ANNUAL STATEMENT

OF THE

EMPLOYERS INSURANCE COMPANY OF WAUSAU

of WAUSAU

in the state of WISCONSIN

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2009

PROPERTY AND CASUALTY

2009

21458200920100100

ANNUAL STATEMENT

For the Year Ended December 31, 2009

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** Wisconsin

Country of Domicile United States of America

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

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

Main Administrative Office: 2000 Westwood Drive (Street and Number)

Wausau, WI 54401 (City or Town, State and Zip Code) 715-845-5211 (Area Code) (Telephone Number)

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

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

Internet Web Site Address: www.LibertyMutualGroup.com

Statutory Statement Contact: Joanne Connolly (Name) 617-357-9500 x44393 (Area Code) (Telephone Number) (Extension)

Statutory.Compliance@LibertyMutual.com (E-Mail Address) 617-574-5955 (Fax Number)

OFFICERS

	Name	Title
1.	Edmund Francis Kelly #	Chairman of the Board, President & CEO
2.	Dexter Robert Legg #	Vice President & Secretary
3.	Laurance Henry Soyer Yahia	Vice President & Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
James Paul Condrin, III #	Executive Vice President	Anthony Alexander Fontanes #	EVP & Chief Investment Officer
Gary Richard Gregg #	Executive Vice President	David Henry Long #	Executive Vice President
Timothy Michael Sweeney #	Executive Vice President	James Martin McGlennon #	SVP & Chief Information Officer
Paul Garvin Alexander #	Senior Vice President	Christopher Charles Mansfield #	SVP & General Counsel
Robert Thomas Muleski #	SVP & Corporate Actuary	Helen Elizabeth Russell Sayles #	Senior Vice President
John Derek Doyle #	Vice President & Comptroller	George Walker Doonan #	SVP & Chief Financial Officer
Gary Jay Ostrow #	Vice President		

DIRECTORS OR TRUSTEES

Anthony Alexander Fontanes	Timothy Michael Sweeney #	Dexter Robert Legg	Edmund Francis Kelly
Dennis James Langwell	Christopher Charles Mansfield	James Paul Condrin, III	

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.

(Signature)	(Signature)	(Signature)
Edmund Francis Kelly #	Dexter Robert Legg #	Laurance Henry Soyer Yahia
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chairman of the Board, President & CEO	Vice President & Secretary	Vice President & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me on this

1st day of February , 2010, by

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

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	1,740,085,758		1,740,085,758	2,091,790,342
2. Stocks (Schedule D):				
2.1 Preferred stocks	81,323,889		81,323,889	74,226,454
2.2 Common stocks	425,229,925	7,627,000	417,602,925	359,411,845
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	76,302,618		76,302,618	78,877,458
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)	21,591,384		21,591,384	22,132,913
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 26,069,495, Schedule E - Part 1), cash equivalents ($ 10,078,576, Schedule E - Part 2), and short-term investments ($ 78,007,012, Schedule DA)	114,155,083		114,155,083	57,591,538
6. Contract loans (including $ 0 premium notes)				
7. Other invested assets (Schedule BA)	198,383,137		198,383,137	210,545,976
8. Receivables for securities	3,142,145		3,142,145	773,363
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	2,660,213,939	7,627,000	2,652,586,939	2,895,349,889
11. Title plants less $ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	17,765,391		17,765,391	23,765,342
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	105,946,769	1,571,437	104,375,332	184,126,048
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	264,962,269		264,962,269	305,750,099
13.3 Accrued retrospective premiums	39,087,504	3,908,750	35,178,754	47,917,537
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	78,172,514		78,172,514	67,597,755
14.2 Funds held by or deposited with reinsured companies				111,833
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	2,250	1,218	1,032	23,098
16.1 Current federal and foreign income tax recoverable and interest thereon	27,424,133		27,424,133	21,806,649
16.2 Net deferred tax asset	115,226,570	31,340,802	83,885,768	81,063,814
17. Guaranty funds receivable or on deposit	3,546,503		3,546,503	4,289,767
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets ($ 0)	1,815	1,815		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	1,335,507		1,335,507	4,935,153
22. Health care ($ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	65,934,725	1,907,445	64,027,280	83,182,049
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,379,619,889	46,358,467	3,333,261,422	3,719,919,033
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	3,379,619,889	46,358,467	3,333,261,422	3,719,919,033

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Cash surrender value - life insurance	40,883,669		40,883,669	45,933,007
2302. Amounts receivable under high deductible policies	18,380,715	12,272	18,368,443	21,758,826
2303. Other assets	3,733,316	1,895,173	1,838,143	10,741,587
2398. Summary of remaining write-ins for Line 23 from overflow page	2,937,025		2,937,025	4,748,629
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	65,934,725	1,907,445	64,027,280	83,182,049

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,341,941,115	1,660,695,040
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	123,101,858	173,510,415
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	271,490,026	324,963,843
4.	Commissions payable, contingent commissions and other similar charges	12,791,722	12,659,271
5.	Other expenses (excluding taxes, licenses and fees)	25,912,306	43,436,240
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	17,942,235	33,837,120
7.1	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $ 0 and interest thereon $ 0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 373,161,025 and including warranty reserves of $ 0)	351,257,899	437,433,448
10.	Advance premium	4,681,378	7,906,805
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	192,083	149,783
12.	Ceded reinsurance premiums payable (net of ceding commissions)	52,236,505	68,645,882
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	23,661,925	24,332,941
14.	Amounts withheld or retained by company for account of others	11,547,951	6,372,616
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)	266,235	2,494,726
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	31,363,005	38,600,857
19.	Payable to parent, subsidiaries and affiliates	10,963,034	10,465,711
20.	Payable for securities	6,336,425	1,282,593
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $ 0 and interest thereon $ 0		
23.	Aggregate write-ins for liabilities	(27,710,282)	(76,318,510)
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	2,257,975,420	2,770,468,781
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	2,257,975,420	2,770,468,781
27.	Aggregate write-ins for special surplus funds	114,605,832	126,208,389
28.	Common capital stock	5,000,000	5,000,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds		
31.	Surplus notes		
32.	Gross paid in and contributed surplus	340,000,000	340,000,000
33.	Unassigned funds (surplus)	615,680,170	478,241,863
34.	Less treasury stock, at cost:		
	34.1 0 shares common (value included in Line 28 $ 0)		
	34.2 0 shares preferred (value included in Line 29 $ 0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	1,075,286,002	949,450,252
36.	Totals (Page 2, Line 26, Col. 3)	3,333,261,422	3,719,919,033

	DETAILS OF WRITE-IN LINES		
2301.	Amounts held under uninsured plans	69,507,645	76,679,473
2302.	Other liabilities	39,064,165	51,223,089
2303.	Collateral held for securities loaned	36,541,917	17,462,028
2398.	Summary of remaining write-ins for Line 23 from overflow page	(172,824,009)	(221,683,100)
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	(27,710,282)	(76,318,510)
2701.	Special surplus from retroactive reinsurance	103,223,643	126,208,389
2702.	SSAP 10R incremental change	11,382,189	
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	114,605,832	126,208,389
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page		
3099.	Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	796,763,783	1,111,055,765
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	524,408,501	752,887,541
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	155,238,912	175,390,099
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	205,185,869	245,902,713
5.	Aggregate write-ins for underwriting deductions	75,052	
6.	Total underwriting deductions (Lines 2 through 5)	884,908,334	1,174,180,353
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(88,144,551)	(63,124,588)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	99,447,830	185,850,039
10.	Net realized capital gains (losses) less capital gains tax of $ (2,872,127) (Exhibit of Capital Gains (Losses))	(5,333,950)	(24,607,490)
11.	Net investment gain (loss) (Lines 9 + 10)	94,113,880	161,242,549
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 250,846 amount charged off $ 6,535,962)	(6,285,116)	(8,917,172)
13.	Finance and service charges not included in premiums	3,973,329	5,547,043
14.	Aggregate write-ins for miscellaneous income	(10,405,899)	(8,904,526)
15.	Total other income (Lines 12 through 14)	(12,717,686)	(12,274,655)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(6,748,357)	85,843,306
17.	Dividends to policyholders	1,851,061	2,679,073
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)	(8,599,418)	83,164,233
19.	Federal and foreign income taxes incurred	(44,824,523)	(12,921,739)
20.	Net income (Line 18 minus Line 19) (to Line 22)	36,225,105	96,085,972
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	949,450,252	1,298,411,970
22.	Net income (from Line 20)	36,225,105	96,085,972
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 5,373,795	58,256,372	(229,657,304)
25.	Change in net unrealized foreign exchange capital gain (loss)	5,357,809	(5,754,643)
26.	Change in net deferred income tax	(83,012,635)	396,473
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	87,060,306	(31,620,517)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	2,228,491	173,875
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles	2,297,099	
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		(170,000,000)
36.	Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	17,423,203	(8,585,574)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	125,835,750	(348,961,718)
39.	Surplus as regards policyholders, as of December 31 current year (Lines 21 plus Line 38) (Page 3, Line 35)	1,075,286,002	949,450,252

	DETAILS OF WRITE-IN LINES		
0501.	Private passenger auto escrow	75,052	
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)	75,052	
1401.	Retroactive reinsurance gain /(loss)	2,491,938	1,213,998
1402.	Other income /(expense)	(12,897,837)	(10,118,524)
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(10,405,899)	(8,904,526)
3701.	SSAP 10R incremental change	11,382,189	
3702.	Other changes in surplus	6,041,014	(8,585,574)
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	17,423,203	(8,585,574)

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	825,560,167	1,073,018,492
2.	Net investment income	108,126,906	195,163,389
3.	Miscellaneous income	(272,253)	(26,382,164)
4.	Total (Lines 1 through 3)	933,414,820	1,241,799,717
5.	Benefit and loss related payments	916,308,570	709,565,163
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	448,513,751	442,089,269
8.	Dividends paid to policyholders	1,808,761	4,216,073
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	(42,079,166)	15,143,096
10.	Total (Lines 5 through 9)	1,324,551,916	1,171,013,601
11.	Net cash from operations (Line 4 minus Line 10)	(391,137,096)	70,786,116
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	569,039,558	613,957,431
	12.2 Stocks	9,153,019	8,019,448
	12.3 Mortgage loans	2,356,597	650,093
	12.4 Real estate		
	12.5 Other invested assets	11,200,636	15,273,911
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		19,513
	12.7 Miscellaneous proceeds	(2,368,782)	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	589,381,028	637,920,396
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	195,642,104	100,676,888
	13.2 Stocks	289,242	386,889,133
	13.3 Mortgage loans	11,994	79,527,551
	13.4 Real estate	1,420,142	1,698,056
	13.5 Other invested assets	27,914,458	47,988,897
	13.6 Miscellaneous applications	(5,049,343)	87,541
	13.7 Total investments acquired (Lines 13.1 to 13.6)	220,228,597	616,868,066
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	369,152,431	21,052,330
	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		170,000,000
	16.6 Other cash provided (applied)	78,548,210	20,383,957
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	78,548,210	(149,616,043)
	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)	56,563,545	(57,777,597)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	57,591,538	115,369,135
	19.2 End of year (Line 18 plus Line 19.1)	114,155,083	57,591,538

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

20.0001			
20.0002			
20.0003			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	14,899,025	13,426,966	9,709,028	18,616,963
2. Allied lines	8,877,560	6,318,980	4,892,603	10,303,937
3. Farmowners multiple peril	2,984			2,984
4. Homeowners multiple peril	82,116,556	65,583,024	59,112,283	88,587,297
5. Commercial multiple peril	8,187,356	12,472,477	9,079,737	11,580,096
6. Mortgage guaranty				
8. Ocean marine	3,492,786	1,630,793	1,536,203	3,587,376
9. Inland marine	53,432,662	4,044,060	2,921,508	54,555,214
10. Financial guaranty				
11.1 Medical professional liability—occurrence	(3)			(3)
11.2 Medical professional liability—claims-made	192,085	33,484	34,478	191,091
12. Earthquake	2,584,629	2,047,008	1,326,039	3,305,598
13. Group accident and health	278			278
14. Credit accident and health (group and individual)				
15. Other accident and health	3,830	73	47	3,856
16. Workers' compensation	210,228,887	6,630,414	4,289,280	212,570,021
17.1 Other liability—occurrence	37,468,677	28,873,482	19,987,219	46,354,940
17.2 Other liability—claims-made	17,336,632	14,622,136	12,545,572	19,413,196
17.3 Excess Workers' Compensation	6,356,856	3,297,508	2,601,418	7,052,946
18.1 Products liability—occurrence	7,521,085	6,146,040	4,140,306	9,526,819
18.2 Products liability—claims-made	707,945	201,606	132,786	776,765
19.1,19.2 Private passenger auto liability	166,733,419	115,064,786	96,434,527	185,363,678
19.3,19.4 Commercial auto liability	26,489,398	16,169,039	11,349,546	31,308,891
21. Auto physical damage	50,389,745	82,381,816	67,856,256	64,915,305
22. Aircraft (all perils)	5,155,161	2,005,742	1,598,924	5,561,979
23. Fidelity	952,122	423,929	485,306	890,745
24. Surety	60,600	114	47,851	12,863
26. Burglary and theft	34,154	30,568	17,169	47,553
27. Boiler and machinery	165,875	108,884	90,771	183,988
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	12,073,170	1,449,522	766,060	12,756,632
32. Reinsurance-Nonproportional Assumed Liability	7,549,708	1,229,292	1,215,478	7,563,522
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	723,013,182	384,191,743	312,170,395	795,034,530

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

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	9,403,076	305,952			9,709,028
2. Allied lines	4,712,597	180,007			4,892,604
3. Farmowners multiple peril					
4. Homeowners multiple peril	59,112,283				59,112,283
5. Commercial multiple peril	6,338,814	2,740,923			9,079,737
6. Mortgage guaranty					
8. Ocean marine	1,085,059	451,144			1,536,203
9. Inland marine	2,822,749	98,759			2,921,508
10. Financial guaranty					
11.1 Medical professional liability—occurrence					
11.2 Medical professional liablity—claims-made	34,478				34,478
12. Earthquake	1,305,618	20,421			1,326,039
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health	47				47
16. Workers' compensation	34,963,967	4,473,749		(35,148,437)	4,289,279
17.1 Other liability—occurrence	16,938,712	4,646,157		(1,597,650)	19,987,219
17.2 Other liability—claims-made	8,267,170	4,278,402			12,545,572
17.3 Excess Workers' Compensation	2,271,644	329,773			2,601,417
18.1 Products liability—occurrence	3,152,211	1,667,036		(678,941)	4,140,306
18.2 Products liability—claims-made	132,786				132,786
19.1,19.2 Private passenger auto liability	96,434,527				96,434,527
19.3,19.4 Commercial auto liability	12,607,075	404,944		(1,662,473)	11,349,546
21. Auto physical damage	67,792,634	63,626		(3)	67,856,257
22. Aircraft (all perils)	1,598,924				1,598,924
23. Fidelity	470,809	14,497			485,306
24. Surety	21,585	26,266			47,851
26. Burglary and theft	17,129	40			17,169
27. Boiler and machinery	88,980	1,791			90,771
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property	766,060				766,060
32. Reinsurance-Nonproportional Assumed Liability	1,191,270	24,208			1,215,478
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	331,530,204	19,727,695		(39,087,504)	312,170,395
36. Accrued retrospective premiums based on experience					39,087,504
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					351,257,899

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire	144,923	15,025,866	(2,118)	281,536	(11,890)	14,899,025
2. Allied lines	308,655	9,062,862	(8,656)	553,139	(67,838)	8,877,560
3. Farmowners multiple peril		2,984				2,984
4. Homeowners multiple peril		82,116,556	(4,281)	(31,313)	27,032	82,116,556
5. Commercial multiple peril	32,024,578	76,763,331	(511)	98,545,399	2,054,643	8,187,356
6. Mortgage guaranty						
8. Ocean marine		3,492,786				3,492,786
9. Inland marine	358,774	53,556,828		480,109	2,831	53,432,662
10. Financial guaranty						
11.1 Medical professional liability--occurrence		(3)				(3)
11.2 Medical professional liability--claims-made		192,085				192,085
12. Earthquake	532,306	2,994,614		939,237	3,054	2,584,629
13. Group accident and health	3,363	278		3,363		278
14. Credit accident and health (group and individual)						
15. Other accident and health		3,830				3,830
16. Workers' compensation	221,181,985	950,697,268	43,951,691	964,623,899	40,978,158	210,228,887
17.1 Other liability—occurrence	33,243,921	87,538,692	13	80,725,280	2,588,669	37,468,677
17.2 Other liability—claims-made	576,668	17,336,632		576,668		17,336,632
17.3 Excess Workers' Compensation	150,126	6,356,856		54,610	95,517	6,356,855
18.1 Products liability—occurrence	1,576,362	13,840,816		7,896,093		7,521,085
18.2 Products liability—claims-made		707,945				707,945
19.1,19.2 Private passenger auto liability	7	166,733,412				166,733,419
19.3,19.4 Commercial auto liability	10,188,448	116,781,992	347,182	99,313,568	1,514,655	26,489,399
21. Auto physical damage	2,247,708	69,561,225	3,461	21,409,342	13,307	50,389,745
22. Aircraft (all perils)		5,155,161				5,155,161
23. Fidelity	67,354	986,492		101,724		952,122
24. Surety	42,855	60,600		42,855		60,600
26. Burglary and theft	55,710	54,554	20	76,130		34,154
27. Boiler and machinery	540,122	165,875		370,562	169,560	165,875
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X	12,073,170				12,073,170
32. Reinsurance-Nonproportional Assumed Liability	X X X	7,549,708	259,864		259,864	7,549,708
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	303,243,865	1,698,812,415	44,546,665	1,275,962,201	47,627,562	723,013,182

DETAILS OF WRITE-IN LINES						
3401.						
3402.						
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

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

If yes: 1. The amount of such installment premiums $ 221,708,910

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 209,165,474

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	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. Fire	(235,952)	27,041,891	(216,198)	27,022,137	12,349,755	25,244,716	14,127,176	75.883
2. Allied lines	(61,161)	5,496,197	360,017	5,075,019	2,265,039	5,131,623	2,208,435	21.433
3. Farmowners multiple peril		47,891		47,891	3	8,012	39,882	1336.528
4. Homeowners multiple peril	87,938	76,334,166	106,901	76,315,203	28,480,246	54,587,022	50,208,427	56.677
5. Commercial multiple peril	24,407,337	57,205,274	60,614,988	20,997,623	26,017,904	33,173,230	13,842,297	119.535
6. Mortgage guaranty								
8. Ocean marine		3,263,464		3,263,464	5,043,789	7,279,889	1,027,364	28.638
9. Inland marine	69,136	40,928,987	79,180	40,918,943	8,559,985	10,864,827	38,614,101	70.780
10. Financial guaranty								
11.1 Medical professional liability—occurrence		12,086		12,086	47,606	59,069	623	(20766.667)
11.2 Medical professional liability—claims-made		12,898		12,898	177,105	63,678	126,325	66.107
12. Earthquake		(1,513)		(1,513)	25,172	(7,565)	31,224	0.945
13. Group accident and health	1,273,230	114,527	1,273,230	114,527	199,132	287,365	26,294	9458.273
14. Credit accident and health (group and individual)								
15. Other accident and health		67,360		67,360	162,505	221,841	8,024	208.091
16. Workers' compensation	215,308,765	842,889,400	712,212,168	345,985,997	756,089,176	944,756,295	157,318,878	74.008
17.1 Other liability—occurrence	49,724,635	82,044,440	68,840,375	62,928,700	146,364,424	169,934,762	39,358,362	84.907
17.2 Other liability—claims-made	15,669	13,224,485	20,419	13,219,735	33,185,638	33,557,001	12,848,372	66.184
17.3 Excess Workers' Compensation	984,725	6,796,208	984,725	6,796,208	27,732,610	28,209,936	6,318,882	89.592
18.1 Products liability—occurrence	35,299,512	13,285,745	37,827,372	10,757,885	42,066,848	41,291,446	11,533,287	121.061
18.2 Products liability—claims-made	306,010	433,962	306,010	433,962	1,584,732	1,889,953	128,741	16.574
19.1,19.2 Private passenger auto liability	303	145,406,855	(13,092)	145,420,250	155,113,155	179,364,320	121,169,085	65.368
19.3,19.4 Commercial auto liability	12,152,639	77,274,081	55,079,669	34,347,051	47,424,674	65,980,827	15,790,898	50.436
21. Auto physical damage	1,581,444	44,418,210	11,987,540	34,012,114	(398,423)	890,200	32,723,491	50.410
22. Aircraft (all perils)		4,246,639		4,246,639	7,656,568	8,142,521	3,760,686	67.614
23. Fidelity	104,435	459,054	104,435	459,054	1,301,324	1,290,193	470,185	52.786
24. Surety	62,515	30,327	62,515	30,327	139,271	170,318	(720)	(5.597)
26. Burglary and theft	9,050	13,566	9,008	13,608	18,017	5,658	25,967	54.606
27. Boiler and machinery	141,189	(1,762)	141,189	(1,762)	40,416	(57,689)	96,343	52.364
28. Credit		31		31		152	(121)	
29. International								
30. Warranty		274		274	1,096	1,370		
31. Reinsurance-Nonproportional Assumed Property	X X X	5,257,305		5,257,305	8,063,046	10,271,006	3,049,345	23.904
32. Reinsurance-Nonproportional Assumed Liability	X X X	48,661,076	38,407,490	10,253,586	31,863,407	37,633,628	4,483,365	59.276
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	193,687		193,687	366,893	449,440	111,140	
34. Aggregate write-ins for other lines of business								
35. TOTALS	341,231,419	1,495,156,811	988,187,941	848,200,289	1,341,941,113	1,660,695,044	529,446,358	66.594

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum. of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

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

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	64,650	8,769,893	84,219	8,750,324	2,593,981	3,712,933	2,707,483	12,349,755	859,937
2. Allied lines	506,212	1,107,360	513,025	1,100,547	1,583,643	1,374,825	1,793,974	2,265,041	394,599
3. Farmowners multiple peril		3		3				3	
4. Homeowners multiple peril	56,194	16,838,042	64,708	16,829,528		11,651,766	1,048	28,480,246	8,441,268
5. Commercial multiple peril	21,631,388	62,858,959	67,587,539	16,902,808	33,853,900	74,209,897	98,948,702	26,017,903	8,622,311
6. Mortgage guaranty									
8. Ocean marine		3,356,631	24,022	3,332,609	1,541,386	1,711,180	1,541,386	5,043,789	838,271
9. Inland marine		2,148,644		2,148,644	557,708	6,432,075	578,442	8,559,985	912,504
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		9,672		9,672		37,934		47,606	1,360
11.2 Medical professional liablity—claims-made		1,020		1,020		176,085		177,105	3,567
12. Earthquake		13,921		13,921	(11)	183,400	172,138	25,172	1,161
13. Group accident and health	5,260,202	194,511	5,260,202	194,511		4,621		(a) 199,132	17,620
14. Credit accident and health (group and individual)									
15. Other accident and health		14,744		14,744		147,761		(a) 162,505	7,989
16. Workers' compensation	882,110,424	1,281,264,080	1,742,301,175	421,073,329	529,698,091	1,203,062,476	1,397,744,720	756,089,176	99,244,106
17.1 Other liability—occurrence	80,814,793	88,355,987	116,023,495	53,147,285	603,537,143	126,704,987	637,024,990	146,364,425	68,262,815
17.2 Other liability—claims-made	35,996	8,570,541	35,996	8,570,541	2,653,426	24,615,098	2,653,426	33,185,639	12,318,147
17.3 Excess Workers' Compensation	9,067,979	9,527,345	9,067,979	9,527,345	5,701,777	18,205,265	5,701,777	27,732,610	2,109,823
18.1 Products liability—occurrence	122,965,332	17,147,913	133,326,724	6,786,521	53,057,516	53,026,506	70,803,694	42,066,849	20,529,164
18.2 Products liability—claims-made	2	4,000	2	4,000	83,795	1,580,732	83,795	1,584,732	927,011
19.1,19.2 Private passenger auto liability	378	95,757,498	129,429	95,628,447		59,484,708		155,113,155	30,962,808
19.3,19.4 Commercial auto liability	11,525,713	74,126,667	59,111,560	26,540,820	(481,417)	52,630,735	31,265,463	47,424,675	8,023,510
21. Auto physical damage		134,317	17,361	116,956		(500,761)	14,617	(398,422)	4,473,347
22. Aircraft (all perils)		4,314,933	34,214	4,280,719	57,787	3,375,850	57,787	7,656,569	1,958,694
23. Fidelity	82,759	123,664	82,759	123,664	(283,656)	1,110,973	(350,343)	1,301,324	251,939
24. Surety	231,832	46,485	231,832	46,485	3,967,499	92,786	3,967,499	139,271	(5,356)
26. Burglary and theft	2,974	857	2,982	849	52,847	22,831	58,509	18,018	100,049
27. Boiler and machinery		384		384	539,690	42,663	542,321	40,416	6,140
28. Credit									
29. International									
30. Warranty						1,096		1,096	
31. Reinsurance-Nonproportional Assumed Property	X X X	11,213,679	6,987,550	4,226,129	X X X	3,836,917		8,063,046	225,016
32. Reinsurance-Nonproportional Assumed Liability	X X X	139,802,064	129,135,008	10,667,056	X X X	380,196,117	358,999,767	31,863,406	1,997,279
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	357,757		357,757	X X X	9,136		366,893	4,946
34. Aggregate write-ins for other lines of business									
35. TOTALS	1,134,356,828	1,826,061,571	2,270,021,781	690,396,618	1,238,715,105	2,027,140,592	2,614,311,195	1,341,941,120	271,490,025

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	57,831,854			57,831,854
1.2 Reinsurance assumed	197,579,176			197,579,176
1.3 Reinsurance ceded	170,649,124			170,649,124
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	84,761,906			84,761,906
2. Commission and brokerage:				
2.1 Direct, excluding contingent		26,853,187		26,853,187
2.2 Reinsurance assumed, excluding contingent		55,721,440		55,721,440
2.3 Reinsurance ceded, excluding contingent		113,784,007		113,784,007
2.4 Contingent—direct		2,650,863		2,650,863
2.5 Contingent—reinsurance assumed		22,248,695		22,248,695
2.6 Contingent—reinsurance ceded		14,112,264		14,112,264
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)		(20,422,086)		(20,422,086)
3. Allowances to manager and agents		8,831,384	2	8,831,386
4. Advertising	1,194,683	15,113,603	2,821	16,311,107
5. Boards, bureaus and associations	220,325	1,863,950	84	2,084,359
6. Surveys and underwriting reports	14,941	2,484,195	2,921	2,502,057
7. Audit of assureds' records		(1,303)		(1,303)
8. Salary and related items:				
8.1 Salaries	39,739,832	86,970,313	528,662	127,238,807
8.2 Payroll taxes	2,394,375	6,078,477	30,242	8,503,094
9. Employee relations and welfare	8,319,709	21,795,349	29,330	30,144,388
10. Insurance	2,533,593	539,690	6,120	3,079,403
11. Directors' fees		29,120		29,120
12. Travel and travel items	2,355,221	6,508,952	9,645	8,873,818
13. Rent and rent items	3,265,223	8,706,637	9,579	11,981,439
14. Equipment	2,592,104	7,228,420	8,474	9,828,998
15. Cost or depreciation of EDP equipment and software	517,079	3,770,093	4,345	4,291,517
16. Printing and stationery	398,816	1,565,368	1,391	1,965,575
17. Postage, telephone and telegraph, exchange and express	1,532,713	5,353,336	22,016	6,908,065
18. Legal and auditing	420,202	1,613,411	198,042	2,231,655
19. Totals (Lines 3 to 18)	65,498,816	178,450,995	853,674	244,803,485
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 638,724		30,906,748		30,906,748
20.2 Insurance department licenses and fees		1,522,324		1,522,324
20.3 Gross guaranty association assessments		(298,622)		(298,622)
20.4 All other (excluding federal and foreign income and real estate)		297,420		297,420
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		32,427,870		32,427,870
21. Real estate expenses			3,709,697	3,709,697
22. Real estate taxes			1,051,015	1,051,015
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	4,978,190	14,729,088	94,820	19,802,098
25. Total expenses incurred	155,238,912	205,185,867	5,709,206	(a) 366,133,985
26. Less unpaid expenses—current year	271,490,026	55,507,662	1,138,600	328,136,288
27. Add unpaid expenses—prior year	324,963,843	88,837,576	1,095,055	414,896,474
28. Amounts receivable relating to uninsured plans, prior year		23,098		23,098
29. Amounts receivable relating to uninsured plans, current year		1,032		1,032
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	208,712,729	238,493,715	5,665,661	452,872,105

DETAILS OF WRITE-IN LINES				
2401. Other expenses	1,898,901	14,729,088	94,820	16,722,809
2402. Change in unallocated expense reserves	3,079,289			3,079,289
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	4,978,190	14,729,088	94,820	19,802,098

(a) Includes management fees of $ 763,285 to affiliates and $ 10,794,685 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 3,279,139	3,908,660
1.1 Bonds exempt from U.S. tax	(a) 34,955,675	32,745,168
1.2 Other bonds (unaffiliated)	(a) 58,578,387	54,429,806
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 2,546,321	2,306,857
2.11 Preferred stocks of affiliates	(b) 3,331,503	3,331,503
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 4,971,346	4,990,555
4. Real estate	(d) 7,659,964	7,659,964
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 408,276	316,160
7. Derivative instruments	(f)	
8. Other invested assets	2,397,957	2,397,957
9. Aggregate write-ins for investment income	(4,967,921)	(4,967,921)
10. Total gross investment income	113,160,647	107,118,709
11. Investment expenses		(g) 5,709,207
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) 1,961,672
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		7,670,879
17. Net investment income (Line 10 minus Line 16)		99,447,830

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	240,979	240,979
0902. Investment Income/(Expense) – Pooling Restatement	(5,208,900)	(5,208,900)
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	(4,967,921)	(4,967,921)
1501.		
1502.	NONE	
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 $ 1,637,625 accrual of discount less $ 2,261,275 amortization of premium and less $ 502,019 paid for accrued interest on purchases.
(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 2 paid for accrued interest on purchases.
(d) Includes $ 7,507,341 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 45,705 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 1,961,672 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	120,645		120,645		
1.1 Bonds exempt from U.S. tax	40		40	1,988,827	
1.2 Other bonds (unaffiliated)	(5,320,818)	(4,735,892)	(10,056,710)	23,713,250	3,284,800
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	1,181,000	(252,352)	928,648	14,825,576	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	187,731		187,731	(59)	
2.21 Common stocks of affiliates				54,892,262	
3. Mortgage loans	(15,377)		(15,377)	(214,860)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	2,848,412	(2,219,467)	628,945	(31,574,829)	2,073,009
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(998,367)	(7,207,711)	(8,206,078)	63,630,167	5,357,809

DETAILS OF WRITE-IN LINES					
0901.					
0902.	NONE				
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

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	7,627,000	10,926,000	3,299,000
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)	7,627,000	10,926,000	3,299,000
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	1,571,437	1,997,663	426,226
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums	3,908,750	5,324,170	1,415,420
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans	1,218	343	(875)
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	31,340,802	122,549,186	91,208,384
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets	1,815	43,457	41,642
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	1,907,445	3,847,176	1,939,731
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	46,358,467	144,687,995	98,329,528
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	46,358,467	144,687,995	98,329,528

DETAILS OF WRITE-IN LINES			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Other assets	1,895,173	2,379,894	484,721
2302. Amounts receivable under high deductible policies	12,272	1,467,282	1,455,010
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,907,445	3,847,176	1,939,731

NOTES TO FINANCIAL STATEMENTS

Note 1- Summary of Significant Accounting Policies

A. Accounting Practices

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the State of Wisconsin, the accompanying financial statements of 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 $33,923,000.

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

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

C. Accounting Policies

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

In addition, the Company uses the following accounting policies:

1. 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 Securities Valuation 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 1 C(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 1 C(7).

5. Mortgage loans are reported at unpaid principal balances, less impairments as specified by the SVO Manual.

6. Mortgage backed/asset backed securities are stated at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are updated monthly using the Bloomberg data service. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.

7. The Company carries its investments in SCA companies in accordance with SSAP No. 97, Investment in Subsidiaries, Controlled Entities and Affiliates, and the SVO Manual. Schedule D Part 6-Section 1 illustrates the valuation method used for each SCA company.

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

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

12. The Company did not change its capitalization policy in 2009.

13. The Company has no pharmaceutical rebate receivables.

NOTES TO FINANCIAL STATEMENTS

Note 2- Accounting Changes and Correction of Errors

A. Effective December 31, 2009, the Company elected to admit Deferred Tax Assets (DTA's) pursuant to SSAP No. 10R, Income Taxes-Revised, a temporary replacement of SSAP No. 10. The change in DTA's resulting from adopting SSAP No. 10R, is disclosed as an aggregate write-in for gains and losses in surplus under the caption SSAP 10R incremental change. (Refer to Note 9A)

B. The Company adopted SSAP No. 43R, Loan-backed and Structured Securities (SSAP 43R), in the third quarter 2009. The cumulative effect of adopting SSAP No. 43R, $2,297,099, was reported through Surplus, as a change in accounting principles. The cumulative effect is not considered material.

Note 3- Business Combinations and Goodwill

A. Statutory Purchase Method

Acquired Company	Date of Acquisition	% Ownership	Cost	Unamortized Goodwill December 31, 2009	Goodwill Amortization December 31, 2009
Ohio Casualty Corporation	August 24, 2008	8%	$173,394,088	$89,991,030	$11,771,227

B. Statutory Mergers

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

C. Impairment Loss

Not applicable

Note 4- Discontinued Operations

The Company has no discontinued operations to report.

Note 5- Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

During 2009, the company participated in direct investment in commercial mortgage loans using an experienced external manager, StanCorp Mortgage Investors.

(1) The maximum and minimum lending rates for mortgage loans during 2009 were 10.25% and 5.24% respectively.
(2) During 2009, the company did not reduce interest rates of any outstanding mortgage loans.
(3) The maximum loan to value of any loan written during 2009 was 75%.
(4) No loans had interest more than 180 days past due.
(5) There were $3,717 in taxes, assessments and any amounts advanced and not included in the mortgage loan.
(6) Total recorded investment in impaired loans as of December 31, 2009 was $603,847, of which there is a related allowance for credit losses of $214,860.
(7) There was no recorded investment in impaired loans without a related allowance for credit losses.
(8) The average recorded investment in impaired loans was $60,332 for 2009.
(9) There was no interest income recognized for impaired loans during 2009.
(10) There was no interest income recognized on a cash basis for impaired loans during 2009.
(11)
   a) The balance in the allowance for credit losses at the beginning of 2009 was $0 and at the beginning of 2008 was $0.
   b) There were $214,860 of additions to the allowance charged to operations in 2009 and $0 in 2008.
   c) There were no direct write-downs charged against the allowance.
   d) There were no recoveries of amounts previously charged off.
   e) The balance in the allowance for credit losses was $214,860 in 2009 and $0 in 2008.

(12) The Company recognizes interest income on its impaired loans upon receipt.

B. Troubled Debt Restructuring for Creditors

(1) There was $624,751 of recorded investment in mortgage loans for which impairment has been recognized.
(2) There was no realized capital loss.
(3) There were no commitments to lend additional funds to debtors owing receivables whose terms have been modified in trouble debt restructuring.
(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible 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

The company has no reverse mortgages.

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

1. Not used.

2. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

3. Not used.

4. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2009 as of December 31, 2009:

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value (C1-C2)
Aggregate Intent to Sell			
Aggregate Intent & Ability	2,927,593	346,564	1,843,097

5. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2009:

1 CUSIP	2 Book/Adj Carrying Value Amortized cost before current period OTTI	3 Projected Cash Flows	4 Recognized other-than-tempor ary impairment	5 Amortized cost after other-than-tempor ary impairment	6 Fair Value
021468AD5	2,927,593	2,581,030	346,564	2,581,030	1,843,097

6. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2009:

	1 Less Than 12 Months	2 Greater Than 12 Months
Gross Unrealized Loss	(835,546)	(2,885,734)

7. 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.

8. Not used.

E. Repurchase Agreements

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

2. The Company maintained collateral for loaned securities.

   a) For loaned securities, Company policies require a minimum of 102% of the fair value of securities loaned to be maintained as collateral.

   b) The Company has not pledged any of its assets as collateral.

3. Aggregate amount of contractually obligated open collateral positions for which the borrower may request the return of on demand:

	Under 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
Fair value of open reinvested collateral positions	10,946,494	11,575,344	9,503,829	4,516,251	36,541,917

4. Sources of collateral are cash and securities. Cash collateral is reinvested by the lending agent in short-term securities. The Company does not reinvest securities received as collateral.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

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

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

G. Investments in Low Income Housing Tax Credits

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

Note 6- Joint Ventures, Partnerships & Limited Liability Companies

A. Not applicable The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

B. The Company invests in limited partnerships that are 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 realized impairment losses of $2,219,467 during the year.

Note 7- Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2009.

Note 8- Derivative Instruments

The Company maintains an active Derivative Use Policy (approved in 2005 by the state of New York). There are no current derivatives holdings or current year derivatives transactions under this policy. 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.

Note 9 - Income Taxes

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

	December 31, 2009			December 31, 2008	Change
	Ordinary	Capital	Total	Total	
Total gross DTAs	108,415,201	37,747,709	146,162,910	235,678,000	(89,515,090)
Total gross DTLs	(30,796,301)	(140,039)	(30,936,340)	(32,065,000)	1,128,660
Net DTA (DTL)	77,618,900	37,607,670	115,226,570	203,613,000	(88,386,430)
Net DTA non-admitted			(31,340,802)	(122,549,000)	91,208,198
Net Admitted DTA (DTL)			83,885,768	81,064,000	2,821,768

The Company has elected to admit additional DTAs pursuant to SSAP No. 10R, paragraph 10e. The current period election was not available at December 31, 2008.

The Company's statutory valuation allowance adjustment under SSAP No. 10R, Paragraph 6e and the impact on DTAs is as follows:

	December 31, 2009		
	Ordinary	Capital	Total
Total gross DTAs	108,415,201	37,747,709	146,162,910
Valuation Allowance	0	(5,552,343)	(5,552,343)
Total adjusted gross DTAs	108,415,201	32,195,366	140,610,567

The increased amount, by tax character, of net admitted DTAs resulting from paragraph 10e:

Ordinary	4,662,189
Capital	6,720,000
Total increase in net admitted DTAs	11,382,189

NOTES TO FINANCIAL STATEMENTS

The amount of each result or component of the calculation, by tax character, of paragraphs 10a., 10bi., 10bii., 10c.:

	December 31, 2009			December 31, 2008
	Ordinary	Capital	Total	Total
Recoverable through loss carrybacks (10a.)	0	0	0	3,854,000
Lesser of:				
Expected to be recognized within one year (10bi.)	47,168,422	25,335,157	72,503,579	77,210,000
10% of adjusted capital and surplus (10bii.)			90,316,467	101,306,000
Adj. gross DTAs offset against existing DTLs (10c.)	30,796,302	140,039	30,936,340	32,065,000

The amount of each result or component of the calculation, by tax character, of paragraphs 10ei., 10eiia., 10eiib., and 10eiii.:

	December 31, 2009		
	Ordinary	Capital	Total
Recoverable through loss carrybacks (10ei.)	0	0	0
Lesser of:			
Expected to be recognized within three years (10eiia.)	51,830,611	32,055,157	83,885,768
15% of adjusted capital and surplus (10eiib.)			135,474,700
Adj. gross DTAs offset against existing DTLs (10eiii.)	30,796,302	140,039	30,936,340

Risk-based capital level used in paragraph 10d:	December 31, 2009
Total adjusted capital	1,063,903,813
Authorized control level	230,030,321

The following amounts result from the calculation in paragraphs 10a., 10b., and 10c.:

	December 31, 2009
Admitted DTA	72,503,579
Admitted assets	3,321,879,233
Statutory surplus	1,063,903,813
Total adjust capital	1,063,903,813

Admitted DTA, admitted assets and statutory surplus increased by $11,382,189 resulting from the use of paragraph 10e.

B. The Company does not have any DTLs described in SSAP No. 10R, Income Taxes, paragraph 6d.

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

	2009	2008
Federal	(44,805,646)	(12,955,794)
Foreign	(18,877)	34,054
Realized capital gains	(2,872,127)	(13,252,160)
Federal and foreign income taxes incurred	(47,696,650)	(26,173,900)

The Company’s DTAs and DTLs result primarily from discounting of unpaid loss and LAE reserves, unearned premium reserves, depreciation expense, investment impairments, unrealized gains/losses and income/loss from partnership investments.

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

	2009
Change in net deferred income tax (without unrealized gain or loss)	(83,012,635)
Change in tax effect of unrealized (gains) losses	(5,373,795)
Total change in net deferred income tax	(88,386,430)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax-exempt interest, discounting of unpaid loss and LAE reserves, unearned premium reserves, deferred intercompany transactions and other investment activity.

E. The amount of Federal income taxes incurred and available for recoupment in the event of future losses is $0 from the current year and $0 from the preceding year.

At December 31, 2009, the Company did not have any unused net operating loss carryforwards available to offset against future net income.

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

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

Access Insurance Services, Co.
AMBCO Capital Corporation
America First Insurance Company
America First Lloyds Insurance Company
American Ambassador Casualty Company
Liberty Insurance Holdings, Inc.
Liberty Insurance Underwriters, Inc.
Liberty International Europe Inc.*
Liberty International Holdings Inc.
Liberty Life Assurance Company of Boston

NOTES TO FINANCIAL STATEMENTS

(merged 10/21/2009)
American Economy Insurance Company
American Fire & Casualty Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
Avomark Insurance Company
Barrier Ridge LLC
Berkeley Holding Company Associates, Inc.
Berkeley Management Corporation
Bridgefield Casualty Insurance Company
Bridgefield Employers Insurance Company
Capitol Court Corporation
Capitol Agency, Inc., The (Arizona corporation)
Capitol Agency, Inc., The (Ohio corporation)
Capitol Agency, Inc., The (Tennessee corporation)
Cascade Disability Management, Inc.
Colorado Casualty Insurance Company
Commercial Aviation Insurance, Inc.
Companies Agency of New York, Inc.
Companies Agency of Pennsylvania, Inc.
Consolidated Insurance Company
Copley Venture Capital, Inc.
Diversified Settlements, Inc.
Emerald City Insurance Agency, Inc.
Employers Insurance Company of Wausau
Excelsior Insurance Company
F.B. Beattie & Company, Inc.
First National Insurance Company of America
First State Agency Inc.
Florida State Agency, Inc.
General America Corporation
General America Corporation of Texas
General Insurance Company of America
Globe American Casualty Company (merged 12/30/2009)
Golden Eagle Insurance Corporation
Gulf States AIF, Inc.
Hawkeye-Security Insurance Company
Heritage-Summit HealthCare, Inc.
Indiana Insurance Company
Insurance Company of Illinois
LEXCO Limited
Liberty - USA Corporation
Liberty Assignment Corporation
Liberty Energy Canada, Inc.
Liberty Financial Services, Inc.
Liberty Hospitality Group, Inc.
Liberty Insurance Company of America (merged 9/17/2009)
Liberty Insurance Corporation
SCIT, Inc.
St. James Insurance Company Ltd.
State Agency, Inc. (Indiana corporation)
State Agency, Inc. (Wisconsin corporation)
Summit Consulting, Inc.
Summit Consulting, Inc. of Louisiana
Summit Holding Southeast, Inc.
The First Liberty Insurance Corporation
The Midwestern Indemnity Company
The National Corporation
The Netherlands Insurance Company
Liberty Life Holdings, Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Management Services, Inc.
Liberty Mexico Holdings, Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Group Inc.
Liberty Mutual Holding Company Inc.
Liberty Mutual Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Northwest Insurance Corporation
Liberty Personal Insurance Company
Liberty RE (Bermuda) Limited
Liberty Sponsored Insurance (Vermont) Inc.
Liberty Surplus Insurance Corporation
LIH U.S. P&C Corporation
LIH-RE of America Corporation
LIU Specialty Insurance Agency Inc.
LM General Insurance Company
LM Insurance Corporation
LM Personal Insurance Company
LM Property & Casualty Insurance Company
LMHC Massachusetts Holdings Inc.
LRE Properties, Inc.
Mid-American Agency, Inc.
Mid-American Fire & Casualty Company
North Pacific Insurance Company
OCASCO Budget, Inc.
OCI Printing, Inc.
Ohio Casualty Corporation
Ohio Casualty of New Jersey, Inc. (merged 9/30/2009)
Ohio Security Insurance Company
Open Seas Solutions, Inc.
Oregon Automobile Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Pilot Insurance Services, Inc.
Rianoc Research Corporation
S.C. Bellevue, Inc.
Safecare Company, Inc.
Safeco Corporation
Safeco General Agency, Inc.
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Properties, Inc.
Safeco Surplus Lines Insurance Company
San Diego Insurance Company
The Ohio Casualty Insurance Company
The Ohio Life Brokerage Services, Inc.
Wausau Business Insurance Company
Wausau General Insurance Company
Wausau Service Corporation
(dissolved 10/21/2009)
Wausau Underwriters Insurance Company
West American Insurance Company
Winmar Company, Inc.
Winmar of the Desert, Inc.
Winmar Oregon, Inc.
Winmar-Metro, Inc

* This company joined the consolidated group in 2009 and its activity from the date it joined the group is included in the consolidated return.

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

Note 10- Information concerning Parent, Subsidiaries and Affiliates

A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual Group Inc. ("LMGI"), a Massachusetts company. The ultimate parent of LMGI is Liberty Mutual Holding Company Inc., a Massachusetts company.

B. Transactions entered into by the Company with its affiliates are described on scheduled Y Part 2.

NOTES TO FINANCIAL STATEMENTS

C. As of December 31, 2009, the Company had the following capital transactions with its parent and subsidiaries:

Received return of capital distributions of $984,784

Received dividends in the amount of $5,106,721

D. At December 31, 2009, the Company reported $9,627,527 net due to affiliates. In general, the terms of the inter-company arrangements require settlement at least quarterly.

E. The Company has made no guarantee or initiated an undertaking for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.

F. Refer to Note 25 for information regarding the Inter-Company Reinsurance Agreement.

There is a service agreement between the Company and Liberty Mutual Insurance Company ("LMIC"), under which LMIC provides the Company with services of personnel employed by LMIC, office space, supplies, equipment, telephone and wire services, the use of computers and similar machines to the extent necessary or appropriate.

The Company is a party to an investment management agreement with LMIC, an investment management agreement with Liberty Mutual Investment Advisors ("LMIA") and a cash management agreement with LMIA. Under these agreements, LMIA and LMIC provide services to the Company.

The Company is a party to a service agreement with Peerless Insurance Company ("PIC"). Under the Agreement, the Company provides services to PIC.

The Company is a party to a revolving credit agreement under which the Company may borrow up to $150,000,000 from LMIC. The purpose of the extension of credit is for operating liquidity to accommodate fluctuations in daily cash flow and to promote efficient management of investments. As of December 31, 2009, there have been no drawings under this agreement.

The Company is party to a Federal Tax Sharing Agreement between LMIC and Affiliates (see Note 9 F).

The Company received ($42,060,289) under the LMIC Tax Sharing Agreement and paid $763,285 under the LMIC investment services agreement. Pursuant to the Inter-Company Reinsurance Agreement with LMIC (Refer to Note 25), 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 part 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 has no investments in SCA companies greater than 10% of its admitted assets.

J. Impairment of subsidiaries

The Company did not recognize any impairment write down for its SCA companies during the statement period.

K. The Company does not hold investments in foreign subsidiaries.

L. Investments in downstream non-insurance holding companies

Refer to 10I

Note 11- Debt

A. Not applicable

B. The Company has not entered into Federal Home Loan Bank Agreements.

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

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

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

1. Common Stock

The Company has 5,000,000 common shares authorized, issued and outstanding as of December 31, 2009. All shares have a stated par value of $1.00.

NOTES TO FINANCIAL STATEMENTS

The Company has 5,000,000 preferred shares authorized, but no shares issued and outstanding as of December 31, 2009. All shares have a stated par value of $1.00.

2. Preferred Stock

   Not applicable

3. Dividend Restrictions

   There are no dividend restrictions.

4. The Company did not pay a dividend to its parent in 2009.

5. The maximum amount of dividends that can be paid by Wisconsin-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is the lesser of (a) 10% of surplus, or the greater of (b) or (c); (b) net income for calendar year preceding date of dividend less realized gains for that calendar year, or (c) the aggregate of net income for three calendar years preceding the date of dividend less realized gains for those calendar years less dividends paid/credited within the first two of the preceding three calendar years. The maximum dividend payout that may be made without prior approval in 2010 is $107,528,600.

6. As of December 31, 2009, the Company has restricted surplus of $11,382,189, from recording the increase in admitted adjusted gross DTA’s as a result of applying the revised guidance in SSAP No. 10R (refer to Note 2A) and pre-tax restricted surplus of $103,223,643 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

8. Stock held for special purpose

   The Company did not hold stock for special purposes.

9. The Company had changes in special surplus funds resulting from prior year’s retroactive reinsurance contracts during 2009 and from the adoption of the revised guidance on calculating admitted adjusted gross DTA’s in SSAP 10R.

10. The portion of unassigned funds (surplus) represented by cumulative unrealized capital loss is $(174,560,654) after applicable deferred taxes of $14,543,535.

11. Surplus Notes

    Not applicable

12. Quasi re-organization (dollar impact)

    Not applicable

13. Quasi re-organization (effective date)

    Not applicable

Note 14- Contingencies

A. Contingent Commitments

   The Company has made no commitments, contingent commitments or guarantees on behalf of affiliates, except as indicated in Note 10 E.

B. Assessments

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

   The Company has accrued a liability for guaranty fund and other assessments of $17,145,935 that is offset by future premium tax credits of $2,659,606. This represents management’s best estimate based on information received from the states in which the Company writes business and may change due to factors including the Company’s share of the ultimate cost of current insolvencies. Current assessments are expected to be paid out in the next five years, while premium tax offsets are expected to be realized in the next eleven years, beginning in 2009.

   During 2009 there were no material insolvencies to report. The company continues to remit payments relating to prior year insolvencies.

C. Gain Contingencies

   Not applicable

NOTES TO FINANCIAL STATEMENTS

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

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$122,888

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
X				

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [x]   (g) Per Claimant [ ]

E. 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 as 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.

Note 15- Leases

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

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

Year(s)	Sale Lease-back	All Other Operating Lease Arrangements
2010	$2,121,490	$8,982,965
2011	1,183,172	8,117,937
2012	1,179,999	5,853,863
2013	1,176,825	3,580,493
2014	202,829	2,613,221
2015 & thereafter	689,781	12,314,559
Total	$6,554,096	$41,463,038

B. Leasing as a significant part of lessor's business activities

Not applicable

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

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

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

A. Transfers of Receivables reported as sales:

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

B. Transfers and servicing of financial assets:

The Company participates in 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

NOTES TO FINANCIAL STATEMENTS

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 Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2009 the total fair value of securities on loan was $35,640,214, with corresponding collateral value of $36,789,967 of which $36,541,917 represents cash collateral.

C. Wash Sales

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

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

A. Administrative Services Only (ASO) Plans

Net reimbursement for administrative expenses over actual expenses on uninsured plans and the net gain was $69,328. Claim payment volume was $3,740,269.

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

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

Note 20- Other Items

A. The Company has no extraordinary items to report.

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1) Florida Special Disability Trust Fund

a) The Company did not take a credit in the determination of its loss reserves in 2009 and 2008.

b) The Company reported loss recoveries from the Special Disability Trust Fund of $558,734 and $1,806,895 in 2009 and 2008, respectively.

c) The amount the Company was assessed by the Special Disability Trust Fund was $421,941 and $576,565, in 2009 and 2008, respectively.

2) Assets in the amount of $368,406,410 and $363,731,254 as of December 31, 2009 and 2008, respectively, were on deposit with government authorities or trustees as required by law.

D. The Company routinely assesses the collectability of its premium receivable. Based upon Company experience, amounts in excess of non-admitted amounts are not believed to be material.

E. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

F. State Transferable Tax Credits

(1) Carrying value of transferable state tax credits gross of any related tax liabilities and total unused transferable state tax credits by state and in total

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
Historical Rehabilitation Credit	OK	158,900	158,900
Total		158,900	158,900

NOTES TO FINANCIAL STATEMENTS

(2) Method of Estimating Utilization of Remaining Transferable State Tax Credits

The Company estimated the utilization of the remaining Transferable State Tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining Transferable State Tax Credits

(3) Impairment Loss

The Company has not recognized any impairment losses associate with its Transferable State Tax Credits

G. Sub-Prime Lending

The Company does not have exposure to sub-prime mortgage related risk.

Note 21- Events Subsequent

A. The Company evaluated subsequent events through February 24, 2010, the date the financial statements were available to be issued.

There were no events subsequent to December 31, 2009 that would require disclosure.

Note 22- Reinsurance

A. Excluding amounts arising pursuant to the Liberty Mutual Inter-Company Reinsurance Agreement, as described in Note 25, the unsecured reinsurance recoverables with an individual reinsurer that exceed 3% of the Company's policyholder's surplus are listed below.

Reinsurer	Naic No.	Federal ID No.	Recoverable Amount
Nationwide Group:			
Farmland Mutual Insurance Company	13838	42-0618271	
National Casualty Company	11991	38-0865250	
Nationwide Indemnity Company	10070	31-1399201	
Nationwide Mutual Insurance Company	23787	31-4177100	
Total Nationwide Group			$1,530,535,000
National Workers' Compensation Reins Pool		AA-9992118	$160,803,000
U.S. Aircraft Insurance Group		AA-9995043	$150,064,000
Swiss Re Group:			
Facility Insurance Corporation	10818	74-1194354	
Swiss Reinsurance America Corporation	25364	13-1675535	
Swiss Reinsurance Europe Sa		AA-1371002	
Swiss Reinsurance Life and Health America Inc.	82627	06-0839705	
Westport Insurance Corporation	39845	48-0921045	
Total Swiss Re Group			$101,470,000
Minnesota WCRA		AA-9991423	$98,458,000
Lloyd's Underwriters		AA-1122000	$36,530,000

B. There are no reinsurance recoverables in dispute from an individual rein surer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverables in dispute do not exceed 10% of the Company's surplus.

C. The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2009.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	636,994,038	28,764,859	362,130,868	36,006,631	274,863,170	(7,241,772)
All Other	13,636,938	5,899,916	11,030,157	1,152,844	2,606,781	4,747,072
Total	650,630,976	34,664,775	373,161,025	37,159,475	277,469,951	(2,494,700)

Direct Unearned Premium Reserve: $73,787,948

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, 2009 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	1,922,002	18,619,908	10,332,321	10,209,589
Sliding scale adjustments	0	0	0	0
Other profit commissions	0	(15,600,000)	0	(15,600,000)
Totals	1,922,002	3,019,908	10,332,321	(5,390,411)

NOTES TO FINANCIAL STATEMENTS

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

D. During the current year, the Company wrote off reinsurance balances of $531,982. This amount is shown below by Income Statement classification and by reinsurer.

Income Statement Classification	Amount
Losses Incurred	$531,982
Loss Expenses Incurred	
Premiums Earned	
Other Expenses	
Total	$531,982
Reinsurer	Amount
QBE Reinsurance (Europe) Ltd.	$107,008
Unionamerica Insurance Company Ltd.	51,975
Transatlantic Reinsurance Company	36,689
Lloyds Syndicate 0314	39,747
Lloyds Syndicate 0376	39,747
Lloyds Syndicate 0990	39,747
Lloyds Syndicate 0435	33,631
Lloyds Syndicate 0205	30,573
Lloyds Syndicate 0219	30,573
Lloyds Syndicate 0183	24,459
Lloyds Syndicate 0227	24,459
Lloyds Syndicate 0991	24,459
Lloyds Syndicate 0529	21,401
Lloyds Syndicate 0727	15,287
Lloyds Syndicate 1229	12,227
Total	$531,982

E. The Company commuted multiple ceded reinsurance treaties in the current year with the reinsurers listed below. The net effect of all commutations was a decrease in Net Income of $40,902. This amount is shown below by Income Statement classification and by reinsurer.

Income Statement Classification	Amount
Losses Incurred	$40,721
Loss Expenses Incurred	181
Total	$40,902
Reinsurer	Amount
Swiss Re Life and Health America Incorporated	$47,104
All Other	(6,202)
Total	$40,902

F. The Company has four ceded retroactive contracts that transferred liabilities for losses that had already occurred. The impact of the Inter-Company Reinsurance Agreement with LMIC is also shown.

		Assumed	Ceded
a.	Reserves Transferred:		
	1. Initial	$(183,529,984)	
	2. Adjustments – Prior Year(s)	21,783,837	
	3. Adjustments – Current Year	4,447,086	
	4. Total	$(157,299,061)	
b.	Consideration Paid or Received:		
	1. Initial	$(85,683,875)	
	2. Adjustments – Prior Year(s)	(4,193,165)	
	3. Adjustments – Current Year	(185,245)	
	4. Total	$(90,062,285)	
c.	Amounts Recovered / Paid – Cumulative:		
	1. Initial	$(2,901,824)	
	2. Adjustments – Prior Year(s)	(27,846,125)	
	3. Adjustments – Current Year	(7,102,779)	
	4. Total	$(37,850,728)	
d.	Special Surplus from Retroactive Reinsurance:		
	1. Initial Surplus Gain or Loss	$100,747,933	
	2. Adjustments – Prior Year(s)	1,869,123	

NOTES TO FINANCIAL STATEMENTS

	3. Adjustments – Current Year	2,470,448	
	4. Current Year Special Surplus	103,223,643	
	5. Cumulative Total Transferred to Unassigned Funds	$1,863,861	
e.	All cedents and reinsurers included in the above transactions:		
		Assumed	Ceded
	Liberty Mutual Insurance Company, 23043	$(157,299,061)	$(2,057,301)
	Swiss Reinsurance America Corp., 25364		1,896.893
	Finial Reinsurance Company, 39136		242,897
	Other		(82,489)
	Total	$(157,299,061)	

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

G. There are no contracts recorded as deposit accounting.

Note 23 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Accrued retrospective premiums reported in Line 13.3 of the assets have been determined based upon loss experience on business subject to such experience rating adjustment.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. For detail of net premium written subject to retrospective rating features see Schedule P – Part 7A.

D. Ten percent of the amount not offset by retrospective return premiums or collateral has been designated as non-admitted and charged to surplus.

Total accrued retro premium	$39,087,504
Less: Non-admitted amount	3,908,750
Admitted amount	$35,178,754

Note 24 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expenses attributable to insured events in prior years increased in 2009. The increase was primarily the result of third quarter strengthening of asbestos reserves (refer to Note 32), partially offset by small decreases in workers compensation, commercial auto liability and commercial and personal property lines. Original estimates are revised as additional information becomes known regarding individual claims.

Note 25- Intercompany Pooling Arrangements

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

		NAIC Co. #	Pooling %	Lines of Business
Lead Company:	Liberty Mutual Insurance Company (LMIC)	23043	75.00%	All Lines
Affiliated Pool Companies:	Employers Insurance Company of Wausau (EICOW)	21458	8.00%	All Lines
	Liberty Mutual Fire Insurance Company (LMFIC)	23035	12.90%	All Lines
	Liberty Insurance Corporation (LIC)	42404	3.00%	All Lines
	Wausau Business Insurance Company (WBIC)	26069	0.40%	All Lines
	Wausau Underwriters Insurance Company (WUIC)	26042	0.40%	All Lines
	LM Insurance Corporation (LMC)	33600	0.20%	All Lines
	The First Liberty Insurance Corporation (FST)	33588	0.10%	All Lines
	Liberty Personal Insurance Company (LPIC)	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation (LSI)	10725	0.00%	All Lines
	Wausau General Insurance Company (WGIC)	26425	0.00%	All Lines
			100.00%	
100% Quota Share Affiliated Companies:	Liberty County Mutual Insurance Company (LCMIC)	19544	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. (LIU)	19917	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company (LLOT)	11041	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company (LMMAIC)	14486	0.00%	Personal Lines Only

NOTES TO FINANCIAL STATEMENTS

	Liberty Mutual Personal Insurance Company (LMPICO)	12484	0.00%	All Lines
	LM General Insurance Company (LMGIC)	36447	0.00%	All Lines
	LM Personal Insurance Company (LMPIC)	36439	0.00%	All Lines
	LM Property and Casualty Insurance Company (LMPAC)	32352	0.00%	All Lines

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

(a) Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.

(b) With the exception of LMGIC and LMPIC, each 100% Quota Share Affiliated Company cedes its net underwriting activity to the Lead Company. LMGIC and LMPIC cede its net underwriting activity to LMPAC.

(c) After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.

(d) The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.

(e) There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.

(f) There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.

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

(h) Amount due from affiliated entity participating in the Liberty Mutual inter-company pool as at December 31, 2009:

Affiliate:	Amount:
Liberty Mutual Insurance Company	$31,113,857

During 2009, Liberty Insurance Company of America (LICA), a participant in the Liberty Mutual inter-company Reinsurance Agreement, merged with an affiliate, Insurance Company of Illinois (ICIL). ICIL became the surviving entity. Concurrent with the merger, ICIL entered into a Quota Share Reinsurance Agreement with Liberty Mutual Insurance Company (LMIC), covering the business written by LICA. ICIL continued as a participant in the Peerless Amended and Restated Reinsurance Agreement. Effective January 1, 2010, ICIL terminated the Quota Share Reinsurance Agreement with LMIC and became a participant in the Liberty Mutual inter-company Reinsurance Agreement, with a 0.00% participation in the Pool. As a participant in the Liberty Mutual inter-company Pool, ICIL cedes the business of LICA to the Pool. Concurrent with entering into the Liberty Mutual inter-company Pool, ICIL terminated its participation in the Peerless Amended and Restated Reinsurance Agreement and entered into a Quota Share Reinsurance Agreement with Peerless Insurance Company, covering the business written by ICIL.

Effective January 1, 2010, LM General Insurance Company and LM Personal Insurance Company canceled their 100% Quota Share Agreements with Liberty Mutual Property and Casualty Insurance Company and became participants in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.10% Pool Participation Percentage.

Effective January 1, 2010, Bridgefield Casualty Insurance Company and Bridgefield Employers Insurance Company novated their 100% Quota Share Reinsurance Agreements with Peerless Insurance Company to substitute LMIC as the reinsurer.

Effective January 1, 2010, Liberty Lloyds of Texas Insurance Company and Liberty Mutual Personal Insurance Company terminated their 100% Quota Share Reinsurance Agreements with LMIC and became participants in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.00% Pool Participation Percentage.

Pursuant to the approval of the appropriate state insurance departments, effective January 1, 2010, the Liberty Mutual Pool structure and participation percentages were revised as follows:

		NAIC Co. #	Pooling %	Lines of Business
Lead Company:	Liberty Mutual Insurance Company (LMIC)	23043	73.80%	All Lines
Affiliated Pool Companies:	Employers Insurance Company of Wausau (EICOW)	21458	8.00%	All Lines
	Insurance Company of Illinois (ICIL)	26700	0.00%	All Lines
	Liberty Mutual Fire Insurance Company (LMFIC)	23035	12.90%	All Lines
	Liberty Insurance Corporation (LIC)	42404	4.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

	Wausau Business Insurance Company (WBIC)	26069	0.40%	All Lines
	Wausau Underwriters Insurance Company (WUIC)	26042	0.40%	All Lines
	LM Insurance Corporation (LMC)	33600	0.20%	All Lines
	The First Liberty Insurance Corporation (FST)	33588	0.10%	All Lines
	LM General Insurance Company (LMGIC)	36447	0.10%	All Lines
	LM Personal Insurance Company (LMPIC)	36439	0.10%	All Lines
	Liberty Lloyd's of Texas Insurance Company (LLOT)	11041	0.00%	All Lines
	Liberty Mutual Personal Insurance Company (LMPICO)	12484	0.00%	All Lines
	Liberty Personal Insurance Company (LPIC)	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation (LSI)	10725	0.00%	All Lines
	Wausau General Insurance Company (WGIC)	26425	0.00%	All Lines
			100.00%	
100% Quota Share Affiliated Companies:	Bridgefield Employers Insurance Company ("BEIC")	10701	0.00%	All Lines
	Bridgefield Casualty Insurance Company ("BCIC")	10335	0.00%	All Lines
	Liberty County Mutual Insurance Company (LCMIC)	19544	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. (LIU)	19917	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company (LMMAIC)	14486	0.00%	Personal Lines Only
	LM Property and Casualty Insurance Company (LMPAC)	32352	0.00%	All Lines

Note 26- Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of $85,594,207 after applying Inter-Company Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was $85,594,207 as of December 31, 2009.

B. A summary of purchased structured settlement annuities exceeding 1% of policyholders' surplus and whereby the Company has not obtained a release of liability from the claimant is as follows:

Life Insurance Company & Location	Licensed in Company's State of Domicile (Yes/No)	Statement Value of Annuities
The Prudential Insurance Company of America Newark, New Jersey	Yes	$41,553,098
Liberty Life Assurance Company of Boston Boston, Massachusetts	Yes	$25,720,872
Nationwide Life Insurance Company Columbus, Ohio	Yes	$11,581,447

Note 27 - Health Care Receivables

Not applicable

Note 28 - Participating Policies

Not applicable

Note 29 – Premium Deficiency Reserves

As of December 31, 2009, the Company had no liabilities related to premium deficiency reserves.

Note 30- High Dollar Deductible Policies

As of December 31, 2009, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was $382,851,520 and the amount billed and recoverable on paid claims was $18,380,715.

Note 31- Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

For Workers Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on the Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. Asbestos structured settlements are discounted at 4.5%. The December 31, 2009 liabilities subject to discount were carried at a value representing a discount of $89,174,597 net of all reinsurance.

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

Note 32 - Asbestos/Environmental Reserves

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

Upon the Company's de-affiliation from the Nationwide Group and re-affiliation with LMIC, the Company, WBIC, WGIC, and WUIC entered into ceded reinsurance contracts whereby Nationwide Indemnity Company assumed full responsibility for obligations on certain policies with effective dates prior to January 1, 1986, including all asbestos and environmental exposures.

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

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

In the last few years the Company, as well as the industry generally, has seen decreases in the number of asbestos claims being filed. This turn to a more favorable trend is due to a number of factors. Screening activity used by some lawyers to find new plaintiffs has been as a result of questionable practices discovered in the Federal Silica Multi District Litigation. Court decisions in several key states have been favorable to defendants. More importantly, several states have enacted legislation in the past few years that contain medical criteria provisions aimed at reducing the number of lawsuits filed by unimpaired plaintiffs and providing prompt and fair compensation to those who meet the criteria.

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

In the third quarter of 2009, the Company completed its biennial ground-up asbestos reserve study. The study was completed by a multi-disciplined team of internal claims, legal, reinsurance and actuarial personnel, and it included all major segments of the Company's direct, assumed, and ceded asbestos claims. As part of the internal review, potential exposures of certain policyholders were individually evaluated using the company's proprietary stochastic model, which is consistent with the latest published actuarial paper on asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, types of injury, state jurisdictions, legal defenses, and reinsurance potential. The remaining policyholders (those with less potential exposure) were evaluated using aggregate methods that utilized information and experience specific to these insured's.

Effect of Uncertainty in Reserving For Asbestos and Environmental Claims on Company's Financial Condition
The methods of determining estimates for reported and unreported losses and establishing resulting reserves and related reinsurance recoverables are periodically reviewed and updated, and adjustments resulting from this review are reflected in income currently.

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

The table below summarizes reserve and loss activity for the Company's asbestos and environmental loss and loss adjustment expenses for each of the five most recent calendar years. Gross reserves for both asbestos and environmental are representative of the companies included in note 25. Net reserves for asbestos and environmental are allocated based on the Company's Intercompany Reinsurance Agreement, as discussed in Note 25.

NOTES TO FINANCIAL STATEMENTS

Asbestos:

	2005	2006	2007	2008	2009
Direct Basis					
Beginning Reserves	136,196,998	159,860,012	147,980,835	134,584,563	125,053,750
Incurred losses and LAE	44,339,108	8,041,494	18,496,199	11,411,531	43,943,021
Calendar year payments	20,676,094	19,920,671	31,892,471	20,942,344	20,881,089
Ending Reserves	159,860,012	147,980,835	134,584,563	125,053,750	148,115,682
Assumed Reinsurance Basis					
Beginning Reserves	39,167,267	41,110,386	43,477,015	56,660,130	53,643,034
Incurred losses and LAE	4,355,551	3,904,877	15,331,722	(605,733)	(12,220,553)
Calendar year payments	2,412,432	1,538,248	2,148,607	2,411,363	3,027,621
Ending Reserves	41,110,386	43,477,015	56,660,130	53,643,034	38,394,860
Net of Ceded Reinsurance Basis					
Beginning Reserves	76,117,446	83,388,473	71,761,779	63,786,790	52,748,542
Incurred losses and LAE	17,549,501	976,334	6,810,099	1,139,526	31,644,134
Calendar year payments	10,278,474	12,603,028	14,785,088	12,177,774	13,443,070
Ending Reserves	83,388,473	71,761,779	63,786,790	52,748,542	70,949,606

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	98,062,796
Assumed Reinsurance Basis	28,585,914
Net of Ceded Reinsurance Basis	58,604,541
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	52,772,630
Assumed Reinsurance Basis	289,410
Net of Ceded Reinsurance Basis	21,040,598

Environmental:	2005	2006	2007	2008	2009
Direct Basis					
Beginning Reserves	56,814,430	54,879,784	40,441,109	36,069,881	29,859,357
Incurred losses and LAE	12,685,288	3,828,060	470,495	546,973	2,252,290
Calendar year payments	14,619,934	18,266,735	4,841,723	6,757,497	7,588,540
Ending Reserves	54,879,784	40,441,109	36,069,881	29,859,357	24,523,107
Assumed Reinsurance Basis					
Beginning Reserves	5,670,799	4,185,543	3,835,770	3,268,416	3,259,270
Incurred losses and LAE	(978,422)	70,483	118,033	287,223	1,374,929
Calendar year payments	506,834	420,256	685,387	296,369	414,076
Ending Reserves	4,185,543	3,835,770	3,268,416	3,259,270	4,220,123
Net of Ceded Reinsurance Basis					
Beginning Reserves	42,137,075	34,145,718	31,629,278	29,090,873	24,926,969
Incurred losses and LAE	40,749	1,616,059	785,521	(1,056)	(227)
Calendar year payments	8,032,106	4,132,499	3,323,926	4,162,848	3,831,071
Ending Reserves	34,145,718	31,629,278	29,090,873	24,926,969	21,095,671

NOTES TO FINANCIAL STATEMENTS

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	14,025,460
Assumed Reinsurance Basis	2,925,759
Net of Ceded Reinsurance Basis	13,087,928
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	11,325,842
Assumed Reinsurance Basis	52,256
Net of Ceded Reinsurance Basis	7,772,890

Note 33- Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 34 - Multiple Peril Crop Insurance

Not applicable

Note 35 – Financial Guarantee Insurance Contracts

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

1.3 State Regulating? Wisconsin

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]

2.2 If yes, date of change: 10/14/2009

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

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. 12/31/2004

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). 06/30/2006

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 [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] 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]

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
	00000	
	00000	
	00000	

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]

GENERAL INTERROGATORIES

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control.

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

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated 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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 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. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Roy K. Morell
175 Berkeley Street, Boston, MA 02116
Officer of Liberty Mutual Insurance Company

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

11.11 Name of real estate holding company: St. James/Arlington Real Estate

11.12 Number of parcels involved: 2

11.13 Total book/adjusted carrying value: $ 13,553,366

11.2 If yes, provide explanation:
Employers Insurance Company of Wausau directly owns 3% of St James/Arlington Real Estate LP.

GENERAL INTERROGATORIES

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

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

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

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

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

13.1 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 [ ]

13.11 If the response to 13.1 is no, please explain:

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

13.21 If the response to 13.2 is yes, provide information related to amendment(s).

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

13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. 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 [ ]

15. 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 [ ]

16. 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

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

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

18.11 To directors or other officers	$ 0
18.12 To stockholders not officers	$ 0
18.13 Trustees, supreme or grand (Fraternal only)	$ 0

GENERAL INTERROGATORIES

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

18.21	To directors or other officers	$ 0
18.22	To stockholders not officers	$ 0
18.23	Trustees, supreme or grand (Fraternal only)	$ 0

19.1 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]

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

19.21	Rented from others	$ 0
19.22	Borrowed from others	$ 0
19.23	Leased from others	$ 0
19.24	Other	$ 0

20.1 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]

20.2 If answer is yes:

20.21	Amount paid as losses or risk adjustment	$ 0
20.22	Amount paid as expenses	$ 0
20.23	Other amounts paid	$ 0

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

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

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes [X] No [ ]

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

22.3 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 16 where this information is also provided)
Please reference note 17B.

22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [ ] N/A [ ]

22.5 If answer to 22.4 is yes, report amount of collateral. $ 36,789,967

22.6 If answer to 22.4 is no, report amount of collateral. $ 0

23.1 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 19.1 and 22.3.) Yes [X] No [ ]

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

23.21	Subject to repurchase agreements	$ 0
23.22	Subject to reverse repurchase agreements	$ 0
23.23	Subject to dollar repurchase agreements	$ 0
23.24	Subject to reverse dollar repurchase agreements	$ 0
23.25	Pledged as collateral	$ 0
23.26	Placed under option agreements	$ 0
23.27	Letter stock or securities restricted as to sale	$ 0
23.28	On deposit with state or other regulatory body	$ 368,406,410
23.29	Other	$ 0

GENERAL INTERROGATORIES

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

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

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

26. 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 3, III Conducting Examinations, F – Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

26.01 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
JP Morgan Chase	3 Chase Metro Tech Center, Brooklyn, NY 11245
Royal Trust/RBC	77 King Street West, Toronto, Ontario M5W 1P9
Bank of New York	919 Congress, Suite 500, Austin, TX 78701

26.02 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)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [ ] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name(s)	3 Address
N/A	Liberty Mutual Insurance Company	175 Berkeley St., Boston, MA 02116
N/A	Liberty Mutual Investment Advisors, LL	175 Berkeley St., Boston, MA 02116
N/A	Stancorp Mortgage Investors	1100 SW Sixth Avenue, Portland, OR 97204

27.1 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

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		0
		0
		0
27.2999 TOTAL		0

27.3 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	

28. 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 (+)
28.1 Bonds	1,828,171,346	1,872,155,067	43,983,721
28.2 Preferred stocks	81,323,889	81,464,781	140,892
28.3 Totals	1,909,495,235	1,953,619,848	44,124,613

28.4 Describe the sources or methods utilized in determining the fair values:
The primary source is published unit prices from the NAIC Securities Valuation Office. The secondary source is the pricing vendor, Interactive Data Corporation, followed by backfill from Bloomberg. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

29.1 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]

29.2 If 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]

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

The Company reviews the pricing methodology of its vendors on an annual basis. The company has also established acceptable price change and tolerance guidelines. Vendor prices falling outside the guidelines are furthered reviewed by management on a monthly basis. All prices determined internally by the insurer are reviewed and signed off by the Chief Investment Officer.

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? $ 29,508

GENERAL INTERROGATORIES

31.2 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
Workers Compensation Rating & INSP Bureau of MA	29,508
	0
	0

32.1 Amount of payments for legal expenses, if any? $ 0

32.2 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

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

33.2 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 Current Year	2 Prior Year
2.1	Premium Numerator	$ 4,134	$ 6,452
2.2	Premium Denominator	$ 796,763,783	$ 1,111,055,765
2.3	Premium Ratio (2.1/2.2)	0.00	0.00
2.4	Reserve Numerator	$ 387,293	$ 542,544
2.5	Reserve Denominator	$ 2,087,790,899	$ 2,596,602,746
2.6	Reserve Ratio (2.4/2.5)	0.00	0.00

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21	Participating policies	$ 0
3.22	Non-participating policies	$ 0

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:
See Note 20C

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 industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we employ RiskLink v9.0 from RMS and AIR Clasic/2 v11.0. For WC, Liberty Mutual utilizes RiskLink v9.0 from RMS.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 20C

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

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

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No [ ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 5

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 [X]

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 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [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 [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]
11.2 If yes, give full information

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

12.11 Unpaid losses	$ 12,849,886
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	$ 5,849,243

12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 11,952,398

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 [X] 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	4.00
12.42 To	6.00

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 or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No [ ]

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

12.61 Letters of Credit	$ 653,854,440
12.62 Collateral and other funds	$ 58,596,091

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 3,922,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 11

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums and recoverables were allocated pursuant to allocation agreements

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 [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

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

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$ 0	$ 0	$ 0	$ 0	$ 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 it excludes from Schedule F – Part 5. Yes [ ] No [X]

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

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.12	Unfunded portion of Interrogatory 17.11	$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14	Case reserves portion of Interrogatory 17.11	$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16	Unearned premium portion of Interrogatory 17.11	$ 0
17.17	Contingent commission portion of Interrogatory 17.11	$ 0

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

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.19	Unfunded portion of Interrogatory 17.18	$ 0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$ 0
17.21	Case reserves portion of Interrogatory 17.18	$ 0
17.22	Incurred but not reported portion of Interrogatory 17.18	$ 0
17.23	Unearned premium portion of Interrogatory 17.18	$ 0
17.24	Contingent commission portion of Interrogatory 17.18	$ 0

18.1	Do you act as a custodian for health savings accounts?	Yes [ ] 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 adminstered as of the reporting date.	$ 0

FIVE – YEAR HISTORICAL DATA

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

		1 2009	2 2008	3 2007	4 2006	5 2005
	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,	1,671,402,098	2,052,861,150	2,034,018,756	2,507,103,999	2,294,647,778
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	153,896,732	205,032,468	149,565,834	356,923,052	335,989,604
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	200,256,601	285,741,330	229,684,226	434,415,404	342,042,593
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,164,772	(15,675,860)	21,084,121	39,981,726	32,141,525
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	19,882,742	23,163,023	18,244,675	18,352,908	13,142,895
6.	Total (Line 35)	2,046,602,945	2,551,122,111	2,452,597,612	3,356,777,089	3,017,964,395
	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,	473,034,981	707,669,879	687,268,655	1,214,699,365	1,118,026,044
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	130,217,775	183,338,000	121,217,308	312,872,688	288,609,093
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	99,120,718	172,343,529	132,639,182	312,501,499	243,663,902
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,016,830	(15,828,295)	20,926,756	39,833,130	31,946,972
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	19,622,878	23,130,966	18,228,777	18,354,283	13,128,404
12.	Total (Line 35)	723,013,182	1,070,654,079	980,280,678	1,898,260,965	1,695,374,415
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	(88,144,551)	(63,124,588)	(65,390,201)	(57,329,786)	(125,415,355)
14.	Net investment gain (loss) (Line 11)	94,113,880	161,242,549	180,636,494	200,096,344	202,828,724
15.	Total other income (Line 15)	(12,717,686)	(12,274,655)	(10,555,308)	(13,852,594)	(19,220,144)
16.	Dividends to policyholders (Line 17)	1,851,061	2,679,073	6,977,259	8,164,416	5,777,263
17.	Federal and foreign income taxes incurred (Line 19)	(44,824,523)	(12,921,739)	(44,359,170)	30,628,907	(6,813,745)
18.	Net income (Line 20)	36,225,105	96,085,972	142,072,896	90,120,641	59,229,707
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	3,333,261,422	3,719,919,033	4,077,177,589	5,295,626,509	4,687,160,333
20.	Premiums and considerations (Page 2, Col. 3)					
	20.1 In course of collection (Line 13.1)	104,375,332	184,126,048	152,486,617	164,489,328	146,298,699
	20.2 Deferred and not yet due (Line 13.2)	264,962,269	305,750,099	324,193,894	458,832,158	331,165,209
	20.3 Accrued retrospective premiums (Line 13.3)	35,178,754	47,917,537	51,079,004	111,330,503	112,656,110
21.	Total liabilities excluding protected cell business (Page 3, Line 24)	2,257,975,420	2,770,468,781	2,778,765,619	4,087,255,690	3,616,497,879
22.	Losses (Page 3, Line 1)	1,341,941,115	1,660,695,040	1,659,389,032	2,446,787,889	2,289,679,733
23.	Loss adjustment expenses (Page 3, Line 3)	271,490,026	324,963,843	338,953,050	501,555,668	465,559,373
24.	Unearned premiums (Page 3, Line 9)	351,257,899	437,433,448	484,675,823	749,402,922	671,888,149
25.	Capital paid up (Page 3, Lines 28 & 29)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26.	Surplus as regards policyholders (Page 3, Line 35)	1,075,286,002	949,450,252	1,298,411,970	1,208,370,819	1,070,662,454
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	(391,137,096)	70,786,116	(992,351,339)	336,821,159	269,506,086
	Risk-Based Capital Analysis					
28.	Total adjusted capital	1,075,286,002	949,450,252	1,298,411,970	1,208,370,819	1,070,662,454
29.	Authorized control level risk-based capital	230,123,596	262,451,971	251,726,253	306,138,589	289,630,426
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30.	Bonds (Line 1)	65.6	72.2	81.0	91.4	96.2
31.	Stocks (Lines 2.1 & 2.2)	18.8	15.0	9.1	2.0	0.1
32.	Mortgage loans on real estate (Lines 3.1 and 3.2)	2.9	2.7			
33.	Real estate (Lines 4.1, 4.2 & 4.3)	0.8	0.8	0.7	0.5	0.6
34.	Cash, cash equivalents and short-term investments (Line 5)	4.3	2.0	3.5	2.9	1.2
35.	Contract loans (Line 6)					
36.	Other invested assets (Line 7)	7.5	7.3	5.7	3.2	1.8
37.	Receivables for securities (Line 8)	0.1	0.0	0.1	0.1	0.1
38.	Aggregate write-ins for invested assets (Line 9)					
39.	Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
40.	Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
41.	Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	33,315,029	33,315,029			
42.	Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	425,229,925	370,337,663	221,294,436		
43.	Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
44.	Affiliated mortgage loans on real estate					
45.	All other affiliated	13,553,366	15,790,504	15,248,796	14,834,328	
46.	Total of above Lines 40 to 45	472,098,320	419,443,196	236,543,232	14,834,328	
47.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)	43.9	44.2	18.2	1.2	

FIVE – YEAR HISTORICAL DATA
(Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	58,256,372	(229,657,304)	(10,861,978)	8,764,385	(1,542,970)
49. Dividends to stockholders (Line 35)		(170,000,000)			
50. Change in surplus as regards policyholders for the year (Line 38)	125,835,750	(348,961,718)	90,041,151	137,708,365	75,513,487
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	1,495,172,418	1,308,330,911	1,940,353,824	1,352,058,931	1,346,229,885
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	119,259,855	129,647,773	199,812,903	233,085,047	245,346,154
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	165,732,136	200,369,541	191,732,607	197,345,299	223,153,836
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,111,753	12,380,041	10,623,140	4,618,150	11,896,115
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)	54,112,068	41,584,350	74,778,627	40,501,540	52,852,616
56. Total (Line 35)	1,836,388,230	1,692,312,616	2,417,301,101	1,827,608,967	1,879,478,606
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	619,914,772	484,806,455	1,225,905,879	598,763,854	597,931,206
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	107,040,308	108,521,834	111,891,296	180,689,673	147,133,533
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	104,869,058	132,135,513	133,917,063	133,355,257	154,343,251
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	671,573	10,927,722	9,800,941	2,621,452	8,505,544
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)	15,704,578	8,827,470	40,429,572	24,340,794	17,484,728
62. Total (Line 35)	848,200,289	745,218,994	1,521,944,751	939,771,030	925,398,262
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	65.8	67.8	61.9	61.1	63.8
65. Loss expenses incurred (Line 3)	19.5	15.8	15.9	15.3	18.8
66. Other underwriting expenses incurred (Line 4)	25.8	22.1	27.8	26.8	24.9
67. Net underwriting gain (loss) (Line 8)	(11.1)	(5.7)	(5.5)	(3.2)	(7.6)
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	30.1	24.1	34.5	26.4	25.5
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	85.3	83.5	77.8	76.4	82.6
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)	67.2	112.8	75.5	157.1	158.3
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	19,291	(33,312)	31,239	79,074	81,856
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)	2.0	(2.6)	2.6	7.4	8.2
Two Year Loss Development (000 omitted)					
73. 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)	(4,012)	23,775	112,836	215,357	213,947
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.3)	2.0	10.5	21.6	28.5

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 [X]

If no, please explain:

Not applicable

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	59,612	19,244	17,078	4,928	3,069	22	1,821	55,565	X X X
2. 2000	731,566	128,037	603,529	592,750	107,874	49,563	7,808	61,278	1,265	15,400	586,644	X X X
3. 2001	756,848	133,124	623,724	580,837	138,680	46,826	7,993	58,275	1,022	19,015	538,243	X X X
4. 2002	859,012	175,753	683,259	548,264	119,936	43,275	6,849	66,003	771	28,963	529,986	X X X
5. 2003	953,902	232,868	721,034	496,869	111,615	40,633	4,624	70,127	1,035	30,187	490,355	X X X
6. 2004	982,228	260,142	722,086	478,531	125,755	35,421	6,129	68,973	3,755	29,472	447,286	X X X
7. 2005	1,000,256	239,719	760,537	558,306	171,100	33,639	6,500	69,005	5,021	28,298	478,329	X X X
8. 2006	1,084,627	254,004	830,623	450,637	86,524	29,318	3,334	73,284	5,435	27,635	457,946	X X X
9. 2007	1,153,314	280,042	873,272	469,930	112,157	25,998	3,416	73,357	6,677	31,523	447,035	X X X
10. 2008	1,229,194	340,346	888,848	499,666	129,351	19,908	2,478	78,207	5,603	26,722	460,349	X X X
11. 2009	1,170,564	373,802	796,762	317,837	115,150	7,601	1,394	62,485	998	16,118	270,381	X X X
12. Totals	X X X	X X X	X X X	5,053,239	1,237,386	349,260	55,453	684,063	31,604	255,154	4,762,119	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	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	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	370,309	113,985	188,686	113,471	22,955	19,048	83,346	29,374	8,449	1	4,305	397,866	X X X
2. 2000	25,876	9,495	10,304	8,279	729	205	2,444	1,408	554	2	307	20,518	X X X
3. 2001	30,917	12,757	13,953	10,981	751	346	3,869	1,871	639	3	384	24,171	X X X
4. 2002	26,619	16,798	20,464	16,198	877	405	4,081	1,349	621	2	555	17,910	X X X
5. 2003	26,423	10,735	44,153	18,266	1,056	440	4,799	1,929	710	4	969	45,767	X X X
6. 2004	30,744	10,452	48,220	13,617	983	197	8,473	1,715	2,955	28	1,428	65,366	X X X
7. 2005	41,066	14,067	58,675	24,735	1,325	230	11,260	1,843	2,707	303	2,112	73,855	X X X
8. 2006	57,884	14,154	77,377	25,132	2,086	408	19,766	3,523	3,410	36	2,908	117,270	X X X
9. 2007	83,221	16,648	107,129	27,324	2,915	431	27,392	4,395	5,483	117	4,327	177,225	X X X
10. 2008	134,152	29,284	175,252	42,572	3,685	572	40,158	8,415	14,319	415	6,042	286,308	X X X
11. 2009	134,425	22,866	264,049	56,146	3,427	274	42,335	6,411	28,971	339	15,797	387,171	X X X
12. Totals	961,636	271,241	1,008,262	356,721	40,789	22,556	247,923	62,233	68,818	1,250	39,134	1,613,427	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	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	331,539	66,327
2. 2000	743,498	136,336	607,162	101.631	106.482	100.602			8.000	18,406	2,112
3. 2001	736,067	173,653	562,414	97.254	130.445	90.170			8.000	21,132	3,039
4. 2002	710,204	162,308	547,896	82.677	92.350	80.189			8.000	14,087	3,823
5. 2003	684,770	148,648	536,122	71.786	63.834	74.355			8.000	41,575	4,192
6. 2004	674,300	161,648	512,652	68.650	62.138	70.996			8.000	54,895	10,471
7. 2005	775,983	223,799	552,184	77.578	93.359	72.604			8.000	60,939	12,916
8. 2006	713,762	138,546	575,216	65.807	54.545	69.251			8.000	95,975	21,295
9. 2007	795,425	171,165	624,260	68.969	61.121	71.485			8.000	146,378	30,847
10. 2008	965,347	218,690	746,657	78.535	64.255	84.003			8.000	237,548	48,760
11. 2009	861,130	203,578	657,552	73.565	54.461	82.528			8.000	319,462	67,709
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,341,936	271,491

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) 1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	981,386	1,077,008	1,135,332	1,189,508	1,261,218	1,318,566	1,354,962	1,399,137	1,389,722	1,422,604	32,882	23,467
2. 2000	480,346	501,486	504,473	521,423	535,269	539,785	543,394	548,667	549,289	549,029	(260)	362
3. 2001	X X X	489,325	475,505	483,074	476,503	491,408	498,833	502,620	503,859	506,444	2,585	3,824
4. 2002	X X X	X X X	479,458	453,418	453,983	470,293	478,904	482,274	483,969	483,827	(142)	1,553
5. 2003	X X X	X X X	X X X	497,347	446,102	433,312	459,349	466,998	466,873	469,515	2,642	2,517
6. 2004	X X X	X X X	X X X	X X X	491,103	457,770	445,787	449,254	449,934	449,365	(569)	111
7. 2005	X X X	X X X	X X X	X X X	X X X	533,393	506,601	496,055	490,980	491,149	169	(4,906)
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	539,812	519,362	512,036	510,151	(1,885)	(9,211)
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	580,304	571,362	558,575	(12,787)	(21,729)
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	672,469	669,125	(3,344)	X X X
11. 2009	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	577,752	X X X	X X X
										12. Totals	19,291	(4,012)

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) 1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	218,495	399,278	526,295	639,780	725,160	795,604	862,386	922,928	975,446	X X X	X X X
2. 2000	214,114	333,804	396,154	439,547	479,358	495,721	507,502	515,848	522,364	526,631	X X X	X X X
3. 2001	X X X	220,465	332,134	388,406	421,852	446,407	459,343	469,442	476,261	480,990	X X X	X X X
4. 2002	X X X	X X X	206,957	317,155	381,186	412,768	439,345	451,268	459,603	464,754	X X X	X X X
5. 2003	X X X	X X X	X X X	190,438	289,226	337,161	372,231	396,218	410,925	421,263	X X X	X X X
6. 2004	X X X	X X X	X X X	X X X	172,161	264,514	307,840	343,284	367,137	382,068	X X X	X X X
7. 2005	X X X	X X X	X X X	X X X	X X X	197,327	302,509	354,880	390,344	414,345	X X X	X X X
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	192,135	293,302	350,883	390,097	X X X	X X X
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	198,424	316,473	380,355	X X X	X X X
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	244,920	387,745	X X X	X X X
11. 2009	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	208,894	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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009
1. Prior	328,944	228,761	157,360	125,842	109,068	131,697	136,857	147,188	117,815	137,910
2. 2000	131,156	49,327	20,770	14,039	11,504	8,416	6,815	8,201	5,827	3,690
3. 2001	X X X	135,402	54,086	31,867	15,445	13,009	10,505	9,644	6,557	5,332
4. 2002	X X X	X X X	142,080	54,883	23,503	17,810	14,188	12,968	8,841	7,154
5. 2003	X X X	X X X	X X X	205,602	83,425	37,046	44,034	41,238	33,860	30,688
6. 2004	X X X	X X X	X X X	X X X	222,896	125,010	82,989	64,121	52,887	44,439
7. 2005	X X X	X X X	X X X	X X X	X X X	239,308	129,556	84,605	60,149	47,311
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	251,713	144,719	98,111	72,624
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	262,888	163,040	107,524
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	279,426	172,080
11. 2009	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	253,818

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, Etc.	Active Status	2 Direct Premiums Written	3 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	4,220,867	3,929,143	(42,197)	3,680,144	1,490,366	30,646,082		
2. Alaska AK	L	2,806,071	3,027,350	15,336	4,735,453	5,789,952	41,700,266		
3. Arizona AZ	L	2,217,966	2,331,341	12,174	2,293,014	2,238,165	15,387,917		
4. Arkansas AR	L	3,481,232	3,407,620	3,965	1,912,134	1,869,639	11,006,335		
5. California CA	L	36,435,288	37,322,016	133,232	38,544,841	57,098,186	261,827,778		
6. Colorado CO	L	3,408,469	3,569,793	69,539	3,105,992	4,389,646	25,823,593		
7. Connecticut CT	L	4,274,512	3,826,776	(207,000)	4,992,973	4,716,198	39,713,092		
8. Delaware DE	L	757,412	665,613	(7,055)	743,944	(939,057)	11,429,171		
9. District of Columbia DC	L	2,670,424	2,422,091	3	1,368,266	1,454,560	7,004,288		
10. Florida FL	L	15,668,276	15,501,354	29,920	11,258,022	10,831,533	93,152,935		
11. Georgia GA	L	5,607,954	5,852,420	11,210	6,307,031	6,249,009	33,775,247		
12. Hawaii HI	L	1,431,242	1,313,008	126	894,267	1,764,983	5,985,119		
13. Idaho ID	L	2,776,158	3,010,766	19,924	2,368,931	2,088,748	13,252,835		10,434
14. Illinois IL	L	11,703,728	10,850,393	(28,183)	22,206,707	6,652,052	107,192,246		
15. Indiana IN	L	5,656,064	4,888,985	(36,388)	6,585,982	3,248,547	38,327,370		
16. Iowa IA	L	2,929,493	3,029,186	2,943	3,397,573	2,522,095	13,008,058		
17. Kansas KS	L	2,307,116	1,988,489	(3,464)	4,337,789	643,822	28,160,721		
18. Kentucky KY	L	5,065,425	5,195,886	4,967	9,959,642	(374,851)	68,577,358		
19. Louisiana LA	L	2,288,708	2,711,374	(11,543)	2,799,430	5,493,504	29,562,191		
20. Maine ME	L	1,329,829	1,356,415	(80,205)	1,564,069	1,251,188	12,108,300		
21. Maryland MD	L	6,870,848	7,022,317	(8,699)	4,085,606	5,104,184	22,571,880		
22. Massachusetts MA	L	7,814,188	7,356,135	10,891	8,277,456	4,550,225	71,230,253		
23. Michigan MI	L	5,359,173	5,137,517	(40,573)	9,608,276	3,206,712	76,085,978		
24. Minnesota MN	L	8,467,032	8,658,453	(25,817)	10,104,974	15,579,923	124,145,264		
25. Mississippi MS	L	3,265,494	3,637,446	74,864	1,934,941	1,260,240	15,679,558		
26. Missouri MO	L	7,309,212	7,074,747	(48,353)	8,676,007	7,299,533	36,891,157		
27. Montana MT	L	1,202,107	1,225,833	863	1,106,963	2,131,341	8,140,017		
28. Nebraska NE	L	3,878,458	3,781,659	(5,382)	3,250,424	2,291,068	20,829,404		
29. Nevada NV	L	2,551,532	2,889,662	(798)	1,177,117	2,583,226	5,967,581		
30. New Hampshire NH	L	1,444,731	1,232,788	(10,595)	1,321,203	5,460	14,959,050		
31. New Jersey NJ	L	8,947,029	8,296,257	(450,174)	13,473,683	6,879,243	81,428,979		
32. New Mexico NM	L	1,168,466	1,196,168	47,731	706,986	1,091,348	6,574,310		
33. New York NY	L	27,064,764	26,927,101	(10,159)	34,122,366	14,581,813	248,355,844		
34. North Carolina NC	L	6,648,769	6,649,087	(7,615)	7,505,270	5,891,528	36,513,024		
35. North Dakota ND	L	65,957	78,806		858	105,346	607,995		
36. Ohio OH	L	2,814,357	2,636,148	(341)	1,190,313	(1,023,294)	19,465,473		
37. Oklahoma OK	L	9,730,773	9,104,600	(20,298)	4,082,463	4,536,283	22,347,633		
38. Oregon OR	L	2,022,711	2,286,291	60,917	14,305,672	8,540,170	25,212,416		
39. Pennsylvania PA	L	7,750,621	6,062,757	(119,562)	11,163,101	(1,350,796)	136,866,905		
40. Rhode Island RI	L	730,612	762,062	(442)	800,429	211,941	5,145,232		
41. South Carolina SC	L	3,885,137	3,554,138	(104,832)	4,679,925	3,897,488	18,811,708		
42. South Dakota SD	L	1,288,638	1,313,237	(1,752)	1,124,912	2,378,865	20,119,455		
43. Tennessee TN	L	11,672,592	12,310,723	(20,822)	7,743,161	5,958,817	36,997,423		
44. Texas TX	L	14,508,200	14,113,444	(60,688)	10,637,157	6,588,843	106,641,660		
45. Utah UT	L	1,189,589	1,222,694	784	1,081,115	827,187	12,523,747		
46. Vermont VT	L	1,063,240	456,215	521	946,313	1,366,030	4,434,250		
47. Virginia VA	L	6,948,362	7,423,060	2,608	4,538,582	1,033,494	30,893,528		
48. Washington WA	L	2,248,200	2,312,614	(83,845)	618,422	(1,079,695)	9,528,263		
49. West Virginia WV	L	1,196,812	1,124,959	29	336,385	459,676	2,286,708		
50. Wisconsin WI	L	26,769,062	32,272,346	611,684	38,225,721	11,076,780	252,331,748		
51. Wyoming WY	L	307,555	288,228	(1)	77,730	(2,605)	756,010		
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	L	2,307	2,117			(43,330)	46,855		
55. U.S. Virgin Islands VI	L	586	454			(168)	572		
56. Northern Mariana Islands MP	N								
57. Canada CN	L	(295)	(295)		1,231,780	(56,137)	7,105,591		
58. Aggregate Other Alien OT	XXX	20,812	47,392	452	39,909	859,577	3,935,566		
59. Totals	(a) 53	303,243,865	304,657,179	(322,100)	341,231,424	235,218,601	2,373,071,939		10,434

DETAILS OF WRITE-INS									
5801. Other Alien	XXX	20,812	47,392	452	39,909	859,577	3,935,566		
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	20,812	47,392	452	39,909	859,577	3,935,566		

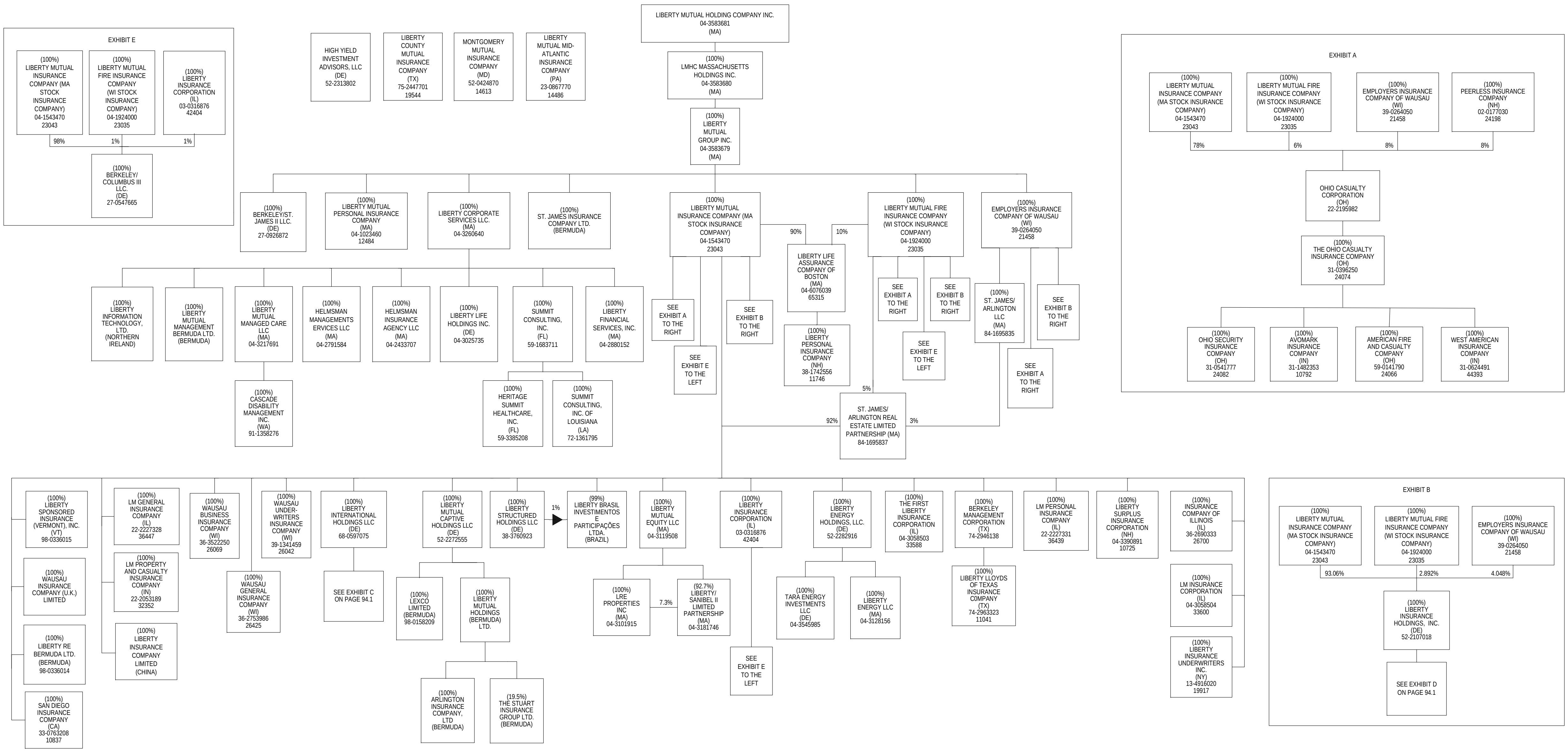
Explanation of basis of allocation of premiums by states, etc.

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

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

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 C

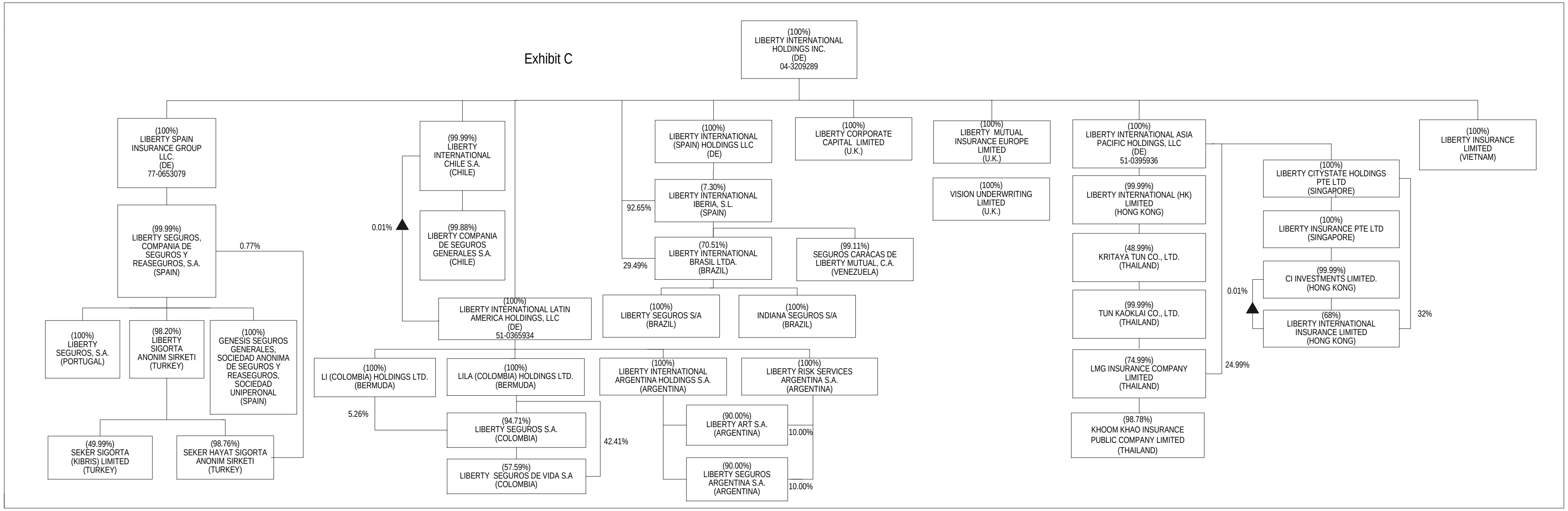
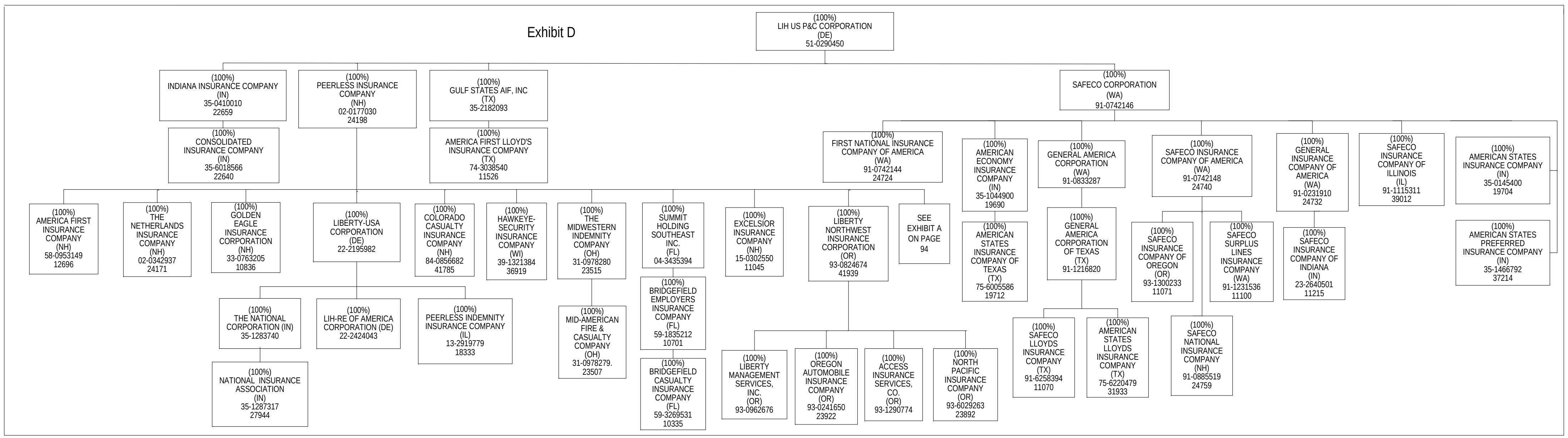


Exhibit D



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2304. Equities and deposits in pools and associations	2,937,025		2,937,025	4,748,629
2397. Totals (Lines 2301. through 2396.) (Page 2, Line 2398)	2,937,025		2,937,025	4,748,629

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR LIABILITIES	1 Current Year	2 Prior Year
2304. Private passenger auto escrow	75,052	
2305. Retroactive reinsurance reserves	(172,899,061)	(221,683,100)
2397. Totals (Lines 2304 through 2396) (Page 3, Line 2398)	(172,824,009)	(221,683,100)

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