.....	.....1,340	.....44,807	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....2,302,317	.....1,062,791	.....268,760	.....152,057	.....149,186	.....4	.....41,983	.....1,505,411	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	.....10,047	.....4,386	.....13,680	.....10,573	.....487	.....251	.....293	.....129	.....93	.....2	.....15	.....9,257	.....XXX.....
2. 2009.....	.....2,198	.....426	.....5,114	.....3,943	.....221	.....(21)	.....184	.....165	.....78	.....1	.....36	.....3,280	.....XXX.....
3. 2010.....	.....5,312	.....3,267	.....3,065	.....1,435	.....125	.....11	.....489	.....213	.....130	.....0	.....93	.....4,195	.....XXX.....
4. 2011.....	.....2,576	.....586	.....5,365	.....1,514	.....193	.....28	.....630	.....186	.....213	.....1	.....81	.....6,661	.....XXX.....
5. 2012.....	.....4,955	.....1,333	.....14,406	.....6,493	.....233	.....14	.....1,543	.....434	.....560	.....	.....53	.....13,423	.....XXX.....
6. 2013.....	.....11,580	.....5,159	.....20,717	.....11,399	.....619	.....209	.....3,064	.....1,321	.....1,032	.....(0)	.....213	.....18,924	.....XXX.....
7. 2014.....	.....15,945	.....6,392	.....27,655	.....14,367	.....955	.....276	.....4,617	.....1,939	.....1,397	.....	.....356	.....27,595	.....XXX.....
8. 2015.....	.....34,354	.....17,285	.....36,500	.....19,974	.....1,926	.....183	.....10,421	.....6,357	.....2,447	.....(0)	.....657	.....41,850	.....XXX.....
9. 2016.....	.....49,504	.....25,261	.....62,854	.....26,689	.....3,543	.....1,431	.....11,171	.....4,201	.....4,053	.....0	.....1,247	.....73,542	.....XXX.....
10. 2017.....	.....72,607	.....38,388	.....94,182	.....40,654	.....3,671	.....1,784	.....21,374	.....8,883	.....4,761	.....0	.....2,071	.....106,886	.....XXX.....
11. 2018.....	.....84,391	.....40,499	.....160,519	.....72,554	.....4,783	.....2,435	.....31,871	.....11,664	.....9,627	.....(4)	.....3,115	.....164,043	.....XXX.....
12. Totals.....	.....293,468	.....142,981	.....444,057	.....209,596	.....16,756	.....6,601	.....85,656	.....35,493	.....24,391	.....0	.....7,937	.....469,657	.....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Inter-Company Pooling Participation Percentage	Loss Expenses Unpaid	
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....8,768	.....489
2. 2009.....	.....247,847	.....77,637	.....170,211	.....63.3	.....58.1	.....65.9	.....	.....	.....	.....2,942	.....338
3. 2010.....	.....314,144	.....118,290	.....195,854	.....80.9	.....88.2	.....77.0	.....	.....	.....	.....3,675	.....520
4. 2011.....	.....341,726	.....143,214	.....198,512	.....87.1	.....97.7	.....80.8	.....	.....	.....	.....5,840	.....821
5. 2012.....	.....331,907	.....148,415	.....183,492	.....81.9	.....96.2	.....73.1	.....	.....	.....	.....11,534	.....1,888
6. 2013.....	.....377,675	.....173,864	.....203,811	.....83.1	.....96.5	.....74.2	.....	.....	.....	.....15,739	.....3,185
7. 2014.....	.....382,371	.....187,345	.....195,027	.....78.3	.....92.0	.....68.5	.....	.....	.....	.....22,841	.....4,754
8. 2015.....	.....422,326	.....220,502	.....201,824	.....82.5	.....101.0	.....68.7	.....	.....	.....	.....33,595	.....8,254
9. 2016.....	.....367,842	.....169,648	.....198,194	.....70.8	.....76.5	.....66.5	.....	.....	.....	.....60,409	.....13,133
10. 2017.....	.....392,562	.....184,183	.....208,380	.....77.3	.....92.0	.....67.7	.....	.....	.....	.....87,747	.....19,139
11. 2018.....	.....379,131	.....170,281	.....208,850	.....72.8	.....85.2	.....65.1	.....	.....	.....	.....131,856	.....32,186
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....384,948	.....84,709

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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior.....	181,847	167,031	166,090	154,431	150,549	148,094	150,476	149,219	149,092	148,994	(98)	(225)
2. 2009.....	169,091	165,950	163,701	154,457	153,216	153,598	153,567	153,523	153,481	152,741	(740)	(782)
3. 2010.....	XXX.....	173,020	169,982	175,767	172,280	177,663	179,773	180,237	180,249	179,043	(1,206)	(1,194)
4. 2011.....	XXX.....	XXX.....	148,690	155,845	166,361	173,112	178,934	184,580	184,676	182,839	(1,837)	(1,741)
5. 2012.....	XXX.....	XXX.....	XXX.....	154,152	154,188	161,696	165,687	172,625	171,017	169,687	(1,330)	(2,938)
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	178,881	182,047	184,547	188,989	189,639	189,169	(470)	180
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	186,717	184,600	182,140	182,313	178,940	(3,373)	(3,200)
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	186,992	186,667	185,268	183,060	(2,208)	(3,607)	
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	183,216	181,517	177,322	(4,196)	(5,894)	
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	189,797	188,453	(1,344)	XXX.....	
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	189,647	XXX.....	XXX.....	
									12. Totals.....	(16,801)	(19,401)	

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior.....	000.....	54,173	88,826	110,963	123,555	130,713	135,323	136,740	138,400	139,828	XXX.....	XXX.....
2. 2009.....	48,290	83,203	104,726	122,045	134,944	143,057	146,013	147,323	148,979	149,538	XXX.....	XXX.....
3. 2010.....	XXX.....	52,151	92,613	117,794	145,076	163,871	169,555	171,873	173,736	174,978	XXX.....	XXX.....
4. 2011.....	XXX.....	XXX.....	55,278	91,403	120,340	144,952	163,290	172,448	175,015	176,390	XXX.....	XXX.....
5. 2012.....	XXX.....	XXX.....	XXX.....	46,981	81,993	111,803	134,034	147,838	153,372	156,824	XXX.....	XXX.....
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	55,567	98,027	128,965	151,426	163,502	171,277	XXX.....	XXX.....
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	47,141	86,430	116,712	139,812	152,742	XXX.....	XXX.....
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	43,543	88,435	124,522	143,658	XXX.....	XXX.....
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	43,267	82,883	107,832	XXX.....	XXX.....
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	43,363	86,328	XXX.....	XXX.....	
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	35,235	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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior.....	92,023	55,290	42,981	22,854	14,258	2,828	4,695	3,732	3,527	3,270
2. 2009.....	80,434	52,634	38,338	17,670	7,918	2,698	2,818	2,289	2,169	1,189
3. 2010.....	XXX.....	80,927	50,242	32,484	9,028	5,403	4,805	4,231	3,643	1,906
4. 2011.....	XXX.....	XXX.....	63,180	36,398	20,021	10,763	5,440	7,216	6,552	4,294
5. 2012.....	XXX.....	XXX.....	XXX.....	77,036	40,185	21,376	13,274	13,678	11,278	9,022
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	83,457	45,690	26,605	19,734	14,263	11,061
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	94,941	56,032	33,472	22,583	15,966
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	94,328	53,548	32,903	20,590
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	97,333	63,216	43,134
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	106,254	66,019
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	108,172

National Interstate Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)	
		2 Direct Premiums Written	3 Direct Premiums Earned							
1. Alabama.....	AL.....	5,012,326	5,047,293		4,273,505	6,073,558	6,531,132		3,422,119	
2. Alaska.....	AK.....	4,687,054	4,627,310		4,444,060	3,933,244	7,103,655	95	1,996,668	
3. Arizona.....	AZ.....	8,709,607	8,044,179		3,755,007	5,218,996	9,361,329	595	4,968,242	
4. Arkansas.....	AR.....	5,025,180	4,257,117		1,605,872	2,019,963	5,130,339	575	3,783,369	
5. California.....	CA.....	89,368,803	84,787,803		36,537,534	50,730,948	123,253,659	2,205	33,838,613	
6. Colorado.....	CO.....	3,091,339	3,012,510		1,450,323	733,090	3,986,207	430	1,512,682	
7. Connecticut.....	CT.....	6,796,956	6,852,852		3,085,978	1,027,707	9,743,626	180	4,309,934	
8. Delaware.....	DE.....	20,898,655	19,426,521		6,083,405	18,222,485	40,036,537		20,077,843	
9. District of Columbia.....	DC.....					305	16			
10. Florida.....	FL.....	19,868,453	21,092,669		10,858,069	11,000,287	21,967,408	1,613	14,239,146	
11. Georgia.....	GA.....	11,870,935	9,606,780		3,462,922	8,325,473	12,151,753	670	9,412,891	
12. Hawaii.....	HI.....	18,113,972	17,815,580		6,214,109	7,184,440	20,050,211	1,050	7,224,795	
13. Idaho.....	ID.....	5,342,448	5,431,171		7,069,847	6,138,393	7,735,688	100	2,965,881	
14. Illinois.....	IL.....	15,532,933	15,853,677		6,378,370	7,138,997	16,320,130	305	8,832,771	
15. Indiana.....	IN.....	11,201,245	7,538,090		6,445,843	9,214,057	10,589,087	150	6,836,914	
16. Iowa.....	IA.....	3,839,056	3,730,802		1,899,552	2,624,161	3,943,758	45	2,403,727	
17. Kansas.....	KS.....	11,300,841	10,175,537		4,606,039	9,350,508	13,686,355	55	7,274,535	
18. Kentucky.....	KY.....	7,500,439	4,735,673		4,097,174	4,082,507	7,200,651		3,509,951	
19. Louisiana.....	LA.....	7,353,935	6,946,059		2,702,759	7,048,953	9,084,736	1,012	4,580,049	
20. Maine.....	ME.....	745,043	900,315		313,406	689,767	753,967	120	480,308	
21. Maryland.....	MD.....	4,244,583	4,150,512		1,066,862	2,382,699	6,217,829	227	2,543,498	
22. Massachusetts.....	MA.....	13,919,246	13,242,490		7,174,723	10,499,132	19,899,912		8,084,137	
23. Michigan.....	MI.....	2,476,791	122,306		11,894	45,524	34,991			
24. Minnesota.....	MN.....	7,678,431	7,104,383		5,929,169	7,795,897	8,481,093	341	5,125,229	
25. Mississippi.....	MS.....	3,792,679	3,469,173		2,236,870	2,198,044	3,114,556		2,616,524	
26. Missouri.....	MO.....	18,065,996	16,277,926		10,249,557	13,646,082	26,559,761	190	7,169,566	
27. Montana.....	MT.....	1,064,985	1,831,104		1,830,078	964,279	2,519,382	1,420	786,125	
28. Nebraska.....	NE.....	3,576,367	3,888,392		2,714,451	4,060,192	6,212,394	20	2,617,229	
29. Nevada.....	NV.....	2,608,071	2,347,592		1,225,897	470,326	2,935,744	220	1,158,323	
30. New Hampshire.....	NH.....	3,354,788	3,345,228		47,443	170,417	3,685,496	136	2,060,263	
31. New Jersey.....	NJ.....	1,576,779	3,282		10,284	41,794	34,834			
32. New Mexico.....	NM.....	1,178,543	1,303,621		495,939	227,194	1,268,219	105	634,249	
33. New York.....	NY.....	45,193,697	43,320,801		20,369,678	29,427,343	63,638,084	1,045	29,248,016	
34. North Carolina.....	NC.....	9,198,548	12,684,275		6,716,830	7,233,899	23,429,839	1,350	6,977,558	
35. North Dakota.....	ND.....	1,294,819	1,301,149		365,349	684,174	1,772,353	40	1,203,773	
36. Ohio.....	OH.....	13,741,083	13,567,746		4,059,908	6,707,129	18,469,745	250	11,913,989	
37. Oklahoma.....	OK.....	3,868,398	4,801,237		1,476,171	2,934,295	7,074,093	195	1,588,339	
38. Oregon.....	OR.....	1,561,989	1,639,184		2,016,493	1,654,043	2,402,752	150	923,810	
39. Pennsylvania.....	PA.....	21,182,855	18,814,353		7,845,552	10,934,068	25,462,699	1,360	12,004,827	
40. Rhode Island.....	RI.....	2,225,137	2,290,471		520,933	865,114	2,136,543	25	1,291,236	
41. South Carolina.....	SC.....	(730,370)	4,880,976		7,055,119	5,993,327	10,047,184	70	908,214	
42. South Dakota.....	SD.....	539,987	.815,837		422,049	342,586	389,232	1,060	468,133	
43. Tennessee.....	TN.....	15,110,470	13,434,742		12,158,002	8,525,741	29,270,954	200	9,393,877	
44. Texas.....	TX.....	31,618,322	25,799,572		15,725,842	17,455,958	40,630,168	5,135	20,728,326	
45. Utah.....	UT.....	7,749,811	7,215,866		4,563,648	5,204,890	9,598,695	40	4,523,366	
46. Vermont.....	VT.....	1,495,647	1,807,092		763,078	1,586,130	3,196,796	75	939,295	
47. Virginia.....	VA.....	5,825,968	5,548,981		5,351,462	4,742,910	10,570,743	310	4,776,695	
48. Washington.....	WA.....	3,701,863	3,127,790		916,070	2,494,414	6,291,294	153	2,473,567	
49. West Virginia.....	WV.....	590,994	374,561		188,862	16,284	546,134		343,033	
50. Wisconsin.....	WI.....	11,180,071	10,107,926		5,591,936	6,597,189	13,011,053	100	8,285,313	
51. Wyoming.....	WY.....	147,224	137,456		44,306	44,030	56,734	30	43,807	
52. American Samoa.....	AS.....									
53. Guam.....	GU.....									
54. Puerto Rico.....	PR.....									
55. US Virgin Islands.....	VI.....									
56. Northern Mariana Islands.....	MP.....									
57. Canada.....	CAN.....									
58. Aggregate Other Alien.....	OT.....	XXX.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	
59. Totals.....		XXX.....	495,292,992	468,637,961	0.....	244,428,229	316,702,944	677,589,547	23,447	292,500,757

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.....

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

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 51

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSL)..... 0

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile..... 0

R - Registered - Non-domiciled RRGs..... 0

Q - Qualified - Qualified or accredited reinsurer..... 0

N - None of the above - Not allowed to write business in the state..... 6

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	
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 Technical Industries, Inc.	DE	76-0080537	
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	
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	
Risico Management Corporation	DE	31-1262960	
Dixie Terminal Corporation	OH	31-0823725	
GAI Holding Bermuda Ltd. (77%) ^	BMU	98-0606803	
GAI Indemnity, Ltd. #	GBR	98-0556144	
Neon Capital Limited	GBR		
NCM Holdings (U.K.) Limited	GBR		
Neon Capital Managers	GBR		
Neon Holdings (U.K.) Limited	GBR		
Beat Capital Partners Limited (19.15%)	GBR		
Beat Services Limited	GBR		
Chord Reinsurance Limited (60%)	GBR		
Tarian Underwriting Limited (60%)	GBR		
Lavenham Underwriting Limited #	GBR	98-0412245	
Neon Italy S.R.L. (60%)	ITA		
Neon Management Services Limited	GBR		
Neon Sapphire Underwriting Limited	GGY		
Neon Service Company (U.K.) Limited	GBR		
Studio Marketform SRL	ITA		
Neon Underwriting Bermuda Limited	BMU		
Neon Underwriting Limited	GBR		
Orca Insurance Agency A/S (89.425%)	DNK		
Sampford Underwriting Limited #	GBR	98-0431601	
Xenon Agency Limited	GBR		
Helium Holdings Limited	BMU		
Neon Employee Ownership LLC (23.35%)	DE		
GAI Australia Pty Ltd	AUS		

* 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	
QQAgency 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 (85%)	MD	27-0513333	
Brothers Management, LLC	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 Brothers, Inc.	OH	31-1391777	
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	
ABA Insurance Services, Inc.	OH	80-0333563	
Agricultural Services, LLC	OH	27-3062314	
Great American Holding (Europe) Limited	GBR		
Great American Europe Limited	GBR		
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
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	36-4670968	
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	
Triumph 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	
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 Real Estate Holdings, LLC	FL	82-2462705	
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 Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation	OH	59-2840291	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
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		
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	
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, 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
Great American Underwriters Insurance Company	OH	83-1694393	
Insurance (GB) Limited *	GBR		
Key Largo Group, Inc.	FL	59-1263251	
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	

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2018 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	58
Cash Flow	5	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	59
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2J-Auto Physical Damage	59
Exhibit of Net Investment Income	12	Schedule P-Part 2K-Fidelity, Surety	59
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	59
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2M-International	59
Five-Year Historical Data	17	Schedule P-Part 2N-Reinsurance – Nonproportional Assumed Property	60
General Interrogatories	15	Schedule P-Part 2O-Reinsurance – Nonproportional Assumed Liability	60
Jurat Page	1	Schedule P-Part 2P-Reinsurance – Nonproportional Assumed Financial Lines	60
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2R-Section 1-Product Liability-Occurrence	61
Notes To Financial Statements	14	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	61
Overflow Page For Write-ins	100	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	61
Schedule A-Part 1	E01	Schedule P-Part 2T-Warranty	61
Schedule A-Part 2	E02	Schedule P-Part 3A-Homeowners/Farmowners	62
Schedule A-Part 3	E03	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	62
Schedule A-Verification Between Years	SI02	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	62
Schedule B-Part 1	E04	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	62
Schedule B-Part 2	E05	Schedule P-Part 3E-Commercial Multiple Peril	62
Schedule B-Part 3	E06	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	63
Schedule B-Verification Between Years	SI02	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	63
Schedule BA-Part 1	E07	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	63
Schedule BA-Part 2	E08	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	63
Schedule BA-Part 3	E09	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	63
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	64
Schedule D-Part 1	E10	Schedule P-Part 3J-Auto Physical Damage	64
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3K-Fidelity/Surety	64
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	64
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3M-International	64
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3N-Reinsurance – Nonproportional Assumed Property	65
Schedule D-Part 3	E13	Schedule P-Part 3O-Reinsurance – Nonproportional Assumed Liability	65
Schedule D-Part 4	E14	Schedule P-Part 3P-Reinsurance – Nonproportional Assumed Financial Lines	65
Schedule D-Part 5	E15	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	66
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	66
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	66
Schedule D-Summary By Country	SI04	Schedule P-Part 3T-Warranty	66
Schedule D-Verification Between Years	SI03	Schedule P-Part 4A-Homeowners/Farmowners	67
Schedule DA-Part 1	E17	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	67
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	67
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	67
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4E-Commercial Multiple Peril	67
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	68
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	68
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	68
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	68
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	68
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	69
Schedule DB-Part D-Section 1	E22	Schedule P-Part 4J-Auto Physical Damage	69
Schedule DB-Part D-Section 2	E23	Schedule P-Part 4K-Fidelity/Surety	69
Schedule DB-Verification	SI14	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	69
Schedule DL-Part 1	E24	Schedule P-Part 4M-International	69
Schedule DL-Part 2	E25	Schedule P-Part 4N-Reinsurance – Nonproportional Assumed Property	70
Schedule E-Part 1-Cash	E26	Schedule P-Part 4O-Reinsurance – Nonproportional Assumed Liability	70
Schedule E-Part 2-Cash Equivalents	E27	Schedule P-Part 4P-Reinsurance – Nonproportional Assumed Financial Lines	70
Schedule E-Verification Between Years	SI15	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	71
Schedule E-Part 3-Special Deposits	E28	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	71
Schedule F-Part 1	20	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	71
Schedule F-Part 2	21	Schedule P-Part 4T-Warranty	71
Schedule F-Part 3	22	Schedule P-Part 5A-Homeowners/Farmowners	72
Schedule F-Part 4	27	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	73
Schedule F-Part 5	28	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	74
Schedule F-Part 6	29	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	75
Schedule H-Accident and Health Exhibit-Part 1	30	Schedule P-Part 5E-Commercial Multiple Peril	76
Schedule H-Part 2, Part 3 and Part 4	31	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	78
Schedule H-Part 5-Health Claims	32	Schedule P-Part 5F-Medical Professional Liability-Occurrence	77
Schedule P-Part 1-Summary	33	Schedule P-Part 5H-Other Liability-Claims-Made	80
Schedule P-Part 1A-Homeowners/Farmowners	35	Schedule P-Part 5H-Other Liability-Occurrence	79
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	36	Schedule P-Part 5R-Products Liability-Claims-Made	82
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	37	Schedule P-Part 5R-Products Liability-Occurrence	81
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	38	Schedule P-Part 5T-Warranty	83
Schedule P-Part 1E-Commercial Multiple Peril	39	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	84
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	40	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	84
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	41	Schedule P-Part 6E-Commercial Multiple Peril	85
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	42	Schedule P-Part 6H-Other Liability-Claims-Made	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	43	Schedule P-Part 6H-Other Liability-Occurrence	85
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	44	Schedule P-Part 6M-International	86
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45	Schedule P-Part 6N-Reinsurance – Nonproportional Assumed Property	87
Schedule P-Part 1J-Auto Physical Damage	46	Schedule P-Part 6O-Reinsurance – Nonproportional Assumed Liability	87
Schedule P-Part 1K-Fidelity/Surety	47	Schedule P-Part 6R-Products Liability-Claims-Made	88
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	48	Schedule P-Part 6R-Products Liability-Occurrence	88
Schedule P-Part 1M-International	49	Schedule P-Part 7A-Primary Loss Sensitive Contracts	89
Schedule P-Part 1N-Reinsurance – Nonproportional Assumed Property	50	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	91
Schedule P-Part 1O-Reinsurance – Nonproportional Assumed Liability	51	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	93
Schedule P-Part 1P-Reinsurance – Nonproportional Assumed Financial Lines	52	Schedule T-Exhibit of Premiums Written	94
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	53	Schedule T-Part 2-Interstate Compact	95
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	54	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	55	Schedule Y-Detail of Insurance Holding Company System	97
Schedule P-Part 1T-Warranty	56	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	98
Schedule P-Part 2, Part 3 and Part 4 - Summary	34	Statement of Income	4
Schedule P-Part 2A-Homeowners/Farmowners	57	Summary Investment Schedule	SI01
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	57	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	57	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	57	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2E-Commercial Multiple Peril	57	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	58	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made	58	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	58	Underwriting and Investment Exhibit Part 3	11
Schedule P-Part 2H-Section 1-Other Liability-Occurrence	58		