

ANNUAL STATEMENT

OF THE

Wausau Underwriters Insurance Company

of **Wausau**

in the state of **Wisconsin**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
December 31, 2005

PROPERTY AND CASUALTY

2005



26042200520100100

ANNUAL STATEMENT

For the Year Ended December 31, 2005

OF THE CONDITION AND AFFAIRS OF THE

Wausau Underwriters Insurance Company

NAIC Group Code

0111

(Current Period)

0111

(Prior Period)

NAIC Company Code

26042

Employer's ID Number

39-1341459

Organized under the Laws of

Wisconsin

, State of Domicile or Port of Entry

Wisconsin

Country of Domicile

United States of America

Incorporated/Organized:

September 27, 1979

Commenced Business:

January 1, 1980

Statutory Home Office:

2000 Westwood Drive

Wausau, WI

54401

Main Administrative Office:

2000 Westwood Drive

Wausau, WI

54401

715-845-5211

Mail Address:

Post Office Box 8017

Wausau, WI

54402-8017

Primary Location of Books and Records:

175 Berkeley Street

Boston, MA

02117

617-357-9500

Internet Website Address:

www.wausau.com

Statutory Statement Contact:

Douglas Link

617-357-9500

45668

Douglas.Link@LibertyMutual.com

617-574-5955

(E-Mail Address)

(Fax Number)

Policyowner Relations Contact:

2000 Westwood Drive

Wausau, WI

54401

715-845-5211

6570

OFFICERS

Name	Title
1. Mark Edward Fiebrink #	President and Chief Operating Officer
2. James Stanley Hoffert	Vice President-General Counsel and Secretary
3. Laurance Henry Soyer Yahia	Vice President and Treasurer

Vice-Presidents

Name	Title	Name	Title
Susan Marie Doyle	EVP GM Field Operations	George Juzdan	Sr Vice President GM Eastern Div.
David Lee Lancaster	Sr Vice President GM Signature Div.	Michael Lynn Parker	Sr Vice President GM Western Div.
Richard Vincent Poirier	Sr Vice President GM Claims	Mark Alan Steinberg	Sr Vice President WSA
Timothy Charlers Mulloy #	Sr Vice President GM National Broker Div.		

DIRECTORS OR TRUSTEES

Anthony Alexander Fontanes	Mark Edward Fiebrink #	Gary Richard Gregg	Edmund Francis Kelly
Dennis James Langwell	Christopher Charles Mansfield	Stuart Michael McGuigan	

State of Wisconsin
County of Marathon ss

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

(Signature)	(Signature)	(Signature)
Mark Edward Fiebrink	James Stanley Hoffert	Laurance Henry Soyer Yahia
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and Chief Operating Officer	Vice President-General Counsel and Secretary	Vice President and Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

26th

day of

January

, 2006

a. Is this an original filing?

YES [X] NO []

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	167,503,807		167,503,807	168,133,335
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 504,210 , Schedule E-Part 1), cash equivalents (\$ 725,134 Schedule E-Part 2) and short-term investments (\$ 7,914,381 , Schedule DA)	9,143,726		9,143,726	10,524,257
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				990,463
8. Receivables for securities	7,529		7,529	4,678
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	176,655,062		176,655,062	179,652,733
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	1,790,712		1,790,712	1,831,026
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	2,912,163	114,797	2,797,366	2,685,559
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	8,279,130		8,279,130	7,663,113
13.3 Accrued retrospective premiums	3,133,118	316,715	2,816,403	3,067,317
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	14,120	14,120		
16.1 Current federal and foreign income tax recoverable and interest thereon	510,804		510,804	28,276
16.2 Net deferred tax asset	5,193,000	1,903,413	3,289,587	2,881,920
17. Guaranty funds receivable or on deposit	226,490		226,490	225,125
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	6,076,431		6,076,431	2,377,337
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	2,360,262	142,664	2,217,598	1,942,986
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	207,151,292	2,491,709	204,659,583	202,355,392
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	207,151,292	2,491,709	204,659,583	202,355,392

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Other assets	335,986	105,450	230,536	137,914
2302. Cash surrender value - life insurance	860,338		860,338	757,637
2303. Equities and deposits in pools & associations	125,908		125,908	120,763
2398. Summary of remaining write-ins for Line 23 from overflow page	1,038,030	37,214	1,000,816	926,672
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,360,262	142,664	2,217,598	1,942,986

LIABILITIES, SURPLUS AND OTHER FUNDS	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 34, Column 8)	56,828,550	53,560,966
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	11,638,987	10,216,078
4. Commissions payable, contingent commissions and other similar charges	565,026	544,154
5. Other expenses (excluding taxes, licenses and fees)	1,596,360	1,962,914
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,198,837	1,214,234
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 136,711,413 and including warranty reserves of \$ 0)	16,797,204	16,135,678
10. Advance premium	205,768	150,007
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	13,963	44,046
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	3,861,250	2,918,059
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	1,887,179	1,472,290
19. Payable to parent, subsidiaries and affiliates	6,696,469	14,035,081
20. Payable for securities		1,985,910
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	(2,316,774)	(1,697,329)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	98,972,819	102,542,088
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	98,972,819	102,542,088
27. Aggregate write-ins for special surplus funds	4,699,083	4,557,481
28. Common capital stock	4,500,000	4,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	77,360,256	77,360,256
33. Unassigned funds (surplus)	19,127,425	13,395,567
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	105,686,764	99,813,304
36. TOTALS (Page 2, Line 26, Col. 3)	204,659,583	202,355,392

DETAILS OF WRITE-INS		
2301. Amounts held under uninsured plans	2,846,748	2,692,530
2302. Pooled retroactive reinsurance	(9,029,307)	(8,840,663)
2303. Collateral held for securities loaned	2,887,315	3,592,100
2398. Summary of remaining write-ins for Line 23 from overflow page	978,470	858,704
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	(2,316,774)	(1,697,329)
2701. Special surplus from retroactive reinsurance	4,699,083	4,557,481
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	4,699,083	4,557,481
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME		
	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	41,438,764	38,803,786
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	26,428,745	25,796,582
3. Loss expenses incurred (Part 3, Line 25, Column 1)	7,810,850	6,331,102
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	10,334,569	9,691,711
5. Aggregate write-ins for underwriting deductions		(7,487)
6. Total underwriting deductions (Lines 2 through 5)	44,574,164	41,811,908
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(3,135,400)	(3,008,122)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	8,909,958	8,913,511
10. Net realized capital gains (losses) less capital gains tax of \$ 270,295 (Exhibit of Capital Gains (Losses))	501,977	1,356,750
11. Net investment gain (loss) (Lines 9 + 10)	9,411,935	10,270,261
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 6,757 amount charged off \$ 150,845)	(144,087)	(186,830)
13. Finance and service charges not included in premiums	226,769	237,831
14. Aggregate write-ins for miscellaneous income	(561,128)	(790,009)
15. Total other income (Lines 12 through 14)	(478,446)	(739,008)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,798,089	6,523,131
17. Dividends to policyholders	144,432	157,730
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)	5,653,657	6,365,401
19. Federal and foreign income taxes incurred	160,932	639,204
20. Net income (Line 18 minus Line 19) (to Line 22)	5,492,725	5,726,197
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	99,813,304	93,472,262
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	5,492,725	5,726,197
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (51,357)	(95,378)	
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	102,643	2,826,606
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	304,154	(2,257,596)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	69,316	45,835
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	5,873,460	6,341,042
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	105,686,764	99,813,304

DETAILS OF WRITE-INS		
0501. NC private passenger auto escrow		(7,487)
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus Line 0598) (Line 5 above)		(7,487)
1401. Other income / (expense)	(685,236)	(884,522)
1402. Retroactive reinsurance gain / (loss)	124,108	94,513
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus Line 1498) (Line 14 above)	(561,128)	(790,009)
3701. Other surplus adjustments	69,316	45,835
3602.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus Line 3798) (Line 37 above)	69,316	45,835

CASH FLOW		
Cash from Operations		
	1	2
	Current Year	Prior Year
1. Premiums collected net of reinsurance	41,740,250	38,959,958
2. Net investment income	9,281,986	9,276,701
3. Miscellaneous income	469,111	(6,295,930)
4. Total (Lines 1 through 3)	51,491,347	41,940,729
5. Benefit and loss related payments	22,721,322	25,133,327
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	16,738,689	16,013,367
8. Dividends paid to policyholders	174,514	127,717
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	913,755	350,354
10. Total (Lines 5 through 9)	40,548,280	41,624,765
11. Net cash from operations (Line 4 minus Line 10)	10,943,067	315,964
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	36,341,768	65,468,456
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	1,079,030	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		2,150,936
12.8 Total investment proceeds (Lines 12.1 to 12.7)	37,420,798	67,619,392
13. Cost of investments acquired (long-term only):		
13.1 Bonds	35,506,983	79,621,657
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	1,988,761	
13.7 Total investments acquired (Lines 13.1 to 13.6)	37,495,744	79,621,657
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(74,946)	(12,002,265)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(12,248,652)	9,342,255
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(12,248,652)	9,342,255
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)	(1,380,531)	(2,344,046)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	10,524,257	12,868,303
19.2 End of year (Line 18 plus Line 19.1)	9,143,726	10,524,257

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

20.0001.		
20.0002.		
20.0003.		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1- PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	880,772	373,117	500,827	753,062
2. Allied lines	283,269	136,444	162,084	257,629
3. Farmowners multiple peril	30			30
4. Homeowners multiple peril	5,098,218	2,760,144	2,967,560	4,890,802
5. Commercial multiple peril	612,281	339,017	422,408	528,890
6. Mortgage guaranty				
8. Ocean marine	100,011	168,012	51,157	216,866
9. Inland marine	633,887	143,846	133,557	644,176
10. Financial guaranty				
11.1 Medical malpractice - occurrence	15	4		19
11.2 Medical malpractice - claims-made				
12. Earthquake	100,885	56,421	48,843	108,463
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health	790	35	262	563
16. Workers' compensation	14,094,065	(1,041,302)	(490,282)	13,543,045
17.1 Other liability - occurrence	2,024,891	615,695	694,729	1,945,857
17.2 Other liability - claims-made	723,306	262,874	318,330	667,850
18.1 Products liability - occurrence	464,585	35,252	183,458	316,379
18.2 Products liability - claims-made	13,937		10	13,927
19.1, 19.2 Private passenger auto liability	8,815,106	4,667,534	4,466,505	9,016,135
19.3, 19.4 Commercial auto liability	1,814,748	547,902	518,796	1,843,854
21. Auto physical damage	5,313,674	3,136,311	3,108,960	5,341,025
22. Aircraft (all perils)	265,578	74,766	66,394	273,950
23. Fidelity	18,171	7,366	8,687	16,850
24. Surety	779,713	397,163	450,810	726,066
26. Burglary and theft	2,741	1,173	1,285	2,629
27. Boiler and machinery	15,480	4,418	6,682	13,216
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property	111,048	10,457	19,724	101,781
31. Reinsurance-Nonproportional Assumed Liability	217,162	28,637	23,303	222,496
32. Reinsurance-Nonproportional Assumed Financial Lines				
33. Aggregate write-ins for other lines of business				
34. TOTALS	42,384,363	12,725,286	13,664,089	41,445,560

DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)				

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

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience.

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	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	453,667	47,160			500,827
2. Allied lines	151,063	11,021			162,084
3. Farmowners multiple peril					
4. Homeowners multiple peril	2,953,937	13,623			2,967,560
5. Commercial multiple peril	420,785	1,623			422,408
6. Mortgage guaranty					
8. Ocean marine	47,506	3,651			51,157
9. Inland marine	125,556	8,001			133,557
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake	46,448	2,395			48,843
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health	262				262
16. Workers' compensation	2,027,502	122,551		(2,640,334)	(490,281)
17.1 Other liability - occurrence	718,202	165,833		(189,306)	694,729
17.2 Other liability - claims-made	268,808	49,522			318,330
18.1 Products liability - occurrence	136,568	121,457		(74,566)	183,459
18.2 Products liability - claims-made	10				10
19.1, 19.2 Private passenger auto liability	4,453,968	12,537			4,466,505
19.3, 19.4 Commercial auto liability	754,055	639		(235,897)	518,797
21. Auto physical damage	3,094,692	14,276		(8)	3,108,960
22. Aircraft (all perils)	69,136	(2,742)			66,394
23. Fidelity	8,130	557			8,687
24. Surety	255,956	187,859		6,995	450,810
26. Burglary and theft	1,285				1,285
27. Boiler and machinery	6,672	10			6,682
28. Credit	(298)	298			
29. International					
30. Reinsurance-Nonproportional Assumed Property	19,711	13			19,724
31. Reinsurance-Nonproportional Assumed Liability	22,952	348			23,300
32. Reinsurance-Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	16,036,573	760,632		(3,133,116)	13,664,089
35. Accrued retrospective premiums based on experience					3,133,116
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through 36)					16,797,205

DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force.
Are they so returned in this statement? Yes [X] No []
- (b) State here basis of computation used in each case Daily pro rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees
Written and Renewed During Year

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	256,112	880,772		256,112		880,772
2. Allied lines	306,587	283,269		306,587		283,269
3. Farmowners multiple peril		30				30
4. Homeowners multiple peril		5,098,218				5,098,218
5. Commercial multiple peril	29,549,787	612,281		29,549,787		612,281
6. Mortgage guaranty						
8. Ocean marine		100,011				100,011
9. Inland marine		633,887				633,887
10. Financial guaranty						
11.1 Medical malpractice - occurrence		15				15
11.2 Medical malpractice - claims-made						
12. Earthquake	102,016	100,885		102,016		100,885
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health		790				790
16. Workers' compensation	393,427,157	14,094,065		393,427,157		14,094,065
17.1 Other liability - occurrence	14,575,315	2,024,891		14,575,315		2,024,891
17.2 Other liability - claims-made		723,306				723,306
18.1 Products liability - occurrence	11,891,237	464,585		11,891,237		464,585
18.2 Products liability - claims-made		13,937				13,937
19.1, 19.2 Private passenger auto liability		8,815,106				8,815,106
19.3, 19.4 Commercial auto liability	34,233,104	1,814,748		34,233,104		1,814,748
21. Auto physical damage	7,523,414	5,313,674		7,523,414		5,313,674
22. Aircraft (all perils)		265,578				265,578
23. Fidelity		18,171				18,171
24. Surety		779,713				779,713
26. Burglary and theft	412	2,741		412		2,741
27. Boiler and machinery		15,480				15,480
28. Credit						
29. International						
30. Reinsurance-Nonproportional Assumed Property	X X X	111,048				111,048
31. Reinsurance-Nonproportional Assumed Liability	X X X	217,162				217,162
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	491,865,141	42,384,363		491,865,141		42,384,363

DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [X] No []
If yes: 1. The amount of such installment premiums \$ 386,091,733
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 402,514,708

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	100,515	316,441	100,515	316,441	442,035	287,420	471,056	62.552
2. Allied lines	28,912	322,302	28,912	322,302	243,433	163,663	402,072	156.066
3. Farmowners multiple peril								
4. Homeowners multiple peril		3,209,102		3,209,102	1,021,358	1,236,843	2,993,617	61.209
5. Commercial multiple peril	19,003,060	493,300	19,003,060	493,300	930,088	1,021,415	401,973	76.003
6. Mortgage guaranty								
8. Ocean marine		60,105		60,105	177,854	256,066	(18,107)	(8.349)
9. Inland marine		325,568		325,568	372,989	171,478	527,079	81.822
10. Financial guaranty								
11.1 Medical malpractice - occurrence		541		541	(260)	441	(160)	(842.105)
11.2 Medical malpractice - claims - made								
12. Earthquake		2,469		2,469	2,620	5,145	(56)	(0.052)
13. Group accident and health		3,095		3,095	14,849	15,524	2,420	
14. Credit accident and health (group and individual)								
15. Other accident and health		2,751		2,751	13,756	14,451	2,056	365.187
16. Workers' compensation	141,071,456	6,700,263	141,071,456	6,700,263	31,355,795	28,094,225	9,961,833	73.557
17.1 Other liability - occurrence	9,236,924	1,538,387	9,236,924	1,538,387	6,948,804	6,861,779	1,625,412	83.532
17.2 Other liability - claims - made		8,198		8,198	1,147,719	848,626	307,291	46.012
18.1 Products liability - occurrence	5,239,572	249,272	5,239,572	249,272	1,657,395	2,236,450	(329,783)	(104.237)
18.2 Products liability - claims - made		2,677		2,677	29,585	21,613	10,649	76.463
19.1, 19.2 Private passenger auto liability		5,516,564		5,516,564	7,785,821	7,978,546	5,323,839	59.048
19.3, 19.4 Commercial auto liability	18,868,704	932,339	18,868,704	932,339	2,602,661	2,405,596	1,129,404	61.252
21. Auto physical damage	3,960,349	2,711,037	3,960,349	2,711,037	(154,885)	(196,165)	2,752,317	51.532
22. Aircraft (all perils)		93,928		93,928	265,987	252,994	106,921	39.029
23. Fidelity		103		103	40,593	29,683	11,013	65.359
24. Surety		206,687		206,687	237,404	262,883	181,208	24.958
26. Burglary and theft		521		521	8,063	7,669	915	34.804
27. Boiler and machinery	5,208	2,155	5,208	2,155	(2,003)	416	(264)	(1.998)
28. Credit					56	60	(4)	
29. International								
30. Reinsurance-Nonproportional Assumed Property	X X X	164,885		164,885	561,818	474,937	251,766	247.361
31. Reinsurance-Nonproportional Assumed Liability	X X X	271,856		271,856	1,115,678	1,101,740	285,794	128.449
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	378		378	9,337	7,468	2,247	
33. Aggregate write-ins for other lines of business								
34. TOTALS	197,514,700	23,134,924	197,514,700	23,134,924	56,828,550	53,560,966	26,402,508	63.704

DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)								

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire		303,376		303,376	734,702	138,659	734,702	442,035	40,874
2. Allied lines	14,953	221,178	14,953	221,178	615,458	22,255	615,458	243,433	26,601
3. Farmowners multiple peril									354
4. Homeowners multiple peril		351,072		351,072		670,286		1,021,358	285,839
5. Commercial multiple peril	32,699,636	808,136	32,699,636	808,136	31,918,677	121,952	31,918,677	930,088	341,108
6. Mortgage guaranty									
8. Ocean marine		133,005		133,005		44,849		177,854	40,279
9. Inland marine		133,882		133,882	92,550	239,107	92,550	372,989	36,100
10. Financial guaranty									
11.1 Medical malpractice - occurrence		1,062		1,062		(1,322)		(260)	22
11.2 Medical malpractice - claims - made									
12. Earthquake		957		957		1,663		2,620	394
13. Group accident and health		7,331		7,331		7,518		(a) 14,849	1,146
14. Credit accident and health (group and individual)									
15. Other accident and health		3,345		3,345		10,411		(a) 13,756	461
16. Workers' compensation	317,428,854	21,023,867	317,428,854	21,023,867	203,733,163	10,331,928	203,733,163	31,355,795	3,692,460
17.1 Other liability - occurrence	15,904,318	4,144,258	15,904,318	4,144,258	28,383,763	2,804,546	28,383,763	6,948,804	3,088,272
17.2 Other liability - claims - made		389,444		389,444		758,275		1,147,719	347,150
18.1 Products liability - occurrence	10,141,722	564,862	10,141,722	564,862	9,829,428	1,092,533	9,829,428	1,657,395	983,078
18.2 Products liability - claims - made		13,251		13,251		16,334		29,585	18,704
19.1, 19.2 Private passenger auto liability		5,155,655		5,155,655		2,630,166		7,785,821	1,862,109
19.3, 19.4 Commercial auto liability	19,325,365	1,238,043	19,325,365	1,238,043	22,258,404	1,364,618	22,258,404	2,602,661	392,564
21. Auto physical damage		(1,470)		(1,470)		(153,415)		(154,885)	282,914
22. Aircraft (all perils)		163,009		163,009		102,978		265,987	47,652
23. Fidelity		3,656		3,656	77,424	36,937	77,424	40,593	9,252
24. Surety		49,610		49,610	(56)	187,794	(56)	237,404	94,630
26. Burglary and theft		1,076		1,076	11,356	6,987	11,356	8,063	901
27. Boiler and machinery		28		28	515,165	(2,031)	515,165	(2,003)	1,874
28. Credit						56		56	3
29. International									
30. Reinsurance-Nonproportional Assumed Property	X X X	354,447		354,447	X X X	207,371		561,818	9,537
31. Reinsurance-Nonproportional Assumed Liability	X X X	856,213		856,213	X X X	259,465		1,115,678	34,537
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	9,504		9,504	X X X	(167)		9,337	172
33. Aggregate write-ins for other lines of business									
34. TOTALS	395,514,848	35,928,797	395,514,848	35,928,797	298,170,034	20,899,753	298,170,034	56,828,550	11,638,987

DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	32,489,320			32,489,320
1.2 Reinsurance assumed	4,303,784			4,303,784
1.3 Reinsurance ceded	32,489,320			32,489,320
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	4,303,784			4,303,784
2. Commission and brokerage:				
2.1 Direct, excluding contingent		25,883,849		25,883,849
2.2 Reinsurance assumed, excluding contingent		643,385		643,385
2.3 Reinsurance ceded, excluding contingent		25,883,849		25,883,849
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed		355,068		355,068
2.6 Contingent-reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		998,453		998,453
3. Allowances to manager and agents		1		1
4. Advertising	38,116	362,498	184	400,798
5. Boards, bureaus and associations	8,969	96,008		104,977
6. Surveys and underwriting reports	25	93,488		93,513
7. Audit of assureds' records	20	3		23
8. Salary and related items:				
8.1 Salaries	2,116,268	3,952,938	43,213	6,112,419
8.2 Payroll taxes	102,715	279,921	1,658	384,294
9. Employee relations and welfare	342,810	926,732	2,192	1,271,734
10. Insurance	357,125	29,799	49	386,973
11. Directors' fees	12	881		893
12. Travel and travel items	141,070	307,767	620	449,457
13. Rent and rent items	128,330	341,848	669	470,847
14. Equipment	108,001	279,701	743	388,445
15. Cost or depreciation of EDP equipment and software	21,966	117,810	454	140,230
16. Printing and stationery	33,220	82,234	98	115,552
17. Postage, telephone and telegraph, exchange and express	86,954	249,425	1,682	338,061
18. Legal and auditing	14,716	79,795	3,844	98,355
19. Totals (Lines 3 to 18)	3,500,317	7,200,849	55,406	10,756,572
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 43,594		1,545,144		1,545,144
20.2 Insurance department licenses and fees		36,049		36,049
20.3 Gross guaranty association assessments		102,989		102,989
20.4 All other (excluding federal and foreign income and real estate)		113,078		113,078
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,797,260		1,797,260
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses	6,749	338,007	5,993	350,749
25. Total expenses incurred	7,810,850	10,334,569	61,399	(a) 18,206,818
26. Less unpaid expenses-current year	11,638,984	3,360,223		14,999,207
27. Add unpaid expenses-prior year	10,216,078	3,721,303		13,937,381
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,387,944	10,695,649	61,399	17,144,992

DETAILS OF WRITE-INS				
2401. Change in unallocated expense reserves	(274,405)			(274,405)
2402. Other expenses	281,154	338,007	5,993	625,154
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	6,749	338,007	5,993	350,749

(a) Includes management fees of \$ 61,400 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,986,283	2,006,899
1.1 Bonds exempt from U.S. tax	(a) 14,249	27,044
1.2 Other bonds (unaffiliated)	(a) 6,814,906	6,734,783
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 169,441	175,838
7. Derivative instruments	(f)	
8. Other invested assets	32,041	32,041
9. Aggregate write-ins for investment income	(5,247)	(5,247)
10. Total gross investment income	9,011,673	8,971,358
11. Investment expenses		(g) 61,400
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		61,400
17. Net investment income (Line 10 minus Line 16)		8,909,958
DETAILS OF WRITE-INS		
0901. Miscellaneous Income/(Expense).....	(5,247)	(5,247)
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	(5,247)	(5,247)
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

- (a) Includes \$ 112,057 accrual of discount less \$ 443,825 amortization of premium and less \$ 82,612 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 6,941 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	7,249			7,249
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)	676,512		(146,735)	529,777
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets	88,512			88,512
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)	772,273		(146,735)	625,538

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	114,797	146,103	31,306
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due		8,018	8,018
13.3 Accrued retrospective premiums	316,715	343,074	26,359
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans	14,120	15,164	1,044
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	1,903,413	2,157,080	253,667
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	142,664	128,538	(14,126)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	2,491,709	2,797,977	306,268
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	2,491,709	2,797,977	306,268

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Other assets	105,450	103,402	(2,048)
2302. Amounts billed and receivable under high deductible policies	37,214	25,136	(12,078)
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	142,664	128,538	(14,126)

NOTES TO FINANCIAL STATEMENTS

Note 1- Summary of Significant Accounting Policies

A. Accounting Practices

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the State of Wisconsin, the accompanying financial statements of Wausau Underwriters Insurance Company (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners (“NAIC”) *Accounting Practices and Procedures Manual* (“APP Manual”).

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1.

Investment grade short-term investments are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO Manual).
2.

Investment grade bonds are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the SVO Manual.
3.

The Company does not own common stocks.
4.

The Company does not own preferred stocks.
5.

The Company does not own mortgage loans.
6.

Mortgage-backed/asset backed securities are stated at amortized value. Prepayment assumptions for single class mortgage-backed/asset backed securities and multi-class securities were obtained from internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all single class mortgage-backed/asset-backed securities and multi-class securities. Non-investment grade mortgage-backed/asset backed securities are stated at the lower of amortized value or fair value.
7.

The Company has no investments in subsidiaries.
8.

The Company has no investments in joint ventures, partnerships or limited liability companies.
9.

Derivative instruments, refer to Note 8.
10.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property-Casualty Contracts - Premiums*.
11.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
12.

The Company did not change its capitalization policy in 2005.

Note 2- Accounting Changes and Correction of Errors

- A. There were no material changes in accounting principles or corrections of errors during the year.

Note 3- Business Combinations and Goodwill

A. Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

B. Statutory Mergers

The Company did not enter into any statutory mergers during the year.

NOTES TO FINANCIAL STATEMENTS

C. Impairment Loss

Not applicable

Note 4- Discontinued Operations

The Company has no discontinued operations to report.

Note 5- Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not hold any mortgage loans as investments.

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

1. The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date, where historical cash flows are not readily available.
2. Prepayment assumptions for single class and multi-class mortgages-backed/asset-backed securities were based upon 1-month historical constant prepayment rates.
3. The Company used IDSI, Bloomberg, and Lehman Index data in determining the market value of the vast majority of its loan-backed securities. A small number of securities are priced in other ways, such as contacting brokers.
4. The Company had no negative yield situations requiring a change from the retrospective to prospective method.

E. Repurchase Agreements

The Company did not enter into any repurchase agreements during the year.

F. Real Estate

The Company does not own real estate.

Note 6- Joint Ventures, Partnerships & Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships, or limited liability companies.

B. Impairments on joint ventures, partnerships and limited liability companies.

Not applicable

Note 7- Investment Income

A. Accrued Investment Income

All investment income due and accrued over 90 days past due is excluded from Surplus.

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2005.

Note 8- Derivative Instruments

The Company was not a party to any derivative financial instruments during the year.

Note 9 - Income Taxes

A. The components of the net deferred tax assets and liabilities recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2005	December 31, 2004	Change
Total of gross deferred tax assets	5,861,000	5,614,346	246,654
Total of deferred tax liabilities	(668,000)	(575,346)	(92,654)
Net deferred tax asset	5,193,000	5,039,000	154,000
Net deferred tax asset non-admitted	(1,903,413)	(2,157,080)	253,667
Net admitted deferred tax asset	3,289,587	2,881,920	407,667

B. The Company does not have any deferred tax liabilities described in SSAP No. 10, Income Taxes, paragraph 6d.

NOTES TO FINANCIAL STATEMENTS

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

	2005	2004
Federal tax on operations	160,932	568,941
Net operating loss benefit	0	(404,600)
Foreign tax on operations	0	0
Income tax incurred on operations	160,932	164,341
Tax on capital gains	270,295	474,863
Total income tax incurred	431,227	639,204

The Company’s deferred tax assets and liabilities result primarily from discounting of unpaid loss and LAE reserves, limits on unearned premium reserve deductions, deferred compensation deductions, statutory non-admitted assets, and tax credit carryforwards.

The change in deferred income taxes is comprised of the following:

	2005
Change in net deferred income tax (without unrealized gain or loss)	102,643
Tax effect of unrealized (gains) losses	51,357
Total change in net deferred income tax	154,000

- D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax-exempt interest, goodwill, revisions to prior year estimates and changes in deferred taxes related to statutory non-admitted assets.
- E. The amount of Federal income taxes paid and available for recoupment in the event of future losses is \$410,000 from the current year and \$169,000 from the preceding year.

The Company has no remaining net loss carryforward available to offset future net income subject to Federal income taxes.

The Company has a minimum tax credit available of \$414,000 which does not expire.

F. The Company's Federal income tax return is consolidated with the following entities:

- Access Insurance Services, Co.

Ambco Capital Corporation

America First Insurance Company

America First Lloyds Insurance Company

American Ambassador Casualty Company

Berkeley Holding Company Associates, Inc.

Berkeley Management Corporation

Bridgefield Casualty Insurance Company

Bridgefield Employers Insurance Company

Capitol Agency, Inc. (Arizona corporation)

Capitol Agency, Inc. (Ohio corporation)

Capitol Agency, Inc. (Tennessee corporation)

Cascade Disability Management, Inc.

Colorado Casualty Insurance Company

Companies Agency Insurance Services of California

Companies Agency of Alabama, Inc.

Companies Agency of Georgia, Inc.

Companies Agency of Kentucky, Inc.

Companies Agency of Massachusetts, Inc.

Companies Agency of Michigan, Inc.

Companies Agency of New York, Inc.

Companies Agency of Pennsylvania, Inc.

Companies Agency of Phoenix, Inc.

Companies Agency, Inc.

Companies Annuity Agency of Texas, Inc.

Consolidated Insurance Company

Copley Venture Capital, Inc.

Countrywide Services Corporation

Diversified Settlements, Inc.

Employers Insurance Company of Wausau

Excelsior Insurance Company

First State Agency, Inc.

Florida State Agency, Inc.

Globe American Casualty Company

Golden Eagle Insurance Corporation

Gulf States AIF, Inc.

Hawkeye-Security Insurance Company

Helmsman Insurance Agency of Illinois, Inc.

Helmsman Insurance Agency of Texas, Inc.

Heritage-Summit Healthcare of Florida, Inc.

Indiana Insurance Company
- Liberty International Holdings, Inc.

Liberty Life Assurance Company of Boston

Liberty Life Holdings, Inc.

Liberty Lloyds of Texas Insurance Company

Liberty Management Services, Inc.

Liberty Mexico Holdings, Inc.

Liberty Mutual Fire Insurance Company

Liberty Mutual Group Inc.

Liberty Mutual Holding Company, Inc.

Liberty Mutual Insurance Company

Liberty Mutual Managed Care, Inc.

Liberty Northwest Insurance Corporation

Liberty Personal Insurance Company

Liberty RE (Bermuda) Limited

Liberty Real Estate Corporation

Liberty Sponsored Insurance (Vermont) Inc.

Liberty Surplus Insurance Corporation

Liberty-USA Corporation

LIH-Re of America Corporation

LIH U.S. P&C Corporation

LIIA Insurance Agency, Inc.

LIU Specialty Agency, Inc.

LLS Insurance Agency of Nevada, Inc.

LM Insurance Corporation

LMHC Massachusetts Holding, Inc.

LRE Properties, Inc.

Mid-American Agency, Inc.

Mid-American Fire and Casualty Company

Missouri Agency, Inc.

North Pacific Insurance Company

Oregon Automobile Insurance Company

Peerless Indemnity Insurance Company

Peerless Insurance Company

LM Personal Insurance Company

LM General Insurance Company

LM Property and Casualty Insurance Company

San Diego Insurance Company

State Agency, Inc. (Indiana corporation)

State Agency, Inc. (Wisconsin corporation)

St. James Insurance Company

Summit Consulting, Inc.

NOTES TO FINANCIAL STATEMENTS

LEXCO Limited	Summit Consulting, Inc. of Louisiana
Liberty Assignment Corporation	Summit Holding Southeast, Inc.
Liberty Energy Corporation	The First Liberty Insurance Corporation
Liberty Financial Services, Inc.	The Midwestern Indemnity Company
Liberty Hospitality Group, Inc.	The National Corporation
Liberty Insurance Company of America	The Netherlands Insurance Company
Liberty Insurance Corporation	Wausau Business Insurance Company
Liberty Insurance Holdings, Inc.	Wausau General Insurance Company
Liberty Insurance Underwriters, Inc.	Wausau Service Corporation
Liberty International Asia Pacific Holdings, Inc.	Wausau Underwriters Insurance Company

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

Note 10- Information concerning Parent, Subsidiaries and Affiliates

- A. All of the outstanding shares of capital stock of the Company are held by Wausau Service Corporation (the “Parent Company”). Wausau Service Corporation is wholly owned by Liberty Mutual Insurance Company, a Massachusetts company. Liberty Mutual Insurance Company is wholly owned by Liberty Mutual Group, Inc., a Massachusetts company.
- B. Transactions between the Company and its affiliates are disclosed in Schedule Y Part 2.
- C. There have been no material changes in the terms of any intercompany agreements in 2005.
- D. At December 31, 2005, the Company reported \$620,038 net due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has made no guarantee or initiated undertaking for the benefit of affiliates that result in a material contingent exposure of the Company’s or affiliates’ assets or liabilities.
- F. See Note 26 for information regarding intercompany pooling arrangement

There is a “Service Agreement” between the Company and an affiliate, Liberty Mutual insurance Company (LMIC), under which LMIC provides the Company with services of personnel employed by the LMIC, office space, supplies, equipment, telephone and wire services, the use of computers and similar machines to the extent necessary or appropriate. The Company also has an investment services agreement with LMIC. LMIC is reimbursed for the costs of all services which it provides under these agreements.

- G. The Company is part of a holding company structure as illustrated in Schedule Y Part 1.
- H. The Company does not own shares of an upstream company, either directly or indirectly.
- I. The Company has no investments in subsidiary, controlled, or affiliated companies.
- J. Not applicable

Note 11- Debt

Not applicable

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

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other post retirement benefit plans. Services for the operation of the Company are provided under provisions of an intercompany cost-sharing arrangement as described in note 10 F.

Note 13- Capital and Surplus, Shareholders’ Dividend restrictions and Quasi-Reorganizations

1. The Company has 20,000 shares authorized, and 11,250 shares issued and outstanding as of December 31, 2005. All shares have a stated par value of \$400.
2. Preferred Stock

Not applicable
3. Dividend Restrictions

There are no dividend restrictions.
4. The maximum amount of dividends which can be paid by Wisconsin-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is the lesser of (a) 10% of policyholders’ surplus, or (b) adjusted net income. The maximum dividend payout which may be made without prior approval in 2006 is \$10,568,676.
5. As of December 31, 2005, the Company has restricted surplus of \$4,699,083 resulting from retroactive reinsurance contracts.

NOTES TO FINANCIAL STATEMENTS

6.

The Company had no advances to surplus.
7.

The Company did not hold stock for special purposes.
8.

The Company had changes in special surplus funds resulting from retroactive reinsurance contracts during 2005.
9.

The portion of unassigned funds (surplus) represented by cumulative unrealized gains and (losses) is \$(95,388).
10.

Surplus Notes

Not applicable
11.

Quasi re-organization (dollar impact)

Not applicable
12.

Quasi re-organization (effective date)

Not applicable

Note 14- Contingencies

- A.

Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities as indicated in Note 10E and the Company has made no guarantees on behalf of affiliates.
- B.

Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments 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 \$1,185,218 that is offset by future premium tax credits of \$226,707. This represents management’s best estimate based on information received from the states in which the Company writes business and may change due to factors including the company’s share of the ultimate cost of current insolvencies. Current assessments are expected to be paid out in the next five years, while premium tax offsets are expected to be realized in the next ten years.

During 2005 there were no material insolvencies to report. The company continues to remit payments relating to prior year insolvencies.
- C.

Gain Contingencies

Not applicable
- D.

All other Contingencies

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

Note 15- Leases

- A.

Aside from certain sale-leaseback transactions disclosed below, the Company is not involved in material lease arrangements.

The Company has entered into sale-leaseback arrangements with unrelated parties on certain property, plant and equipment. The transactions have been accounted for in accordance with SSAP No. 22. The Company has a purchase option for all PP&E at the end of each respective lease. The Company’s minimum lease obligations under these agreements are as follows:

<u>Year(s)</u>	<u>Sale Lease-back</u>	<u>All Other Operating Lease Arrangements</u>
2006	\$207,058	\$424,462
2007	129,090	338,500
2008	119,002	250,044
2009	98,543	184,564
2010	62,757	131,197
2011 & thereafter	0	636,746
Total	\$616,450	\$1,965,513

- B.

Leasing as a significant part of lessor’s business activities

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

The Company is not exposed to financial instruments with off-balance sheet risk or with concentrations of credit risk.

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

A. Transfers of Receivables reported as sales:

The Company did not have any transfers of receivables reported as sales.

B. Transfers and servicing of financial assets:

The Company participates in Securities lending program to generate additional income, whereby certain fixed income securities are loaned for a short period of time from the Company’s portfolio to qualifying third parties, via a lending agent. Borrowers of these securities provide collateral equal to or in excess of, 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 100% of the market value of the loaned securities. Under the terms of the securities lending program, the lending agent indemnifies the Company against borrower defaults. The loaned securities remain a recorded asset of the Company, however, the Company records a liability for the amount of collateral held, representing its obligation to return the collateral related to the loaned securities. At December 31, 2005, the total market value of fixed maturities loaned was \$11,771,929, with corresponding collateral value at \$12,035,835.

C. Wash Sales

The Company did not have any wash sales transactions during the year.

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

A. Administrative Services Only (ASO) Plans

Net reimbursement for administrative expenses over actual expenses on uninsured plans and net gain was \$1,888. Claim payment volume was \$119,343.

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 has no direct premiums written through managing general agents or third party administrators.

Note 20 – September 11 Events

The Company has material exposure to losses arising from the World Trade Center disaster of September 11, 2001. The exposure arises from the property, workers’ compensation, auto, and surety policies and reinsurance contracts written by member companies of the Liberty Mutual Group. The Company shares in the losses via the inter-company pooling agreement. Although uncertainty about the final loss amount still exists, the losses are reasonably estimable and such estimate has been recorded. The Company believes that its reinsurers are financially sound and that reinsurance collectibility is not a significant issue or concern. The amounts recorded by the Company in this annual statement are as follows:

	Direct	Assumed	Gross	Ceded	Net
Paid Loss and ALAE	\$1,057,030	\$437,455	\$1,494,485	\$1,299,508	\$194,977
Loss and ALAE Reserves	545,269	82,888	628,157	449,749	178,408
Incurred Loss and ALAE	\$1,602,299	\$520,343	\$2,122,642	\$1,749,257	\$373,385

Note 21- Other Items

A. The Company has no extraordinary items to report.

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1) Florida Special Disability Trust Fund

a) The amount of credit taken by the Company in determination of its loss reserves was \$0 in 2005 and 2004.

NOTES TO FINANCIAL STATEMENTS

- b) The Company reported loss recoveries from the Special Disability Trust Fund of \$300,801 in 2005 and \$10,967 in 2004.

c) The amount the Company was assessed by the Special Disability Trust Fund was \$772,257 in 2005 and \$439,723 in 2004.
- 2) Assets in the amount of \$25,126,223 and \$29,684,111 as of December 31, 2005 and 2004, respectively, were on deposit with government authorities or trustees as required by law.
- D. The Company routinely assesses the collectibility of its premium receivable. Based upon Company experience, amounts in excess of non-admitted amounts are not believed to be material.
- E. Business Interruption Insurance Recoveries

The Company does not purchase Business Interruption coverage.
- F. Additional Pension and Postretirement Disclosure Requirements

Refer to Note 12.

Note 22- Events Subsequent

There were no events subsequent to December 31, 2005 which would require disclosure.

Note 23- Reinsurance

- A. Excluding amounts arising pursuant to the inter-company Reinsurance Agreement, as described in Note 26, there are no unsecured reinsurance recoverables with an individual reinsurer which exceed 3% of policyholders surplus.
- B. There are no reinsurance recoverables in dispute from an individual reinsurer which exceeds 5% of the Company’s surplus. In addition, the aggregate reinsurance recoverables in dispute do not exceed 10% of the Company’s surplus.
- C. The following table sets forth the maximum return premium and commission equity due the reinsurer or the Company if all of the Company’s assumed and ceded reinsurance were canceled as of December 31, 2005.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	\$16,797,204	\$883,934	\$136,711,413	\$7,194,281	\$(119,914,209)	\$(6,310,347)
All Other	0	0	0	0	0	0
Total	\$16,797,204	\$883,934	\$136,711,413	\$7,194,281	\$(119,914,209)	\$(6,310,347)

Direct Unearned Premium Reserve: \$136,711,413

Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2005 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	\$0	\$267,967	\$0	\$267,967
Sliding scale adjustments	0	0	0	0
Other profit commissions	0	(780,000)	0	(780,000)
Totals	\$0	\$(512,033)	\$0	\$(512,033)

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

- D. The Company has not written off any uncollectible balances in the current year.
- E. The Company has not recorded any commutations in the current year.
- F. The Company has one assumed retroactive contract as a result of the intercompany pooling arrangement with Liberty Mutual Insurance Company.

		Assumed	Ceded
a.	Reserves Transferred:		
	1. Initial Reserves	\$(8,774,626)	\$0
	2. Adjustment – Prior Year(s)	497,309	0
	3. Adjustment – Current Year	28,010	0
	4. Total	\$(8,249,307)	\$0
b.	Consideration Paid or Received:		
	1. Initial Reserves	\$(3,836,202)	\$0
	2. Adjustment – Prior Year(s)	(155,792)	0
	3. Adjustment – Current Year	(180,692)	0
	4. Total	\$(4,172,686)	\$0

NOTES TO FINANCIAL STATEMENTS

c.	Amounts Recovered / Paid - Cumulative		
	1. Initial Reserves	\$(105,288)	\$0
	2. Adjustment – Prior Year(s)	(385,402)	0
	3. Adjustment – Current Year	(175,951)	0
	4. Total	\$(666,641)	\$0
d.	Special Surplus from Retroactive Reinsurance		
	1. Initial Reserves	\$5,007,407	\$0
	2. Adjustment – Prior Year(s)	(267,699)	0
	3. Adjustment – Current Year	(40,625)	0
	4. Total	4,699,083	\$0
	5. Cumulative Total Transferred To Unassigned Funds	\$44,179	
e.	Other insurers included in the above transactions:		
		Assumed	Ceded
	Liberty Mutual Insurance Company, 23043	\$(8,249,307)	\$0

f. There are no reinsurance contracts covering losses that have occurred prior to the inception of the contract that have not been accounted for in conformity with the NAIC Accounting Practices and Procedures Manual.

G. There are no contracts recorded as deposit accounting.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Accrued retrospective premiums reported in Line 13.3 of the assets have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. For detail of net premium written subject to retrospective rating features see Schedule P – Part 7A.
- D. Ten percent of the amount not offset by retrospective return premiums or collateral has been designated non-admitted and charged to surplus.

Total accrued retro premium	\$3,133,118
Less: Non-admitted amount	316,715
Admitted amount	<u>\$2,816,403</u>

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred loss and loss adjustment expenses attributed to insured events of prior years has increased during 2005 primarily as a result of rising loss development trends in workers’ compensation and general liability. The increase also reflects the completion of the Company’s biennial ground-up asbestos reserve study in the third quarter. Refer to Note 33 for further details. Original estimates are revised as additional information becomes known regarding individual claims.

Note 26- Intercompany Pooling Arrangements

The Company is a member of the Liberty Mutual Inter-Company Reinsurance Agreement consisting of the following affiliated companies:

		NAIC Co. #	Pooling %	Lines of Business
Lead Company:	Liberty Mutual Insurance Company (LMIC)	23043	66.5%	All Lines
Affiliated Pool Companies:	Employers Insurance Company of Wausau (EICOW)	21458	16.00%	All Lines
	Liberty Mutual Fire Insurance Company (LMFIC)	23035	10.00%	All Lines
	Liberty Insurance Corporation (LIC)	42404	6.00%	All Lines
	Wausau Business Insurance Company (WBIC)	26069	0.40%	All Lines
	Wausau General Insurance Company (WGIC)	26425	0.40%	All Lines
	Wausau Underwriters Insurance Company (WUIC)	26042	0.40%	All Lines
	LM Insurance Corporation (LM Ins Corp)	33600	0.20%	All Lines
	The First Liberty Insurance Corporation (FLIC)	33588	0.10%	All Lines
	Liberty Personal Insurance Company (LPIC)	11746	0.00%	All Lines
	Liberty Insurance Company of America (LICA)	10337	0.00%	All Lines
	Liberty Surplus Insurance Corporation (LSIC)	10725	0.00%	All Lines
			100.00%	

NOTES TO FINANCIAL STATEMENTS

100% Quota Share	Liberty Lloyd’s of Texas Insurance Company			
Affiliated Companies:	(Lloyds)	11041	0.00%	All Lines
	Liberty County Mutual Insurance Company (LCMIC)	19544	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. (LIU)	19917	0.00%	All Lines
	Bridgefield Employers Insurance Company (BEIC)	10701	0.00%	All Lines
	Bridgefield Casualty Insurance Company (BCIC)	10335	0.00%	All Lines
	LM Property and Casualty Insurance Company (LMPAC)	32352	0.00%	All Lines
	LM General Insurance Company (LMGIC)	36447	0.00%	All Lines
	LM Personal Insurance Company (LMPIC)	36439	0.00%	All Lines

Under the terms of the Reinsurance Agreements, the sequence of transactions is as follows:

- (a) Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the lead company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- (b) With the exception of LMGIC and LMPIC, each 100% Quota Share Affiliated company cedes its net underwriting activity to the lead company. LMGIC and LMPIC cede its net underwriting activity to LMPAC.
- (c) After recording the assumed affiliate transactions noted above, the lead company records 100% of its external assumed and ceded reinsurance activity.
- (d) The lead company’s remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company’s pool participation percentage, as noted above.
- (e) There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- (f) There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- (g) The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.

Note 27- Structured Settlements

- A. As a result of purchased annuities with the claimant as payee, The Company no longer carries reserves of \$5,321,607 after applying Inter-Company Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was \$5,321,607 as of December 31, 2005.
- B. A summary of purchased structured settlement annuities exceeding 1% of policyholders’ surplus and whereby the company has not obtained a release of liability from the claimant is as follows:

Life Insurance Company & Location	Licensed in Company’s State of Domicile (Yes/No)	Statement Value of Annuities
The Prudential Insurance Company of America Newark, New Jersey	Yes	\$2,144,661
Liberty Life Assurance Company of Boston Boston, Massachusetts	Yes	\$2,173,601

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

As of December 31, 2005, the Company had no liabilities related to premium deficiency reserves. The Company considers anticipated investment income when calculating its premium deficiency reserves.

Note 31- High Dollar Deductible Policies

As of December 31, 2005, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$16,755,081 and the amount billed and recoverable on paid claims was \$1,038,030.

NOTES TO FINANCIAL STATEMENTS

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

For Workers Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2005, liabilities include \$13,673,392 of liabilities carried at a discounted value of \$8,398,164 representing a discount of \$5,275,228.

For all other lines, the Company does not discount its reserves for unpaid losses and loss adjustment expenses.

Note 33- Asbestos/Environmental Reserves

The Company has exposure to asbestos and environmental claims which emanate principally from general liability policies written prior to the mid-1980's. In establishing the Company's asbestos and environmental reserves, the Company estimates case basis reserves for anticipated losses and bulk reserves for loss adjustment expenses and incurred but not reported losses. The Company maintained casualty excess of loss reinsurance during the relevant periods. The reserves are reported net of expected recoveries from reinsurers and include any reserves reported by ceding reinsurers on assumed reinsurance contracts.

Upon their de-affiliation from the Nationwide Group and re-affiliation with the Liberty Mutual Insurance Company, EICOW, Wausau Business Insurance Company ("WBIC"), Wausau General Insurance Company ("WGIC"), and Wausau Underwriters Insurance Company ("WUIC") entered into ceded reinsurance contracts whereby Nationwide Indemnity Company assumed full responsibility for obligations on certain policies with effective dates prior to January 1, 1986, including all asbestos and environmental exposures.

Factors Contributing to Uncertainty in Establishing Adequate Reserves

The process of establishing reserves for asbestos and environmental claims is subject to greater uncertainty than the establishment of reserves for liabilities relating to other types of insurance claims. A number of factors contribute to this greater uncertainty surrounding the establishment of asbestos and environmental reserves, including, without limitation: (i) the lack of available and reliable historical claims data as an indicator of future loss development, (ii) the long waiting periods between exposure and manifestation of any bodily injury or property damage, (iii) the difficulty in identifying the source of asbestos or environmental contamination, (iv) the difficulty in properly allocating liability for asbestos or environmental damage, (v) the uncertainty as to the number and identity of insureds with potential exposure, (vi) the cost to resolve claims, and (vii) the collectibility of reinsurance.

The uncertainties associated with establishing reserves for asbestos and environmental losses and loss adjustment expenses are compounded by the differing, and at times inconsistent, court rulings on environmental and asbestos coverage issues involving: (i) the differing interpretations of various insurance policy provisions and whether asbestos and environmental losses are or were ever intended to be covered, (ii) when the loss occurred and what policies provide coverage, (iii) whether there is an insured obligation to defend, (iv) whether a compensable loss or injury has occurred, (v) how policy limits are determined, (vi) how policy exclusions are applied and interpreted, (vii) the impact of entities seeking bankruptcy protection as a result of asbestos-related liabilities, (viii) whether clean-up costs are covered as insured property damage, and (ix) applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim.

In recent years the Company, as well as the industry generally, has witnessed a significant increase in the number of asbestos claims being filed, due to a number of variables, including more intensive advertising by lawyers seeking asbestos claimants, and the increasing focus by plaintiffs on new and previously peripheral defendants, attempts to broaden the interpretation of compensable loss, and courts expanding the scope of the coverage.

Uncertainty Regarding Reserving Methodologies

As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities and establishing related reserves, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based upon historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment.

During the third quarter of 2005, the Company completed its biennial ground-up asbestos reserve study. As part of that review, a multi-disciplined team of internal claims, legal, reinsurance and actuarial personnel completed their comprehensive review of the Company's asbestos exposure on a direct, assumed, and ceded basis including potential exposures of large policyholders that were individually evaluated using the company's proprietary stochastic model, which is consistent with the latest published actuarial paper on asbestos reserving. Among the factors reviewed in depth by the team specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, types of injury, state jurisdictions, legal defenses, and reinsurance potential. Small policyholders were evaluated using aggregate methods that utilized information developed from the large policyholders. Additionally, a provision of pure IBNR was established for the potential emergence of first-time filers of future asbestos claims. Based on this internal study, the Company increased its asbestos reserves by \$812,000.

Effect of Uncertainty in Reserving For Asbestos and Environmental Claims on Company's Financial Condition

The methods of determining estimates for reported and unreported losses and establishing resulting reserves and related reinsurance recoverables are periodically reviewed and updated, and adjustments resulting from this review are reflected in income currently.

As a direct result of the significant uncertainties associated with estimating its asbestos and environmental exposures and establishing appropriate levels of reserves, the ultimate liability of the Company for asbestos and environmental exposures may vary materially from the reserves currently recorded. The Company and other industry members have and will continue to litigate the broadening judicial interpretation of policy coverage and the liability issues. If the courts continue to expand the scope of the coverage provided, additional liabilities could emerge for amounts in excess of reserves held. This emergence, as well as the other uncertainties noted above, cannot now be reasonably estimated, but could have a material impact on the Company's future operating results, and financial condition.

NOTES TO FINANCIAL STATEMENTS

The table below summarizes reserve and loss activity for the Company’s asbestos and environmental loss and loss adjustment expenses for each of the five most recent calendar years. Gross reserves for both asbestos and environmental are representative of all Liberty pooled companies. Net reserves for asbestos and environmental are allocated based on the Company’s Intercompany Reinsurance Agreement as discussed in Note 26.

<u>Asbestos:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Direct Basis					
Beginning Reserves	5,278,453	5,425,386	5,916,248	6,313,717	6,809,851
Incurred losses and LAE	1,023,981	1,653,313	1,708,064	1,648,295	2,216,955
Calendar year payments	877,048	1,162,451	1,310,595	1,152,161	1,033,805
Ending Reserves	5,425,386	5,916,248	6,313,717	6,809,851	7,993,001
Assumed Reinsurance Basis					
Beginning Reserves	300,495	435,946	747,828	1,049,035	1,958,363
Incurred losses and LAE	138,973	323,861	460,960	1,048,161	217,778
Calendar year payments	3,522	11,979	159,753	138,833	120,622
Ending Reserves	435,946	747,828	1,049,035	1,958,363	2,055,519
Net of Ceded Reinsurance Basis					
Beginning Reserves	3,115,960	3,371,852	3,840,056	4,498,356	3,805,872
Incurred losses and LAE	711,420	1,161,312	1,252,012	14,128	877,475
Calendar year payments	455,528	693,108	593,712	706,611	513,924
Ending Reserves	3,371,852	3,840,056	4,498,356	3,805,872	4,169,423
Ending Reserves for Bulk + IBNR included above (Loss & LAE)					
Direct Basis					4,189,242
Assumed Reinsurance Basis					1,561,659
Net of Ceded Reinsurance Basis					1,780,011
Ending Reserves for LAE included above (Case, Bulk & IBNR)					
Direct Basis					2,949,742
Assumed Reinsurance Basis					18,221
Net of Ceded Reinsurance Basis					1,269,369
<u>Environmental:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Direct Basis					
Beginning Reserves	2,871,639	2,281,068	1,786,015	1,286,821	2,840,721
Incurred losses and LAE	(317)	176,387	(219,506)	1,840,494	634,264
Calendar year payments	590,254	671,440	279,688	286,594	730,997
Ending Reserves	2,281,068	1,786,015	1,286,821	2,840,721	2,743,988
Assumed Reinsurance Basis					
Beginning Reserves	446,249	443,836	471,469	223,667	283,540
Incurred losses and LAE	(43)	34,552	(225,290)	81,351	(48,921)
Calendar year payments	2,370	6,919	22,512	21,478	25,342
Ending Reserves	443,836	471,469	223,667	283,540	209,277
Net of Ceded Reinsurance Basis					
Beginning Reserves	1,789,776	1,701,572	1,225,836	1,030,952	2,106,854
Incurred losses and LAE	358,164	(43,556)	(32,000)	1,263,944	2,037
Calendar year payments	446,368	432,180	162,884	188,042	401,605
Ending Reserves	1,701,572	1,225,836	1,030,952	2,106,854	1,707,286

NOTES TO FINANCIAL STATEMENTS

Ending Reserves for Bulk + IBNR included above (Loss & LAE)		
Direct Basis		1,961,664
Assumed Reinsurance Basis		124,814
Net of Ceded Reinsurance Basis		1,091,041
Ending Reserves for LAE included above (Case, Bulk & IBNR)		
Direct Basis		1,091,040
Assumed Reinsurance Basis		4,262
Net of Ceded Reinsurance Basis		633,166

Note 34- Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	26,789,532	15.165	26,789,532	15.165
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	553,503	0.313	553,503	0.313
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	12,239,840	6.929	12,239,840	6.929
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	13,554,515	7.673	13,554,515	7.673
1.512 Issued or guaranteed by FNMA and FHLMC	45,421,516	25.712	45,421,516	25.712
1.513 All other	6,756,463	3.825	6,756,463	3.825
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	3,037,658	1.720	3,037,658	1.720
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage- backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other	511,733	0.290	511,733	0.290
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	58,639,047	33.194	58,639,047	33.194
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities	7,529	0.004	7,529	0.004
8. Cash, cash equivalents and short-term investments	9,143,725	5.176	9,143,725	5.176
9. Other invested assets				
10. Total invested assets	176,655,061	100.000	176,655,061	100.000

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 ☒ No ☐

1.2

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

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

WISCONSIN

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 ☒

2.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1

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

12/31/2004

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.

12/31/1999

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).

11/07/2003

3.4

By what department or departments? State of Wisconsin Office of the Commissioner of Insurance

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ☐ No ☒

4.12

renewals?

Yes ☐ 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 ☐ No ☒

4.22

renewals?

Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒

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 ☒

7.2

If yes,

7.21

State the percentage of foreign control

0 %

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	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

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
200 Clarendon St, Boston, MA 02116

10. 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? Roy K. Morell
175 Berkeley St, Boston, MA 02116
Officer of Liberty Mutual Insurance Company

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

11.11 Name of real estate holding company

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value

Yes [] No [X]

\$

11.2 If yes, provide explanation 0

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

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

12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

12.3 Have there been any changes made to any of the trust indentures during the year?

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [X]

Yes [] No [X]

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

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

15. 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 []

Yes [X] No []

Yes [X] No []

FINANCIAL

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

16.11 To directors or other officers

16.12 To stockholders not officers

16.13 Trustees, supreme or grand (Fraternal only)

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

16.21 To directors or other officers

16.22 To stockholders not officers

16.23 Trustees, supreme or grand (Fraternal only)

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

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

17.21 Rented from others

17.22 Borrowed from others

17.23 Leased from others

17.24 Other

\$

\$

\$

\$

\$

\$

\$

\$

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

18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment

Yes [] No [X]

\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

18.22 Amount paid as expenses

18.23 Other amounts paid

\$

\$

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

Yes [X] No []

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

\$

INVESTMENT

20.1 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, except as shown by Schedule E - Part 3 - Special Deposits?

Yes [X] No []

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

21.1 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, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1).

Yes [X] No []

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

21.21 Loaned to others

21.22 Subject to repurchase agreements

21.23 Subject to reverse repurchase agreements

21.24 Subject to dollar repurchase agreements

21.25 Subject to reverse dollar repurchase agreements

21.26 Pledged as collateral

21.27 Placed under option agreements

21.28 Letter stock or securities restricted as to sale

21.29 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

11,771,929

21.3 For category (21.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount

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

Yes [] No [X]

22.2 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.

23.1 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]

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

\$

24. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

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

1	2
Name of Custodian(s)	Custodian's Address
JP MORGAN CHASE	3 Chase Metro Tech Center, Brooklyn, NY 11245

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

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

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No [X]

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Central Registration Depository Number(s)	2 Name	3 Address

25.1 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 [☒]

25.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999	Total	

25.3 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

26. 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 (+)
26.1 Bonds	176,143,322	176,085,059	(58,263)
26.2 Preferred stocks			
26.3 Totals	176,143,322	176,085,059	(58,263)

26.4 Describe the sources or methods utilized in determining the fair values: IDC, Bloomberg, NAIC, SVO, Broker Quotes, Analytically Determined

27.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securittes Valuation Office been followed? Yes [☒] No [☐]

27.2 If no, list exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 176,557

28.2 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
NEW YORK COMPENSATION INS. RATING BOARD	\$ 46,917
WISCONSIN COMPENSATION RATING BUREAU	\$ 48,683
	\$

29.1 Amount of payments for legal expenses, if any? \$

29.2 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
	\$
	\$
	\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$
- 30.2 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.

\$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding

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

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$

1.62 Total incurred claims

\$

1.63 Number of covered lives

\$

All years prior to most current three years:

1.64 Total premium earned

\$

1.65 Total incurred claims

\$

1.66 Number of covered lives

\$

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$

1.72 Total incurred claims

\$

1.73 Number of covered lives

\$

All years prior to most current three years:

1.74 Total premium earned

\$

1.75 Total incurred claims

\$

1.76 Number of covered lives

\$

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator	\$ 565	\$ (27,556)
2.2 Premium Denominator	\$ 41,438,764	\$ 38,803,786
2.3 Premium Ratio (2.1/2.2)		
2.4 Reserve Numerator	\$ 30,474	\$ 31,767
2.5 Reserve Denominator	\$ 85,264,736	\$ 79,912,722
2.6 Reserve Ratio (2.4/2.5)		

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

\$

3.22 Non-participating policies

\$

4. For Mutual Reporting Entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies?

YES [] NO [X]

4.2 Does the reporting entity issue non-assessable policies?

YES [] NO [X]

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

%

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

\$

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?

YES [] NO [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation

YES [] NO [] N/A [X]

5.22 As a direct expense of the exchange

YES [] NO [] N/A [X]

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

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

YES [] NO [X]

5.5 If yes, give full information

GENERAL INTERROGATORIES

(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: In 2005, the Company purchased a Workers' Compensation Catastrophe Treaty with limits of \$450M part of \$600M xs \$100M.

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: For its North American exposures, the Company employs industry recognized catastrophe modeling software to estimate the PML. For property exposures, we employ RiskLink v5.0 from RMS and AIR Classic/2 v7.0 from AIR. For WC, the Company utilizes RiskLink v5.0 from RMS.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? In 2005, the Company purchased a Property Catastrophe Treaty with limits of \$860M part of \$1.15B xs \$250M.

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 ☒ NO ☐

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to 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 ☒ NO ☐

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

1

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

YES ☒ NO ☐

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

YES ☐ NO ☒

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 3% 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 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

YES ☐ NO ☒

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), 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.

YES ☐ NO ☒

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatroy 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 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

YES ☐ NO ☒

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.

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

YES ☒ NO ☐ N/A ☐

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

YES ☐ NO ☒

11.2

If yes, give full information

GENERAL INTERROGATORIES

(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11	Unpaid losses	\$	6,718,433
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$	1,051,104

12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 1,683,991

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 ☐ 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	5.500 %
12.42	To	6.000 %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

YES ☒ NO ☐

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

12.61	Letters of Credit	\$	29,532,463
12.62	Collateral and other funds	\$	2,303,917

13.1	What amount of installment notes is owned and now held by the reporting entity?	\$
------	---	----

13.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? YES [] NO [X]

13.3 If yes, what amount? \$

14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 406,234
--	------------

14.2 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 ☐

14.3 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.

15.1 Is the company a cedant in a multiple cedant reinsurance contract? YES [X] NO []

15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 Premiums and recoverables were allocated pursuant to separate intercompany pooling agreements.

15.3 If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts? YES [] NO [X]

15.4 If the answer to 15.3 is no, are all the methods described in 15.2 entirely contained in written agreements? YES [X] NO []

15.5 If the answer to 15.4 is no, please explain:

16.1 Has the reporting entity guaranteed any financed premium accounts? YES ☐ NO ☒

16.2 If yes, give full information

17.1 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	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
17.11 Home	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.12 Products	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.13 Automobile	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.14 Other*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

* Disclose type of coverage:

GENERAL INTERROGATORIES

(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

18.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5.

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

18.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

18.12 Unfunded portion of Interrogatory 18.11

18.13 Paid losses and loss adjustment expenses portion of Interrogatory 18.11

18.14 Case reserves portion of Interrogatory 18.11

18.15 Incurred but not reported portion of Interrogatory 18.11

18.16 Unearned premium portion of Interrogatory 18.11

18.17 Contingent commission portion of Interrogatory 18.11

YES [] NO [X]

\$

\$

\$

\$

\$

\$

\$

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

18.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

18.19 Unfunded portion of Interrogatory 18.18

18.20 Paid losses and loss adjustment expenses portion of Interrogatory 18.18

18.21 Case reserves portion of Interrogatory 18.18

18.22 Incurred but not reported portion of Interrogatory 18.18

18.23 Unearned premium portion of Interrogatory 18.18

18.24 Contingent commission portion of Interrogatory 18.18

\$

\$

\$

\$

\$

\$

\$

FIVE-YEAR HISTORICAL DATA

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

	1 2005	2 2004	3 2003	4 2002	5 2001
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	482,077,466	388,169,625	227,351,165	166,893,752	229,315,204
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	15,403,769	15,347,726	12,004,002	11,908,294	12,411,387
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	35,641,385	26,606,353	28,140,850	25,614,194	34,281,769
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	798,674	552,220	707,307	2,152,201	2,186,750
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)	328,210	483,834	885,678	582,214	181,576
6. Total (Line 34)	534,249,504	431,159,758	269,089,002	207,150,655	278,376,686
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	27,950,653	26,161,036	23,035,920	20,098,602	17,493,150
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,215,228	7,004,152	6,522,957	6,119,869	5,641,214
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,091,598	5,522,375	5,765,721	4,715,652	4,090,968
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	798,674	546,792	707,307	2,152,201	2,186,750
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)	328,210	483,834	885,678	582,214	181,576
12. Total (Line 34)	42,384,363	39,718,189	36,917,583	33,668,538	29,593,658
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(3,135,400)	(3,008,122)	(3,509,651)	(2,771,867)	(9,498,834)
14. Net investment gain (loss) (Line 11)	9,411,935	10,270,261	9,766,695	10,150,993	13,605,630
15. Total other income (Line 15)	(478,446)	(739,008)	(906,331)	(541,270)	2,711,490
16. Dividends to policyholders (Line 17)	144,432	157,730	(9,605)	259,503	309,041
17. Federal and foreign income taxes incurred (Line 19)	160,932	639,204	1,227,551	500,078	11,788
18. Net income (Line 20)	5,492,725	5,726,197	4,132,767	6,078,275	6,497,457
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	204,659,583	202,355,392	194,526,418	191,653,435	177,474,858
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	2,797,366	2,685,559	3,541,675	3,503,384	3,127,293
20.2 Deferred and not yet due (Line 13.2)	8,279,130	7,663,113	6,160,795	5,181,700	4,172,548
20.3 Accrued retrospective premiums (Line 13.3)	2,816,403	3,067,317	3,186,377	2,797,882	2,884,204
21. Total liabilities excluding protected cell business (Page 3, Line 24)	98,972,819	102,542,088	101,054,156	98,867,293	92,601,815
22. Losses (Page 3, Lines 1 and 2)	56,828,550	53,560,966	52,749,271	49,802,757	51,635,317
23. Loss adjustment expenses (Page 3, Line 3)	11,638,987	10,216,078	10,430,663	9,491,698	10,023,624
24. Unearned premiums (Page 3, Line 9)	16,797,204	16,135,678	15,341,077	12,902,689	11,024,823
25. Capital paid up (Page 3, Lines 28 & 29)	4,500,000	4,500,000	4,500,000	4,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 35)	105,686,764	99,813,304	93,472,262	92,786,142	84,873,043
Risk-Based Capital Analysis					
27. Total adjusted capital	105,686,764	99,813,304	93,472,262	92,786,142	84,873,043
28. Authorized control level risk-based capital	5,325,535	5,451,785	5,050,145	4,563,583	4,329,852
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	94.8	93.6	91.5	89.5	92.3
30. Stocks (Lines 2.1 & 2.2)			0.1	0.1	0.1
31. Mortgage loans on real estate (Lines 3.1 and 3.2)					
32. Real estate (Lines 4.1, 4.2 & 4.3)					
33. Cash, cash equivalents and short-term investments (Line 5)	5.2	5.9	7.7	10.5	7.5
34. Contract loans (Line 6)				XXX	XXX
35. Other invested assets (Line 7)		0.6	0.6		
36. Receivables for securities (Line 8)			0.1		
37. Aggregate write-ins for invested assets (Line 9)					
38. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds, (Sch. D, Summary, Line 25, Col. 1)					
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
43. Affiliated mortgage loans on real estate					
44. All other affiliated					
45. Total of above Lines 39 to 44					
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24)	(95,378)		85,562	93,685	(149,830)
48. Dividends to stockholders (Line 35)					
49. Change in surplus as regards policyholders for the year (Line 38)	5,873,460	6,341,042	686,120	7,913,099	8,282,909
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	189,364,897	171,568,578	173,123,292	196,777,972	247,285,657
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,768,114	6,004,435	5,292,622	5,745,582	11,344,355
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	22,866,858	12,906,547	12,919,192	18,251,010	24,193,270
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	212,636	2,034,420	1,181,869	1,735,873	1,493,153
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	437,119	19,888	407,207	422,466	288,157
55. Total (Line 34)	220,649,624	192,533,868	192,924,182	222,932,903	284,604,592
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	14,948,241	16,243,990	13,614,246	15,705,522	15,454,717
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,678,338	3,104,219	3,049,194	3,057,076	3,505,081
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,858,590	3,575,828	2,376,906	2,671,744	3,134,066
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	212,636	2,034,420	1,181,869	1,735,885	1,493,153
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	437,119	19,888	407,207	422,466	288,157
61. Total (Line 34)	23,134,924	24,978,345	20,629,422	23,592,693	23,875,174
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2)	63.8	66.5	66.4	68.6	89.1
64. Loss expenses incurred (Line 3)	18.8	16.3	19.1	16.4	17.0
65. Other underwriting expenses incurred (Line 4)	24.9	25.0	24.5	23.7	26.3
66. Net underwriting gain (loss) (Line 8)	(7.6)	(7.8)	(10.0)	(8.8)	(32.4)
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	25.5	26.2	25.7	23.9	16.9
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	82.6	82.8	85.5	85.1	106.1
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	40.1	39.8	39.5	36.3	34.9
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	2,045	1,376	2,934	2,441	4,836
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100.0)	2.0	1.5	3.2	2.9	6.3
Two Year Loss Development (000 omitted)					
72. 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)	5,348	6,597	6,163	9,257	6,349
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	5.7	7.1	7.3	12.1	9.3

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	40,344,047	41,011,331	40,652,513	38,786,423
	2. Canada				
	3. Other Countries				
	4. Totals	40,344,047	41,011,331	40,652,513	38,786,423
States, Territories and Possessions (Direct and guaranteed)	5. United States	553,503	541,000	557,970	500,000
	6. Canada				
	7. Other Countries				
	8. Totals	553,503	541,000	557,970	500,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	60,699,014	60,082,448	60,810,838	60,626,295
	14. Canada				
	15. Other Countries				
	16. Totals	60,699,014	60,082,448	60,810,838	60,626,295
Public Utilities (unaffiliated)	17. United States	6,129,672	5,977,900	6,166,530	6,000,000
	18. Canada				
	19. Other Countries				
	20. Totals	6,129,672	5,977,900	6,166,530	6,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	56,790,124	56,937,595	57,152,449	55,600,502
	22. Canada	2,000,350	1,954,300	2,001,150	2,000,000
	23. Other Countries	987,097	941,100	985,240	1,000,000
	24. Totals	59,777,571	59,832,995	60,138,839	58,600,502
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	167,503,807	167,445,674	168,326,690	164,513,220
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	167,503,807	167,445,674	168,326,690	

SCHEDULE D - VERIFICATION BETWEEN YEARS
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	168,133,335	7. Amortization of premium	443,825
2. Cost of bonds and stocks acquired, Column 7, Part 3	35,506,983	8. Foreign Exchange Adjustment:	
3. Accrual of discount	112,057	8.1 Column 15, Part 1	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2 Section 1	
4.1 Columns 12 - 14, Part 1	(146,735)	8.3 Column 16, Part 2, Section 2	
4.2 Column 15 - 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2		9. Book/adjusted carrying value at end of current period	167,503,807
4.4 Column 11 - 13, Part 4	(146,735)	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	683,760	11. Subtotal (Lines 9 plus 10)	167,503,807
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	36,341,768	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	167,503,807

SCHEDULE P-ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P-PART 1-SUMMARY
(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
				4	5	6	7	8	9			
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	2,916	936	1,214	482	258	77	34	2,893	X X X
2. 1996	34,699	5,150	29,549	25,043	3,531	1,915	156	2,651	(19)	856	25,941	X X X
3. 1997	33,835	4,213	29,622	25,284	3,330	2,262	231	2,744	15	848	26,714	X X X
4. 1998	35,675	4,298	31,377	28,731	3,579	2,297	215	3,059	29	980	30,264	X X X
5. 1999	35,416	5,095	30,321	28,710	3,910	2,383	296	3,103	49	944	29,941	X X X
6. 2000	37,350	6,036	31,314	28,153	4,717	2,207	299	2,957	38	718	28,263	X X X
7. 2001	38,790	6,246	32,544	26,708	5,822	1,857	287	2,797	28	840	25,225	X X X
8. 2002	44,289	8,367	35,922	23,729	3,663	1,483	160	3,155	23	1,309	24,521	X X X
9. 2003	49,321	11,203	38,118	20,662	4,120	1,210	70	3,266	23	1,281	20,925	X X X
10. 2004	51,307	12,505	38,802	17,418	4,150	730	84	3,153	159	1,140	16,908	X X X
11. 2005	52,840	11,401	41,439	12,002	1,726	278	33	2,602	153	695	12,970	X X X
12. Totals	X X X	X X X	X X X	239,356	39,484	17,836	2,313	29,745	575	9,645	244,565	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	19,930	5,910	8,946	6,550	1,085	905	4,706	1,993	575		78	19,884	X X X
2. 1996	1,062	183	236	164	15	1	75	14	18		5	1,044	X X X
3. 1997	1,381	202	263	133	112	74	112	24	25		8	1,460	X X X
4. 1998	1,920	279	309	223	32	3	176	37	124		13	2,019	X X X
5. 1999	2,159	512	486	287	55	12	219	71	72		21	2,109	X X X
6. 2000	2,403	724	708	491	60	14	216	69	42		31	2,131	X X X
7. 2001	3,303	1,728	1,085	622	118	66	359	138	100		59	2,411	X X X
8. 2002	3,776	1,928	1,949	1,366	100	29	553	113	139		89	3,081	X X X
9. 2003	3,995	1,029	3,446	2,279	131	33	998	204	197		153	5,222	X X X
10. 2004	5,073	1,508	7,987	2,893	157	41	1,728	368	418		310	10,553	X X X
11. 2005	8,760	3,831	15,560	5,068	156	32	2,585	395	923	106	875	18,552	X X X
12. Totals	53,762	17,834	40,975	20,076	2,021	1,210	11,727	3,426	2,633	106	1,642	68,466	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred / Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	16,416	3,468
2. 1996	31,015	4,030	26,985	89.383	78.252	91.323			0.400	951	93
3. 1997	32,183	4,009	28,174	95.117	95.158	95.112			0.400	1,309	151
4. 1998	36,648	4,365	32,283	102.727	101.559	102.887			0.400	1,727	292
5. 1999	37,187	5,137	32,050	105.001	100.824	105.702			0.400	1,846	263
6. 2000	36,746	6,352	30,394	98.383	105.235	97.062			0.400	1,896	235
7. 2001	36,327	8,691	27,636	93.650	139.145	84.919			0.400	2,038	373
8. 2002	34,884	7,282	27,602	78.764	87.032	76.839			0.400	2,431	650
9. 2003	33,905	7,758	26,147	68.744	69.249	68.595			0.400	4,133	1,089
10. 2004	36,664	9,203	27,461	71.460	73.595	70.772			0.400	8,659	1,894
11. 2005	42,866	11,344	31,522	81.124	99.500	76.068			0.400	15,421	3,131
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	56,827	11,639

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1.
The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P-PART 2-SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior	53,919	54,208	52,943	50,656	49,632	52,202	54,073	56,026	58,504	60,583	2,079	4,557
2. 1996	24,700	23,608	23,682	23,830	24,109	24,050	24,043	24,040	24,307	24,518	211	478
3. 1997	X X X	23,507	23,394	24,264	24,657	25,126	25,150	25,192	25,489	25,699	210	507
4. 1998	X X X	X X X	25,855	26,755	27,409	28,270	28,565	28,785	29,113	29,479	366	694
5. 1999	X X X	X X X	X X X	25,447	26,243	27,236	27,937	28,443	28,668	29,210	542	767
6. 2000	X X X	X X X	X X X	X X X	24,476	25,606	25,772	26,640	27,354	27,627	273	987
7. 2001	X X X	X X X	X X X	X X X	X X X	25,217	24,568	25,003	24,643	24,873	230	(130)
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	25,012	23,610	23,640	24,403	763	793
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	26,146	23,544	22,841	(703)	(3,305)
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	26,252	24,327	(1,925)	X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	28,619	X X X	X X X
12. Totals											2,045	5,348

SCHEDULE P-PART 3-SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	000	9,872	17,132	21,492	25,006	27,050	30,342	32,943	35,564	38,276	X X X	X X X
2. 1996	10,307	15,005	17,626	19,617	20,946	21,814	22,348	22,626	22,980	23,271	X X X	X X X
3. 1997	X X X	9,481	14,315	17,555	19,889	21,436	22,436	23,047	23,651	23,985	X X X	X X X
4. 1998	X X X	X X X	10,378	16,655	20,371	23,118	24,698	25,776	26,608	27,234	X X X	X X X
5. 1999	X X X	X X X	X X X	10,311	16,389	20,207	22,921	24,751	26,044	26,887	X X X	X X X
6. 2000	X X X	X X X	X X X	X X X	10,814	16,977	20,200	22,426	24,451	25,344	X X X	X X X
7. 2001	X X X	X X X	X X X	X X X	X X X	11,388	17,178	20,049	21,768	22,456	X X X	X X X
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	10,717	16,422	19,749	21,389	X X X	X X X
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,889	15,112	17,682	X X X	X X X
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,050	13,914	X X X	X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,521	X X X	X X X

SCHEDULE P-PART 4-SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves On Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	23,162	18,521	13,895	9,258	8,011	6,442	4,829	4,774	3,996	5,288
2. 1996	8,254	4,276	2,427	1,473	1,102	740	369	155	245	195
3. 1997	X X X	7,757	3,795	2,242	1,491	1,206	682	334	310	318
4. 1998	X X X	X X X	8,375	3,757	2,150	1,279	939	435	446	371
5. 1999	X X X	X X X	X X X	8,269	3,925	1,960	1,195	693	542	491
6. 2000	X X X	X X X	X X X	X X X	6,776	2,595	1,144	783	628	451
7. 2001	X X X	X X X	X X X	X X X	X X X	7,057	2,886	1,727	885	715
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	7,549	2,981	1,345	1,014
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,829	4,452	2,035
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,952	6,669
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	13,005

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

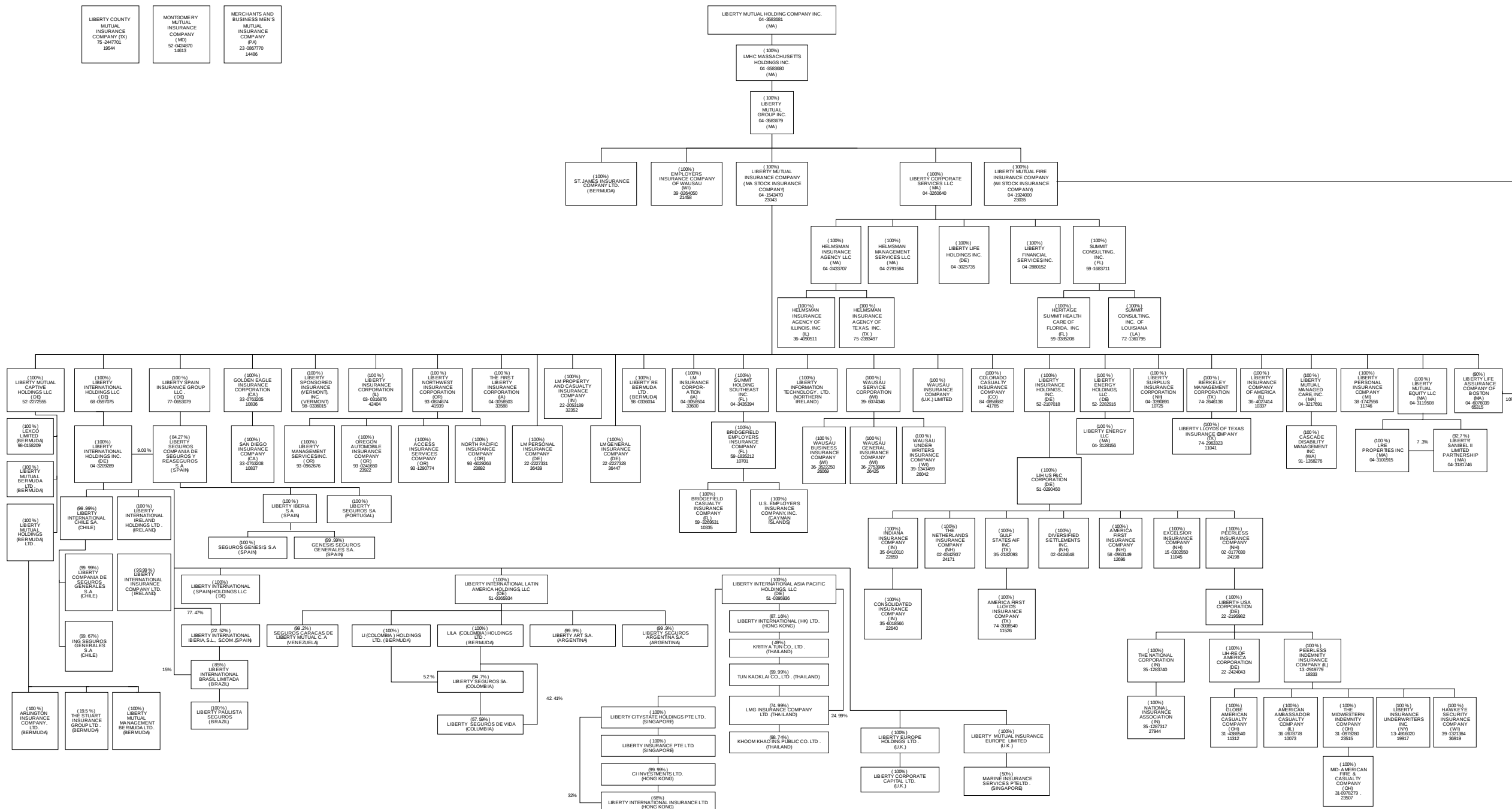
Allocated by States and Territories

States, Etc.		1 Is Insurer Licen- sed? (Yes or No)	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 Premium Written for Federal Purchasing Groups (Included in Col. 2)
			2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	YES	11,335,732	10,805,761	(3,881)	4,730,552	5,561,188	12,986,495		
2. Alaska	AK	YES	2,648,147	2,326,763	1	535,566	1,155,749	3,536,344		
3. Arizona	AZ	YES	2,597,898	4,316,972	18,519	1,010,426	2,615,071	6,495,221		
4. Arkansas	AR	YES	4,863,780	5,124,035	(275)	1,968,074	2,076,368	5,645,894		
5. California	CA	YES	85,878,958	73,939,307	141,573	13,660,996	38,762,266	74,557,538		
6. Colorado	CO	YES	5,374,496	5,543,817	(2,201)	5,626,787	3,890,642	10,815,877		
7. Connecticut	CT	YES	9,980,965	8,641,341	19,642	4,380,581	6,543,912	14,272,963		
8. Delaware	DE	YES	1,963,918	2,689,602	1	789,222	1,869,497	3,480,273		
9. Dist. Columbia	DC	YES	1,547,800	1,349,816	2,027	372,379	546,915	913,113		
10. Florida	FL	YES	24,034,347	22,529,252	89,706	16,342,347	14,914,549	36,961,261		
11. Georgia	GA	YES	12,249,778	11,141,373	10,160	4,743,804	7,569,460	14,668,506		
12. Hawaii	HI	YES	946,091	896,986	283	150,468	598,613	1,172,912		
13. Idaho	ID	YES	1,589,493	1,602,160	(45)	849,446	1,008,148	2,007,829		
14. Illinois	IL	YES	21,216,958	22,760,852	33,731	12,601,922	20,250,182	34,428,560		
15. Indiana	IN	YES	12,378,043	11,625,995	3,107	5,379,177	7,994,343	13,150,339		
16. Iowa	IA	YES	6,949,706	6,034,477	1,274	3,125,373	2,866,377	9,418,883		
17. Kansas	KS	YES	6,873,092	6,847,656	5,003	2,110,980	3,561,300	5,597,180		
18. Kentucky	KY	YES	7,310,089	7,352,585	29,439	3,677,073	4,862,931	14,770,212		
19. Louisiana	LA	YES	3,229,067	3,533,132	(323)	2,130,248	3,665,190	8,267,244		
20. Maine	ME	YES	1,211,647	1,371,273	4	580,742	1,233,174	2,994,094		
21. Maryland	MD	YES	10,213,857	10,157,311	3,660	3,387,571	6,773,033	12,610,062		
22. Massachusetts	MA	YES	3,237,022	3,201,961	21,892	3,127,754	1,273,341	19,839,230		
23. Michigan	MI	YES	13,354,902	12,618,083	27,434	6,694,070	8,230,066	24,633,909		
24. Minnesota	MN	YES	16,334,861	16,808,815	(17,490)	6,679,201	9,834,101	29,477,850		
25. Mississippi	MS	YES	6,028,700	5,777,436	5,477	2,495,442	3,791,308	6,530,256		
26. Missouri	MO	YES	17,351,034	16,919,288	7,537	4,942,306	9,581,886	16,774,278		
27. Montana	MT	YES	3,316,404	3,167,961	183	1,123,393	2,213,572	3,854,026		
28. Nebraska	NE	YES	4,005,777	3,410,947	2,711	1,368,464	2,195,279	3,467,793		
29. Nevada	NV	YES	3,110,063	3,374,348	23,798	612,866	2,006,165	2,446,403		
30. New Hampshire	NH	YES	2,258,141	1,565,639	(93,053)	1,182,854	1,414,379	3,907,298		
31. New Jersey	NJ	YES	11,991,336	10,703,444	39,676	3,970,791	4,410,616	18,263,173		
32. New Mexico	NM	YES	1,524,652	1,275,516	49	862,090	566,087	2,172,604		
33. New York	NY	YES	13,842,009	12,532,606	(584,165)	6,000,905	9,051,533	42,630,310		
34. No. Carolina	NC	YES	17,458,614	16,282,585	(3,664)	7,169,583	12,734,185	17,233,160		
35. No. Dakota	ND	YES	359,364	376,069	3	192,250	615,032	550,324		
36. Ohio	OH	YES	3,881,984	2,964,697	(1,047)	740,837	2,793,031	6,236,489		
37. Oklahoma	OK	YES	6,646,806	6,083,087	890	2,752,077	2,869,361	7,710,259		
38. Oregon	OR	YES	2,198,318	2,156,572	2,222	2,817,503	1,441,552	6,666,601		
39. Pennsylvania	PA	YES	18,002,786	17,357,272	(32,844)	10,843,004	6,573,808	29,940,325		
40. Rhode Island	RI	YES	395,887	351,974	148	222,197	316,059	1,054,417		
41. So. Carolina	SC	YES	7,430,549	7,852,367	13,465	2,046,887	2,279,568	7,541,906		
42. So. Dakota	SD	YES	796,864	787,911	(324)	542,205	160,868	3,332,614		
43. Tennessee	TN	YES	22,286,729	21,794,457	(439)	5,065,205	10,326,779	19,199,165		
44. Texas	TX	YES	23,057,830	23,458,398	61,377	10,715,734	13,229,512	44,588,316		
45. Utah	UT	YES	4,950,949	2,688,487	(10,275)	768,522	784,091	3,795,245		
46. Vermont	VT	YES	6,294,902	5,927,191	6,122	1,253,816	2,758,084	4,251,007		
47. Virginia	VA	YES	11,132,543	10,940,490	6,266	2,893,127	4,874,225	10,599,113		
48. Washington	WA	YES	2,180,854	2,215,078	60	2,088,981	1,237,740	3,775,467		
49. West Virginia	WV	YES	589,990	504,622	(2)	63,250	509,259	2,278,570		
50. Wisconsin	WI	YES	33,091,369	33,931,026	893,795	20,106,712	24,343,488	60,643,058		
51. Wyoming	WY	YES	108,895	76,856	14	10,000	(267,203)	178,700		
52. American Samoa	AS	NO								
53. Guam	GU	NO								
54. Puerto Rico	PR	YES	32,897	6,745	1	658	1,002,955	1,005,829		
55. U.S. Virgin Islands	VI	YES	(99)	(89)		8,283	8,286	39		
56. Canada	CN	NO								
57. Aggregate other alien	OT	X X X	218,347	216,180	(1)		258	356,349		
58. Totals	(a)	53	491,865,141	467,918,485	721,221	197,514,701	281,478,179	693,684,883		

DETAILS OF WRITE-INS									
5701. Other alien	X X X	218,347	216,180	(1)		258	356,349		
5702.	X X X								
5703.	X X X								
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X								
5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above)	X X X	218,347	216,180	(1)		258	356,349		

Explanation of basis of allocation of premiums by states, etc.	
*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery	
*States of Jurisdiction under which payrolls and resulting premiums are developed - Worker's Compensation	*Location of Court - Surety
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Address of Assured - Other Accident and Health
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity	*Location of Properties covered - Burglary and Theft
*Point of origin of shipment or principal location of assured - Inland Marine	*Principal Location of Assured - Ocean Marine, Credit
*State in which employees regularly work - Group Accident and Health	*Primary residence of Assured - Aircraft (all perils)

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



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation
ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
REMAINING WRITE-INS AGGREGATED AT LINE 09 FOR INVESTED ASSETS				
0904.				
0905.				
0906.				
0907.				
0908.				
0909.				
0910.				
0911.				
0912.				
0913.				
0914.				
0915.				
0916.				
0917.				
0918.				
0919.				
0920.				
0921.				
0922.				
0923.				
0924.				
0925.				
0997. Totals (Lines 0904 through 0925) (Page 2, Line 0998)				
REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR OTHER THAN INVESTED ASSETS				
2304. Amounts billed and receivable under high deductible policies	1,038,030	37,214	1,000,816	926,672
2305.				
2306.				
2307.				
2308.				
2309.				
2310.				
2311.				
2312.				
2313.				
2314.				
2315.				
2316.				
2317.				
2318.				
2319.				
2320.				
2321.				
2322.				
2323.				
2324.				
2325.				
2397. Totals (Lines 2304 through 2325) (Page 2, Line 2398)	1,038,030	37,214	1,000,816	926,672

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation
LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR LIABILITIES		
2304. Other liabilities	978,470	858,704
2305.		
2306.		
2307.		
2308.		
2309.		
2310.		
2311.		
2312.		
2313.		
2314.		
2315.		
2316.		
2317.		
2318.		
2319.		
2320.		
2321.		
2322.		
2323.		
2324.		
2325.		
2397. Totals (Lines 2304 through 2325) (Page 3, Line 2398)	978,470	858,704
REMAINING WRITE-INS AGGREGATED AT LINE 27 FOR SPECIAL SURPLUS FUNDS		
2704.		
2705.		
2706.		
2707.		
2708.		
2709.		
2710.		
2711.		
2712.		
2713.		
2714.		
2715.		
2716.		
2717.		
2718.		
2719.		
2720.		
2721.		
2722.		
2723.		
2724.		
2725.		
2797. Totals (Lines 2704 through 2725) (Page 3, Line 2798)		
REMAINING WRITE-INS AGGREGATED AT LINE 30 FOR OTHER THAN SPECIAL SURPLUS FUNDS		
3004.		
3005.		
3006.		
3007.		
3008.		
3009.		
3010.		
3011.		
3012.		
3013.		
3014.		
3015.		
3016.		
3017.		
3018.		
3019.		
3020.		
3021.		
3022.		
3023.		
3024.		
3025.		
3097. Totals (Lines 3004 through 3025) (Page 3, Line 3098)		