

ANNUAL STATEMENT

OF THE

EMPLOYERS INSURANCE COMPANY OF WAUSAU

of WAUSAU
STATE OF WISCONSIN

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2020

PROPERTY AND CASUALTY

2020



21458202020100100

ANNUAL STATEMENT

For the Year Ended December 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Employers Insurance Company of Wausau

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 21458 Employer's ID Number 39-0264050

Organized under the Laws of Wisconsin, State of Domicile or Port of Entry WI

Country of Domicile United States of America

Incorporated/Organized August 21, 1911 Commenced Business September 1, 1911

Statutory Home Office 2000 Westwood Drive, Wausau, WI, US 54401
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 175 Berkeley Street
(Street and Number)
Boston, MA, US 02116 617-357-9500 x41420
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 175 Berkeley Street, Boston, MA, US 02116
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 175 Berkeley Street Boston, MA, US 02116 617-357-9500
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.libertymutualgroup.com

Statutory Statement Contact Simone Thomas 617-357-9500 x41420
(Name) (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com 603-430-1653
(E-Mail Address) (Fax Number)

OFFICERS

Chairman of the Board

David Henry Long

	Name	Title
1.	David Henry Long	President and Chief Executive Officer
2.	Mark Charles Touhey	Executive Vice President and Secretary
3.	Edward Jose Pena #	Executive Vice President and Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
Alison Brooke Erbig	Executive Vice President and Comptroller	Melanie Marie Foley	EVP-Chief Talent & Enterprise Services Off.
Neeti Bhalla Johnson	EVP and Chief Investment Officer	James Francis Kelleher	EVP and Chief Legal Officer
Dennis James Langwell	Executive Vice President	James Martin McGlennon	EVP and Chief Information Officer
Christopher Locke Peirce	EVP and Chief Financial Officer	Timothy Michael Sweeney	Executive Vice President

DIRECTORS OR TRUSTEES

Neeti Bhalla Johnson	Melanie Marie Foley	James Francis Kelleher	Dennis James Langwell
David Henry Long	James Martin McGlennon	Christopher Locke Peirce	Timothy Michael Sweeney
Mark Charles Touhey			

State of Massachusetts

County of Suffolk 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.

<u>David Henry Long</u> (Signature) (Printed Name) 1. President and Chief Executive Officer (Title)	<u>Mark Charles Touhey</u> (Signature) (Printed Name) 2. Executive Vice President and Secretary (Title)	<u>Edward Jose Pena #</u> (Signature) (Printed Name) 3. Executive Vice President and Treasurer (Title)
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Subscribed and sworn to (or affirmed) before me this on this
19th day of January, 2021, by

a. Is this an original filing? Yes 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)	5,021,105,682		5,021,105,682	4,894,840,470
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	376,354,838	683,926	375,670,912	159,706,595
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	199,636,688		199,636,688	191,448,308
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	30,720		30,720	30,720
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (84,818,515), Schedule E - Part 1), cash equivalents (\$ 172,517,531, Schedule E - Part 2), and short-term investments (\$ 4,005,046, Schedule DA)	91,704,060		91,704,060	(1,835,448)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	474,037,698		474,037,698	375,995,935
9. Receivables for securities	21,519,982		21,519,982	14,941,328
10. Securities lending reinvested collateral assets (Schedule DL)	232,574,409		232,574,409	110,575,805
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	6,416,964,077	683,926	6,416,280,151	5,745,703,713
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	31,701,469		31,701,469	31,869,696
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	185,364,857	22,151,473	163,213,384	150,021,187
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 1,631,633 earned but unbilled premiums)	631,195,565	163,164	631,032,401	622,019,820
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	13,672,772	1,375,308	12,297,464	23,736,389
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	28,389,456		28,389,456	35,105,229
16.2 Funds held by or deposited with reinsured companies	3,999,838		3,999,838	3,147,966
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	1,434	82	1,352	(13,185)
18.1 Current federal and foreign income tax recoverable and interest thereon				2,525,704
18.2 Net deferred tax asset	57,073,000		57,073,000	59,057,000
19. Guaranty funds receivable or on deposit	1,086,737		1,086,737	1,770,062
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	73,709,826		73,709,826	33,150,351
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	125,034,670	5,381,530	119,653,140	118,203,926
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	7,568,193,701	29,755,483	7,538,438,218	6,826,297,858
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	7,568,193,701	29,755,483	7,538,438,218	6,826,297,858

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	86,547,696		86,547,696	84,544,586
2502. Equities and deposits in pools and associations	19,129,004		19,129,004	17,142,293
2503. Amounts receivable under high deductible policies	13,876,864		13,876,864	14,562,960
2598. Summary of remaining write-ins for Line 25 from overflow page	5,481,106	5,381,530	99,576	1,954,087
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	125,034,670	5,381,530	119,653,140	118,203,926

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	3,210,857,989	2,861,132,338
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	55,465,239	39,353,780
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	609,816,676	584,124,274
4. Commissions payable, contingent commissions and other similar charges	61,232,299	48,684,012
5. Other expenses (excluding taxes, licenses and fees)	98,942,610	77,260,913
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	18,253,800	18,668,978
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	6,614,072	
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 423,456,477 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	1,351,793,120	1,281,143,437
10. Advance premium	8,264,602	7,969,782
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	190,835	183,012
12. Ceded reinsurance premiums payable (net of ceding commissions)	32,828,019	33,995,292
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	1,035,009	1,055,773
14. Amounts withheld or retained by company for account of others	2,537,742	4,928,121
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)	134,600	328,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	37,101,357	38,021,078
20. Derivatives		
21. Payable for securities	188,118,680	110,899,784
22. Payable for securities lending	232,574,409	110,575,805
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(222,415,007)	(201,582,187)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	5,693,346,051	5,016,742,192
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	5,693,346,051	5,016,742,192
29. Aggregate write-ins for special surplus funds	28,504,816	5,242,951
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	340,000,000	340,000,000
35. Unassigned funds (surplus)	1,471,587,351	1,459,312,714
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)		
36.2 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,845,092,167	1,809,555,665
38. Totals (Page 2, Line 28, Col. 3)	7,538,438,218	6,826,297,857

DETAILS OF WRITE-IN LINES		
2501. Other Liabilities	54,111,220	54,554,041
2502. Amounts held under uninsured plans	42,883,794	42,100,087
2503. Retroactive reinsurance reserves	(319,410,021)	(298,236,315)
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(222,415,007)	(201,582,187)
2901. Special Surplus from retroactive reinsurance	28,504,816	5,242,951
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	28,504,816	5,242,951
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	2,539,224,808	2,556,421,912
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,597,630,704	1,597,092,293
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	299,527,512	322,330,266
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	774,898,810	730,246,099
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	2,672,057,026	2,649,668,658
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(132,832,218)	(93,246,746)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	147,978,189	181,412,276
10. Net realized capital gains (losses) less capital gains tax of \$ 21,643,078 (Exhibit of Capital Gains (Losses))	81,419,213	27,803,274
11. Net investment gain (loss) (Lines 9 + 10)	229,397,402	209,215,550
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 477,138 amount charged off \$ 17,681,740)	(17,204,602)	(10,774,012)
13. Finance and service charges not included in premiums	16,072,686	15,752,736
14. Aggregate write-ins for miscellaneous income	14,539,342	6,521,758
15. Total other income (Lines 12 through 14)	13,407,426	11,500,482
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	109,972,610	127,469,286
17. Dividends to policyholders	1,296,914	1,002,538
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)	108,675,696	126,466,748
19. Federal and foreign income taxes incurred	16,907,922	19,942,040
20. Net income (Line 18 minus Line 19) (to Line 22)	91,767,774	106,524,708
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,809,555,661	1,655,986,331
22. Net income (from Line 20)	91,767,774	106,524,708
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,467,843	92,366,815	46,558,769
25. Change in net unrealized foreign exchange capital gain (loss)	1,818,435	7,460,253
26. Change in net deferred income tax	(516,157)	(1,887,295)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(93,761)	(5,093,404)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	193,400	6,299
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	(150,000,000)	
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	35,536,506	153,569,330
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,845,092,167	1,809,555,661

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Retroactive reinsurance gain/(loss)	17,706,321	5,050,095
1402. Other income/(expense)	(3,166,979)	1,471,663
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	14,539,342	6,521,758
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	2,596,737,751	2,546,184,660
2. Net investment income	158,961,456	189,852,821
3. Miscellaneous income	11,900,909	8,118,768
4. Total (Lines 1 through 3)	2,767,600,116	2,744,156,249
5. Benefit and loss related payments	1,231,458,659	1,413,611,642
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,014,566,880	1,021,960,327
8. Dividends paid to policyholders	1,289,091	997,370
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	29,411,225	39,408,187
10. Total (Lines 5 through 9)	2,276,725,855	2,475,977,526
11. Net cash from operations (Line 4 minus Line 10)	490,874,261	268,178,723
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,477,391,089	5,616,486,294
12.2 Stocks		26,256,407
12.3 Mortgage loans	94,687,538	19,990,653
12.4 Real estate	16	
12.5 Other invested assets	466,351,260	223,118,891
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(17)	(19,019)
12.7 Miscellaneous proceeds	(6,572,587)	7,800,220
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,031,857,299	5,893,633,446
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,512,818,290	5,931,600,005
13.2 Stocks	197,118,127	265,771
13.3 Mortgage loans	102,243,107	40,497,110
13.4 Real estate		
13.5 Other invested assets	610,180,933	272,736,776
13.6 Miscellaneous applications	(77,218,896)	(39,505,471)
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,345,141,561	6,205,594,191
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)	(313,284,262)	(311,960,745)
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	150,000,000	
16.6 Other cash provided (applied)	65,949,509	61,155,832
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(84,050,491)	61,155,832
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)	93,539,508	17,373,810
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(1,835,448)	(19,209,258)
19.2 End of year (Line 18 plus Line 19.1)	91,704,060	(1,835,448)

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

20.0001	2 - Net investment income	31,976	141,493
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	25,542,748	49,297,883
20.0003	13.1 Cost of Investment Acquired - Bonds	25,574,723	48,512,744
20.0004	16.6 - Other cash provided (applied)		(926,631)

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	69,224,391	26,163,643	27,682,491	67,705,543
2. Allied lines	55,285,623	21,822,975	24,929,294	52,179,304
3. Farmowners multiple peril	10,561,881	4,479,330	5,474,154	9,567,057
4. Homeowners multiple peril	524,540,344	269,437,786	284,552,735	509,425,395
5. Commercial multiple peril	187,922,139	93,502,903	95,233,320	186,191,722
6. Mortgage guaranty				
8. Ocean marine	17,981,385	7,497,583	9,968,810	15,510,158
9. Inland marine	84,748,267	22,494,033	24,450,295	82,792,005
10. Financial guaranty	2,849,251		2,571,250	278,001
11.1 Medical professional liability—occurrence	6,917,528	3,571,155	2,908,084	7,580,599
11.2 Medical professional liability—claims-made	14,172,162	5,908,238	7,077,631	13,002,769
12. Earthquake	7,001,202	3,211,886	3,562,201	6,650,887
13. Group accident and health	9,534,987	3,024,743	1,453,863	11,105,867
14. Credit accident and health (group and individual)				
15. Other accident and health	2,643,200	552,138	901,317	2,294,021
16. Workers' compensation	140,722,688	18,115,255	22,363,667	136,474,276
17.1 Other liability—occurrence	199,432,098	98,683,439	116,079,448	182,036,089
17.2 Other liability—claims-made	87,160,542	53,617,918	63,862,248	76,916,212
17.3 Excess workers' compensation	5,413,432	2,094,473	2,757,938	4,749,967
18.1 Products liability—occurrence	12,047,382	6,650,985	7,313,730	11,384,637
18.2 Products liability—claims-made	2,299,382	1,280,201	825,993	2,753,590
19.1,19.2 Private passenger auto liability	540,009,412	267,170,517	278,379,104	528,800,825
19.3,19.4 Commercial auto liability	103,263,311	55,452,838	50,840,009	107,876,140
21. Auto physical damage	376,364,577	204,869,761	211,014,643	370,219,695
22. Aircraft (all perils)	3,103,432	1,248,747	696,489	3,655,690
23. Fidelity	1,975,947	1,062,611	494,591	2,543,967
24. Surety	89,268,316	57,763,991	58,750,039	88,282,268
26. Burglary and theft	60,461	120,010	28,775	151,696
27. Boiler and machinery	3,841,377	1,547,200	1,818,849	3,569,728
28. Credit	4,058,083	3,656,775	4,176,553	3,538,305
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property	43,894,264	3,419,344	11,753,114	35,560,494
32. Reinsurance-nonproportional assumed liability	13,229,410	2,982,580	4,545,731	11,666,259
33. Reinsurance-nonproportional assumed financial lines	5,835,677	7,360,271	10,021,363	3,174,585
34. Aggregate write-ins for other lines of business	4,588	943	2,795	2,736
35. TOTALS	2,625,366,739	1,248,764,272	1,336,490,524	2,537,640,487

DETAILS OF WRITE-IN LINES				
3401. Tuition Protection Plan	4,123	943	1,846	3,220
3402. Other	465		949	(484)
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	4,588	943	2,795	2,736

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	24,900,820	2,781,670			27,682,490
2. Allied lines	24,195,261	734,033			24,929,294
3. Farmowners multiple peril	5,473,335	819			5,474,154
4. Homeowners multiple peril	284,571,084	(18,348)			284,552,736
5. Commercial multiple peril	92,269,871	3,504,740	(541,290)		95,233,321
6. Mortgage guaranty					
8. Ocean marine	5,324,637	4,644,173			9,968,810
9. Inland marine	19,286,521	5,163,774			24,450,295
10. Financial guaranty	2,571,250				2,571,250
11.1 Medical professional liability—occurrence	2,790,203	117,882			2,908,085
11.2 Medical professional liability—claims-made	5,513,326	1,564,304			7,077,630
12. Earthquake	3,461,307	100,894			3,562,201
13. Group accident and health	1,453,863				1,453,863
14. Credit accident and health (group and individual)					
15. Other accident and health	899,020	2,297			901,317
16. Workers' compensation	39,676,026	2,760,123	(689,348)	(19,383,135)	22,363,666
17.1 Other liability—occurrence	92,133,522	20,476,399	(295,078)	3,764,604	116,079,447
17.2 Other liability—claims-made	32,309,450	31,554,926	(2,128)		63,862,248
17.3 Excess workers' compensation	2,522,429	272,945		(37,436)	2,757,938
18.1 Products liability—occurrence	4,853,771	2,448,981	(103,788)	114,766	7,313,730
18.2 Products liability—claims-made	461,666	364,327			825,993
19.1,19.2 Private passenger auto liability	278,379,104				278,379,104
19.3,19.4 Commercial auto liability	48,626,616	343,155	1,809	1,868,428	50,840,008
21. Auto physical damage	210,967,740	46,903			211,014,643
22. Aircraft (all perils)	812,976	(116,487)			696,489
23. Fidelity	909,340	(414,749)			494,591
24. Surety	19,372,613	39,377,426			58,750,039
26. Burglary and theft	18,851	9,924			28,775
27. Boiler and machinery	1,781,521	37,328			1,818,849
28. Credit	1,441,375	2,735,178			4,176,553
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property	3,168,023	8,585,092			11,753,115
32. Reinsurance-nonproportional assumed liability	4,256,130	289,601			4,545,731
33. Reinsurance-nonproportional assumed financial lines	2,902,117	7,119,247			10,021,364
34. Aggregate write-ins for other lines of business	2,795				2,795
35. TOTALS	1,217,306,563	134,486,557	(1,629,823)	(13,672,773)	1,336,490,524
36. Accrued retrospective premiums based on experience					13,672,772
37. Earned but unbilled premiums					1,629,824
38. Balance (Sum of Lines 35 through 37)					1,351,793,120

DETAILS OF WRITE-IN LINES					
3401. Tuition Protection Plan	1,846				1,846
3402. Other	949				949
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	2,795				2,795

(a) State here basis of computation used in each case

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	179,709,968	69,224,391	4,160	172,942,595	6,771,533	69,224,391
2. Allied lines	64,692,680	55,285,623	4,382	62,613,489	2,083,573	55,285,623
3. Farmowners multiple peril		10,561,881				10,561,881
4. Homeowners multiple peril		555,072,684		30,532,340		524,540,344
5. Commercial multiple peril	(100,713)	187,922,139		(100,713)		187,922,139
6. Mortgage guaranty						
8. Ocean marine		17,981,385				17,981,385
9. Inland marine		85,241,524		493,257		84,748,267
10. Financial guaranty		2,849,251				2,849,251
11.1 Medical professional liability--occurrence		6,917,528				6,917,528
11.2 Medical professional liability--claims-made		14,172,162				14,172,162
12. Earthquake	38,162,225	7,006,202		37,508,906	658,319	7,001,202
13. Group accident and health		9,534,987				9,534,987
14. Credit accident and health (group and individual)						
15. Other accident and health		2,643,200				2,643,200
16. Workers' compensation	170,568,730	141,400,427	4,456,672	175,708,165	(5,024)	140,722,688
17.1 Other liability—occurrence	7,060,215	202,467,444		9,923,392	172,169	199,432,098
17.2 Other liability—claims-made	96,903	87,160,542		96,903		87,160,542
17.3 Excess workers' compensation		5,413,432				5,413,432
18.1 Products liability—occurrence	420,414	12,047,382		420,414		12,047,382
18.2 Products liability—claims-made		2,299,382				2,299,382
19.1,19.2 Private passenger auto liability	39,582	811,725,849		271,756,019		540,009,412
19.3,19.4 Commercial auto liability	9,538,095	103,263,299	82,820	9,357,496	263,407	103,263,311
21. Auto physical damage	2,815,605	510,433,226	946	136,885,200		376,364,577
22. Aircraft (all perils)		3,103,432				3,103,432
23. Fidelity	685,725	1,975,947		685,725		1,975,947
24. Surety	158,205	89,268,316		158,205		89,268,316
26. Burglary and theft	239,179	60,461		239,179		60,461
27. Boiler and machinery	16,437,592	3,841,377		16,437,592		3,841,377
28. Credit		4,058,083				4,058,083
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X	43,894,264				43,894,264
32. Reinsurance-nonproportional assumed liability	X X X	13,229,410	21		21	13,229,410
33. Reinsurance-nonproportional assumed financial lines	X X X	5,835,677				5,835,677
34. Aggregate write-ins for other lines of business		4,588				4,588
35. TOTALS	490,524,405	3,065,895,495	4,549,001	925,658,164	9,943,998	2,625,366,739

DETAILS OF WRITE-IN LINES						
3401. Tuition Protection Plan		4,123				4,123
3402. Other		465				465
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		4,588				4,588

(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 \$ 157,901,835

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 154,599,620

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	85,522,636	34,336,633	85,538,713	34,320,556	40,493,911	38,786,139	36,028,328	53.213
2. Allied lines	2,693,908	25,788,304	2,694,251	25,787,961	40,276,098	25,897,244	40,166,815	76.978
3. Farmowners multiple peril		4,991,612		4,991,612	4,773,542	2,534,938	7,230,216	75.574
4. Homeowners multiple peril	(10,712)	278,023,438	9,505,314	268,507,412	164,675,898	125,992,922	307,190,388	60.301
5. Commercial multiple peril	2,811,508	100,739,121	4,294,586	99,256,043	216,579,175	189,520,267	126,314,951	67.841
6. Mortgage guaranty								
8. Ocean marine		5,935,862		5,935,862	14,304,525	9,686,041	10,554,346	68.048
9. Inland marine		49,562,039	142,488	49,419,551	12,090,651	11,355,503	50,154,699	60.579
10. Financial guaranty		43,750		43,750	86,686		130,436	46.919
11.1 Medical professional liability—occurrence		1,604,145		1,604,145	17,913,136	15,433,464	4,083,817	53.872
11.2 Medical professional liability—claims-made		4,886,403		4,886,403	26,076,913	18,509,115	12,454,201	95.781
12. Earthquake		137,420		137,420	802,284	(368,844)	1,308,548	19.675
13. Group accident and health	287,644	10,859,353	287,644	10,859,353	7,959,650	9,858,161	8,960,842	80.686
14. Credit accident and health (group and individual)								
15. Other accident and health		829,038		829,038	2,254,253	1,756,598	1,326,693	57.833
16. Workers' compensation	103,009,526	128,098,386	149,140,167	81,967,745	840,896,525	858,434,492	64,429,778	47.210
17.1 Other liability—occurrence	16,294,040	103,724,861	23,281,397	96,737,504	598,897,541	475,644,310	219,990,735	120.850
17.2 Other liability—claims-made	7,000	26,681,392	7,000	26,681,392	206,111,453	175,606,258	57,186,587	74.349
17.3 Excess workers' compensation	712,985	1,247,605	712,985	1,247,605	51,510,722	48,034,779	4,723,548	99.444
18.1 Products liability—occurrence	26,943,885	9,145,640	30,188,929	5,900,596	34,139,418	34,357,363	5,682,651	49.915
18.2 Products liability—claims-made		340,251		340,251	5,502,543	5,327,000	515,794	18.732
19.1,19.2 Private passenger auto liability	1,213	399,141,554	120,247,851	278,894,916	552,277,285	509,979,092	321,193,109	60.740
19.3,19.4 Commercial auto liability	11,097,514	69,388,020	15,187,103	65,298,431	217,118,888	205,358,015	77,059,304	71.433
21. Auto physical damage	578,823	236,424,527	65,339,473	171,663,877	10,936,494	12,832,810	169,767,561	45.856
22. Aircraft (all perils)		3,861,503		3,861,503	10,455,467	8,832,220	5,484,750	150.033
23. Fidelity	195,273	440,601	195,273	440,601	6,069,368	6,400,707	109,262	4.295
24. Surety		13,593,626		13,593,626	42,980,104	24,122,511	32,451,219	36.758
26. Burglary and theft	30,531	56,459	30,531	56,459	523,907	548,605	31,761	20.937
27. Boiler and machinery	1,706,383	710,704	1,706,383	710,704	1,457,792	1,388,945	779,551	21.838
28. Credit		1,732,805		1,732,805	1,811,200	1,356,424	2,187,581	61.826
29. International								
30. Warranty					73,844	75,580	(1,736)	
31. Reinsurance-nonproportional assumed property	X X X	(1,673,696)		(1,673,696)	35,541,350	3,915,549	29,952,105	84.229
32. Reinsurance-nonproportional assumed liability	X X X	10,681,890	9,212,206	1,469,684	43,159,047	37,824,153	6,804,578	58.327
33. Reinsurance-nonproportional assumed financial lines	X X X	383,383		383,383	3,110,220	2,131,977	1,361,626	42.891
34. Aggregate write-ins for other lines of business		3,251		3,251	(1,899)		1,352	49.415
35. TOTALS	251,882,157	1,521,719,880	517,712,294	1,255,889,743	3,210,857,991	2,861,132,338	1,605,615,396	63.272

DETAILS OF WRITE-IN LINES								
3401. Tuition Protection Plan		4,281		4,281	(1,419)		2,862	88.882
3402. Other		(1,030)		(1,030)	(480)		(1,510)	311.983
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		3,251		3,251	(1,899)		1,352	49.415

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

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	80,501,059	23,165,338	80,512,485	23,153,912	25,426,229	17,417,152	25,503,382	40,493,911	2,968,630
2. Allied lines	2,928,925	12,796,529	2,929,943	12,795,511	4,688,125	27,507,688	4,715,226	40,276,098	2,263,801
3. Farmowners multiple peril		2,764,745		2,764,745		2,008,797		4,773,542	499,076
4. Homeowners multiple peril		87,676,155	2,439,350	85,236,805	(346)	81,996,399	2,556,960	164,675,898	23,300,701
5. Commercial multiple peril	2,180,222	112,247,407	7,768,164	106,659,465	8,323,806	118,133,524	16,537,620	216,579,175	62,080,822
6. Mortgage guaranty									
8. Ocean marine		5,210,649		5,210,649		9,093,876		14,304,525	1,257,263
9. Inland marine		9,412,956	49,996	9,362,960	(1,493,997)	2,796,221	(1,425,467)	12,090,651	2,907,593
10. Financial guaranty		183		183		86,503		86,686	
11.1 Medical professional liability—occurrence		3,466,573		3,466,573		14,446,563		17,913,136	1,678,480
11.2 Medical professional liability—claims-made		11,397,175		11,397,175		14,679,738		26,076,913	3,854,054
12. Earthquake		145,716		145,716		656,875	307	802,284	124,754
13. Group accident and health	745,203	3,384,789	745,203	3,384,789		4,574,861		(a) 7,959,650	324,910
14. Credit accident and health (group and individual)									
15. Other accident and health		931,189		931,189		1,323,064		(a) 2,254,253	63,785
16. Workers' compensation	536,997,111	835,354,963	984,494,883	387,857,191	313,605,662	820,357,060	680,923,388	840,896,525	167,646,439
17.1 Other liability—occurrence	38,982,713	183,359,854	47,485,653	174,856,914	175,920,452	443,205,523	195,085,348	598,897,541	120,683,023
17.2 Other liability—claims-made	48,618	51,867,864	48,618	51,867,864	388,049	154,243,589	388,049	206,111,453	38,969,433
17.3 Excess workers' compensation	7,238,365	19,144,375	7,238,365	19,144,375	807,499	32,366,347	807,499	51,510,722	8,056,967
18.1 Products liability—occurrence	53,466,483	9,724,933	56,763,813	6,427,603	138,214,880	32,632,737	143,135,802	34,139,418	22,631,509
18.2 Products liability—claims-made	1	1,248,544	1	1,248,544		4,253,999		5,502,543	2,726,574
19.1,19.2 Private passenger auto liability	7,887	398,368,548	142,345,049	256,031,386	12,305	498,069,900	201,836,306	552,277,285	105,164,488
19.3,19.4 Commercial auto liability	85,290,302	88,639,563	90,183,154	83,746,711	17,637,607	135,928,007	20,193,437	217,118,888	22,597,539
21. Auto physical damage	(20)	1,039,253	(13)	1,039,246	125,764	13,256,692	3,485,208	10,936,494	9,935,064
22. Aircraft (all perils)		1,045,008		1,045,008	57,787	9,410,459	57,787	10,455,467	1,381,830
23. Fidelity	285,608	986,791	285,609	986,790	923,435	5,030,326	871,183	6,069,368	822,948
24. Surety	14,412	(3,521,049)	14,412	(3,521,049)	(5,629)	46,501,097	(5,685)	42,980,104	5,087,154
26. Burglary and theft		907	2	905	8,635	523,002	8,635	523,907	120,914
27. Boiler and machinery	100,017	727,798	100,017	727,798	961,824	729,994	961,824	1,457,792	345,103
28. Credit		159,566		159,566		1,651,634		1,811,200	89,525
29. International									
30. Warranty						73,844		73,844	14,656
31. Reinsurance-nonproportional assumed property	X X X	13,172,768		13,172,768	X X X	22,368,582		35,541,350	732,092
32. Reinsurance-nonproportional assumed liability	X X X	94,938,581	84,102,421	10,836,160	X X X	256,403,564	224,080,677	43,159,047	1,427,120
33. Reinsurance-nonproportional assumed financial lines	X X X	884,791		884,791	X X X	2,225,429		3,110,220	60,407
34. Aggregate write-ins for other lines of business		(1,899)		(1,899)				(1,899)	22
35. TOTALS	808,786,906	1,969,740,563	1,507,507,125	1,271,020,344	685,602,087	2,773,953,046	1,519,717,486	3,210,857,991	609,816,676
DETAILS OF WRITE-IN LINES									
3401. Other		(480)		(480)				(480)	22
3402. Tuition Protection Plan		(1,419)		(1,419)				(1,419)	
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		(1,899)		(1,899)				(1,899)	22

(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	52,575,719			52,575,719
1.2 Reinsurance assumed	157,391,102			157,391,102
1.3 Reinsurance ceded	69,297,602			69,297,602
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	140,669,219			140,669,219
2. Commission and brokerage:				
2.1 Direct, excluding contingent		36,739,025		36,739,025
2.2 Reinsurance assumed, excluding contingent		212,548,928		212,548,928
2.3 Reinsurance ceded, excluding contingent		42,004,126		42,004,126
2.4 Contingent—direct		(609,692)		(609,692)
2.5 Contingent—reinsurance assumed		39,788,224		39,788,224
2.6 Contingent—reinsurance ceded		(289,012)		(289,012)
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)		246,751,371		246,751,371
3. Allowances to manager and agents		24,264,831		24,264,831
4. Advertising	158,408	57,831,501	20,901	58,010,810
5. Boards, bureaus and associations	586,544	3,800,674	15,898	4,403,116
6. Surveys and underwriting reports	92,668	11,753,438	7,660	11,853,766
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	93,822,124	214,282,858	4,790,814	312,895,796
8.2 Payroll taxes	5,156,132	15,711,247	1,074,876	21,942,255
9. Employee relations and welfare	11,805,518	35,674,845	2,375,621	49,855,984
10. Insurance	8,416,243	323,487	22,059	8,761,789
11. Directors' fees	4,149	12,300	873	17,322
12. Travel and travel items	1,709,191	3,844,096	74,639	5,627,926
13. Rent and rent items	5,432,202	16,572,423	1,684,109	23,688,734
14. Equipment	5,558,085	17,597,788	1,121,930	24,277,803
15. Cost or depreciation of EDP equipment and software	4,320,893	(214,944)	712,296	4,818,245
16. Printing and stationery	514,993	2,163,546	52,596	2,731,135
17. Postage, telephone and telegraph, exchange and express	2,577,384	13,399,960	123,053	16,100,397
18. Legal and auditing	792,047	2,880,773	91,844	3,764,664
19. Totals (Lines 3 to 18)	140,946,581	419,898,823	12,169,169	573,014,573
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 174,401		53,073,301		53,073,301
20.2 Insurance department licenses and fees		5,755,575		5,755,575
20.3 Gross guaranty association assessments		(106,997)		(106,997)
20.4 All other (excluding federal and foreign income and real estate)		7,844,084		7,844,084
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		66,565,963		66,565,963
21. Real estate expenses			20,300	20,300
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	17,911,711	41,682,656	2,174,935	61,769,302
25. Total expenses incurred	299,527,511	774,898,813	14,364,404	(a) 1,088,790,728
26. Less unpaid expenses—current year	609,816,676	178,428,708		788,245,384
27. Add unpaid expenses—prior year	584,124,274	144,613,903		728,738,177
28. Amounts receivable relating to uninsured plans, prior year		(13,185)		(13,185)
29. Amounts receivable relating to uninsured plans, current year		1,352		1,352
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	273,835,109	741,098,545	14,364,404	1,029,298,058

DETAILS OF WRITE-IN LINES				
2401. Other expenses	17,911,711	41,682,656	2,174,935	61,769,302
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	17,911,711	41,682,656	2,174,935	61,769,302

(a) Includes management fees of \$ 374,254,162 to affiliates and \$ 24,260,805 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 12,439,871	9,572,152
1.1 Bonds exempt from U.S. tax	(a) 19,116,434	17,694,870
1.2 Other bonds (unaffiliated)	(a) 113,785,659	117,384,255
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	745,197	1,229,704
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 8,809,037	8,649,095
4. Real estate	(d) 20,300	20,300
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 751,829	792,628
7. Derivative instruments	(f)	
8. Other invested assets	5,981,700	5,981,700
9. Aggregate write-ins for investment income	1,017,891	1,017,891
10. Total gross investment income	162,667,918	162,342,595
11. Investment expenses		(g) 14,364,406
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)		14,364,406
17. Net investment income (Line 10 minus Line 16)		147,978,189

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	1,017,891	1,017,891
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)	1,017,891	1,017,891
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 \$ 2,103,716 accrual of discount less \$ 14,716,983 amortization of premium and less \$ 9,405,237 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 \$ 364,329 accrual of discount less \$ 19,643 amortization of premium and less \$ 13,417 paid for accrued interest on purchases.
- (d) Includes \$ 20,300 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 156,711 accrual of discount less \$ 27,714 amortization of premium and less \$ 13 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 14,344,106 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	44,690,010		44,690,010		
1.1 Bonds exempt from U.S. tax	13,150,473		13,150,473	501,295	
1.2 Other bonds (unaffiliated)	48,890,043	(4,109,311)	44,780,732	(1,350,336)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				6,303,646	
2.21 Common stocks of affiliates				12,543,195	
3. Mortgage loans	313,789		313,789	(25,664)	
4. Real estate	16		16		
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(17)		(17)	11	76,132
7. Derivative instruments					
8. Other invested assets	128,482	(1,194)	127,288	75,862,510	217,452
9. Aggregate write-ins for capital gains (losses)					1,524,851
10. Total capital gains (losses)	107,172,796	(4,110,505)	103,062,291	93,834,657	1,818,435

DETAILS OF WRITE-IN LINES					
0901. ACCUMULATED TRANSLATION ADJUST-E/S					1,524,851
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)					1,524,851

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	683,926	683,276	(650)
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
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. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	683,926	683,276	(650)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	22,151,473	19,238,255	(2,913,218)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	163,164	601,688	438,524
15.3 Accrued retrospective premiums and contracts subject to redetermination	1,375,308	2,648,838	1,273,530
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans	82		(82)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	5,381,530	6,452,309	1,070,779
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	29,755,483	29,624,366	(131,117)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	29,755,483	29,624,366	(131,117)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other assets	5,381,530	6,447,779	1,066,249
2502. Amounts receivable under high deductible policies		4,530	4,530
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,381,530	6,452,309	1,070,779

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

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 Employers Insurance Company of Wausau (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("APP Manual").

Effective December 31, 1998, the Company entered into a reinsurance treaty with Nationwide Indemnity Company, with Nationwide Mutual Insurance Company as guarantor of the recoverables ceded under the treaty. The Wisconsin Insurance Commissioner has issued a Permitted Practice Decision allowing the guarantee to be used as credit for reinsurance collateral, reducing the provision for reinsurance by \$7,553,000.

NET INCOME

		F/S	F/S		
	SSAP #	Page	Line #	2020	2019
(1) Employers Insurance Company of Wausau state basis (Page 4, Line 20, Columns 1 & 2)	X X X	X X X	X X X	91,767,774	106,524,708

(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:

Details of Depreciation of Fixed Assets	SSAP #	F/S Page	F/S Line #	2020	2019
.....					
Totals (Lines 01A0201 through 01A0225)				0	0

(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

Details of Depreciation of Home Office Property	SSAP #	F/S Page	F/S Line #	2020	2019
.....					
Totals (Lines 01A0301 through 01A0325)				0	0

(4) NAIC SAP (1 - 2 - 3 = 4)	X X X	X X X	X X X	91,767,774	106,524,708
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SURPLUS

	SSAP #	F/S Page	F/S Line #	2020	2019
(5) Employers Insurance Company of Wausau state basis (Page 3, Line 37, Columns 1 & 2)	X X X	X X X	X X X	1,845,092,167	1,809,555,665

(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:

e.g., Goodwill, net, Fixed Assets, Net	SSAP #	F/S Page	F/S Line #	2020	2019
.....					
Totals (Lines 01A0601 through 01A0625)				0	0

(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

Home Office Property	SSAP #	F/S Page	F/S Line #	2020	2019
Credit for Reinsurance from Unauthorized Insurers	XXX	XXX	XXX	7,553,000	21,214,000
Totals (Lines 01A0701 through 01A0725)				7,553,000	21,214,000

(8) NAIC SAP (5 - 6 - 7 = 8)	X X X	X X X	X X X	1,837,539,167	1,788,341,665
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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 Policy

NOTES TO FINANCIAL STATEMENTS

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. 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 applies the following accounting policies, where applicable:

1. Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (SVO Manual).
2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
3. Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).
4. Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).
5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.
6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are based on market expectations. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
7. Investments in SCA companies are carried in accordance with SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and the SVO Manual.
8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Companies, and the SVO Manual.
9. Derivative Securities, refer to Note 8.
10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property Casualty Contracts - Premiums. Refer to Note 30.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses 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 2020.
13. The Company has no pharmaceutical rebate receivables.

D. **Going Concern**

The Company is not aware of any conditions that would impact its ability to continue as a going concern.

2. **Accounting Changes and Corrections of Errors**

There were no material changes in accounting principles and/or correction of errors.

3. **Business Combinations and Goodwill**

A. **Statutory Purchase Method**

On August 24, 2007, the Company and three affiliates (Liberty Mutual Fire Insurance Company ("LMFIC"), a Wisconsin insurance company; Peerless Insurance Company ("PIC"), a New Hampshire insurance company; and Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company) acquired all of the issued and outstanding voting shares of Ohio Casualty Corporation, a non-insurance holding company, which is the upstream parent of four property and casualty insurance companies. The Company directly acquired a 8% ownership interest in Ohio Casualty Corporation, while the affiliates account for the remaining 92% (LMFIC 6%, PIC 8%, and LMIC 78%). The transaction was accounted for as a statutory purchase and the cost was \$222,400,560, resulting in goodwill in the amount of \$117,712,240. Goodwill was fully amortized as of December 31, 2017.

The transaction was accounted for as a statutory purchase, and reflects the following:

(1) Purchased entity	(2) Acquisition date	(3) Cost of acquired entity	(4) Original amount of admitted goodwill	(5) Admitted goodwill as of the reporting date	(6) Amount of goodwill amortized during the reporting period	(7) Admitted goodwill as a % of SCA BACV, gross of admitted goodwill

B. **Statutory Merger**

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

C. **Impairment Loss**

NOTES TO FINANCIAL STATEMENTS

The Company did not recognize an impairment loss during the period.

4. Discontinued Operations

The Company has no discontinued operations

- A. Discontinued Operations Disposed of or Classified as Held for Sale
Not Applicable
- B. Change in Plan of Sale of Discontinued Operation
Not Applicable
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal
Not Applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal
Not Applicable

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The minimum and maximum lending rates for mortgage loans for 2020 were:

Farm mortgages: N/A
Residential mortgages: 2.69% and 5.21%
Commercial mortgages: 2.15% and 5.125%

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 87%

(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total:

Current Year	Prior Year
4,125	6,098

(4) Age Analysis of Mortgage Loans and Identification of Mortgage Loans in Which the Insurer is a Participant or Co-lender in a Mortgage Loan Agreement:

a. Current Year

1. Recorded Investment (All)

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
(a) Current Year	\$ 0	0	56,102,967	0	143,615,192	0	199,718,158
(b) 30 - 59 Days Past Due	\$ 0	0	0	0	0	0	0
(c) 60 - 89 Days Past Due	\$ 0	0	0	0	0	0	0
(d) 90 - 179 Days Past Due	\$ 0	0	0	0	0	0	0
(e) 180 + Days Past Due	\$ 0	0	0	0	0	0	0

2. Accruing Interest 90 - 179 Days Past Due

(a) Recorded Investment	\$ 0	0	0	0	0	0	0
(b) Interest Accrued	\$ 0	0	0	0	0	0	0

3. Accruing Interest 180 + Days Past Due

(a) Recorded Investment	\$ 0	0	0	0	0	0	0
(b) Interest Accrued	\$ 0	0	0	0	0	0	0

4. Interest Reduced

(a) Recorded Investment	\$ 0	0	0	0	2,390,434	0	2,390,434
(b) Number of Loans	\$ 0	0	0	0	124	0	124
(c) Percent Reduced	0.000%	0.000%	0.000%	0.000%	1.000%	0.000%	1.000%

5. Participant or Co-lender in a Mortgage Loan Agreement

(a) Recorded Investment	\$ 0	0	56,102,967	0	143,615,192	0	199,718,158
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b. Prior Year

1. Recorded Investment

(a) Current Year	\$ 0	0	0	0	191,758,867	0	191,758,867
(b) 30 - 59 Days Past Due	\$ 0	0	0	0	56,148	0	56,148
(c) 60 - 89 Days Past Due	\$ 0	0	0	0	0	0	0
(d) 90 - 179 Days Past Due	\$ 0	0	0	0	0	0	0
(e) 180 + Days Past Due	\$ 0	0	0	0	26,616	0	26,616

2. Accruing Interest 90 - 179 Days Past Due

(a) Recorded Investment	\$ 0	0	0	0	0	0	0
(b) Interest Accrued	\$ 0	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

3. Accruing Interest 180 + Days Past Due							
(a) Recorded Investment	\$	0	0	0	0	0	0
(b) Interest Accrued	\$	0	0	0	0	0	0
4. Interest Reduced							
(a) Recorded Investment	\$	0	0	0	1,001,034	0	1,001,034
(b) Number of Loans	\$	0	0	0	41	0	41
(c) Percent Reduced	\$	0.000%	0.000%	0.000%	0.000%	1.000%	0.000%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$	0	0	0	0	191,504,114	191,504,114

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses and Impaired Loans Subject to a Participant or Co-Lender Mortgage Loan Agreement for Which the Reporting Entity is Restricted from Unilaterally Foreclosing on the Mortgage Loan:

a. Current Year

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
1. With Allowance for Credit Losses	\$	0	0	0	404,645	0	404,645
2. No Allowance for Credit Losses	\$	0	0	0	697,677	0	697,677
3. Total (1+2)	\$	0	0	0	1,102,322	0	1,102,322
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$	0	0	0	1,102,321	0	1,102,321

b. Prior Year

1. With Allowance for Credit Losses	\$	0	0	0	226,350	0	226,350
2. No Allowance for Credit Losses	\$	0	0	0	880,058	0	880,058
3. Total (1+2)	\$	0	0	0	1,106,408	0	1,106,408
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$	0	0	0	1,106,408	0	1,106,408

(6) Investment in Impaired Loans - Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Acct:

a. Current Year

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
1. Average Recorded Investment	\$	0	0	0	1,104,365	0	1,104,365
2. Interest Income Recognized	\$	0	0	0	39,311	0	39,311
3. Recorded Investments on Nonaccrual Status	\$	0	0	0	0	0	0
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	0	0	0	39,787	0	39,787

b. Prior Year

1. Average Recorded Investment	\$	0	0	0	1,057,329	0	1,057,329
2. Interest Income Recognized	\$	0	0	0	54,811	0	54,811
3. Recorded Investments on Nonaccrual Status	\$	0	0	0	26,616	0	26,616
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	0	0	0	54,129	0	54,129

(7) Allowance for Credit Losses:

	Current Year	Prior Year
a. Balance at beginning of period	\$ 55,806	47,247
b. Additions charged to operations	\$ 63,042	8,559
c. Direct write-downs charged against the allowances	\$ (37,378)	0
d. Recoveries of amounts previously charged off	\$ 0	0
e. Balance at end of period	\$ 81,470	55,806

(8) Mortgage Loans Derecognized as a Result of Foreclosure:

	Current Year
a. Aggregate amount of mortgage loans derecognized	\$ 0
b. Real estate collateral recognized	\$ 0
c. Other collateral recognized	\$ 0
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	\$ 0

(9) Interest income on impaired commercial mortgage loans is recognized until the loans are more than 90 days delinquent. Interest income and accrued interest receivable are reversed when a loan is put on non-accrual status. Interest income on loans more than 90 days delinquent is recognized in the period the cash is collected. Interest income recognition is continued when the loan becomes less than 90 days delinquent and management determines it is probable that the loan will continue to perform.

B. Debt Restructuring

NOTES TO FINANCIAL STATEMENTS

	Current Year	Prior Year
(1) Total recorded investment in restructured loans, as of year end	\$ 1,237,499	1,135,597
(2) The realized capital losses related to these loans	\$ 0	0
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$ 0	0
(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.		

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

(1) Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

	(1)	(2)	(3)
	Amortized Cost Basis Before Other-than-Temporary Impairment	Other-than-Temporary Impairment Recognized in L	Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell	\$ 0	0	0
b. Inability or lack of intent to retain the investment in the security for a period to recover the amortized cost basis	\$ 0	0	0
c. Total 1st Quarter	\$ 0	0	0
OTTI recognized 2nd Quarter			
d. Intent to sell	\$ 0	0	0
e. Inability or lack of intent to retain the investment in the security for a period to recover the amortized cost basis	\$ 0	0	0
f. Total 2nd Quarter	\$ 0	0	0
OTTI recognized 3rd Quarter			
g. Intent to sell	\$ 0	0	0
h. Inability or lack of intent to retain the investment in the security for a period to recover the amortized cost basis	\$ 0	0	0
i. Total 3rd Quarter	\$ 0	0	0
OTTI recognized 4th Quarter			
j. Intent to sell	\$ 0	0	0
k. Inability or lack of intent to retain the investment in the security for a period to recover the amortized cost basis	\$ 0	0	0
l. Total 4th Quarter	\$ 0	0	0
m. Annual Aggregate Total	\$ X X X	0	

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
61749B-AB-9	92,373	81,536	10,837	81,536	78,434	09/30/2020
59023X-AB-2	51,109	46,882	4,227	46,882	48,490	09/30/2020
45112A-AA-5	6,672,983	5,065,491	1,607,492	5,065,491	5,149,413	09/30/2020
\$ Total	X X X	X X X	1,622,556	X X X	X X X	X X X

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

(4) All impaired Loan Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2020:

a. The aggregate Amount of unrealized losses:

Less than 12 months	\$ (2,023,245)
12 Months or Longer	\$ (2,417,596)

NOTES TO FINANCIAL STATEMENTS

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

Less than 12 months	\$	36,735,205
12 Months or Longer	\$	146,174,175

(5) The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) The company has not entered into any repurchase agreements during the year. Refer to Note 17B for the policy on requiring collateral for securities lending.

(2) The Company has not pledged any of its assets as collateral as of December 31, 2020.

(3) Collateral Received

a. Aggregate Amount Collateral Received

		Fair Value
1. Securities Lending		
Open	\$	232,574,409
30 Days or Less	\$	0
31 to 60 Days	\$	0
61 to 90 Days	\$	0
Greater Than 90 Days	\$	0
Sub-Total	\$	232,574,409
Securities Received	\$	100,318,696
Total Collateral Received	\$	332,893,105

2. Dollar Repurchase Agreement

		Fair Value
Open	\$	0
30 Days or Less	\$	0
31 to 60 Days	\$	0
61 to 90 Days	\$	0
Greater Than 90 Days	\$	0
Sub-Total	\$	0
Securities Received	\$	0
Total Collateral Received	\$	0

b. The fair value of that collateral and of the portion that it has sold

or repledged

	\$	332,893,105
--	----	-------------

c. All collateral is received in the form of cash and/or securities equal to or in excess of 102% of the loaned value and are maintained in a separate custody account. Cash collateral is reinvested into short-term investments as outlined in the terms of the investment agreement. Per the terms of the investment agreement the Company has the right and ability to redeem any eligible securities on short notice.

d. Not applicable

(4) Securities Lending Transactions Administered by an Affiliated Agent

The Company's security lending transactions are not administered by an affiliate agent.

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

		Amortized Cost	Fair Value
1. Securities Lending			
Open	\$	0	0
30 Days or Less	\$	76,700,193	76,700,193
31 to 60 Days	\$	104,173,362	104,173,362
61 to 90 Days	\$	51,700,854	51,700,854
91 to 120 Days	\$	0	0
121 to 180 Days	\$	0	0
181 to 365 Days	\$	0	0
1 to 2 years	\$	0	0
2 to 3 year	\$	0	0
Greater Than 3 years	\$	0	0
Sub-Total	\$	232,574,409	232,574,409
Securities Received	\$	0	0
Total Collateral Reinvested	\$	232,574,409	232,574,409

NOTES TO FINANCIAL STATEMENTS

2. Dollar Repurchase Agreement

Open	\$	0	0
30 Days or Less	\$	0	0
31 to 60 Days	\$	0	0
61 to 90 Days	\$	0	0
91 to 120 Days	\$	0	0
121 to 180 Days	\$	0	0
181 to 365 Days	\$	0	0
1 to 2 years	\$	0	0
2 to 3 year	\$	0	0
Greater Than 3 years	\$	0	0
Sub-Total	\$	0	0
Securities Received	\$	0	0
Total Collateral Reinvested	\$	0	0

b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent on the liquidity of the current market conditions. Under current conditions, the reporting entity could liquidate all or a portion of its cash collateral reinvestment securities in order to meet the collateral calls that could come due under a worst-case scenario.

(6) The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.

(7) Collateral for securities lending transactions that extend beyond one year from the reporting date:

The Company has not accepted collateral that extends beyond one year from the reporting date for securities lending transactions.

Description of Collateral	Amount
Total Collateral Extending beyond one year of reporting date	\$ 0

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

Real Estate

J. 1. The Company did not recognize any impairments on real estate during the year.

2. The Company has not sold or classified real estate investments as held for sale.

3. The Company has not experienced any changes to a plan of sale for investment in real estate.

4. The Company does not engage in retail land sale operations.

5. The Company does not hold real estate investments with participating mortgage loan features.

6. The Company does not hold real estate investments with participating mortgage loan features.

K. Investment in Low Income Housing Tax credits ("LIHTC")

The Company does not hold investments in low-income housing tax credits.

L. Restricted Assets

NOTES TO FINANCIAL STATEMENTS

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Ass	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0	0	0	0	0
b. Collateral held under security lending agreements	\$ 232,574,409	0	0	0	232,574,409	110,575,805	121,998,604
c. Subject to repurchase agreements	\$ 0	0	0	0	0	0	0
d. Subject to reverse repurchase agreements	\$ 0	0	0	0	0	0	0
e. Subject to dollar repurchase agreements	\$ 0	0	0	0	0	0	0
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0	0	0	0	0
g. Placed under option contracts	\$ 0	0	0	0	0	0	0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0	0	0	0	0
i. FHLB capital stock	\$ 2,558,300	0	0	0	2,558,300	1,088,000	1,470,300
j. On deposit with states	\$ 201,682,011	0	0	0	201,682,011	202,676,702	-994,691
k. On deposit with other regulatory bodies	\$ 33,886,623	0	0	0	33,886,623	33,788,159	98,464
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0	0	0	0	0
m. Pledged as collateral not captured in other categories	\$ 0	0	0	0	0	0	0
n. Other restricted Assets	\$ 0	0	0	0	0	0	0
o. Total Restricted Assets	\$ 470,701,343	0	0	0	470,701,343	348,128,666	122,572,677

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	10	11
			Gross (Admitted Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Tot Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0.000	0.000
b. Collateral held under security lending agreements	\$ 0	232,574,409	3.073	3.085
c. Subject to repurchase agreements	\$ 0	0	0.000	0.000
d. Subject to reverse repurchase agreements	\$ 0	0	0.000	0.000
e. Subject to dollar repurchase agreements	\$ 0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0.000	0.000
g. Placed under option contracts	\$ 0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0.000	0.000
i. FHLB capital stock	\$ 0	2,558,300	0.034	0.034
j. On deposit with states	\$ 0	201,682,011	2.665	2.675
k. On deposit with other regulatory bodies	\$ 0	33,886,623	0.448	0.450
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	\$ 0	0	0.000	0.000
n. Other restricted Assets	\$ 0	0	0.000	0.000
o. Total Restricted Assets	\$ 0	470,701,343	6.220	6.244

(a) Column 5 divided by Assets Page, Column 1, Line 28

(b) Column 9 divided by Assets Page, Column 1, Line 28

NOTES TO FINANCIAL STATEMENTS

- (2) Details of Assets Pledged as Collateral Not Captured in Other Categories
 (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in Aggregate)

	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
Description of Assets	Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)
Total (c)	0	0	0	0	0	0	0

	Percentage		
	8	9	10
Description of Assets	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total (c)	0	0.000	0.000

- (a) Subset of column 1
 (b) Subset of column 3
 (c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
Description of Assets	Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)
Total (c)	0	0	0	0	0	0	0

	Percentage		
	8	9	10
Description of Assets	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total (c)	0	0.000	0.000

- (a) Subset of column 1
 (b) Subset of column 3
 (c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statement.

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted*)	4 % of BACV to Total Admitted Assets**
General Account:				
a. Cash, Cash Equivalents and Short-Term Investments	\$ 0	0	0.000	0.000
b. Schedule D, Part 1	\$ 0	0	0.000	0.000
c. Schedule D, Part 2, Section 1	\$ 0	0	0.000	0.000
d. Schedule D, Part 2, Section 2	\$ 0	0	0.000	0.000
e. Schedule B	\$ 0	0	0.000	0.000
f. Schedule A	\$ 0	0	0.000	0.000
g. Schedule BA, Part 1	\$ 0	0	0.000	0.000
h. Schedule DL, Part 1	\$ 232,574,409	232,574,409	3.073	3.085
i. Other	\$ 0	0	0.000	0.000
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 232,574,409	232,574,409	3.073	3.085
Separate Account:				
k. Cash, Cash Equivalents and Short-Term Investments	\$ 0	0	0.000	0.000
l. Schedule D, Part 1	\$ 0	0	0.000	0.000
m. Schedule D, Part 2, Section 1	\$ 0	0	0.000	0.000
n. Schedule D, Part 2, Section 2	\$ 0	0	0.000	0.000
o. Schedule B	\$ 0	0	0.000	0.000
p. Schedule A	\$ 0	0	0.000	0.000
q. Schedule BA, Part 1	\$ 0	0	0.000	0.000
r. Schedule DL, Part 1	\$ 0	0	0.000	0.000
s. Other	\$ 0	0	0.000	0.000
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	\$ 0	0	0.000	0.000

* j = Column 1 divided by Asset Page, Line 26 (Column 1)
t = Column 1 divided by Asset Page, Line 27 (Column 1)

** j = Column 1 divided by Asset Page, Line 26 (Column 3)
t = Column 1 divided by Asset Page, Line 27 (Column 3)

u. Recognized Obligation to Return Collateral Assets (General Account)

v. Recognized Obligation to Return Collateral Asset (Separate Account)

	1 Amount	2 % of Liability to Total Liabilities*
\$	232,574,409	3.085%
\$	0	0.000%

* u = Column 1 divided by Liability Page, Line 26 (Column 1)
v = Column 1 divided by Liability Page, Line 27 (Column 1)

M. Working Capital Finance Investments
Not Applicable

N. Offsetting and Netting of Assets and Liabilities
Not Applicable

O. 5GI Securities
Not Applicable

P. Short Sales
Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	56	0
(2) Aggregate Amount of Investment Income	1,497,343	0

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets

The Company's investment in joint ventures, partnerships, or limited liability companies does not exceed 10% of its admitted assets.

NOTES TO FINANCIAL STATEMENTS

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

The Company's limited partnership investment is reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. The Company did not realize any impairment losses during the year.

7. **Investment Income**

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2020.

8. **Derivative Instruments**

A. Derivatives under SSAP No. 86—Derivatives

The Company's investment activities do not include derivatives. However, the Company may acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and are immaterial to the underlying investment portfolio.

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

(8)

a.

Fiscal Year	Derivative Premium Payments Due
Year Ending December 31	
1. 2020	\$ 0
2. 2021	\$ 0
3. 2022	\$ 0
4. 2023	\$ 0
5. Thereafter	\$ 0
6. Total Future Settled Premiums	\$ 0

b.

	Undiscounted Future Premium Commitments	Derivative Fair Value With Premium Commitments (Reported on DB)	Derivative Fair Value Excluding Impact of Future Settled Premiums
1. Prior Year	\$ 0	\$ 0	\$ 0
2. Current Year	\$ 0	\$ 0	\$ 0

B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees

Not Applicable

9. **Income Taxes**

A. The components of the net deferred tax asset/(liability) at Dec. 31 are as follows:

NOTES TO FINANCIAL STATEMENTS

	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
a. Gross Deferred Tax Assets	\$ 132,470,000	5,235,000	137,705,000	124,291,000	6,022,000	130,313,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0	0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 132,470,000	5,235,000	137,705,000	124,291,000	6,022,000	130,313,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0	0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 132,470,000	5,235,000	137,705,000	124,291,000	6,022,000	130,313,000
f. Deferred Tax Liabilities	\$ 44,889,000	35,743,000	80,632,000	44,772,000	26,484,000	71,256,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 87,581,000	(30,508,000)	57,073,000	79,519,000	(20,462,000)	59,057,000

	Change		
	(7)	(8)	(9)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
a. Gross Deferred Tax Assets	\$ 8,179,000	(787,000)	7,392,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 8,179,000	(787,000)	7,392,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 8,179,000	(787,000)	7,392,000
f. Deferred Tax Liabilities	\$ 117,000	9,259,000	9,376,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 8,062,000	(10,046,000)	(1,984,000)

	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 68,222,768	322	68,223,090	42,650,679	322	42,651,001
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 29,963,871	0	29,963,871	50,097,756	0	50,097,756
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date	\$ 29,963,871	0	29,963,871	50,097,756	0	50,097,756
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	277,004,773	X X X	X X X	265,588,919
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$ 34,283,361	5,234,678	39,518,039	31,542,565	6,021,678	37,564,243
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 132,470,000	5,235,000	137,705,000	124,291,000	6,022,000	130,313,000

	Change		
	(1)	(2)	(3)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 25,572,089	0	25,572,089
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ (20,133,885)	0	(20,133,885)
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date	\$ (20,133,885)	0	(20,133,885)

NOTES TO FINANCIAL STATEMENTS

2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$	X X X	X X X	11,415,854
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$	2,740,796	(787,000)	1,953,796
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	8,179,000	(787,000)	7,392,000

	2020	2019
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	473.0%	452.3%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 1,788,019,169.000	1,750,498,665.000

	12/31/2020		12/31/2019		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
Impact of Tax-Planning Strategies						
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 132,470,000	5,235,000	124,291,000	6,022,000	8,179,000	(787,000)
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 132,470,000	5,235,000	124,291,000	6,022,000	8,179,000	(787,000)
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000

b. Does the Company's Tax-planning Strategies include the use of reinsurance? NO

B. Regarding deferred tax liabilities that are not recognized:

The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.

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

	(1)	(2)	(3)
	12/31/2020	12/31/2019	(Col 1 - 2) Change
(1) Current Income Tax			
a. Federal	\$ 16,907,916	19,815,107	(2,907,191)
b. Foreign	\$ 6	126,933	(126,927)
c. Subtotal	\$ 16,907,922	19,942,040	(3,034,118)
d. Federal Income Tax on net capital gains	\$ 21,643,078	7,374,960	14,268,118
e. Utilization of capital loss carry-forwards	\$ 0	0	0
f. Other	\$ 0	0	0
g. Federal and foreign income taxes incurred	\$ 38,551,000	27,317,000	11,234,000

(2) Deferred Tax Assets:

a. Ordinary

1. Discounting of unpaid losses	\$ 56,016,000	51,122,000	4,894,000
2. Unearned premium reserve	\$ 58,385,000	55,407,000	2,978,000
3. Policyholder reserves	\$ 0	0	0
4. Investments	\$ 2,357,000	2,294,000	63,000
5. Deferred acquisition costs	\$ 0	0	0
6. Policyholder dividends accrual	\$ 0	0	0
7. Fixed assets	\$ 1,000	15,000	(14,000)
8. Compensation and benefits accrual	\$ 2,538,000	2,709,000	(171,000)
9. Pension accrual	\$ 0	0	0
10. Receivables - nonadmitted	\$ 6,249,000	6,221,000	28,000
11. Net operating loss carry-forward	\$ 0	0	0
12. Tax credit carry-forward	\$ 4,000	1,585,000	(1,581,000)
13 Other (including items <5% of total ordinary tax assets)	\$ 6,920,000	4,938,000	1,982,000
99. Subtotal	\$ 132,470,000	124,291,000	8,179,000

b. Statutory valuation allowance adjustment	\$ 0	0	0
c. Nonadmitted	\$ 0	0	0
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 132,470,000	124,291,000	8,179,000

NOTES TO FINANCIAL STATEMENTS

e. Capital:

(1) Investments	\$ 5,235,000	6,022,000	(787,000)
(2) Net capital loss carry-forward	\$ 0	0	0
(3) Real estate	\$ 0	0	0
(4) Other (including items <5% of total capital tax assets)	\$ 0	0	0
99 Subtotal	\$ 5,235,000	6,022,000	(787,000)

f. Statutory valuation allowance adjustment	\$ 0	0	0
g. Nonadmitted	\$ 0	0	0
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 5,235,000	6,022,000	(787,000)
i. Admitted deferred tax assets (2d + 2h)	\$ 137,705,000	130,313,000	7,392,000

(3) Deferred Tax Liabilities:

a. Ordinary

1. Investments	\$ 3,614,000	3,572,000	42,000
2. Fixed assets	\$ 26,930,000	24,044,000	2,886,000
3. Deferred and uncollected premium	\$ 0	0	0
4. Policyholder reserves	\$ 11,949,000	14,339,000	(2,390,000)
5. Other (including items <5% of total ordinary tax liabilities)	\$ 2,396,000	2,817,000	(421,000)
99. Subtotal	\$ 44,889,000	44,772,000	117,000

b. Capital:

1. Investments	\$ 35,743,000	26,484,000	9,259,000
2. Real Estate	\$ 0	0	0
3. Other (including items <5% of total capital tax liabilities)	\$ 0	0	0
99. Subtotal	\$ 35,743,000	26,484,000	9,259,000

c. Deferred tax liabilities (3a99 + 3b99)	\$ 80,632,000	71,256,000	9,376,000
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(4) Net deferred tax assets/liabilities (2i - 3c)	\$ 57,073,000	59,057,000	(1,984,000)
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D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of LP & LLC income, tax exempt income, limits on unearned premium reserve deductions, discounting of unpaid losses and loss adjustments, loss reserve transitional adjustments, amortization, revisions to prior year estimates, and partnership income/loss.

E. The Company has no net operating loss carry-forwards available to offset future net income subject to Federal income tax.

(1) The Company has general business credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2019	\$4,000	2039

(2) The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$40,269,000 from the current year and \$26,266,000 from the preceding year.

(3) The Company does not have deposits admitted under Section 6603 of the Internal Revenue Code.

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.

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

America First Insurance Company	Liberty Mutual Personal Insurance Company
America First Lloyd's Insurance Company	Liberty Mutual Technology Group, Inc.
American Economy Insurance Company	Liberty Northwest Insurance Corporation
American Fire and Casualty Company	Liberty Personal Insurance Company
American States Insurance Company	Liberty RE (Bermuda) Limited
American States Insurance Company of Texas	Liberty Sponsored Insurance (Vermont), Inc.
American States Lloyds Insurance Company	Liberty Surplus Insurance Corporation
American States Preferred Insurance Company	LIH-RE of America Corporation
Barrier Ridge LLC	LIU Specialty Insurance Agency Inc.
Berkeley Holding Company Associates, Inc.	LM General Insurance Company
Berkeley Management Corporation	LM Insurance Corporation
Capitol Court Corporation	LM Property and Casualty Insurance Company
Colorado Casualty Insurance Company	LMCRT-FRE-01 IC
Consolidated Insurance Company	LMHC Massachusetts Holdings Inc.
Diversified Settlements, Inc.	Managed Care Associates Inc.
Emerald City Insurance Agency, Inc.	Mid-American Fire & Casualty Company
Employers Insurance Company of Wausau	Nationale Borg Reinsurance N.V.
Excelsior Insurance Company	North Pacific Insurance Company
Excess Risk Reinsurance Inc.	Ocasco Budget, Inc.

NOTES TO FINANCIAL STATEMENTS

F.B. Beattie & Co., Inc.	OCI Printing, Inc.
First National Insurance Company of America	Ohio Casualty Corporation
First State Agency Inc.	Ohio Security Insurance Company
General America Corporation	Open Seas Solutions, Inc.
General America Corporation of Texas	Oregon Automobile Insurance Company
General Insurance Company of America	Peerless Indemnity Insurance Company
Golden Eagle Insurance Corporation	Peerless Insurance Company
Gulf States AIF, Inc.	Pilot Insurance Services, Inc.
Hawkeye-Security Insurance Company	Rianoc Research Corporation
Indiana Insurance Company	S.C. Bellevue, Inc.
Insurance Company of Illinois	SAFECARE Company, Inc.
Ironshore Holdings (US) Inc.	Safeco Corporation
Ironshore Indemnity Inc.	Safeco General Agency, Inc.
Liberty Specialty Markets Bermuda Limited	Safeco Insurance Company of America
Ironshore Management Inc.	Safeco Insurance Company of Illinois
Ironshore Services Inc.	Safeco Insurance Company of Indiana
Ironshore Specialty Insurance Company	Safeco Insurance Company of Oregon
Ironshore Surety Holdings Inc.	Safeco Lloyds Insurance Company
LEXCO Limited	Safeco National Insurance Company
Liberty-USA Corporation	Safeco Properties, Inc.
Liberty Energy Canada, Inc.	Safeco Surplus Lines Insurance Company
Liberty Financial Services, Inc.	San Diego Insurance Company
Liberty Hospitality Group, Inc.	SCIT, Inc.
Liberty Insurance Corporation	St. James Insurance Company Ltd.
Liberty Insurance Holdings, Inc.	The First Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.	The Midwestern Indemnity Company
Liberty International Europe Inc.	The National Corporation
Liberty International Holdings Inc.	The Netherlands Insurance Company
Liberty Life Holdings Inc.	The Ohio Casualty Insurance Company
Liberty Lloyds of Texas Insurance Company	Wausau Business Insurance Company
Liberty Management Services, Inc.	Wausau General Insurance Company
Liberty Mexico Holdings Inc.	Wausau Underwriters Insurance Company
Liberty Mutual Agency Corporation	West American Insurance Company
Liberty Mutual Credit Risk Transfer PCC Inc.	Winmar Company, Inc.
Liberty Mutual Fire Insurance Company	Winmar of the Desert, Inc.
Liberty Mutual Group Asset Management Inc.	Winmar Oregon, Inc.
Liberty Mutual Group Inc.	Winmar-Metro, Inc.
Liberty Mutual Holding Company Inc.	Workgrid Software, Inc.
Liberty Mutual Insurance Company	

G. The Company does not expect the Federal and Foreign income tax loss contingencies, as determined in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets, with the modifications provided in SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10, to significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax
Not applicable.

I. Alternative Minimum Tax Credit

	<u>Amount</u>
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	\$ 0
b. Deferred tax asset (DTA)	\$ 0
(2) Beginning Balance of AMT Credit Carryforward	\$ 1,133,000
(3) Amounts Recovered	\$ 1,132,000
(4) Adjustments	\$ 0
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	\$ 1,000
(6) Reduction for Sequestration	\$ 0
(7) Nonadmitted by Reporting Entity	\$ 0
(8) Reporting Entity Ending Balance (8=5-6-7)	\$ 1,000

Note: The disclosure for Nonadmitted by Reporting Entity (Line 7) intends to capture any nonadmittance of the AMT Tax Credit by the reporting entity prior to application of the DTA admittance limitations reflected in SSAP No. 101

Reporting Entity Ending Balance (Line 8) reflects the amount of AMT Credit recognized by the reporting entity. This amount may be further reduced by DTA admittance limitations required in SSAP No. 101.

NOTES TO FINANCIAL STATEMENTS

- A. All the outstanding shares of capital stock of the Company are held by Liberty Mutual Group Inc. ("LMGI"), a Massachusetts company. The ultimate parent of LMGI is Liberty Mutual Holding Company Inc. ("LMHC"), a Massachusetts company.
- B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.
- C. As of December 31, 2020, the Company had the following capital transactions with its parent and subsidiaries:
1. Received capital contributions of \$0.
 2. Received return of capital distributions of \$0.
 3. Contributed capital in the amount of \$4,309,052.
 4. Received dividends in the amount of \$4,010,736.
- D. At December 31, 2020, the Company reported a net \$36,608,467 due from affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings, written or otherwise, for the benefit of affiliates or other related parties.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

The Company is a party to a management services agreement (the "Agreement") with Liberty Mutual Insurance Company ("LMIC"). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. LMIC is reimbursed for the cost of all services which it provides under the Agreement.

The Company is a party to a cash management agreement with Liberty Mutual Insurance Company ("LMIC") whereby LMIC provides services to the Company.

The Company is a party to an investment management agreement with Liberty Mutual Group Asset Management Inc. ("LMGAM"), an investment management agreement with Liberty Mutual Investment Advisors LLC ("LMIA"), and an investment services agreement with LMGAM (with respect to the Canadian Branch). Under these agreements, LMGAM and LMIA provide services to the Company.

The Company is party to revolving credit agreements under which the Company may lend funds to the following SCA companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Liberty Mutual Group Inc.	\$125,000,000
Liberty Mutual Insurance Company	\$125,000,000
Liberty Mutual Fire Insurance Company	\$125,000,000
The Ohio Casualty Insurance Company	\$125,000,000
Peerless Insurance Company	\$125,000,000
Safeco Insurance Company of America	\$125,000,000

There were no outstanding borrowings as of December 31, 2020.

The Company is party to revolving credit agreements under which the Company may borrow funds from the following SCA companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Liberty Mutual Group Inc.	\$125,000,000
Liberty Mutual Insurance Company	\$125,000,000
Liberty Mutual Fire Insurance Company	\$125,000,000
The Ohio Casualty Insurance Company	\$125,000,000
Peerless Insurance Company	\$125,000,000
Safeco Insurance Company of America	\$125,000,000

There were no outstanding borrowings as of December 31, 2020.

The Company is a party to a Federal Tax Sharing Agreement between LMHC and affiliates. Refer to Note 9F.

The Company paid \$29,411,219 under the LMHC Tax Sharing Agreement and paid \$14,344,106 under the LMGAM and LMIA investment management agreements. Pursuant to the Inter-Company Reinsurance Agreement with LMIC (Refer to Note 26), the expenses incurred under the Liberty Mutual service agreement are allocated to the Company in accordance with the Company's "Pool" participation percentage.

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1.
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not own investments in subsidiary, controlled or affiliated companies that exceed 10% of its admitted assets.
- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.

NOTES TO FINANCIAL STATEMENTS

L. The company utilizes the look-through approach for the valuation of the following downstream non-insurance holding companies:

Carrying Value:

Ohio Casualty Corporation \$171,845,066

St. James/Arlington LLC \$ 22,518,961

The company has limited the value of its investment in these companies to the value contained in the audited financial statements. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the company's determination of the carrying value of the investment in the downstream non-insurance holding company.

M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amou
Total SSAP No. 97 8A Entities	X X X	0	0	0
b. SSAP No. 97 8b(ii) Entities				
01. Ohio Casualty Corporation	8.000	171,845,066	171,161,140	683,926
Total SSAP No. 97 8b(ii) Entities	X X X	171,845,066	171,161,140	683,926
c. SSAP No. 97 8b(iii) Entities				
01. St. James/Arlington LLC	100.000	22,518,961	22,518,961	0
02. LMAT Holdings LLC	10.000	18,980,076	18,980,076	0
03. Liberty Mutual Investment Holdings LLC	10.000	385,599,164	385,599,164	0
Total SSAP No. 97 8b(iii) Entities	X X X	427,098,201	427,098,201	0
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	X X X	0	0	0
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	X X X	598,943,267	598,259,341	683,926
f. Aggregate Total (a + e)	X X X	598,943,267	598,259,341	683,926

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y / N	NAIC Disallow Entities Valuat Method, Resubmission Required Y / N	Code **
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8A Entities	X X X	X X X	0	X X X	X X X	X X X
b. SSAP No. 97 8b(ii) Entities						
01. Ohio Casualty Corporation	S2	10/22/2020	0	Y	N	I
Total SSAP No. 97 8b(ii) Entities	X X X	X X X	0	X X X	X X X	X X X
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	X X X	X X X	0	X X X	X X X	X X X
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	X X X	X X X	0	X X X	X X X	X X X
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	X X X	X X X	0	X X X	X X X	X X X
f. Aggregate Total (a + e)	X X X	X X X	0	X X X	X X X	X X X

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

** I - Immaterial or M - Material

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

NOTES TO FINANCIAL STATEMENTS

11 Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. There were no outstanding borrowings as of December 31, 2020. The Company has determined the actual maximum borrowing capacity as \$1,000,000,000 per Board of Directors consent.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
(a) Membership Stock - Class A	\$ 0	0	0
(b) Membership Stock - Class B	\$ 2,558,300	2,558,300	0
(c) Activity Stock	\$ 0	0	0
(d) Excess Stock	\$ 0	0	0
(e) Aggregate Total (a + b + c + d)	\$ 2,558,300	2,558,300	0
(f) Actual or est. Borrowing Capacity as Determined by the Insurer	\$ 1,000,000,000	X X X	X X X

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
(a) Membership Stock - Class A	\$ 0	0	0
(b) Membership Stock - Class B	\$ 1,088,000	1,088,000	0
(c) Activity Stock	\$ 0	0	0
(d) Excess Stock	\$ 0	0	0
(e) Aggregate Total (a + b + c + d)	\$ 1,088,000	1,088,000	0
(f) Actual or est. Borrowing Capacity as Determined by the Insurer	\$ 1,000,000,000	X X X	X X X

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1 Current Year Total (2 + 3 + 4 + 5 + 6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ 0	0	0	0	0	0
2. Class B	\$ 2,558,300	2,558,300	0	0	0	0

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell (Lines 2 + 3)	\$ 0	0	0
2. Current Year General Account (Total Pledged)	\$ 0	0	0
3. Current Year Protected Cell (Total Pledged)	\$ 0	0	0
4. Prior Year-end Total General and Protected Cell (Total Pledged)	\$ 0	0	0

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Max. Collateral
1. Current Year Total General and Protected Cell (Lines 2 + 3)	\$ 0	0	0
2. Current Year General Account (Maximum Pledged)	\$ 0	0	0
3. Current Year Protected Cell (Maximum Pledged)	\$ 0	0	0
4. Prior Year-end Total General and Protected Cell (Maximum Pledged)	\$ 0	0	0

(4) Borrowing From FHLB

a. Amount as of the Reporting Date

1. Current Year

	1	2	3	4
	Total 2+3	General Account	Protected Cell Account	Funding Agreements Reserves Established
(a) Debt	\$ 0	0	0	X X X
(b) Funding Agreements	\$ 0	0	0	0
(c) Other	\$ 0	0	0	X X X
(d) Aggregate Total (a + b + c)	\$ 0	0	0	0

2. Prior Year-end

	1	2	3	4
	Total 2+3	General Account	Protected Cell Account	Funding Agreements Reserves Established
(a) Debt	\$ 0	0	0	X X X
(b) Funding Agreements	\$ 0	0	0	0
(c) Other	\$ 0	0	0	X X X
(d) Aggregate Total (a + b + c)	\$ 0	0	0	0

b. Maximum Amount during Reporting Period (Current Year)

	1	2	3
	Total 2+3	General Account	Protected Cell Accounts
1. Debt	\$ 0	0	0
2. Funding Agreements	\$ 0	0	0
3. Other	\$ 0	0	0
4. Aggregate Total (1 + 2 + 3)	\$ 0	0	0

c. FHLB- Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

C. There were no outstanding borrowings as of December 31, 2020

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

A. Defined Benefit Plans

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other postretirement benefit plans. Services for the operation of the Company are provided under provisions of the management services agreements, as described in Note 10F.

Overfunded		Underfunded	
2020	2019	2020	2019

NOTES TO FINANCIAL STATEMENTS

(1) Change in benefit obligation:					
a. Pension Benefits					
1. Benefit obligation at beginning of year	\$ 0	0	0	0	0
2. Service cost	\$ 0	0	0	0	0
3. Interest cost	\$ 0	0	0	0	0
4. Contribution by plan participants	\$ 0	0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	0	0	0
6. Foreign currency exchange rate changes	\$ 0	0	0	0	0
7. Benefits paid	\$ 0	0	0	0	0
8. Plan amendments	\$ 0	0	0	0	0
9. Business combinations, etc.	\$ 0	0	0	0	0
10. Benefit obligation at end of year	\$ 0	0	0	0	0
b. Postretirement Benefits					
1. Benefit obligation at beginning of year	\$ 0	0	0	0	0
2. Service cost	\$ 0	0	0	0	0
3. Interest cost	\$ 0	0	0	0	0
4. Contribution by plan participants	\$ 0	0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	0	0	0
6. Foreign currency exchange rate changes	\$ 0	0	0	0	0
7. Benefits paid	\$ 0	0	0	0	0
8. Plan amendments	\$ 0	0	0	0	0
9. Business combinations, etc.	\$ 0	0	0	0	0
10. Benefit obligation at end of year	\$ 0	0	0	0	0
c. Special or Contractual Benefits Per SSAP No. 11					
1. Benefit obligation at beginning of year	\$ 0	0	0	0	0
2. Service cost	\$ 0	0	0	0	0
3. Interest cost	\$ 0	0	0	0	0
4. Contribution by plan participants	\$ 0	0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	0	0	0
6. Foreign currency exchange rate changes	\$ 0	0	0	0	0
7. Benefits paid	\$ 0	0	0	0	0
8. Plan amendments	\$ 0	0	0	0	0
9. Business combinations, etc.	\$ 0	0	0	0	0
10. Benefit obligation at end of year	\$ 0	0	0	0	0

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
(2) Change in plan assets:						
a. Fair value of plan assets beginning of year	\$ 0	0	0	0	0	0
b. Actual return on plan assets	\$ 0	0	0	0	0	0
c. Foreign currency exchange rate changes	\$ 0	0	0	0	0	0
d. Reporting Entity contribution	\$ 0	0	0	0	0	0
e. Plan participants contributions	\$ 0	0	0	0	0	0
f. Benefits paid	\$ 0	0	0	0	0	0
g. Business combinations, etc.	\$ 0	0	0	0	0	0
h. Fair value of plan assets end of year	\$ 0	0	0	0	0	0
(3) Funded status:						
a. Components:						
1. Prepaid benefit costs	\$ 0	0	0	0	0	0
2. Overfunded plan assets	\$ 0	0	0	0	0	0
3. Accrued benefit costs	\$ 0	0	0	0	0	0
4. Liability for pension benefits	\$ 0	0	0	0	0	0
b. Assets and liabilities recognized						
1. Assets (nonadmitted)	\$ 0	0	0	0	0	0
2. Liabilities recognized	\$ 0	0	0	0	0	0
c. Unrecognized liabilities	\$ 0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
(4) Components of net periodic benefit cost:						
a. Service cost	\$ 0	0	0	0	0	0
b. Interest cost	\$ 0	0	0	0	0	0
c. Expected return on plan assets	\$ 0	0	0	0	0	0
d. Amortization of unrecognized transition oblig. or transition asset	\$ 0	0	0	0	0	0
e. Amount of recognized gains and losses	\$ 0	0	0	0	0	0
f. Amount of prior service cost recognized	\$ 0	0	0	0	0	0
g. Amount of gain or loss recog. due to a settlement or curtailment	\$ 0	0	0	0	0	0
h. Total net periodic benefit cost	\$ 0	0	0	0	0	0
i. ERP P&L Charge	\$ 0	0	0	0	0	0
j. Total net periodic benefit cost	\$ 0	0	0	0	0	0

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost:				
a. Items not yet recognized as a components of net period cost - pri	\$ 0	0	0	0
b. Net transition asset or obligation recognized	\$ 0	0	0	0
c. Net prior service cost or credit arising during the period	\$ 0	0	0	0
d. Net prior service cost of credit recognized	\$ 0	0	0	0
e. Net gain and loss arising during the period	\$ 0	0	0	0
f. Net gain and loss recognized	\$ 0	0	0	0
g. Items not yet recognized as a component of net periodic cost - cu	\$ 0	0	0	0

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost:				
a. Net transition asset or obligation	\$ 0	0	0	0
b. Net prior service cost or credit	\$ 0	0	0	0
c. Net recognized gains and losses	\$ 0	0	0	0

(7) Weighted-average assumptions used to determine net periodic benefit costs as of Dec. 31:		
a. Weighted average discount rate	0.000	0.000
b. Expected long-term rate of return on plan assets	0.000	0.000
c. Rate of compensation increase	0.000	0.000
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	0.000	0.000
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:		
e. Weighted average discount rate	0.000	0.000
f. Rate of compensation increase	0.000	0.000
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	0.000	0.000

(8) Not applicable

(9) Not applicable

NOTES TO FINANCIAL STATEMENTS

(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

2021	\$	0
2022	\$	0
2023	\$	0
2024	\$	0
2025	\$	0
2026 thru 2030	\$	0

(11) Not applicable

(12) Not applicable

(13) Not applicable

(14) Not applicable

(15) Not applicable

(16) Not applicable

(17) Not applicable

(18) Not applicable

B.

(1) Information about Plan Assets
Not Applicable

C.

Not Applicable

E. Defined Contribution Plan

Not Applicable

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

Not Applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. The Company has 5,000,000 common shares authorized, issued and outstanding as of December 31, 2020. All shares have a stated par value of \$1.00.

The Company has 5,000,000 preferred shares authorized, but no shares issued and outstanding as of December 31, 2020. All shares have a stated par value of \$0.01.

B. Preferred Stock

Not applicable.

C. There are no dividend restrictions.

D. The Company paid dividends to its parent in 2020 of:

Month	Ordinary	
December	\$150,000,000	
Total	\$150,000,000	

E. The maximum amount of dividends which can be paid by Indiana-domiciled insurance companies to shareholders without the prior approval of the Insurance Commissioner is the greater of (a) 10% of surplus or (b) net income, subject to the availability of accumulated undistributed earnings. The maximum dividend payout which may be made without prior approval in 2021 is \$ 34,509,217.

NOTES TO FINANCIAL STATEMENTS

F. As of December 31, 2020, the Company has pre-tax restricted surplus of \$28,504,816 resulting from retroactive reinsurance contracts.

G. The Company had no advances to surplus.

H. The Company does not hold stock for special purposes.

I. The Company does not hold special surplus funds.

J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$ 102,700,921
after applicable deferred taxes of (\$427,715)

K. The company issued the following surplus debentures or similar obligations:

Not Applicable

L. The impact of any restatement due to prior quasi-reorganizations is as follows:

Not Applicable

M. Quasi-reorganization (effective date)

Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Refer to Note 10E

(1) Total SSAP No. 97 - Investments in Subsidiary, Controlled, and Affiliated Entities, and SSAP No. 48 - Joint Ventures, Partnerships and Limited Liability Companies contingent liabilities \$ 0

(2)

1 Nature and circumstances of guarantee and key attributes, including date and duration of agreement	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	3 Ultimate financial statement impact if action under the guarantee is required	4 Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted. (a)	5 Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
Total	0	X X X	0	X X X

(a) Pursuant to the terms of the guarantee, the Company would be required to perform in the event of default by the Company, but would also be permitted to take control of the real estate.

(3)

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)

\$ 0

b. Current Liability Recognized in F/S:

1. Noncontingent Liabilities

\$ 0

2. Contingent Liabilities

\$ 0

c. Ultimate Financial Statement Impact if action under the guarantee is required.

1. Investments in SCA

\$ 0

2. Joint Venture

\$ 0

3. Dividends to Stockholders (capital contribution)

\$ 0

4. Expense

\$ 0

5. Other

\$ 0

6. Total (Should equal (3)a.)

\$ 0

NOTES TO FINANCIAL STATEMENTS

B. Assessments

(1) The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments and premium-based assessments are presumed probable when the premium on which the assessments are expected to be based are written. In the case of loss-based assessments, the event that obligates the entity is an entity incurring the losses on which the assessments are expected to be based.

The Company was subject to a North Carolina Plan assessment of \$66,856 and a Texas Windstorm assessment, which was accrued for in 2019, of \$735,696. In addition, the Company received a refund of \$84,580 related to the total 2019 North Carolina Plan assessment of \$107,456.

The Company has accrued a liability for guaranty funds and other assessments of \$7,015,384 that is offset by future premium tax credits of \$174,401. Current guaranty fund assessments and assessments based on losses paid are expected to be paid out in the next two years, while premium tax offsets are realized over the period determined by each individual state once the guaranty fund assessment has been paid. The Company continues to remit payment relating to prior year insolvencies.

(2)

a. Assets recognized from paid and accrued premium

tax offsets and policy surcharges prior year-end \$ 211,535

b. Decreases current year:

01	Premium tax offset applied	\$ 211,535
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c. Increases current year:

01	Premium tax offset increase	\$ 174,401
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d. Assets recognized from paid and accrued premium tax offsets and

policy surcharges current year-end \$ 174,401

(3)

a. Discount Rate Applied 0.000

b. The Undiscounted and Discounted Amount of the Guaranty

Fund Assessments and Related Assets by Insolvency

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years on the Discounting Time

Period for Payables and Recoverables by Insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdict	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Yea	Weighted Aver Number of Year

C. Gain Contingencies

Not Applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

Claims related ECO and bad faith losses paid during the reporting period \$ 101,488

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period: (a) 0-25 claims (b) 26-50 claims (c) 51-100 claims (d) 101-500 claims (e) More than 500 claims

Answer (A, B, C, D, or E): A

Indicate whether claim count information is disclosed (f) per claim or (g) per claimant

Answer (F or G): F

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

NOTES TO FINANCIAL STATEMENTS

The Company is not a participant in any joint and several liabilities.

G 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.

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes LMGI. LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

15. Leases.

A. Lessee Leasing Arrangements

a. See below

(1)

a. The Company leases office space, plant and equipment under various non-cancelable operating lease arrangements. The Company's minimum lease obligations, including sales-leaseback transactions, under these agreements are as follows:

b. See below

c. See below

(2)

a. At January 1, 2021, the minimum aggregate rental commitments are as follows: (Dollars in thousands)

Operating Leases

Year Ending December 31 Operating Leases

2021 (as seen in Notes text)	\$ 9,710,599
2022 (as seen in Notes text)	\$ 8,051,781
2023 (as seen in Notes text)	\$ 6,604,065
2024 (as seen in Notes text)	\$ 6,366,542
2025 (as seen in Notes text)	\$ 4,430,555
2026 & thereafter	\$ 8,407,326
Total	\$ 43,570,868

(3) The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is \$8,962,665.

The Company's sales-leaseback transactions are included in the operating lease obligations.

B. Leasing as a Significant Part of Lessors's Business Activities

a. Leasing is not a significant part of the Company's business activities.

(1)

c. Lessor Leases

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2020 are as follows:

Operating Leases

Year Ending December 31

2021 (as seen in Notes text)	\$ 0
2022 (as seen in Notes text)	\$ 0
2023 (as seen in Notes text)	\$ 0
2024 (as seen in Notes text)	\$ 0
2025 (as seen in Notes text)	\$ 0
2026 & thereafter	\$ 0
Total	\$ 0

(2) Leveraged Leases

b. The Company's investment in leveraged leases relates to equipment...
Dec. 31, 2020 were as shown below: (In thousands)

2020

2019

Income from leveraged leases before income tax including investment tax credit	\$ 0	0
Less current income tax	\$ 0	0
Net income from leverage leases	\$ 0	0

NOTES TO FINANCIAL STATEMENTS

- c. The components of the investment in leveraged leases at Dec. 31, 2020 and Dec. 31, 2019 were as shown below: (In thousands)

	2020	2019
Lease contracts receivable (net principal & interest non-recourse financing)	\$ 0	\$ 0
Estimated residual value of leased assets	\$ 0	\$ 0
Unearned and deferred income	\$ 0	\$ 0
Investment in leveraged leases	\$ 0	\$ 0
Deferred income taxes related to leveraged leases	\$ 0	\$ 0
Net investment in leveraged leases	\$ 0	\$ 0

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 concentration of credit risk.

Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

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

(2) Not applicable

B. Transfers and Servicing of Financial Assets

(1) The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The company does not participate in term loans; therefore, the company does not have contractual collateral transactions that extend beyond one year from the reporting date. 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, such as Treasuries and Agency Bonds. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the collateral is unrestricted and the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company. At December 31, 2020 the total fair value of securities on loan was \$325,229,371 with corresponding collateral value of \$332,893,105 of which \$232,574,409 represents cash collateral that was reinvested.

C. Wash Sales:

Not Applicable

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

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

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

20. Fair Value Measurements

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

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock, when carried at the lower of cost or market.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve measurement judgment. The unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2020:

(1) Fair Value Measurements at Reporting Date

	(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(6) Net Asset Value	(7) Total
a. Assets at fair Value						
01. Bonds	\$	0	0	0	0	0
02. Residential MBS	\$	0	0	0	0	0
03. Commercial MBS	\$	0	0	0	0	0
04. Other MBS and ABS	\$	0	3,104,831	0	0	3,104,831
05. U.S. State and municipal	\$	0	0	0	0	0
06. Corporate and other	\$	0	60,591,987	4,456,418	0	65,048,405
07. Foreign government securities	\$	0	0	0	0	0
09. Preferred Stocks	\$	0	0	0	0	0
11. Common Stocks	\$	201,951,472	0	2,558,300	0	204,509,772
Total assets at fair value	\$	201,951,472	63,696,818	7,014,718	0	272,663,008
b. Liabilities at fair value						
		0	0	0	0	0
Total liabilities at fair value	\$	0	0	0	0	0

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Assets:	Beginning Balance at 01/01/2020	Transfers in- to Level 3 (a)	Transfers out of Level 3 (b)	Total gains and (losses) included in Net income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2020
Bonds	\$ 0	0	0	0	0	0	0	0	0	0
Residential MBS	\$ 0	0	0	0	0	0	0	0	0	0
Commercial MBS	\$ 0	0	0	0	0	0	0	0	0	0
Other MBS and ABS	\$ 0	0	0	0	0	0	0	0	0	0
U.S. State and municipal	\$ 0	0	0	0	0	0	0	0	0	0
Corporate and other	\$ 4,207,808	0	(1,643,732)	0	3,356	4,519,880	0	(2,694,504)	63,610	4,456,418
Foreign government securities	\$ 0	0	0	0	0	0	0	0	0	0
Preferred Stocks	\$ 0	0	0	0	0	0	0	0	0	0
Common Stocks	\$ 1,088,000	0	0	0	0	1,470,300	0	0	0	2,558,300
Total	\$ 5,295,808	0	(1,643,732)	0	3,356	5,990,180	0	(2,694,504)	63,610	7,014,718

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Liabilities:	Beginning Balance at 01/01/2020	Transfers in- to Level 3 (a)	Transfers out of Level 3 (b)	Total gains and (losses) included in Net income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2020
Total	0	0	0	0	0	0	0	0	0	0

- a.
- b.

NOTE: Description column shows examples of assets and liabilities that can be disclosed. Increases to the beginning balance should be shown as positive amounts and decreases shown as negative amounts.

(3) Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 6 fixed maturity securities at the lower of amortized cost or fair value defined by SSAP No. 26, Bonds and NAIC designated 4-6 preferred stocks at the lower of cost or fair value as defined by SSAP No. 32, Investments in Preferred Stock. Market fluctuations cause securities to change from being held at cost or amortized cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities into or out of level 3 as a result of re-evaluation of the observability of pricing inputs.

NOTES TO FINANCIAL STATEMENTS

(4) Inputs and Techniques Used for Fair Value

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

U.S. Government and Agency Securities

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on active markets and unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipal Securities

The Company's municipal portfolio is comprised of bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities include bonds issued or guaranteed by foreign governments. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Common and Preferred Stocks

Common stocks are recorded at fair value and preferred stocks are reported at cost or fair value, depending on their NAIC designation. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Invested Assets

Other invested assets include limited partnership investments, other equity method investments and other alternative investments, which are not subject to these disclosures and therefore are excluded from the table in this note.

Derivatives

Derivatives can be exchange-traded or traded over-the-counter ("OTC"). OTC derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgement. The fair value of derivatives using models with observable inputs are classified as Level 2 within the fair value hierarchy and the fair value of derivatives using models with unobservable inputs are classified as Level 3 within the fair value hierarchy.

B. Other Fair Value Disclosures

Not Applicable

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets				Net Asset Value (NAV)	Not Practicable (Carrying Value)
			(Level 1)	(Level 2)	(Level 3)		
01 Cash, Cash Equivalents & Short Term	\$ 91,706,031	91,704,061	(84,818,515)	18,411,016	0	158,113,531	0
02 Bonds	\$ 5,294,142,527	5,021,105,682	531,078,236	4,638,045,040	125,019,251	0	0
03 Preferred Stock	\$ 0	0	0	0	0	0	0
04 Common Stock	\$ 204,509,772	204,509,772	201,951,472	0	2,558,300	0	0
05 Securities Lending	\$ 232,575,955	232,574,409	0	232,575,955	0	0	0
06 Mortgage Loans	\$ 199,636,688	199,718,158	0	0	199,636,688	0	0
07 Surplus Notes	\$ 0	0	0	0	0	0	0
Total	\$ 6,022,570,973	5,749,612,082	648,211,193	4,889,032,011	327,214,239	158,113,531	0

NOTES TO FINANCIAL STATEMENTS

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Practicable (Carrying Value)
09 Net Derivatives	\$ 0	0	0	0	0	0	0
Total	\$ 6,022,570,973	5,749,612,082	648,211,193	4,889,032,011	327,214,239	158,113,531	0

D. Reasons Not Practical to Estimate Fair Value

Not Applicable

E. Instruments Measures at Net Asset Value (NAV)

(1) The Company elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

21. Other items

A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

B. Troubled Debt Restructuring

Not Applicable

C. Other Disclosures

1. Florida Special Disability Trust Fund

- a. The Company took a credit in the determination of its loss reserves of \$3,386,455 in 2020 and \$1,396,350 in 2019.
- b. The Company received payments from the Special Disability Trust Fund of \$0 in 2020 and \$351,135 in 2019.
- c. The amount the Company was assessed by the Special Disability Trust Fund was \$38,896 in 2020 and \$34,466 in 2019.

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable Tax Credits

(1) Description of State Transferrable Tax Credits

The Company does not hold state transferable and/or non-transferable tax credits.

(1) Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
Total	X X X	0	0

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

(3) Impairment Loss

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Non-Admitted
a. Transferable	0	0
b. Non-transferable	0	0

F. Subprime-Mortgage-Related Risk Exposure

NOTES TO FINANCIAL STATEMENTS

(1) The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through past acquisitions of insurance companies.

(2) Direct exposure through investments in subprime mortgage loans.

	1	2	3	4	5
	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other-Than- Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	0	0	0	0	0
b. Mortgages in good standing	0	0	0	0	0
c. Mortgages with restructure terms	0	0	0	0	0
d. Total	0	0	0	0	0

(3) Direct exposure through other investments.

	1	2	3	4
	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	145,708	150,240	145,429	74,229
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securitie	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	145,708	150,240	145,429	74,229

*ABC Company's subsidiary XYZ Company has investments in subprime mortgages. These investments comprise _____% of the companies invested assets. 0.000

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

	1	2	3	4
	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
a. Mortgage Guaranty Coverage	0	0	0	0
b. Financial Guaranty Coverage	0	0	0	0
c. Other Lines (specify):				
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
d. Total	0	0	0	0

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not Applicable

22. Events Subsequent

The Company evaluated subsequent events through February 21, 2021, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2020 that would require disclosure.

The Company did not receive any assessments under the Affordable Care Act.

NOTES TO FINANCIAL STATEMENTS

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?
 Not Applicable

23. Reinsurance

A. Unsecured Reinsurance Recoverables

Excluding amounts arising pursuant to the Intercompany Reinsurance Agreements, the following are the unsecured reinsurance recoverable or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

Reinsurer	NAIC No.	Federal ID No.	Reinsurer
Nationwide Group			
National Casualty Co	11991	38-0865250	
Nationwide Indemnity Co	10070	31-1399201	
Nationwide Mutual Insurance Co	23787	31-4177100	
Scottsdale Insurance Co	41297	31-1024978	
Nationwide Group Total			\$1,280,234,000
U.S. Aircraft Insurance Group	00000	AA-9995043	\$89,380,000
Total			\$1,369,614,000

B. Reinsurance Recoverable in Dispute
 Not Applicable

C. REINSURANCE ASSUMED AND CEDED

(1) Report the maximum amount of return commission which would have been due reinsurers....

	Assumed		Ceded		Net	
	Premium Reserve (1)	Commission Equity (2)	Premium Reserve (3)	Commission Equity (4)	Premium Reserve (5)	Commission Equity (6)
a. Affiliates	\$ 1,577,934,000	0	419,458,000	0	1,158,476,000	0
b. All Other	\$ 1,315,522	812,005	3,998,477	100,744	(2,682,955)	711,261
c. TOTAL	\$ 1,579,249,522	812,005	423,456,477	100,744	1,155,793,045	711,261
d. Direct Unearned Premium Reserve	\$ 196,000,075					

Line (c) of Column 3 must Equal page 3, Line 9, first inside amt.

(2) Additional or return commission ... on any form of profit sharing arrangements

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, 2020 are as follows:

REINSURANCE	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 0	47,165,936	0	47,165,936
b. Sliding Scale Adjustments	\$ 0	56,603	0	56,603
c. Other Profit Commission Arrangements	\$ 0	0	0	0
d. TOTAL	\$ 0	47,222,539	0	47,222,539

(3) Reinsurance

Protected Cell Name	Covered Exposure	Ultimate Exposure Amt	Fair Value of Assets 12/31	Initial Contract Date	Maturity Date
(99) Totals Lines 23C0301 through 23C0305		0	0		

D. UNCOLLECTIBLE REINSURANCE

(1) The company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of

\$ 1,844,149

which is reflected as:

a. Losses incurred	\$ 1,141,763
b. Loss adjustment expenses incurred	\$ 702,386
c. Premiums earned	\$ 0
d. Other	\$ 0

e.

Company	Amount
01. Liberty Mutual Insurance Company, 23043	\$ 1,844,149

NOTES TO FINANCIAL STATEMENTS

E. COMMUTATION OF CEDED REINSURANCE

The company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1) Losses Incurred	\$ 4,311
(2) Loss adjustment expenses incurred	\$ (589)
(3) Premiums Earned	\$ 0
(4) Other	\$ 562
(5)	

Company	Amount
01. Liberty Mutual Insurance Company, 23043	\$ 8,649
02. All Other	\$ (4,366)
03. TOTAL	\$ 4,284

F. RETROACTIVE REINSURANCE

	Reported Company	
	Assumed	Ceded
(1) a. Reserves Transferred:		
1. Initial Reserves	\$ (255,813,892)	0
2. Adjustments - Prior Year(s)	\$ (62,166,594)	0
3. Adjustments - Current Year	\$ (1,429,536)	0
4. Current Total	\$ (319,410,022)	0
b. Consideration Paid or Received:		
1. Initial Consideration	\$ (270,188,633)	0
2. Adjustments - Prior Year(s)	\$ (4,469,738)	0
3. Adjustments - Current Year	\$ 19,794,105	0
4. Current Total	\$ (254,864,266)	0
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	\$ 35,279,389	0
2. Current Year	\$ (2,751,397)	0
3. Current Total	\$ 32,527,992	0
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$ (11,691,539)	0
2. Adjustments - Prior Year(s)	\$ 18,000,238	0
3. Adjustments - Current Year	\$ 21,715,424	0
4. Current Year Restricted Surplus	\$ (28,504,816)	0
5. Cumulative Total Transferred to Unassigned Funds	\$ (480,693)	0
e. All cedents and reinsurers involved in all transactions included in summary totals above:		

	Column 1: Cedents and Reinsurers Company Name	Assumed Amt	Ceded Amt
01	Liberty Mutual Insurance Company, 23043	\$ (319,410,021)	0
	Total*	\$ (319,410,021)	0

* Total amounts must agree with totals in a. 4 above. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed

f.

1. Total Paid Loss/LAE amounts recoverable (for authorized, and certified reinsurers), and for amounts recoverable the c (for authorized, unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurer

Authorized Reinsurers Total: Company Name	Total Paid/Loss/L Recoverable	Amount over 90 days overdue
	\$ 0	0
Total	\$ 0	0

2. Total Paid Loss/LAE amounts recoverable (for authorized, and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as

NOTES TO FINANCIAL STATEMENTS

UnAuthorized Reinsurers Total: Company Name	Total Paid/Loss/L Recoverable	Amt over 90 Days Overdue	Collateral Held
.....			
Total	\$ 0	0	0

3. Total Paid Loss/LAE amounts recoverable (for authorized, and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as

Certified Reinsurers Total: Company Name	Total Paid/Loss/LAE Recoverable	Amt over 90 Days Overdue	Collateral Held
.....			
Total	\$ 0	0	0

4. Total Paid Loss/LAE amounts recoverable (for authorized, and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as

UnAuthorized Reinsurers Total: Company Name	Total Paid/Loss/LAE Recoverable	Amt over 90 Days Overdue
.....		
Total	\$ 0	0

g. There are no Paid Loss/Loss Adjustment Expense amounts recoverable or amounts recoverable from unauthorized reinsurers:

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.

The following are material retroactive reinsurance agreements that the company has entered into recently:

On November 5, 2019, the company entered into a reinsurance transaction with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc, on a combined aggregate excess of loss agreement for certain U.S. Business Lines and National Insurance workers compensation liabilities, commercial auto liability and general liability excluding umbrella and warranty.

In conjunction with the Ironshore acquisition and effective May 1, 2017, Ironshore entered into a reinsurance transaction with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway Inc., on a combined aggregate excess of loss agreement providing coverage for substantially all of Ironshore's reserves related to losses occurring prior to January 1, 2017. This agreement is being accounted for as retroactive reinsurance.

On July 17, 2014, Liberty Mutual Insurance reached a definitive agreement with NICO, on a combined aggregate adverse development cover for substantially all of Liberty Mutual Insurance's U.S. workers compensation, asbestos and environmental liabilities. The agreement, accounted for as retroactive reinsurance, is effective January 1, 2014.

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2020.

Description	Interest Income	Cash Recoveries	Deposit Balance
.....			

H. Disclosures for the Transfer of Property and Casualty Run-off Agreement

The Company has not entered into any agreements which have been approved by their domiciliary regulator and have qualified pursuant to SSAP No. 62R, Property and Casualty Reinsurance to receive P&C Run-off Accounting Treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not Received)
				Before	After		
.....							

b. The Certified Reinsurers that the Company transacts business with were not Downgraded or Status Subject to Revocation.

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

NOTES TO FINANCIAL STATEMENTS

a.

Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not Received)
		Before	After		
.....

b. The Company is not a Certified Reinsurer.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Accrued retrospective premiums reported in Line 15.3 of the asset page have been determined based upon loss experience on business subject to such experience rating adjustment.

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 refer to Schedule P, Part 7A.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.
Not Applicable

E. (1) For Ten Percent (10%) Method of determining Non-admitted

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

a. Total accrued retro premiums	\$ 13,672,772
b. Unsecured amount	\$ 0
c. Less: Nonadmitted amount (10%)	\$ 1,375,308
d. Less: Nonadmitted for any person for whom agents' balances	\$ 0
e. Admitted amount (a) - (c) - (d)	\$ 12,297,464

(2) For Quality Rating Method of Determining Nonadmitted Retro. Premium

Insured's Current Q Rating	Total Amount	Unsecured Balances	%	Nonadmitted Amount	Admitted Amount
a. 1	\$ 0	0	0.01	0	0
b. 2	\$ 0	0	0.02	0	0
c. 3	\$ 0	0	0.05	0	0
d. 4	\$ 0	0	0.10	0	0
e. 5	\$ 0	0	0.20	0	0
f. 6	\$ 0	0	1.00	0	0
g. Nonadmitted for any person for whom agents' balances are nonadmitted					0
h. Total (a) through (f) - (g)	\$ 0	0		0	0

F. (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? NO

The Company did not receive any assessments under the Affordable Care Act.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year.

a. Permanent ACA Risk Adjustment Program

Assets

AMOUNT

1. Premium adjustments receivable due to ACA Risk Adjustment Liabilities \$ 0

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ 0

3. Premium adjustments payable due to ACA Risk Adjustment Operations (Revenue & Expense) \$ 0

NOTES TO FINANCIAL STATEMENTS

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ <input style="width: 80px;" type="text" value="0"/>
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ <input style="width: 80px;" type="text" value="0"/>

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ <input style="width: 80px;" type="text" value="0"/>
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ <input style="width: 80px;" type="text" value="0"/>
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ <input style="width: 80px;" type="text" value="0"/>

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance -not reported as ceded premium	\$ <input style="width: 80px;" type="text" value="0"/>
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ <input style="width: 80px;" type="text" value="0"/>
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ <input style="width: 80px;" type="text" value="0"/>

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance	\$ <input style="width: 80px;" type="text" value="0"/>
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ <input style="width: 80px;" type="text" value="0"/>
9. ACA Reinsurance contributions- not reported as ceded premium	\$ <input style="width: 80px;" type="text" value="0"/>

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors	\$ <input style="width: 80px;" type="text" value="0"/>
--	--

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ <input style="width: 80px;" type="text" value="0"/>
--	--

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ <input style="width: 80px;" type="text" value="0"/>
4. Effect of ACA risk Corridors on change in reserves for rate credits	\$ <input style="width: 80px;" type="text" value="0"/>

Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Incurred loss and loss adjustment expense attributable to insured events on prior years increased through the fourth quarter of 2020. The increase was driven by reserve adjustments on General Liability and Commercial Multi-Peril lines. These increases were partially offset by decreases in reserve estimates for Homeowners' and Workers' Compensation lines. Prior estimates are revised as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the following affiliated companies:

		NAIC Company Number	Pooling Companies	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20%	All Lines
Pool Companies:	Employers Insurance Company of Wausau ("EICOW")	21458	8%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8%	All Lines

NOTES TO FINANCIAL STATEMENTS

	The Ohio Casualty Insurance Company ("OCIC")	24074	8%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0%	All Lines
	America First Insurance Company ("AFIC")	12696	0%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0%	All Lines
	American States Insurance Company ("ASIC")	19704	0%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0%	All Lines
	American States Preferred Insurance Company ("ASPC")	37214	0%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0%	All Lines
	General Insurance Company of America ("GICA")	24732	0%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0%	All Lines
	Indiana Insurance Company ("IIC")	22659	0%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0%	All Lines
	LM Insurance Corporation ("LMC")	33600	0%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMM")	14486	0%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0%	All Lines
	National Insurance Association ("NIA")	27944	0%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0%	All Lines
100% Quota Share	West American Insurance Company ("WAIC")	44393	0%	All Lines
Affiliated Companies:	LM Property and Casualty Insurance Company ("LMPA")	32352	0%	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. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- C. 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.
- D. 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.
- E. 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.

NOTES TO FINANCIAL STATEMENTS

F. The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.

Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2020:

G. Affiliate	Amount
Liberty Mutual Insurance Company	\$19,097,543

27. Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves after applying Intercompany 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 as of December 31, 2020 is as follows:

Disclose the amount of reserves no longer carried	Loss Reserves Elim. by Annu.	Unrecorded Loss Contingencies
\$	78,092,303	78,092,303

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 and Location	Licensed in Company's State of Domicile	Statement Value (ie: Present Value) of Annuities
01. Prudential Insurance Company New Jersey	YES	39,653,990

28. Health Care Receivables

Not Applicable

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

01. Liability carried for premium deficiency reserves	\$	(1) 0
02. Date of the most recent evaluation of this liability		12/31/2020
03. Was anticipated investment income utilized in the calculation?	Yes [] No [X]	No

31. High Deductible

As of December 31, 2020, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$515,016,480 and the amount billed and recoverable on paid claims was \$21,110,160. There are no unsecured high dollar deductible recoverable from professional employer organizations included in these amounts.

- A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles
Not Applicable
- B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same
Not Applicable

32. Discounting of Liabilities for Unpaid Losses or 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, 2020 liabilities include \$1,008,543,014 of such discounted reserves. The Company recognized \$531,464 of interest accretion in the Statement of Income for the current year related to tabular discount on Workers' Compensation. The December 31, 2020 liabilities subject to discount were carried at a value representing a discount of \$19,198,321 net of all reinsurance.

A. TABULAR DISCOUNT	Tabular Discount Included in
---------------------	------------------------------

NOTES TO FINANCIAL STATEMENTS

	Schedule P, Part 1*	
	Tabular Disc.	Tabular Disc.
	CASE	IBNR
Schedule P Lines of Business:		
01. HOME OWNERS / FARMOWNERS	\$ 0	0
02. PRIVATE PASSENGER AUTO LIABILITY/MEDICAL	\$ 0	0
03. COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL	\$ 0	0
04. WORKERS' COMPENSATION	\$ 30,521,882	14,674,820
05. COMMERCIAL MULTIPLE PERIL	\$ 0	0
06. MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE	\$ 0	0
07. MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE	\$ 0	0
08. SPECIAL LIABILITY	\$ 0	0
09. OTHER LIABILITY - OCCURRENCE	\$ 0	0
10. OTHER LIABILITY - CLAIMS-MADE	\$ 0	0
11. SPECIAL PROPERTY	\$ 0	0
12. AUTO PHYSICAL DAMAGE	\$ 0	0
13. FIDELITY, SURETY	\$ 0	0
14. OTHER (INCLUDING CREDIT, A&H)	\$ 0	0
15. INTERNATIONAL	\$ 0	0
16. REINSURANCE NONPROPORTIONAL ASSUMED PROPERTY	\$ 0	0
17. REINSURANCE NONPROPORTIONAL ASSUMED LIABILITY	\$ 0	0
18. REINSURANCE NONPROPORTIONAL ASSUMED FINANCIAL LINE	\$ 0	0
19. PRODUCTS LIABILITY - OCCURRENCE	\$ 0	0
20. PRODUCTS LIABILITY - CLAIMS-MADE	\$ 0	0
21. FINANCIAL GUARANTY/MORTGAGE GUARANTY	\$ 0	0
22. WARRANTY	\$ 0	0
23. TOTAL	\$ 30,521,882	14,674,820

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

B. NON-TABULAR DISCOUNT

	Schedule P Lines of Business:			
	NON-Tab. Disc. CASE	NON-Tab. Disc. IBNR	NON-Tab. Disc. Def & Cost Cont E	NON-Tab. Disc. Adj. & Other Exp
01. HOME OWNERS / FARMOWNERS	\$ 0	0	0	0
02. PRIVATE PASSENGER AUTO LIABILITY/MEDICAL	\$ 0	0	0	0
03. COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL	\$ 0	0	0	0
04. WORKERS' COMPENSATION	\$ 0	0	0	0
05. COMMERCIAL MULTIPLE PERIL	\$ 0	0	0	0
06. MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE	\$ 0	0	0	0
07. MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE	\$ 0	0	0	0
08. SPECIAL LIABILITY	\$ 0	0	0	0
09. OTHER LIABILITY - OCCURRENCE	\$ 0	0	0	0
10. OTHER LIABILITY - CLAIMS-MADE	\$ 0	0	0	0
11. SPECIAL PROPERTY	\$ 0	0	0	0
12. AUTO PHYSICAL DAMAGE	\$ 0	0	0	0
13. FIDELITY, SURETY	\$ 0	0	0	0
14. OTHER (INCLUDING CREDIT, A&H)	\$ 0	0	0	0
15. INTERNATIONAL	\$ 0	0	0	0
16. REINSURANCE NONPROPORTIONAL ASSUMED PROPERTY	\$ 0	0	0	0
17. REINSURANCE NONPROPORTIONAL ASSUMED LIABILITY	\$ 0	0	0	0
18. REINSURANCE NONPROPORTIONAL ASSUMED FINANCIAL LINE	\$ 0	0	0	0
19. PRODUCTS LIABILITY - OCCURRENCE	\$ 0	0	0	0
20. PRODUCTS LIABILITY - CLAIMS-MADE	\$ 0	0	0	0
21. FINANCIAL GUARANTY/MORTGAGE GUARANTY	\$ 0	0	0	0
22. WARRANTY	\$ 0	0	0	0
23. TOTAL	\$ 0	0	0	0

Columns in the table above should include medical loss reserves and all loss adjustment expense reserves, whether reported as tabular or nontabular in Schedule P.

Not Applicable

33. Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses

NOTES TO FINANCIAL STATEMENTS

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 insured with potential exposure, (vi) the cost to resolve claims, and (vii) the collectability of reinsurance.

The uncertainties associated with establishing reserves for asbestos and environmental claims and claim 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. The uncertainties cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

In 2020, the Company and its affiliated pool members completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company's direct, assumed, and ceded A&E unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company's reinsurance and actuarial personnel. A&E unpaid claim liabilities for all other policyholders were evaluated using aggregate methods that utilized information and experience specific to these policyholders. The studies resulted in an increase to reserves of \$200,000,000 including: \$88,000,000 of asbestos reserves, and \$112,000,000 of pollution reserves.

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 on historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in a liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

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.

The following tables summarize the activity for the Company's asbestos and environmental claims and claim adjustment expenses, a component of the Company's unpaid claims and claim adjustment expenses, for the years ended December 31, 2020, 2019, 2018, 2017, and 2016 before consideration of the NICO Reinsurance Transaction. Refer to Note 23f.

(1) Direct:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 118,430,235	123,910,271	117,517,690	122,040,368	125,241,554
b. Incurred losses and loss adjustment expense	\$ 26,224,951	14,187,334	24,731,200	20,318,318	11,456,134
c. Calendar year payments for losses & loss adj expenses	\$ 20,744,915	20,579,915	20,208,522	17,117,132	14,694,994
d. Ending reserves	\$ 123,910,271	117,517,690	122,040,368	125,241,554	122,002,694

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 44,251,678	40,951,919	42,449,229	39,700,375	36,458,464
b. Incurred losses and loss adjustment expense	\$ (396,308)	4,053,333	(371,535)	(1,190,498)	134,693
c. Calendar year payments for losses & loss adj expenses	\$ 2,999,181	2,556,023	2,377,319	2,051,413	1,417,159
d. Ending reserves	\$ 40,856,189	42,449,229	39,700,375	36,458,464	35,175,998

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 54,527,879	53,760,540	54,007,284	62,360,017	67,573,699
b. Incurred losses and loss adjustment expense	\$ 4,983,089	6,869,767	16,061,925	20,016,764	8,846,622
c. Calendar year payments for losses & loss adj expenses	\$ 5,750,429	6,623,022	7,709,193	14,803,082	8,969,589
d. Ending reserves	\$ 53,760,539	54,007,285	62,360,016	67,573,699	67,450,732

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss & LAE):

(1) Direct Basis	\$ 83,172,254
(2) Assumed Reinsurance Basis	\$ 25,377,368
(3) Net of Ceded Reinsurance Basis	\$ 45,245,139

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):

(1) Direct Basis	\$ 71,733,556
(2) Assumed Reinsurance Basis	\$ 845,649
(3) Net of Ceded Reinsurance Basis	\$ 33,281,495

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses?

NOTES TO FINANCIAL STATEMENTS

(1) Direct:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 28,989,390	29,816,048	30,911,571	33,153,967	35,448,375
b. Incurred losses and loss adjustment expense	\$ 6,419,911	5,145,707	8,736,239	8,953,565	11,400,434
c. Calendar year payments for losses & loss adj expenses	\$ 5,593,253	4,050,184	6,493,842	6,659,157	4,768,455
d. Ending reserves	\$ 29,816,048	30,911,571	33,153,968	35,448,375	42,080,354

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 3,503,310	3,336,937	4,068,948	3,598,731	3,412,079
b. Incurred losses and loss adjustment expense	\$ (13,180)	970,817	(65,695)	276,374	281,781
c. Calendar year payments for losses & loss adj expenses	\$ 325,722	238,806	404,522	463,026	215,244
d. Ending reserves	\$ 3,164,408	4,068,948	3,598,731	3,412,079	3,478,616

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 20,969,200	20,482,901	22,012,201	22,599,873	24,626,661
b. Incurred losses and loss adjustment expense	\$ 3,928,479	4,078,121	3,997,444	6,889,606	9,748,212
c. Calendar year payments for losses & loss adj expenses	\$ 4,414,778	2,548,821	3,409,772	4,862,818	3,620,611
d. Ending reserves	\$ 20,482,901	22,012,201	22,599,873	24,626,661	30,754,262

E. State the amt. of the ending res. for Bulk + IBNR included in D (Loss & LAE):

(1) Direct Basis	\$ 180,376,911
(2) Assumed Reinsurance Basis	\$ 12,508,843
(3) Net of Ceded Reinsurance Basis	\$ 127,534,975

F. State the amt. of the ending res. for loss adj. exp. included in D (Case, Bulk + IBNR):

(1) Direct Basis	\$ 18,189,532
(2) Assumed Reinsurance Basis	\$ 323,931
(3) Net of Ceded Reinsurance Basis	\$ 12,264,683

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop Insurance

Not Applicable

36. Financial Guaranty Insurance

A. The expected future premiums shown below are based on various prepayment, collection and other assumptions and circumstances as of December 31, 2020, and actual premiums earned or collected could differ materially. In addition, the expected future premiums shown below do not give effect to policy terminations that have occurred, or may occur, after December 31, 2020, which could materially reduce the actual premiums collected.

(1) Installment contracts:

Financial guarantee insurance contracts where premiums are received as installed payments over the period of the contract, rather than at inception:

b. Schedule of premiums (undiscounted) expected to be collected under all installment contracts:

1.	
1st Quarter 2021	\$ 9,879
2nd Quarter 2021	\$ 29,399
3rd Quarter 2021	\$ 51,479
4th Quarter 2021	\$ 79,298
Year 2022	\$ 359,151
Year 2023	\$ 359,151
Year 2024	\$ 350,474
Year 2025	\$ 313,585
2.	
2026 through 2030	\$ 811,687
2031 through 2035	\$ 163,341
2036 through 2040	\$ 35,458

NOTES TO FINANCIAL STATEMENTS

c. Roll forward of the expected future premiums (undiscounted), including:

1. Expected future premiums - Beginning of Year	\$	0
2. Less - Premium payments received for existing installment contracts	\$	0
3. Add - Expected premium payments for new installment contracts	\$	2,562,903
4. Adjustments to the expected future premium payments	\$	0
5. Expected future premiums - End of Year	\$	2,562,903

(2) Non-installment contacts:

b. Schedule of the future expected earned premium revenue on non-installment contracts as of the latest date of the statement of financial position:

1.		
1st Quarter 2021	\$	7,271
2nd Quarter 2021	\$	17,616
3rd Quarter 2021	\$	29,470
4th Quarter 2021	\$	44,186
Year 2022	\$	130,964
Year 2023	\$	49,919
Year 2024	\$	6,923
Year 2025	\$	0
2.		
2026 through 2030	\$	0
2031 through 2035	\$	0
2036 through 2040	\$	0

(3) Claim liability:

a. The company used a rate of does not discount the claim liability.

b. Significant components of the change in the claim liability for the period:

Components		
1. Accretion of the discount	\$	0
2. Change in timing	\$	0
3. New reserves for defaults of insured contracts	\$	0
4. Change in deficiency reserves	\$	183
5. Change in incurred but not reported claims	\$	87,870
6. Total	\$	88,053

(4) Description of the insurance enterprise's risk management activities used to track and monitor deteriorating insured financial obligations:

a. Description of each grouping or category used to track and monitor deteriorating insured financial obligations

Category A: Includes insured financial obligations that are still currently performing (that is, insured contractual payments are made on time but the likelihood of an event of default has increased since the financial guarantee insurance contract was first issued), but if economic conditions persist for an extended period of time, they may not be performing in the future. The issuer of the insured financial obligation may have experienced credit deterioration as a result of a general economic downturn. As a result, the present value of expected net cash outflows may exceed the unearned premium revenue of the financial guarantee insurance contract sometime in the future.

Category B: Includes insured financial obligations that are currently characterized as potentially nonperforming and may require action by the insurance enterprise to avoid or mitigate an event of default.

Category C: Includes insured financial obligations that are characterized as nonperforming and for which actions to date by the insurance enterprise have not been successful in avoiding or mitigating an event of default. The insurance enterprise continues its efforts to cure the claim, but an event of default is imminent.

Category D: Includes insured financial obligations where an event of default has occurred.

All policy count numbers disclosed in subsequent tables are representative of the total Liberty Mutual portfolio. Financial dollars are representative of the total Liberty Mutual exposure per the Inter-Company Reinsurance Pooling Agreement.

B. Schedule of insured financial obligations at the end of the period:

NOTES TO FINANCIAL STATEMENTS

	Surveillance Categories				Total
	A	B	C	D	
1. Number of policies	228	0	0	1	229
2. Remaining weighted-average contract period (in years)	4	0	0	1	XXX

Insured contractual payments outstanding:

3a. Principal	\$ 99,621,846	0	0	100,020	99,721,866
3b. Interest	\$ 0	0	0	0	0
3c. Total	\$ 99,621,846	0	0	100,020	99,721,866
4. Gross claim liability	\$ 87,748	0	0	305	88,053
Less:					
5a. Gross potential recoveries	\$ 0	0	0	0	0
5b. Discount, net	\$ 0	0	0	0	0
6. Net claim liability	\$ 87,748	0	0	305	88,053
7. Unearned premium revenue	\$ 2,571,220	0	0	30	2,571,250
8. Reinsurance recoverables	\$ 0	0	0	0	0

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Wisconsin
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 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. 12/31/2018
- 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). 06/23/2020
- 3.4 By what department or departments?
 State of Wisconsin Office of the Commissioner of Insurance

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [X] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- If yes, complete and file the merger history data file with the NAIC.

GENERAL INTERROGATORIES

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 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,
 7.21 State the percentage of foreign control. _____ 0.00 %
 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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 Street
 Boston, MA 02116

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

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

GENERAL INTERROGATORIES

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Stephanie Neyenhouse FCAS, MAAA
 175 Berkeley Street, Boston, MA 02116
 Vice President and Chief Actuary, Liberty Mutual Group Inc.

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []

12.11 Name of real estate holding company	St. James/Arlington LLC
12.12 Number of parcels involved	7
12.13 Total book/adjusted carrying value	\$ 22,518,960

12.2 If yes, provide explanation:
 Employers Insurance Company of Wausau directly owns 100% of St. James/Arlington LLC and indirectly owns 3% of St James/Arlington Real Estate LP via it's ownership in St. James/Arlington LLC.

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules, and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code. Yes [X] No []

14.11 If the response to 14.1 is no, please explain:

GENERAL INTERROGATORIES

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

.....

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

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Lette	4 Amount
0			0
0			0
0			0

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- | | | |
|--|----|---|
| 22.21 Amount paid as losses or risk adjustment | \$ | 0 |
| 22.22 Amount paid as expenses | \$ | 0 |
| 22.23 Other amounts paid | \$ | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto:

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

- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ 332,893,105
- 24.05 For the reporting entity's securities lending program report amount of collateral for other programs. \$ 0
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--|----|-------------|
| 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 232,574,409 |
| 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 232,574,409 |
| 24.093 Total payable for securities lending reported on the liability page | \$ | 232,574,409 |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ <u>0</u>
	25.22 Subject to reverse repurchase agreements	\$ <u>0</u>
	25.23 Subject to dollar repurchase agreements	\$ <u>0</u>
	25.24 Subject to reverse dollar repurchase agreements	\$ <u>0</u>
	25.25 Placed under option agreements	\$ <u>0</u>
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ <u>0</u>
	25.27 FHLB Capital Stock	\$ <u>2,558,300</u>
	25.28 On deposit with states	\$ <u>201,682,011</u>
	25.29 On deposit with other regulatory bodies	\$ <u>33,886,623</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>0</u>
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>0</u>
	25.32 Other	\$ <u>0</u>

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	0
.....	0
.....	0

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

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

LINES 26.3 through 26.5 : FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes No

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

	26.41 Special accounting provision of SSAP No. 108	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	26.42 Permitted accounting practice	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	26.43 Other accounting guidance	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes No

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	601 Travis Street, Houston, TX 77002
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005
Royal Trust	77 King Street West, Toronto, Ontario M5W 1 P9

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Name Firm or Individual	2 Affiliation
Liberty Mutual Group Asset Management Inc.	A
Liberty Mutual Investment Advisors, LLC	A
StanCorp	U
Napier Park Global Capital	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No [X]

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

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
Liberty Mutual Group Asset Management Inc.	N/A	N/A	N/A	DS
Liberty Mutual Investment Advisors, LLC	N/A	N/A	N/A	DS
StanCorp	N/A	N/A	N/A	DS
Napier Park Global Capital	N/A	N/A	SEC	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

GENERAL INTERROGATORIES

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	0
.....	0
.....	0
29.2999 TOTAL		0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	0
.....	0
.....	0

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	5,025,110,728	5,287,108,363	261,997,635
30.2 Preferred stocks	0	0	0
30.3 Totals	5,025,110,728	5,287,108,363	261,997,635

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

The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:

33 By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

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

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

GENERAL INTERROGATORIES

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

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

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

36. By rolling/renewing short-term or cash-equivalent investments with continued reporting on Schedule DA, part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [] N/A []

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 4,421,698

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC	\$ 1,191,021
.....	\$ 0
.....	\$ 0

38.1 Amount of payments for legal expenses, if any? \$ 2,924,480

38.2 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
.....	\$ 0
.....	\$ 0
.....	\$ 0

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 331,794

39.2 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
.....	\$ 0
.....	\$ 0
.....	\$ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

1.31 Reason for excluding

.....

.....

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1	2	
	Current Year	Prior Year	
2.1 Premium Numerator	\$ 13,441,151	\$ 18,990,529	
2.2 Premium Denominator	\$ 2,537,640,487	\$ 2,556,421,912	
2.3 Premium Ratio (2.1 / 2.2)	<u>0.01</u>	<u>0.01</u>	
2.4 Reserve Numerator	\$ 12,957,778	\$ 15,724,715	
2.5 Reserve Denominator	\$ 5,227,933,024	\$ 4,765,753,828	
2.6 Reserve Ratio (2.4 / 2.5)	<u>0.00</u>	<u>0.00</u>	

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [X] No []

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year

3.21 Participating policies \$ 475,442,378

3.22 Non-participating policies \$ 15,082,027

4. For Mutual reporting entities and Reciprocal Exchanges 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? 0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0

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

.....

.....

.....

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 loss:
 The Company purchases a combination of per risk excess of loss reinsurance and excess of loss per event catastrophe reinsurance.

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 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:
 The company employs various methods, including the use of proprietary and third-party catastrophe models, in order to assess and manage the potential loss related to natural and man-made catastrophe risks. For natural catastrophe risks, the company models both property and worker's compensation exposures (where appropriate) and applies adjustments for other non-modeled exposure and loss elements. The companies loss estimates for terrorism also reflect U.S. property and workers' compensation exposures.
- 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?
 The Company purchases a combination of quota share reinsurance, per risk excess of loss reinsurance, excess of loss per event catastrophe reinsurance and aggregate programs.
- 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 [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
 The Company purchases aggregate coverage to substantially replace nonreinstated catastrophe layers.
- 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 [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____ 0
- 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 [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | | |
|---|--|----|------------------|
| 12.11 Unpaid losses | | \$ | (105,172) |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | | \$ | <u>9,441,894</u> |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 129,645
- 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 | | | 0.00 % |
| 12.42 To | | | <u>0.00 %</u> |
- 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 | | \$ | 238,422,323 |
| 12.62 Collateral and other funds | | \$ | <u>66,032,649</u> |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 99,634,201
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes No]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes No]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 Premiums and recoverables were allocated pursuant to allocation agreements, including the intercompany pooling agreement.

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes No]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes No]
- 14.5 If the answer to 14.4 is no, please explain:
 N/A

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes No]
- 15.2 If yes, give full information

- 16.1 Does the reporting entity write any warranty business? Yes No]
 If yes, disclose the following information for each of the following types of warranty coverage:

		1		2		3		4		5
		Direct Losses Incurred		Direct Losses Unpaid		Direct Written Premium		Direct Premium Unearned		Direct Premium Earned
16.11	Home	\$ 0		\$ 0		\$ 0		\$ 0		\$ 0
16.12	Products	\$ 0		\$ 0		\$ 0		\$ 0		\$ 0
16.13	Automobile	\$ 0		\$ 0		\$ 0		\$ 0		\$ 0
16.14	Other*	\$ 0		\$ 0		\$ 0		\$ 0		\$ 0

* Disclose type of coverage: _____

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ <u> 0</u>
17.12 Unfunded portion of Interrogatory 17.11	\$ <u> 0</u>
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ <u> 0</u>
17.14 Case reserves portion of Interrogatory 17.11	\$ <u> 0</u>
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ <u> 0</u>
17.16 Unearned premium portion of Interrogatory 17.11	\$ <u> 0</u>
17.17 Contingent commission portion of Interrogatory 17.11	\$ <u> 0</u>

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

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

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

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

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2020	2019	2018	2017	2016
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,579,130,878	1,570,402,935	1,551,864,141	1,485,299,510	1,324,309,589
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,012,880,572	917,650,718	860,497,195	603,933,023	483,775,601
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	794,819,777	765,035,052	738,814,255	716,443,429	688,459,774
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	111,178,302	106,337,600	93,145,457	75,006,196	64,849,718
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	62,959,372	28,585,364	42,160,928	28,364,017	23,695,149
6. Total (Line 35)	3,560,968,901	3,388,011,669	3,286,481,976	2,909,046,175	2,585,089,831
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,111,437,937	1,115,197,430	1,120,596,399	1,083,514,288	969,638,537
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	592,684,521	610,439,658	593,118,388	415,268,301	398,309,682
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	747,950,558	722,049,456	698,219,900	682,462,987	664,211,442
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	110,334,372	105,204,584	92,376,475	74,409,793	64,063,417
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	62,959,351	28,579,230	42,166,373	28,361,559	23,686,147
12. Total (Line 35)	2,625,366,739	2,581,470,358	2,546,477,535	2,284,016,928	2,119,909,225
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(132,832,218)	(93,246,746)	9,667,789	(226,160,272)	(61,640,601)
14. Net investment gain (loss) (Line 11)	229,397,402	209,215,550	204,391,902	147,253,453	131,403,457
15. Total other income (Line 15)	13,407,426	11,500,482	(27,272,262)	14,669,825	6,796,595
16. Dividends to policyholders (Line 17)	1,296,914	1,002,538	1,315,293	1,087,484	1,421,572
17. Federal and foreign income taxes incurred (Line 19)	16,907,922	19,942,040	18,019,695	(17,200,274)	17,260,454
18. Net income (Line 20)	91,767,774	106,524,708	167,452,441	(48,124,204)	57,877,425
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	7,538,438,220	6,826,297,858	6,383,404,331	6,056,430,890	5,614,331,777
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	163,213,384	150,021,187	135,541,596	130,317,352	113,320,644
20.2 Deferred and not yet due (Line 15.2)	631,032,401	622,019,820	606,419,416	585,929,979	553,511,156
20.3 Accrued retrospective premiums (Line 15.3)	12,297,464	23,736,389	27,724,964	31,156,268	31,946,332
21. Total liabilities excluding protected cell business (Page 3, Line 26)	5,693,346,051	5,016,742,192	4,727,417,999	4,534,915,967	4,028,494,960
22. Losses (Page 3, Line 1)	3,210,857,989	2,861,132,338	2,677,185,459	2,622,655,277	2,285,275,090
23. Loss adjustment expenses (Page 3, Line 3)	609,816,676	584,124,274	549,248,034	522,741,759	472,145,281
24. Unearned premiums (Page 3, Line 9)	1,351,793,120	1,281,143,437	1,256,228,712	1,200,504,734	1,108,755,728
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,845,092,169	1,809,555,665	1,655,986,333	1,521,514,923	1,585,836,820
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	490,874,261	268,178,723	339,570,544	151,520,592	138,370,757
Risk-Based Capital Analysis					
28. Total adjusted capital	1,845,092,169	1,809,555,665	1,655,986,333	1,521,514,923	1,585,836,820
29. Authorized control level risk-based capital	377,981,077	386,990,686	364,395,327	360,553,412	313,109,694
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	78.3	85.2	85.9	82.0	83.7
31. Stocks (Lines 2.1 & 2.2)	5.9	2.8	3.2	2.8	4.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.1	3.3	3.2	3.1	3.4
33. Real estate (Lines 4.1, 4.2 & 4.3)		0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	1.4	(0.0)	(0.4)	3.6	1.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	7.4	6.5	6.3	6.6	5.9
38. Receivables for securities (Line 9)	0.3	0.3	0.4	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10)	3.6	1.9	1.2	1.9	1.2
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	171,845,066	159,301,870	147,114,706	136,221,496	147,351,128
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)				142,166,527	
46. Affiliated mortgage loans on real estate					
47. All other affiliated	427,098,201	348,487,424	317,234,388	316,576,054	265,846,822
48. Total of above Lines 42 to 47	598,943,267	507,789,294	464,349,094	594,964,077	413,197,950
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	32.5	28.1	28.0	39.1	26.1

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2020	2019	2018	2017	2016
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	92,366,815	46,558,769	(7,714,107)	30,105,982	16,364,860
52. Dividends to stockholders (Line 35)	(150,000,000)				
53. Change in surplus as regards policyholders for the year (Line 38)	35,536,506	153,569,330	134,471,408	(64,321,897)	71,448,305
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	902,324,420	1,055,038,227	1,041,017,893	918,265,508	997,213,024
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	435,131,280	504,119,701	441,335,680	320,702,562	254,088,777
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	398,769,419	412,928,386	413,933,196	398,255,121	347,601,587
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	27,985,341	26,107,478	14,761,117	10,239,821	1,922,685
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	9,391,577	25,458,932	35,161,220	24,176,020	32,253,355
59. Total (Line 35)	1,773,602,037	2,023,652,724	1,946,209,106	1,671,639,032	1,633,079,428
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	563,558,988	646,204,863	636,465,716	515,580,179	560,411,399
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	281,385,824	342,662,980	326,898,736	240,835,371	230,296,341
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	383,263,136	392,494,215	383,378,734	369,831,168	323,054,419
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	27,502,424	25,711,615	14,696,393	9,679,582	1,463,163
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	179,371	7,280,875	15,113,730	9,148,370	6,318,530
65. Total (Line 35)	1,255,889,743	1,414,354,548	1,376,553,309	1,145,074,670	1,121,543,852
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	62.9	62.5	57.8	66.0	56.6
68. Loss expenses incurred (Line 3)	11.8	12.6	12.2	13.5	13.2
69. Other underwriting expenses incurred (Line 4)	30.5	28.6	29.6	30.8	33.1
70. Net underwriting gain (loss) (Line 8)	(5.2)	(3.6)	0.4	(10.3)	(3.0)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 12 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	29.0	27.8	30.0	29.0	32.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	74.7	75.1	70.0	79.5	69.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	142.3	142.7	153.8	150.1	133.7
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	76,379	69,279	(57,253)	70,421	16,818
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	4.2	4.2	(3.8)	4.4	1.1
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	147,952	5,537	31,341	75,699	(6,953)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	8.9	0.4	2.0	5.0	(0.5)

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

Yes [] No []

If no, please explain:

.....
.....
.....

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	52,338	16,733	15,931	5,553	3,487	309	563	49,161	X X X
2. 2011	2,169,264	477,915	1,691,349	1,317,642	267,385	99,747	17,059	163,263	1,144	84,725	1,295,064	X X X
3. 2012	2,343,039	517,631	1,825,408	1,343,556	285,308	102,814	18,473	168,725	1,040	98,265	1,310,274	X X X
4. 2013	2,473,756	557,259	1,916,497	1,277,949	282,152	95,166	15,764	167,923	1,466	78,146	1,241,656	X X X
5. 2014	2,537,001	561,476	1,975,525	1,295,784	281,881	91,726	12,569	164,780	1,858	64,387	1,255,982	X X X
6. 2015	2,620,309	608,305	2,012,004	1,353,127	302,549	90,827	11,045	164,940	1,950	88,269	1,293,350	X X X
7. 2016	2,688,041	610,019	2,078,022	1,375,658	302,494	80,736	9,608	169,500	3,441	51,590	1,310,351	X X X
8. 2017	2,817,107	610,150	2,206,957	1,514,701	358,800	70,101	7,867	167,320	1,104	58,388	1,384,351	X X X
9. 2018	2,943,695	457,551	2,486,144	1,351,971	217,887	49,464	3,391	165,824	146	75,410	1,345,835	X X X
10. 2019	3,041,780	485,363	2,556,417	1,198,451	222,469	29,191	2,231	155,678	120	78,300	1,158,500	X X X
11. 2020	3,098,243	558,961	2,539,282	843,171	208,840	11,042	1,033	117,686	41	39,916	761,985	X X X
12. Totals	X X X	X X X	X X X	12,924,348	2,746,498	736,745	104,593	1,609,126	12,619	717,959	12,406,509	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1. Prior	447,082	161,357	370,844	128,208	27,301	15,731	116,981	41,820	8,422		1,968	623,514	X X X
2. 2011	28,229	4,878	49,362	2,553	933	150	8,628	392	1,228		313	80,407	X X X
3. 2012	38,319	9,077	73,872	7,340	1,945	602	13,185	671	1,369		951	111,000	X X X
4. 2013	37,802	8,599	82,541	14,157	2,709	586	13,359	1,042	5,056		1,080	117,083	X X X
5. 2014	46,872	13,100	56,440	15,004	3,911	1,270	14,003	1,452	3,329		1,219	93,729	X X X
6. 2015	59,249	14,395	78,220	21,245	3,396	653	16,559	1,098	4,016	1	4,878	124,048	X X X
7. 2016	91,243	23,035	76,336	18,920	6,685	972	20,247	2,210	11,820	2	3,101	161,192	X X X
8. 2017	146,649	22,358	153,272	38,867	9,369	2,217	37,757	3,266	17,409	1	8,062	297,747	X X X
9. 2018	187,660	21,928	263,089	50,757	7,075	643	53,048	4,164	20,438	2	15,081	453,816	X X X
10. 2019	262,097	42,033	402,873	43,485	7,822	566	76,858	5,215	35,269	4	16,191	693,616	X X X
11. 2020	286,505	39,928	770,059	96,518	5,802	703	84,333	5,465	60,499	37	40,792	1,064,547	X X X
12. Totals	1,631,707	360,688	2,376,908	437,054	76,948	24,093	454,958	66,795	168,855	47	93,636	3,820,699	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	528,361	95,153
2. 2011	1,669,032	293,561	1,375,471	76.940	61.425	81.324				70,160	10,247
3. 2012	1,743,785	322,511	1,421,274	74.424	62.305	77.861				95,774	15,226
4. 2013	1,682,505	323,766	1,358,739	68.014	58.100	70.897				97,587	19,496
5. 2014	1,676,845	327,134	1,349,711	66.096	58.263	68.322				75,208	18,521
6. 2015	1,770,334	352,936	1,417,398	67.562	58.020	70.447				101,829	22,219
7. 2016	1,832,225	360,682	1,471,543	68.162	59.126	70.815				125,624	35,568
8. 2017	2,116,578	434,480	1,682,098	75.133	71.209	76.218				238,696	59,051
9. 2018	2,098,569	298,918	1,799,651	71.290	65.330	72.387				378,064	75,752
10. 2019	2,168,239	316,123	1,852,116	71.282	65.131	72.450				579,452	114,164
11. 2020	2,179,097	352,565	1,826,532	70.333	63.075	71.931				920,118	144,429
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	3,210,873	609,826

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	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	One Year	Two Year	
1. Prior	1,870,766	1,883,832	1,937,523	1,936,525	1,942,968	1,946,850	1,960,797	1,924,874	1,952,688	1,965,192	12,504	40,318	
2. 2011	1,199,252	1,198,785	1,203,914	1,203,971	1,203,198	1,204,940	1,207,996	1,208,720	1,212,394	1,213,970	1,576	5,250	
3. 2012	X X X	1,248,525	1,257,940	1,246,220	1,238,932	1,243,834	1,248,199	1,253,257	1,253,825	1,253,932	107	675	
4. 2013	X X X	X X X	1,163,937	1,176,443	1,168,162	1,167,921	1,179,691	1,181,847	1,180,897	1,188,778	7,881	6,931	
5. 2014	X X X	X X X	X X X	1,177,539	1,174,188	1,170,624	1,183,501	1,182,843	1,185,080	1,184,968	(112)	2,125	
6. 2015	X X X	X X X	X X X	X X X	1,210,896	1,221,146	1,233,857	1,225,582	1,243,764	1,251,779	8,015	26,197	
7. 2016	X X X	X X X	X X X	X X X	X X X	1,258,211	1,269,904	1,267,746	1,276,771	1,294,873	18,102	27,127	
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	1,508,184	1,490,013	1,492,250	1,500,074	7,824	10,061	
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,585,016	1,591,513	1,614,284	22,771	29,268	
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,664,362	1,662,073	(2,289)	X X X	
11. 2020	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	1,649,214	X X X	X X X	
											12. Totals	76,379	147,952

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
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
1. Prior	000	392,931	668,125	861,319	996,347	1,084,122	1,152,143	1,209,401	1,272,048	1,318,031	X X X	X X X
2. 2011	545,862	771,502	901,109	991,937	1,050,081	1,085,462	1,102,273	1,117,356	1,126,754	1,132,945	X X X	X X X
3. 2012	X X X	536,379	805,565	928,650	1,013,722	1,069,991	1,099,952	1,122,229	1,136,104	1,142,589	X X X	X X X
4. 2013	X X X	X X X	505,541	747,922	866,445	954,595	1,003,723	1,041,205	1,060,426	1,075,199	X X X	X X X
5. 2014	X X X	X X X	X X X	537,311	773,286	893,306	967,889	1,039,272	1,075,446	1,093,060	X X X	X X X
6. 2015	X X X	X X X	X X X	X X X	556,624	804,759	919,237	1,030,046	1,095,317	1,130,360	X X X	X X X
7. 2016	X X X	X X X	X X X	X X X	X X X	590,914	830,782	980,254	1,085,614	1,144,292	X X X	X X X
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	640,252	978,852	1,135,137	1,218,135	X X X	X X X
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	682,134	1,030,092	1,180,157	X X X	X X X
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	708,244	1,002,942	X X X	X X X
11. 2020	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	644,340	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
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Prior	896,493	673,244	600,080	505,171	447,600	417,576	402,848	342,581	334,268	325,113
2. 2011	394,268	242,359	167,430	113,191	87,642	73,042	67,827	59,096	58,904	55,780
3. 2012	X X X	456,760	262,928	180,912	133,765	107,880	98,333	87,978	83,465	79,724
4. 2013	X X X	X X X	431,436	251,153	178,363	127,545	113,436	94,921	84,749	81,494
5. 2014	X X X	X X X	X X X	409,915	239,683	161,492	117,853	78,039	64,176	55,205
6. 2015	X X X	X X X	X X X	X X X	419,096	246,134	174,145	96,939	77,400	73,137
7. 2016	X X X	X X X	X X X	X X X	X X X	434,385	246,497	140,380	80,906	76,481
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	574,999	268,746	165,220	150,055
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	602,448	334,760	261,312
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	664,507	431,338
11. 2020	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	753,053

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2						
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	7,385,488	5,624,101	1,493	1,902,503	2,159,906	16,373,609	
2. Alaska	AK	L	5,414,615	5,159,819	213	2,678,251	2,353,575	33,121,659	
3. Arizona	AZ	L	6,378,275	5,934,737	997	1,621,619	2,601,049	12,503,412	
4. Arkansas	AR	L	2,654,556	2,213,572	225	2,490,303	5,665,837	8,727,600	
5. California	CA	L	56,814,186	46,176,193	76,808	19,841,373	17,073,751	112,561,785	
6. Colorado	CO	L	6,663,555	5,853,004	(763)	1,628,850	1,565,648	11,723,889	
7. Connecticut	CT	L	5,639,401	4,928,811	3,213	2,997,494	1,851,531	24,457,394	
8. Delaware	DE	L	1,019,228	672,894	(4)	583,827	120,025	3,870,608	
9. District of Columbia	DC	L	1,677,285	1,480,124	(28)	695,660	(321,829)	1,959,074	
10. Florida	FL	L	35,656,598	31,730,016	109,581	9,644,359	11,153,826	45,283,502	
11. Georgia	GA	L	15,017,227	11,016,191	1,312	6,022,884	9,875,846	23,187,297	
12. Hawaii	HI	L	844,583	674,021	(7)	305,613	1,736,409	5,116,827	
13. Idaho	ID	L	1,338,441	711,872	3,132	1,207,961	825,400	10,329,282	
14. Illinois	IL	L	22,780,428	20,329,431	(27)	13,231,613	12,988,366	65,492,605	
15. Indiana	IN	L	10,215,668	9,640,771	7,176	5,150,887	5,615,543	27,880,492	
16. Iowa	IA	L	3,019,289	2,856,853	218	2,584,323	3,471,656	7,427,387	
17. Kansas	KS	L	3,768,089	3,208,110	344	8,311,447	7,183,593	17,207,016	
18. Kentucky	KY	L	3,408,816	3,054,923	(538)	4,185,230	1,149,271	49,099,590	
19. Louisiana	LA	L	8,709,387	7,282,238	822	18,440,851	51,756,382	47,688,138	
20. Maine	ME	L	1,382,722	1,061,941	16	1,572,564	1,127,524	3,171,725	
21. Maryland	MD	L	6,104,728	5,026,780	35	1,525,983	(135,650)	11,938,814	
22. Massachusetts	MA	L	18,300,795	14,957,239	(341)	14,042,618	12,589,868	73,985,442	
23. Michigan	MI	L	9,061,123	7,439,274	2,471	4,490,088	369,909	94,377,001	
24. Minnesota	MN	L	8,501,824	5,624,104	(146,123)	8,546,429	2,948,553	61,101,932	
25. Mississippi	MS	L	5,790,595	4,823,481	102	965,360	755,133	9,262,015	
26. Missouri	MO	L	6,415,442	4,953,096	282	4,701,235	747,174	20,785,327	
27. Montana	MT	L	3,102,172	3,091,136	234	898,112	642,176	6,961,250	
28. Nebraska	NE	L	2,355,129	1,800,968	(33,182)	1,853,606	2,051,936	8,447,969	
29. Nevada	NV	L	5,477,603	4,539,855	3	652,256	910,082	7,066,843	
30. New Hampshire	NH	L	1,640,178	1,521,022	(6)	587,089	(193,449)	7,672,524	
31. New Jersey	NJ	L	14,424,317	12,622,448	(525)	7,464,317	7,286,268	79,605,709	
32. New Mexico	NM	L	2,076,999	1,814,852	292	295,793	309,119	6,186,960	
33. New York	NY	L	48,849,333	42,653,534	(37,189)	30,406,807	33,065,931	149,735,662	
34. North Carolina	NC	L	18,996,281	12,680,810	351	2,469,351	3,884,635	17,490,820	
35. North Dakota	ND	L	482,949	406,870	6	1,442	10,287	199,939	
36. Ohio	OH	L	7,318,024	5,425,716	49	400,406	1,263,154	7,593,254	
37. Oklahoma	OK	L	3,893,583	3,048,949	2,261	1,110,546	243,504	10,042,075	
38. Oregon	OR	L	4,984,274	3,824,587	1,195	1,933,765	2,716,797	16,089,140	
39. Pennsylvania	PA	L	17,991,462	14,244,008	44,841	6,895,650	5,239,841	76,061,475	
40. Rhode Island	RI	L	2,399,203	1,638,200	(2)	1,163,702	1,503,816	6,797,659	
41. South Carolina	SC	L	6,825,901	6,071,521	(10)	1,897,500	4,139,339	15,435,135	
42. South Dakota	SD	L	886,732	741,602	(5)	289,091	(164,435)	5,700,611	
43. Tennessee	TN	L	13,373,563	11,367,149	299	9,877,144	12,071,622	23,411,515	
44. Texas	TX	L	41,887,285	37,320,454	4,820	14,758,703	8,759,878	82,525,630	
45. Utah	UT	L	3,535,857	2,674,360	118	715,082	512,847	7,826,102	
46. Vermont	VT	L	1,706,420	1,331,940	(1)	534,223	645,611	3,510,121	
47. Virginia	VA	L	8,089,713	6,726,062	(2,658)	3,562,289	8,243,234	25,172,807	
48. Washington	WA	L	14,161,843	11,420,001	13	2,911,970	3,304,073	4,825,333	
49. West Virginia	WV	L	733,565	711,373	32	180,546	406,645	2,602,221	
50. Wisconsin	WI	L	10,932,085	10,813,396	183,081	21,615,003	21,514,173	122,431,644	
51. Wyoming	WY	L	102,127	98,787		28,104	34,646	298,772	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	L	335,110	196,530			(273,442)	(15,004)	
55. U.S. Virgin Islands	VI	L	351	340					
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	L				10,336	(14,155)	1,594,453	
58. Aggregate Other Alien	OT	X X X	1	499	(2)	(18,140)	484,955		
59. Totals	(a)	53	490,524,404	411,220,565	224,624	251,882,158	275,324,289	1,494,388,996	

DETAILS OF WRITE-INS									
58001.	ZZZ Other Alien	X X X	1	499	(2)	(18,140)	484,955		
58002.		X X X							
58003.		X X X							
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X							
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	1	499	(2)	(18,140)	484,955		

Explanation of basis of allocation of premiums by states, etc.

(a) Active Status Counts

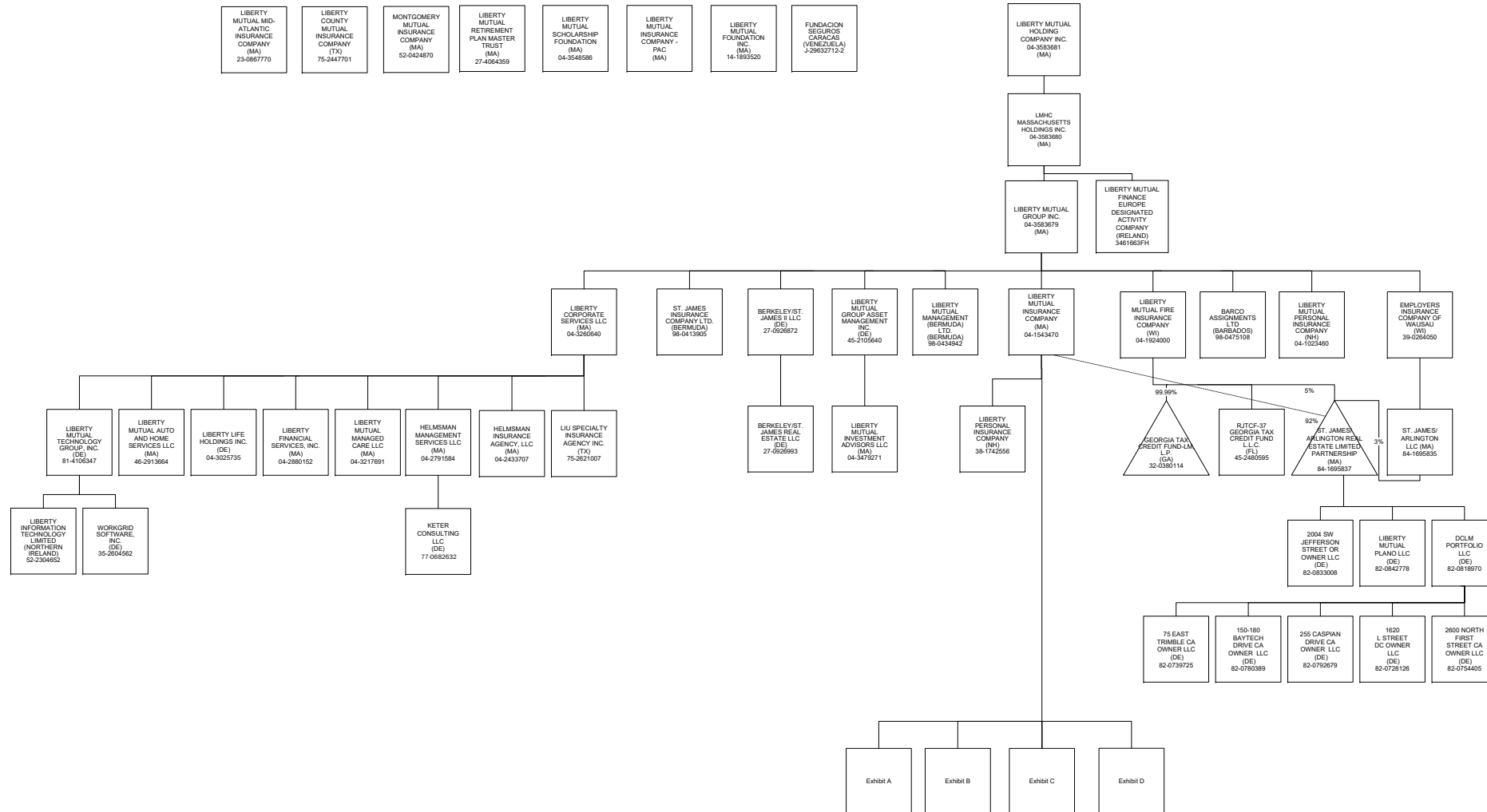
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	54
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	3

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	*Location of Court or Obligor - Surety
*States employee's main work place - Worker's Compensation	*Address of Assured - Other Accident and Health
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Location of Properties covered - Burglary and Theft
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty	*Principal Location of Assured - Ocean Marine, Credit
*Point of origin of shipment or principal location of assured - Inland Marine	*Primary residence of Assured- Aircraft (all perils)
*State in which employees regularly work - Group Accident and Health	

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

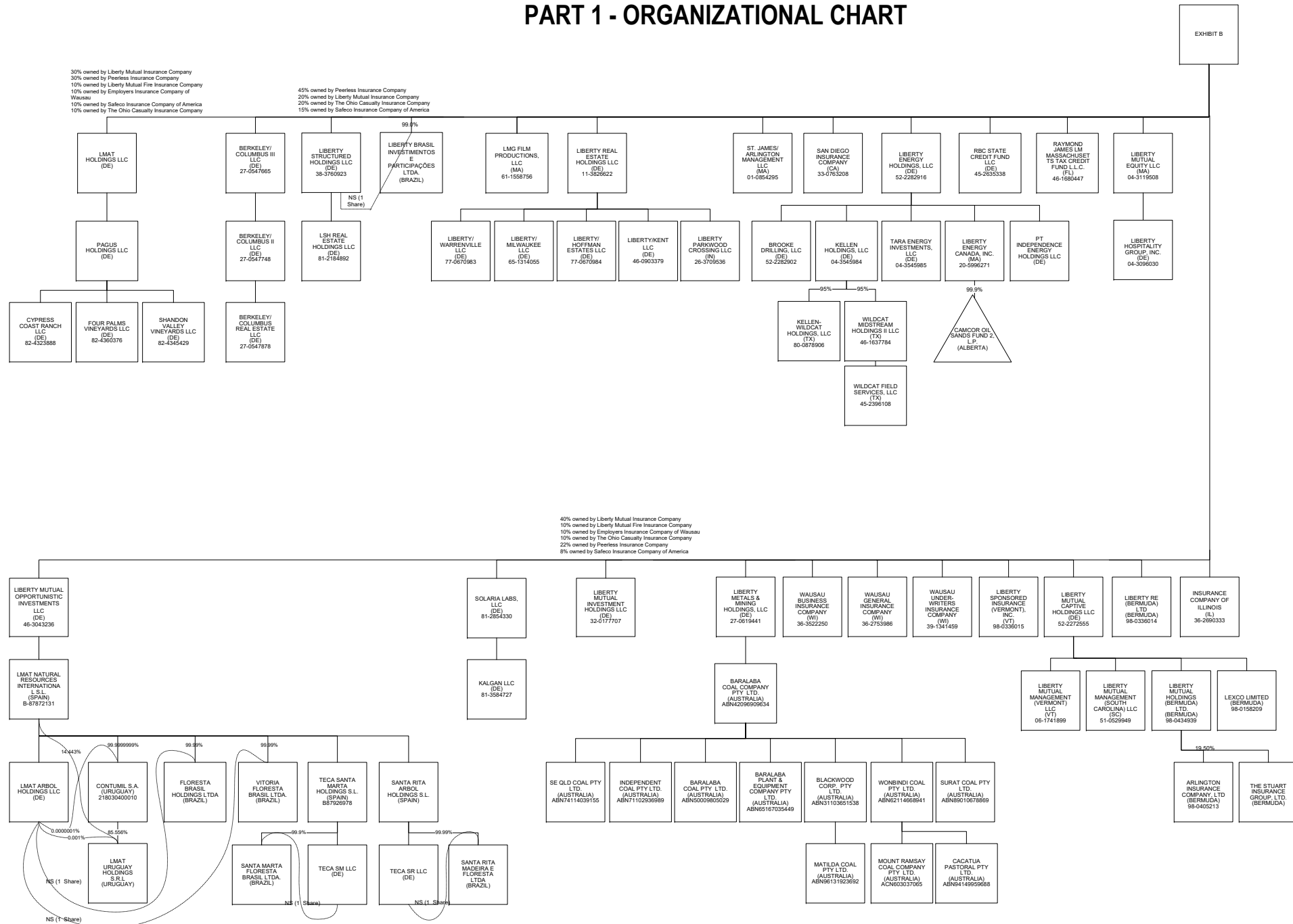
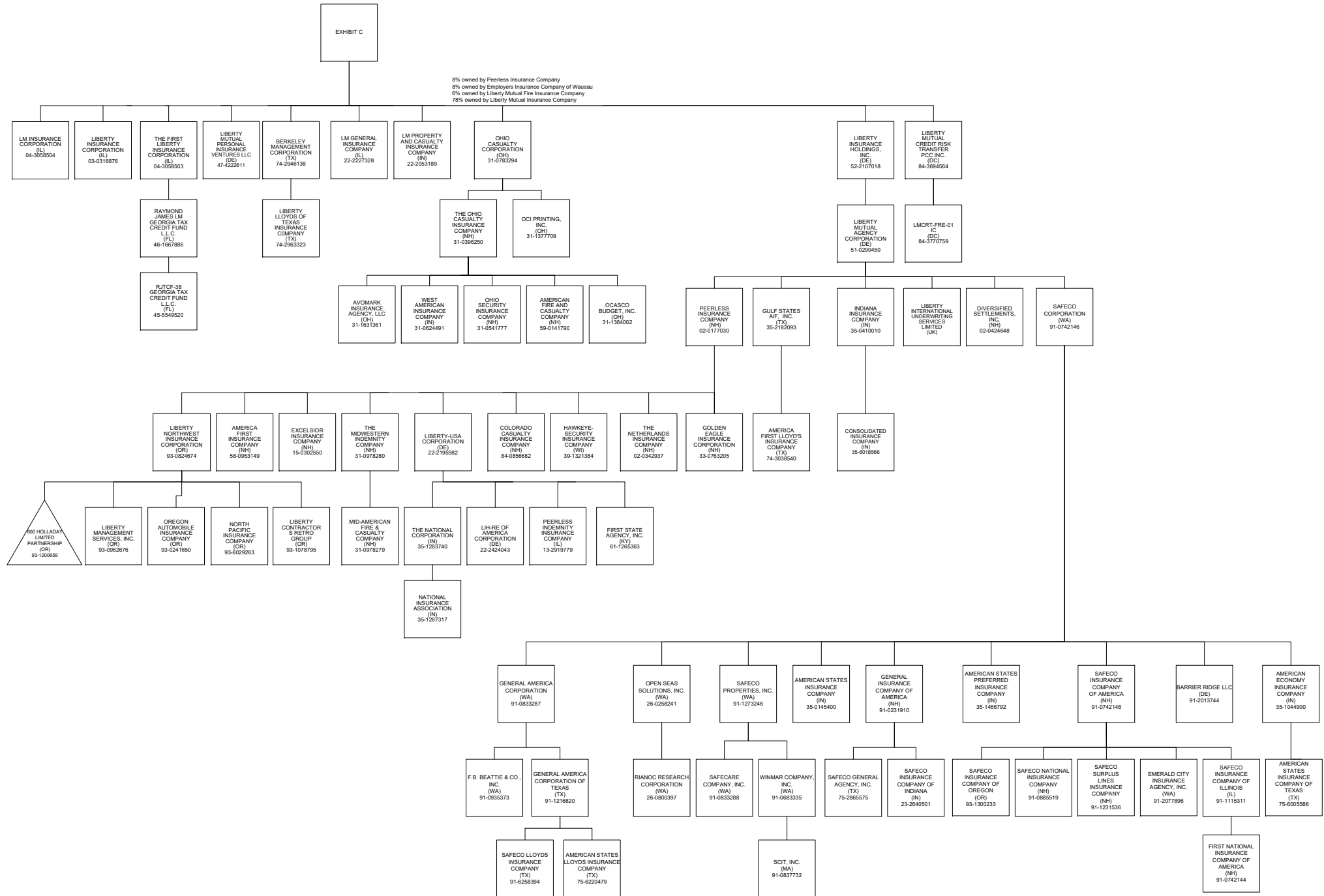


EXHIBIT B

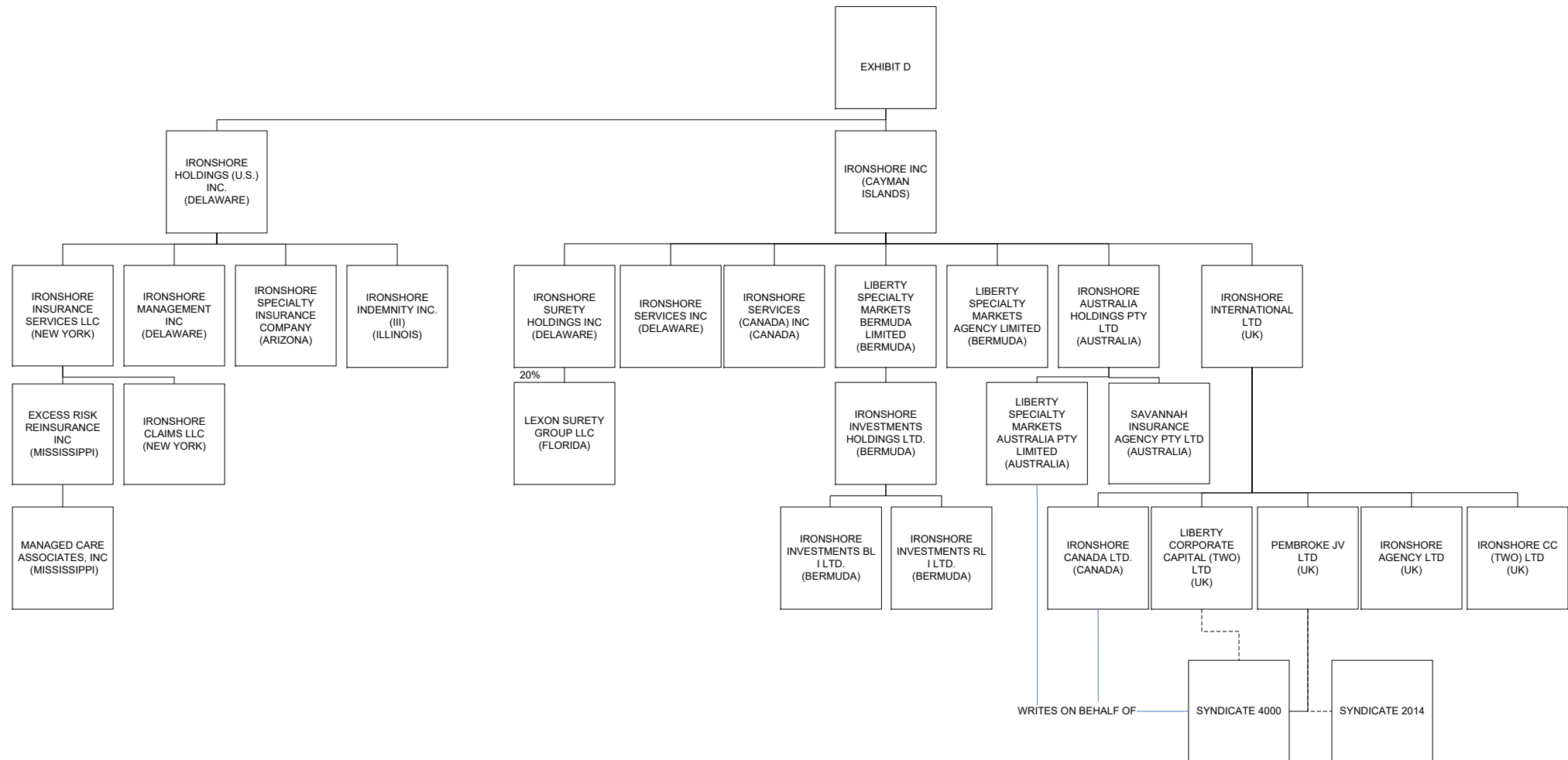
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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 25 FOR OTHER THAN INVESTED ASSETS				
2504. Other Assets	5,481,106	5,381,530	99,576	1,954,087
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	5,481,106	5,381,530	99,576	1,954,087