ANNUAL STATEMENT

OF THE

LIBERTY MUTUAL FIRE INSURANCE COMPANY

of WAUSAU

in the state of WISCONSIN

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2009

PROPERTY AND CASUALTY

2009

ANNUAL STATEMENT

23035200920100100

For the Year Ended December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Liberty Mutual Fire Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 23035 **Employer's ID Number** 04-1924000

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

Country of Domicile United States of America

Incorporated/Organized: October 31, 1908 **Commenced Business:** November 5, 1908

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

Main Administrative Office: 175 Berkeley Street (Street and Number)
Boston, MA 02116 (City or Town, State and Zip Code) 617-357-9500 (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	Dennis James Langwell	SVP & Chief Financial Officer
Christopher Charles Mansfield	SVP & General Counsel	David Henry Long	Executive Vice President
James Martin McGlennon	SVP & Chief Information Officer	Helen Elizabeth Russell Sayles	Senior Vice President
Paul Garvin Alexander #	Senior Vice President	John Derek Doyle	Vice President & Comptroller
Robert Thomas Muleski	SVP & Corporate Actuary	Timothy Michael Sweeney	Executive Vice President

DIRECTORS OR TRUSTEES

James Paul Condrin, III	Dennis James Langwell	Anthony Alexander Fontanes	David Henry Long
Edmund Francis Kelly	Christopher Charles Mansfield	Timothy Michael Sweeney	

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	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	2,663,105,348		2,663,105,348	1,934,725,156
2. Stocks (Schedule D):				
2.1 Preferred stocks	51,611,692		51,611,692	45,757,949
2.2 Common stocks	480,193,260		480,193,260	405,135,221
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	75,718,264		75,718,264	73,142,017
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 62,582,757, Schedule E - Part 1), cash equivalents ($ 29,231,551, Schedule E - Part 2), and short-term investments ($ 112,576,433, Schedule DA)	204,390,741		204,390,741	212,872,953
6. Contract loans (including $ 0 premium notes)				
7. Other invested assets (Schedule BA)	220,153,387		220,153,387	259,908,755
8. Receivables for securities	7,514,629		7,514,629	1,817,200
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	3,702,687,321		3,702,687,321	2,933,359,251
11. Title plants less $ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	28,519,137		28,519,137	22,593,203
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	155,749,317	2,533,942	153,215,375	124,587,991
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	363,175,679		363,175,679	242,671,447
13.3 Accrued retrospective premiums	63,028,600	6,302,860	56,725,740	47,917,537
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	3,628	1,964	1,664	23,098
16.1 Current federal and foreign income tax recoverable and interest thereon	48,964,357		48,964,357	28,660,658
16.2 Net deferred tax asset	124,702,930	542,487	124,160,443	82,568,725
17. Guaranty funds receivable or on deposit	5,718,736		5,718,736	4,289,767
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets ($ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	3,737,638		3,737,638	52,966
22. Health care ($ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	106,221,016	2,995,131	103,225,885	83,222,339
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,602,508,359	12,376,384	4,590,131,975	3,569,946,982
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,602,508,359	12,376,384	4,590,131,975	3,569,946,982

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	65,924,916		65,924,916	45,933,007
2302. Amounts receivable under high deductible policies	29,638,903	19,789	29,619,114	21,758,826
2303. Other assets	5,921,244	2,975,342	2,945,902	10,781,877
2398. Summary of remaining write-ins for Line 23 from overflow page	4,735,953		4,735,953	4,748,629
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	106,221,016	2,995,131	103,225,885	83,222,339

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	2,163,880,048	1,660,695,040
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	97,019,273	82,442,013
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	437,777,667	324,963,843
4.	Commissions payable, contingent commissions and other similar charges	20,626,651	12,659,271
5.	Other expenses (excluding taxes, licenses and fees)	39,947,601	42,341,185
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	28,931,854	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 $ 2,889,232,678 and including warranty reserves of $ 0)	566,403,363	437,433,448
10.	Advance premium	7,548,722	7,906,805
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	309,734	149,783
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	18,621,070	6,372,616
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	50,572,846	38,600,857
19.	Payable to parent, subsidiaries and affiliates	29,392,540	14,785,942
20.	Payable for securities	38,254,357	2,688,896
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $ 0 and interest thereon $ 0		
23.	Aggregate write-ins for liabilities	17,971,250	(62,922,988)
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	3,517,256,976	2,601,953,831
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	3,517,256,976	2,601,953,831
27.	Aggregate write-ins for special surplus funds	197,468,475	126,208,389
28.	Common capital stock	10,000,000	10,000,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	1,250,000	1,250,000
31.	Surplus notes		
32.	Gross paid in and contributed surplus	375,000,000	375,000,000
33.	Unassigned funds (surplus)	489,156,524	455,534,762
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)	1,072,874,999	967,993,151
36.	Totals (Page 2, Line 26, Col. 3)	4,590,131,975	3,569,946,982

	DETAILS OF WRITE-IN LINES		
2301.	Amounts held under uninsured plans	112,081,078	76,679,472
2302.	Collateral held for securities loaned	105,984,899	11,842,031
2303.	Other liabilities	78,583,986	66,813,918
2398.	Summary of remaining write-ins for Line 23 from overflow page	(278,678,713)	(218,258,409)
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	17,971,250	(62,922,988)
2701.	Special surplus from retroactive reinsurance	166,448,124	126,208,389
2702.	SSAP 10R incremental change	31,020,351	
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	197,468,475	126,208,389
3001.	Guaranty funds	1,250,000	1,250,000
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)	1,250,000	1,250,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	1,284,781,601	1,111,055,765
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	845,608,708	752,887,541
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	250,322,745	175,390,099
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	330,862,213	245,902,713
5.	Aggregate write-ins for underwriting deductions	121,022	
6.	Total underwriting deductions (Lines 2 through 5)	1,426,914,688	1,174,180,353
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(142,133,087)	(63,124,588)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	148,628,961	158,401,356
10.	Net realized capital gains (losses) less capital gains tax of $ 1,421,529 (Exhibit of Capital Gains (Losses))	2,639,983	(4,187,432)
11.	Net investment gain (loss) (Lines 9 + 10)	151,268,944	154,213,924
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 404,490 amount charged off $ 10,539,239)	(10,134,749)	(8,917,172)
13.	Finance and service charges not included in premiums	6,406,994	5,547,043
14.	Aggregate write-ins for miscellaneous income	(18,365,179)	(8,908,389)
15.	Total other income (Lines 12 through 14)	(22,092,934)	(12,278,518)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(12,957,077)	78,810,818
17.	Dividends to policyholders	2,984,835	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)	(15,941,912)	76,131,745
19.	Federal and foreign income taxes incurred	(608,129)	(25,866,829)
20.	Net income (Line 18 minus Line 19) (to Line 22)	(15,333,783)	101,998,574
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	967,993,151	961,295,008
22.	Net income (from Line 20)	(15,333,783)	101,998,574
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 12,765,026	63,738,367	(243,003,410)
25.	Change in net unrealized foreign exchange capital gain (loss)	1,683,388	(1,087,147)
26.	Change in net deferred income tax	(14,309,865)	(17,275,193)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	47,020,516	(29,659,739)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		200,000,000
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(15,000,000)	
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	37,083,225	(4,274,942)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	104,881,848	6,698,143
39.	Surplus as regards policyholders, as of December 31 current year (Lines 21 plus Line 38) (Page 3, Line 35)	1,072,874,999	967,993,151

	DETAILS OF WRITE-IN LINES		
0501.	Private passenger auto escrow	121,022	
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)	121,022	
1401.	Retroactive reinsurance gain	4,018,250	1,213,999
1402.	Other income/(expense)	(22,383,429)	(10,122,388)
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(18,365,179)	(8,908,389)
3701.	SSAP 10R incremental change	31,020,351	
3702.	Other changes in surplus	6,062,874	(4,274,942)
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	37,083,225	(4,274,942)

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	1,253,115,132	1,087,968,866
2.	Net investment income	141,143,875	159,565,807
3.	Miscellaneous income	27,135,168	(19,570,608)
4.	Total (Lines 1 through 3)	1,421,394,175	1,227,964,065
5.	Benefit and loss related payments	324,341,941	728,317,830
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	469,841,893	442,089,269
8.	Dividends paid to policyholders	2,824,885	4,216,073
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	21,117,099	6,254,461
10.	Total (Lines 5 through 9)	818,125,818	1,180,877,633
11.	Net cash from operations (Line 4 minus Line 10)	603,268,357	47,086,432
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	707,272,997	500,138,416
	12.2 Stocks	25,515,470	28,462,705
	12.3 Mortgage loans	3,700,630	2,631,517
	12.4 Real estate		
	12.5 Other invested assets	14,044,458	22,242,917
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	153,542	
	12.7 Miscellaneous proceeds	1,025,934	44,379,532
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	751,713,031	597,855,087
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,374,501,852	392,098,271
	13.2 Stocks	25,764,013	287,766,658
	13.3 Mortgage loans	6,580,801	8,752,919
	13.4 Real estate		
	13.5 Other invested assets	32,387,894	73,699,180
	13.6 Miscellaneous applications	(35,565,462)	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,403,669,098	762,317,028
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)	(651,956,067)	(164,461,941)
	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		200,000,000
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	15,000,000	
	16.6 Other cash provided (applied)	55,205,498	21,567,619
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	40,205,498	221,567,619
	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)	(8,482,212)	104,192,110
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	212,872,953	108,680,843
	19.2 End of year (Line 18 plus Line 19.1)	204,390,741	212,872,953

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	32,248,695	13,426,966	15,655,807	30,019,854
2. Allied lines	18,179,739	6,318,980	7,889,322	16,609,397
3. Farmowners multiple peril	4,811			4,811
4. Homeowners multiple peril	172,582,549	65,583,024	95,318,557	142,847,016
5. Commercial multiple peril	20,833,068	12,472,477	14,641,076	18,664,469
6. Mortgage guaranty				
8. Ocean marine	6,626,813	1,630,793	2,477,128	5,780,478
9. Inland marine	88,634,823	4,044,060	4,710,931	87,967,952
10. Financial guaranty				
11.1 Medical professional liability—occurrence	(4)			(4)
11.2 Medical professional liability—claims-made	330,246	33,484	55,596	308,134
12. Earthquake	5,421,506	2,047,008	2,138,238	5,330,276
13. Group accident and health	448			448
14. Credit accident and health (group and individual)				
15. Other accident and health	6,220	73	75	6,218
16. Workers' compensation	343,055,208	6,630,414	6,916,463	342,769,159
17.1 Other liability—occurrence	78,060,469	28,873,482	32,229,391	74,704,560
17.2 Other liability—claims-made	36,857,210	14,622,136	20,229,735	31,249,611
17.3 Excess Workers' Compensation	12,257,342	3,297,508	4,194,786	11,360,064
18.1 Products liability—occurrence	15,892,193	6,146,040	6,676,244	15,361,989
18.2 Products liability—claims-made	1,265,045	201,606	214,117	1,252,534
19.1,19.2 Private passenger auto liability	339,334,819	115,064,786	155,500,674	298,898,931
19.3,19.4 Commercial auto liability	52,616,972	16,169,039	18,301,143	50,484,868
21. Auto physical damage	131,712,022	82,381,816	109,418,213	104,675,625
22. Aircraft (all perils)	9,536,979	2,005,742	2,578,265	8,964,456
23. Fidelity	1,794,011	423,929	782,556	1,435,384
24. Surety	97,787	114	77,160	20,741
26. Burglary and theft	73,791	30,568	27,685	76,674
27. Boiler and machinery	334,165	108,884	146,369	296,680
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	20,355,819	1,449,522	1,235,271	20,570,070
32. Reinsurance-Nonproportional Assumed Liability	12,926,845	1,229,292	1,959,958	12,196,179
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	1,401,039,591	384,191,743	503,374,760	1,281,856,574

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	15,162,459	493,348			15,655,807
2. Allied lines	7,599,062	290,261			7,889,323
3. Farmowners multiple peril					
4. Homeowners multiple peril	95,318,557				95,318,557
5. Commercial multiple peril	10,221,338	4,419,739			14,641,077
6. Mortgage guaranty					
8. Ocean marine	1,749,658	727,470			2,477,128
9. Inland marine	4,551,683	159,248			4,710,931
10. Financial guaranty					
11.1 Medical professional liability—occurrence					
11.2 Medical professional liablity—claims-made	55,596				55,596
12. Earthquake	2,105,310	32,928			2,138,238
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health	75				75
16. Workers' compensation	56,379,396	7,213,921		(56,676,854)	6,916,463
17.1 Other liability—occurrence	27,313,673	7,491,928		(2,576,211)	32,229,390
17.2 Other liability—claims-made	13,330,812	6,898,923			20,229,735
17.3 Excess Workers' Compensation	3,663,027	531,759			4,194,786
18.1 Products liability—occurrence	5,082,941	2,688,096		(1,094,793)	6,676,244
18.2 Products liability—claims-made	214,117				214,117
19.1,19.2 Private passenger auto liability	155,500,674				155,500,674
19.3,19.4 Commercial auto liability	20,328,909	652,971		(2,680,738)	18,301,142
21. Auto physical damage	109,315,622	102,596		(5)	109,418,213
22. Aircraft (all perils)	2,578,265				2,578,265
23. Fidelity	759,180	23,376			782,556
24. Surety	34,806	42,354			77,160
26. Burglary and theft	27,621	64			27,685
27. Boiler and machinery	143,481	2,888			146,369
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property	1,235,271				1,235,271
32. Reinsurance-Nonproportional Assumed Liability	1,920,922	39,035			1,959,957
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	534,592,455	31,810,905		(63,028,601)	503,374,759
36. Accrued retrospective premiums based on experience					63,028,601
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					566,403,360

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	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire	304,224,049	32,248,695		304,224,049		32,248,695
2. Allied lines	164,039,791	18,179,739		164,039,791		18,179,739
3. Farmowners multiple peril		4,811				4,811
4. Homeowners multiple peril	1,554,799,584	172,582,549		1,554,799,584		172,582,549
5. Commercial multiple peril	32,514,978	20,833,068		32,514,978		20,833,068
6. Mortgage guaranty						
8. Ocean marine	4,662,697	6,626,813		4,662,697		6,626,813
9. Inland marine	37,314,255	88,634,823		37,314,255		88,634,823
10. Financial guaranty						
11.1 Medical professional liability--occurrence		(4)				(4)
11.2 Medical professional liability--claims-made		330,246				330,246
12. Earthquake	42,791,484	5,421,506		42,791,484		5,421,506
13. Group accident and health		448				448
14. Credit accident and health (group and individual)						
15. Other accident and health		6,220				6,220
16. Workers' compensation	514,191,357	343,055,208		514,191,357		343,055,208
17.1 Other liability—occurrence	243,509,400	78,060,469		243,509,400		78,060,469
17.2 Other liability—claims-made	2,068,106	36,857,210		2,068,106		36,857,210
17.3 Excess Workers' Compensation	617,377	12,257,342		617,377		12,257,342
18.1 Products liability—occurrence	65,684,494	15,892,193		65,684,494		15,892,193
18.2 Products liability—claims-made	9,136,581	1,265,045		9,136,581		1,265,045
19.1,19.2 Private passenger auto liability	1,663,398,913	339,334,819		1,663,398,913		339,334,819
19.3,19.4 Commercial auto liability	212,371,309	52,616,972		212,371,309		52,616,972
21. Auto physical damage	1,186,139,598	131,712,022		1,186,139,598		131,712,022
22. Aircraft (all perils)		9,536,979				9,536,979
23. Fidelity	294,694	1,794,011		294,694		1,794,011
24. Surety	7,725,857	97,787		7,725,857		97,787
26. Burglary and theft	132,863	73,791		132,863		73,791
27. Boiler and machinery	2,322,104	334,165		2,322,104		334,165
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X	20,355,819				20,355,819
32. Reinsurance-Nonproportional Assumed Liability	X X X	12,926,845				12,926,845
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	6,047,939,491	1,401,039,591		6,047,939,491		1,401,039,591

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 $ 518,614,636

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 486,473,395

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				5	6	7	8
	1	2	3	4				
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	313,944,471	28,110,810	313,944,471	28,110,810	19,913,980	25,244,716	22,780,074	75.883
2. Allied lines	62,912,658	5,048,035	62,912,658	5,048,035	3,652,376	5,131,623	3,568,788	21.487
3. Farmowners multiple peril		72,318		72,318	5	8,012	64,311	1336.749
4. Homeowners multiple peril	840,344,702	89,623,714	840,344,702	89,623,714	45,924,397	54,587,022	80,961,089	56.677
5. Commercial multiple peril	27,200,953	13,553,228	27,200,953	13,553,228	41,953,870	33,173,230	22,333,868	119.660
6. Mortgage guaranty								
8. Ocean marine	2,255,904	811,381	2,255,904	811,381	8,133,110	7,279,889	1,664,602	28.797
9. Inland marine	13,337,541	59,329,247	13,337,541	59,329,247	13,802,976	10,864,827	62,267,396	70.784
10. Financial guaranty								
11.1 Medical professional liability—occurrence		(16,691)		(16,691)	76,765	59,069	1,005	(25125.000)
11.2 Medical professional liability—claims-made		(18,205)		(18,205)	285,582	63,678	203,699	66.107
12. Earthquake		2,194		2,194	40,589	(7,565)	50,348	0.945
13. Group accident and health		8,664		8,664	321,101	287,365	42,400	9464.286
14. Credit accident and health (group and individual)								
15. Other accident and health		(27,259)		(27,259)	262,040	221,841	12,940	208.106
16. Workers' compensation	627,864,671	(20,760,682)	627,864,671	(20,760,682)	1,219,193,797	944,756,295	253,676,820	74.008
17.1 Other liability—occurrence	175,506,949	(2,453,144)	175,506,949	(2,453,144)	236,012,634	169,934,762	63,624,728	85.168
17.2 Other liability—claims-made	7,586	830,792	7,586	830,792	53,511,842	33,557,001	20,785,633	66.515
17.3 Excess Workers' Compensation		(6,270,995)		(6,270,995)	44,718,833	28,209,936	10,237,902	90.122
18.1 Products liability—occurrence	33,054,942	(7,937,711)	33,054,942	(7,937,711)	67,832,793	41,291,446	18,603,636	121.102
18.2 Products liability—claims-made	393,441	(457,833)	393,441	(457,833)	2,555,380	1,889,953	207,594	16.574
19.1,19.2 Private passenger auto liability	981,301,430	124,629,506	981,301,430	124,629,506	250,246,137	179,364,320	195,511,323	65.411
19.3,19.4 Commercial auto liability	141,718,386	14,974,039	141,718,386	14,974,039	76,346,112	65,980,827	25,339,324	50.192
21. Auto physical damage	592,632,859	54,299,419	592,632,859	54,299,419	(642,457)	890,200	52,766,762	50.410
22. Aircraft (all perils)		1,873,130		1,873,130	12,346,216	8,142,521	6,076,825	67.788
23. Fidelity	518,602	(47,846)	518,602	(47,846)	2,098,385	1,290,193	760,346	52.972
24. Surety	14,080	(55,417)	14,080	(55,417)	224,574	170,318	(1,161)	(5.598)
26. Burglary and theft	35,000	18,493	35,000	18,493	29,053	5,658	41,888	54.631
27. Boiler and machinery		32,494		32,494	65,171	(57,689)	155,354	52.364
28. Credit		(44)		(44)		152	(196)	
29. International								
30. Warranty		(397)		(397)	1,767	1,370		
31. Reinsurance-Nonproportional Assumed Property	X X X	2,186,447		2,186,447	13,001,662	10,271,006	4,917,103	23.904
32. Reinsurance-Nonproportional Assumed Liability	X X X	(6,516,690)		(6,516,690)	51,379,743	37,633,628	7,229,425	59.276
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	37,038		37,038	591,615	449,440	179,213	
34. Aggregate write-ins for other lines of business								
35. TOTALS	3,813,044,175	350,878,035	3,813,044,175	350,878,035	2,163,880,048	1,660,695,044	854,063,039	66.627

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
Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	135,647,040	14,109,897	135,647,040	14,109,897	46,473,350	5,804,083	46,473,350	19,913,980	1,386,649
2. Allied lines	13,022,357	1,774,630	13,022,357	1,774,630	11,003,914	1,877,746	11,003,914	3,652,376	636,291
3. Farmowners multiple peril		5		5				5	
4. Homeowners multiple peril	203,535,955	27,137,614	203,535,955	27,137,614	165,787,905	18,786,783	165,787,905	45,924,397	13,611,545
5. Commercial multiple peril	28,168,442	27,255,779	28,168,442	27,255,779	24,463,153	14,698,091	24,463,153	41,953,870	13,903,477
6. Mortgage guaranty									
8. Ocean marine	629,743	5,373,832	629,743	5,373,832	2,249,819	2,759,278	2,249,819	8,133,110	1,351,711
9. Inland marine	4,812,760	3,464,688	4,812,760	3,464,688	4,385,865	10,338,288	4,385,865	13,802,976	1,471,413
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		15,597		15,597		61,168		76,765	2,193
11.2 Medical professional liablity—claims-made		1,645		1,645		283,937		285,582	5,752
12. Earthquake		22,447		22,447	5,404	18,142	5,404	40,589	1,872
13. Group accident and health		313,650		313,650		7,451		(a) 321,101	28,412
14. Credit accident and health (group and individual)									
15. Other accident and health		23,775		23,775		238,265		(a) 262,040	12,882
16. Workers' compensation	2,021,196,410	678,980,743	2,021,196,410	678,980,743	1,092,802,016	540,213,054	1,092,802,016	1,219,193,797	160,031,122
17.1 Other liability—occurrence	204,808,552	85,699,997	204,808,552	85,699,997	365,339,877	150,312,638	365,339,877	236,012,635	110,073,790
17.2 Other liability—claims-made	6,070,895	13,819,997	6,070,895	13,819,997	4,541,564	39,691,845	4,541,564	53,511,842	19,863,013
17.3 Excess Workers' Compensation		15,362,843		15,362,843	948,642	29,355,990	948,642	44,718,833	3,402,090
18.1 Products liability—occurrence	46,633,966	10,943,264	46,633,966	10,943,264	113,216,583	56,889,529	113,216,583	67,832,793	33,103,277
18.2 Products liability—claims-made		6,450		6,450	5,586,287	2,548,930	5,586,287	2,555,380	1,494,805
19.1,19.2 Private passenger auto liability	1,062,757,509	154,200,871	1,062,757,509	154,200,871	549,276,218	96,045,267	549,276,218	250,246,138	49,801,353
19.3,19.4 Commercial auto liability	216,683,414	42,797,071	216,683,414	42,797,071	275,965,184	33,549,041	275,965,184	76,346,112	13,064,085
21. Auto physical damage		188,591		188,591	(5,184,314)	(831,048)	(5,184,314)	(642,457)	7,213,271
22. Aircraft (all perils)		6,902,659		6,902,659		5,443,558		12,346,217	3,158,394
23. Fidelity	4,003	199,409	4,003	199,409	33,722	1,898,976	33,722	2,098,385	406,252
24. Surety	1	74,957	1	74,957	2,539,257	149,617	2,539,257	224,574	(8,637)
26. Burglary and theft		1,368		1,368	109,144	27,684	109,144	29,052	161,329
27. Boiler and machinery		619		619	41,250	64,552	41,250	65,171	9,901
28. Credit									
29. International									
30. Warranty						1,767		1,767	
31. Reinsurance-Nonproportional Assumed Property	X X X	6,814,633		6,814,633	X X X	6,187,029		13,001,662	362,839
32. Reinsurance-Nonproportional Assumed Liability	X X X	17,200,629		17,200,629	X X X	34,179,114		51,379,743	3,220,612
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	576,883		576,883	X X X	14,732		591,615	7,976
34. Aggregate write-ins for other lines of business									
35. TOTALS	3,943,971,047	1,113,264,543	3,943,971,047	1,113,264,543	2,659,584,840	1,050,615,507	2,659,584,840	2,163,880,050	437,777,669

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	263,933,962			263,933,962
1.2 Reinsurance assumed	136,678,573			136,678,573
1.3 Reinsurance ceded	263,933,962			263,933,962
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	136,678,573			136,678,573
2. Commission and brokerage:				
2.1 Direct, excluding contingent		194,483,321		194,483,321
2.2 Reinsurance assumed, excluding contingent		(50,325,124)		(50,325,124)
2.3 Reinsurance ceded, excluding contingent		194,483,321		194,483,321
2.4 Contingent—direct		125,459,382		125,459,382
2.5 Contingent—reinsurance assumed		17,394,511		17,394,511
2.6 Contingent—reinsurance ceded		125,459,382		125,459,382
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)		(32,930,613)		(32,930,613)
3. Allowances to manager and agents		14,240,607	3	14,240,610
4. Advertising	1,926,427	24,370,685	3,589	26,300,701
5. Boards, bureaus and associations	355,273	3,005,620	106	3,360,999
6. Surveys and underwriting reports	24,093	4,005,765	3,715	4,033,573
7. Audit of assureds' records		(2,101)		(2,101)
8. Salary and related items:				
8.1 Salaries	64,080,480	140,239,630	672,409	204,992,519
8.2 Payroll taxes	3,860,929	9,801,544	38,465	13,700,938
9. Employee relations and welfare	13,415,531	35,145,000	37,305	48,597,836
10. Insurance	4,085,418	870,250	7,784	4,963,452
11. Directors' fees		46,957		46,957
12. Travel and travel items	3,797,794	10,495,685	12,267	14,305,746
13. Rent and rent items	5,265,172	14,039,452	12,183	19,316,807
14. Equipment	4,179,768	11,655,827	10,778	15,846,373
15. Cost or depreciation of EDP equipment and software	833,789	6,079,275	5,526	6,918,590
16. Printing and stationery	643,091	2,524,156	1,769	3,169,016
17. Postage, telephone and telegraph, exchange and express	2,471,499	8,632,255	22,654	11,126,408
18. Legal and auditing	677,576	2,601,625	193,128	3,472,329
19. Totals (Lines 3 to 18)	105,616,840	287,752,232	1,021,681	394,390,753
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 1,029,943		49,837,132		49,837,132
20.2 Insurance department licenses and fees		2,454,747		2,454,747
20.3 Gross guaranty association assessments		(481,528)		(481,528)
20.4 All other (excluding federal and foreign income and real estate)		479,590		479,590
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		52,289,941		52,289,941
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	8,027,331	23,750,654	120,602	31,898,587
25. Total expenses incurred	250,322,744	330,862,214	1,142,283	(a) 582,327,241
26. Less unpaid expenses—current year	437,777,666	89,506,105		527,283,771
27. Add unpaid expenses—prior year	324,963,843	88,837,576		413,801,419
28. Amounts receivable relating to uninsured plans, prior year		23,098		23,098
29. Amounts receivable relating to uninsured plans, current year		1,664		1,664
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	137,508,921	330,172,251	1,142,283	468,823,455

DETAILS OF WRITE-IN LINES				
2401. Other expenses	3,061,978	23,750,654	120,602	26,933,234
2402. Change in unallocated expense reserves	4,965,353			4,965,353
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	8,027,331	23,750,654	120,602	31,898,587

(a) Includes management fees of $ 970,827 to affiliates and $ 17,286,158 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 6,624,677	8,305,227
1.1	Bonds exempt from U.S. tax	(a) 37,840,813	41,444,142
1.2	Other bonds (unaffiliated)	(a) 74,291,244	75,368,486
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 1,421,908	1,383,037
2.11	Preferred stocks of affiliates	(b) 2,431,226	2,431,226
2.2	Common stocks (unaffiliated)	2,316,368	2,191,202
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 4,541,570	4,543,182
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 2,070,072	1,802,014
7.	Derivative instruments	(f) 26,798	22,093
8.	Other invested assets	4,268,879	4,268,879
9.	Aggregate write-ins for investment income	8,011,758	8,011,758
10.	Total gross investment income	143,845,313	149,771,246
11.	Investment expenses		(g) 1,142,285
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		1,142,285
17.	Net investment income (Line 10 minus Line 16)		148,628,961

	DETAILS OF WRITE-IN LINES		
0901.	Investment Income / (Expense) - Pooling Restatement	7,552,905	7,552,905
0902.	Miscellaneous Income / (Expense)	458,853	458,853
0903.			
0998.	Summary of remaining write-ins for Line 09 from overflow page		
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	8,011,758	8,011,758
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 $ 4,182,729 accrual of discount less $ 2,579,043 amortization of premium and less $ 7,747,636 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 $ 21,615 paid for accrued interest on purchases.
(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 316,671 accrual of discount less $ 85,520 amortization of premium and less $ 501,916 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 0 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 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	4,848		4,848		
1.1	Bonds exempt from U.S. tax	19,031		19,031	798,803	
1.2	Other bonds (unaffiliated)	18,024,188	(10,151,449)	7,872,739	50,852,229	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	1,275,492	(993,960)	281,532	11,264,391	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	11,698,709	(3,139,823)	8,558,886	10,386,452	
2.21	Common stocks of affiliates				40,265,979	
3.	Mortgage loans	(224,777)		(224,777)	(79,147)	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	153,542		153,542		
7.	Derivative instruments	6,762,462		6,762,462	3,424,692	
8.	Other invested assets	5,057,711	(24,424,461)	(19,366,750)	(40,410,006)	1,683,386
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	42,771,206	(38,709,693)	4,061,513	76,503,393	1,683,386

	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		9,906,000	9,906,000
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)		9,906,000	9,906,000
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	2,533,942	1,997,663	(536,279)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums	6,302,860	5,324,170	(978,690)
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	1,964	343	(1,621)
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	542,487	69,209,275	68,666,788
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	2,995,131	3,797,176	802,045
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	12,376,384	90,234,627	77,858,243
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	12,376,384	90,234,627	77,858,243

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	2,975,342	2,329,894	(645,448)
2302. Amounts receivable under high deductible policies	19,789	1,467,282	1,447,493
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,995,131	3,797,176	802,045

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

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

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

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods. 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.

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)

NOTES TO FINANCIAL STATEMENTS

Note 3- Business Combinations and Goodwill

A. Statutory Purchase Method

Acquired Company	Date of Acquisition	% Ownership	Cost	Unamortized Goodwill December 31, 2008	Goodwill Amortization Current Year
Ohio Casualty Corporation	August 24, 2009	6%	$130,045,566	$67,493,273	$8,828,420

B. Statutory Mergers

The Company did not enter into any statutory purchases 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 $1,587 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 $357,726, of which there is a related allowance for credit losses of $110,065.
(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 $22,361 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 $30,918 and at the beginning of 2008 was $24,169.
   b) There were $79,147 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 in 2009 and $6,749 in 2008.
   d) There were no recoveries of amounts previously charged off.
   e) The balance in the allowance for credit losses was $110,065 in 2009 and $30,918 in 2008.

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

B. Troubled Debt Restructuring for Creditors

(1) There was $743,551 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.

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:

NOTES TO FINANCIAL STATEMENTS

	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	8,680,445	633,550	3,280,408

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-temporary impairment	5 Amortized cost after other-than-temporary impairment	6 Fair Value
32052TAD8	8,649,449	8,043,795	605,654	8,043,795	3,277,308
81375BAM4	30,996	3,100	27,897	3,100	3,100

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	(2,161,914)	(2,454,855)

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	31,748,828	33,572,724	27,564,572	13,098,776	105,984,899

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.

F. Real Estate

The Company does not own real estate.

G. Investments in Low-Income Housing Tax Credits ("LIHTC")

1. There are four years remaining of unexpired tax credits. The required holding period for the LIHTC investment is in 12 years.

NOTES TO FINANCIAL STATEMENTS

2. The Company's LIHTC property is not currently subject to any regulatory reviews.
3. The carrying value of the Company's investment in LIHTC did not exceed 10% of its admitted assets.
4. The Company did not recognize any impairment loss on its LIHTC investment during the year.
5. The Company did not write-down its LIHTC investment or reclassify the LIHTC during the year due to the forfeiture or ineligibility of tax credits.

Note 6- Joint Ventures, Partnerships & Limited Liability Companies

A. 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 $24,424,461 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 (180 days for mortgage loans).

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2009.

Note 8- Derivative Instruments

The Company has a Derivative Use Policy, which was approved in 2004 by the state of New York insurance department. Pursuant to the policy, the Company may enter into derivative transactions. The Company may also acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and immaterial to the underlying investment portfolio.

In August 2008, the Company entered into an equity swap agreement with a notional amount of $135 million. The contract matured in January 2009 resulting in realized gains of $7 million.

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	162,146,852	30,696,268	192,843,120	246,806,000	(53,962,880)
Total gross DTLs	(54,510,479)	(13,629,711)	(68,140,190)	(95,028,000)	26,887,810
Net DTA (DTL)	107,636,373	17,066,557	124,702,930	151,778,000	(27,075,070)
Net DTA non-admitted			(542,487)	(69,209,000)	68,666,513
Net Admitted DTA/(DTL)			124,160,443	82,569,000	41,591,443

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. Statutory valuation allowance adjustment, as described in SSAP No. 10R, paragraph 6e, is not required. Accordingly, total adjusted gross DTAs equal total gross DTAs.

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

Ordinary	31,020,351
Capital	0
Total increase in net admitted DTAs	31,020,351

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.)	5,062,000	8,601,000	13,663,000	12,162,000
Lesser of:				
Expected to be recognized within one year (10bi.)	71,011,535	8,465,557	79,477,092	70,407,000
10% of adjusted capital and surplus (10bii.)			90,362,596	74,269,000
Adj. gross DTAs offset against existing DTLs (10c.)	54,510,479	13,629,711	68,140,190	95,028,000

NOTES TO FINANCIAL STATEMENTS

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.)	5,062,000	8,601,000	13,663,000
Lesser of:			
Expected to be recognized within three years (10eiia.)	102,031,886	8,465,557	110,497,443
15% of adjusted capital and surplus (10eiib.)			135,543,793
Adj. gross DTAs offset against existing DTLs (10eiii.)	54,510,479	13,629,711	68,140,190

Risk-based capital level used in paragraph 10d:	December 31, 2009
Total adjusted capital	1,048,584,866
Authorized control level	239,587,133

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

	December 31, 2009
Admitted DTA	93,140,092
Admitted assets	4,559,111,624
Statutory surplus	1,041,854,648
Total adjust capital	1,048,584,866

Admitted DTA, admitted assets and statutory surplus increased by $31,020,351 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	(608,129)	(25,866,829)
Foreign	0	0
Realized capital gains	1,421,529	(2,254,771)
Federal and foreign income taxes incurred	813,400	(28,121,600)

The Company's DTAs and DTLs result primarily from limits on unearned premium reserve deductions, discounting of unpaid losses and LAE reserves, loss based assessment, investment impairments, deferred compensation, depreciation, partnership investments, and unrealized gains and losses.

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

	2009
Change in net deferred income tax (without unrealized gain or loss)	(14,309,865)
Change in tax effect of unrealized (gains) losses	(12,765,026)
Total change in net deferred income tax	(27,074,891)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of intercompany eliminations, tax exempt interest, limits on unearned premium reserve deductions, discounting of unpaid losses and LAE reserves, depreciation, investment impairment, deferred intercompany transactions and alternative minimum tax.

E. The amount of Federal income taxes incurred and available for recoupment in the event of future losses is none from the current year and none 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 (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
Liberty Insurance Holdings, Inc.
Liberty Insurance Underwriters, Inc.
Liberty International Europe Inc.*
Liberty International Holdings Inc.
Liberty Life Assurance Company of Boston
Liberty Life Holdings, Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Management Services, Inc.
Liberty Mexico Holdings, Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Group Inc.
Liberty Mutual Holding Company Inc.
Liberty Mutual Insurance Company
Liberty Mutual Personal Insurance Company

NOTES TO FINANCIAL STATEMENTS

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 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 Schedule Y Part 2.

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

1. Received return of capital distributions of $1,641,306.

2. Contributed capital in the amount of $13,407,000.

3. Received dividends in the amount of $5,389,922.

NOTES TO FINANCIAL STATEMENTS

D. At December 31, 2009, the Company reported $25,654,902 net due to affiliates. In general, the terms of the inter-company arrangements require settlement at least quarterly.

E. The Company guarantees, jointly and severally with Liberty Mutual Insurance Company ("LMIC"), $25,000,000 of the medium term notes payable which are obligations of its parent company, LMGI.

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

There is a management services agreement between the Company and 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.

There is an "Agent-Company Agreement" between the Company and Helmsman Insurance Agency, Inc. ("Helmsman") whereby Helmsman provides agent commission payments, accounting, office services and other services under the terms of the Agreement.

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 a party to a Federal Tax Sharing Agreement between LMIC and Affiliates (Refer to Note 9 F).

The Company paid $30,686,575 under the LMIC Tax Sharing Agreement and paid $970,827 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 management 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. The Company did not recognize any impairment write down for its subsidiary during the statement period.

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

L. Investments in downstream non-insurance holding companies

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

	Carrying Value
Berkeley/Columbus III, LLC	$ 307,757

The Company has limited the value of its investment in these companies to the value contained in the audited financial statements, including adjustments required by SSAP 97 of SCA entities. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the Company's determination of the carrying value of the investment in the downstream non-insurance holding company.

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's eligible direct employees are included in the U.S. Liberty Mutual Retirement Benefit Plan, which is a defined benefit plan; the Supplemental Income at Retirement Plan, which has both a defined benefit component and a defined contribution component; and the Thrift Incentive Plan, which is a defined contribution plan. The Company's eligible direct employees are also included in the Liberty postretirement health and life insurance benefit plans. Each of these plans is sponsored by the holding company, LMGI. Accordingly, these plans' assets and obligations are not disclosed in this note. The costs for these plans are allocated by LMGI to LMIC, pursuant to an Employee Benefit Plan Cost-Sharing Agreement, and a portion of the costs, in turn, are allocated to the Company through the Liberty Mutual Inter-Company Reinsurance Agreement, as described in Note 25.

NOTES TO FINANCIAL STATEMENTS

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

1. Common Stock

   The Company has 100,000 shares authorized, issued and outstanding as of December 31, 2009. All shares have a stated par value of $100.

   The Company has 100,000 shares authorized of 10% non-convertible perpetual Series A Preferred Stock. All shares have a stated par value of $0.01.

2. Preferred Stock

   On December 31, 2008, the Company issued 1,000 shares at an issuance price of $200,000,000 to its parent, LMGI at a discount of 25%. Dividends, based on the issuance price, are cumulative and payable on a quarterly basis.

3. Dividend Restrictions

   There are no dividend restrictions.

4. The Company paid ordinary dividends to its parent in 2009 of:

March	$3,750,000
June	$3,750,000
September	$3,750,000
December	$3,750,000
Total	$15,000,000

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 $107,287,500.

6. As of December 31, 2009, the Company has restricted surplus of $31,020,351, 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 $166,448,124 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

8. 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 $(76,813,282) after applicable deferred taxes of $(8,008,952).

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.

NOTES TO FINANCIAL STATEMENTS

The Company has accrued a liability for guaranty fund and other assessments of $27,647,820 that is offset by future premium tax credits of $4,288,615. 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

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	$5,707,593

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 Liberty Mutual Group Inc. ("LMGI"). LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

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	$3,420,902	$14,485,030
2011	1,907,865	13,090,173
2012	1,902,748	9,439,355
2013	1,897,631	5,773,545
2014	327,061	4,213,819
2015 & thereafter	1,112,272	19,857,226
Total	$10,568,479	$66,859,148

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 concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS

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 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 $121,403,569 with corresponding collateral value of $124,677,564 of which $105,984,899 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 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 $111,791. Claim payment volume was $6,031,183.

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 amount of credit taken by the Company in determination of its loss reserves was $0 in 2009 and 2008.

b) The Company reported loss recoveries from the Special Disability Trust Fund of $337,604 and $588,703 in 2009 and 2008, respectively.

c) The amount the Company was assessed by the Special Disability Trust Fund was $779,393 and $1,046,441 in 2009 and 2008, respectively.

2) Assets in the amount of $204,408,781 and $201,163,594 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 collectiblity of its premium receivable. Based upon Company experience, amounts in excess of non-admitted amounts are not believed to be material.

NOTES TO FINANCIAL STATEMENTS

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
Film Credit	MA	2,581,033	2,581,033
Historical Rehabilitation Credit	OK	1,167,258	1,167,258
Total		3,748,291	3,748,291

(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, there are no unsecured reinsurance recoverables with an individual reinsurer that exceed 3% of the Company's policyholder's surplus.

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

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

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	566,403,363	7,553,731	2,889,232,678	152,843,611	(2,322,829,315)	(145,289,880)
All Other	0	0	0	0	0	0
Total	566,403,363	7,553,731	2,889,232,678	152,843,611	(2,322,829,315)	(145,289,880)

Direct Unearned Premium Reserve: $2,889,232,678

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	113,443,211	16,462,963	113,443,211	16,462,963
Sliding scale adjustments	0	0	0	0
Other profit commissions	0	(25,155,000)	0	(25,155,000)
Totals	113,443,211	(8,692,037)	113,443,211	(8,692,037)

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

D. The Company has not written off any uncollectible balances in the current year.

NOTES TO FINANCIAL STATEMENTS

E. The Company has not recorded any commutations in the current year.

F. The Company's retroactive reinsurance is a result of the Inter-Company Reinsurance Agreement with LMIC.

		Assumed	Ceded
a.	Reserves Transferred:		
	1. Initial	(295,942,100)	
	2. Adjustments – Prior Year(s)	35,126,439	
	3. Adjustments – Current Year	7,170,926	
	4. Total	(253,644,735)	
b.	Consideration Paid or Received:		
	1. Initial	(138,165,248)	
	2. Adjustments – Prior Year(s)	(6,761,480)	
	3. Adjustments – Current Year	(298,707)	
	4. Total	(145,225,435)	
c.	Amounts Recovered / Paid – Cumulative:		
	1. Initial	(4,679,191)	
	2. Adjustments – Prior Year(s)	(44,901,877)	
	3. Adjustments – Current Year	(11,453,231)	
	4. Total	(61,034,299)	
d.	Special Surplus from Retroactive Reinsurance:		
	1. Initial Surplus Gain or Loss	162,456,043	
	2. Adjustments – Prior Year(s)	3,013,958	
	3. Adjustments – Current Year	3,983,598	
	4. Current Year Special Surplus	166,448,124	
	5. Cumulative Total Transferred to Unassigned Funds	3,005,475	
e.	All cedents and reinsurers included in the above transactions:		
		Assumed	Ceded
	Liberty Mutual Insurance Company, 23043	(253,644,735)	

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	$63,028,600
Less: Non-admitted amount	6,302,860
Admitted amount	$56,725,740

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.

NOTES TO FINANCIAL STATEMENTS

Note 25- Inter-Company 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
	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	$13,159,172

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

NOTES TO FINANCIAL STATEMENTS

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
	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 $138,020,659 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 $138,020,659 as of December 31, 2009.

NOTES TO FINANCIAL STATEMENTS

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	$67,004,370
Liberty Life Assurance Company of Boston Boston, Massachusetts	Yes	$41,474,907
Nationwide Life Insurance Company Columbus, Ohio	Yes	$18,675,083

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 $617,348,077 and the amount billed and recoverable on paid claims was $29,638,903.

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 $143,794,038 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 their de-affiliation from the Nationwide Group and re-affiliation with the Company, EICOW, 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.

NOTES TO FINANCIAL STATEMENTS

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 Inter-company Reinsurance Agreement, as discussed in Note 25.

Asbestos:

	2005	2006	2007	2008	2009
Direct Basis					
Beginning Reserves	219,617,660	257,774,270	238,619,098	217,017,607	201,649,172
Incurred losses and LAE	71,496,811	12,966,910	29,825,119	18,401,095	70,858,121
Calendar year payments	33,340,201	32,122,082	51,426,610	33,769,530	33,670,755
Ending Reserves	257,774,270	238,619,098	217,017,607	201,649,172	238,836,538
Assumed Reinsurance Basis					
Beginning Reserves	63,157,219	66,290,498	70,106,687	91,364,459	86,499,394
Incurred losses and LAE	7,023,326	6,296,614	24,722,401	(976,742)	(19,705,644)
Calendar year payments	3,890,047	2,480,425	3,464,629	3,888,323	4,882,038
Ending Reserves	66,290,498	70,106,687	91,364,459	86,499,394	61,911,712
Net of Ceded Reinsurance Basis					
Beginning Reserves	122,739,382	134,463,912	115,715,870	102,856,200	85,057,024
Incurred losses and LAE	28,298,570	1,574,340	10,981,284	1,837,484	51,026,165
Calendar year payments	16,574,040	20,322,382	23,840,954	19,636,660	21,676,950
Ending Reserves	134,463,912	115,715,870	102,856,200	85,057,024	114,406,239

Ending Reserves for Bulk + IBNR included above (Loss & LAE)

Direct Basis	158,126,258
Assumed Reinsurance Basis	46,094,786

NOTES TO FINANCIAL STATEMENTS

Net of Ceded Reinsurance Basis	94,499,822
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	85,095,866
Assumed Reinsurance Basis	466,673
Net of Ceded Reinsurance Basis	33,927,965

Environmental:	2005	2006	2007	2008	2009
Direct Basis					
Beginning Reserves	91,613,268	88,493,652	65,211,287	58,162,682	48,148,214
Incurred losses and LAE	20,455,027	6,172,745	758,674	881,996	3,631,816
Calendar year payments	23,574,643	29,455,110	7,807,279	10,896,464	12,236,520
Ending Reserves	88,493,652	65,211,287	58,162,682	48,148,214	39,543,510
Assumed Reinsurance Basis					
Beginning Reserves	9,144,163	6,749,189	6,185,179	5,270,321	5,255,573
Incurred losses and LAE	(1,577,705)	113,652	190,329	463,148	2,217,073
Calendar year payments	817,269	677,662	1,105,187	477,896	667,698
Ending Reserves	6,749,189	6,185,179	5,270,321	5,255,573	6,804,948
Net of Ceded Reinsurance Basis					
Beginning Reserves	67,946,034	55,059,971	51,002,210	46,909,032	40,194,738
Incurred losses and LAE	65,708	2,605,894	1,266,653	(1,702)	(366)
Calendar year payments	12,951,771	6,663,655	5,359,831	6,712,592	6,177,603
Ending Reserves	55,059,971	51,002,210	46,909,032	40,194,738	34,016,769

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	22,616,054
Assumed Reinsurance Basis	4,717,786
Net of Ceded Reinsurance Basis	21,104,285
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	18,262,921
Assumed Reinsurance Basis	84,263
Net of Ceded Reinsurance Basis	12,533,786

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 [ ] No [X]

2.2 If yes, date of change:

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

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). 06/22/2006

3.4 By what department or departments?
Massachusetts Division of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

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

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

4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [X] No [ ]

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	Various
11.12	Number of parcels involved	3
11.13	Total book/adjusted carrying value	$ 22,896,701

11.2 If yes, provide explanation:
Libety Mutual Fire Insurance Company directly owns 5% of St James/Arlington Real Estate LP and directly owns 1% of Berkeley/Columbus III, LLC.

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. $ 124,677,564

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	$ 204,408,781
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 [X] No [ ]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [X] N/A [ ]
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 M5W1P9
The Bank of New York Mellon Trust Company	919 Congress Avenue, 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 Street, Boston, MA 02116
N/A	Liberty Mutual Investment Advisors, LL	175 Berkeley Street, Boston, MA 02116
N/A	Stancorp Mortgage Investors	1100 SW Sixth Ave Portland, Oregon 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 [X] No [ ]

GENERAL INTERROGATORIES

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
530185-10-4	Liberty All-Star Equity Fund	820,102
		0
		0
27.2999 TOTAL		820,102

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
Liberty All-Star Equity Fund	Bank of America Corp	18,584	09/30/2009
Liberty All-Star Equity Fund	Dell Inc	18,502	09/30/2009
Liberty All-Star Equity Fund	Microsoft Corp	17,222	09/30/2009
Liberty All-Star Equity Fund	Chesapeake Energy Corp	13,425	09/30/2009
Liberty All-Star Equity Fund	Visa Inc	12,818	09/30/2009

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	2,804,913,332	2,887,804,706	82,891,374
28.2 Preferred stocks	51,611,692	52,075,673	463,981
28.3 Totals	2,856,525,024	2,939,880,379	83,355,355

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? $ 17,859

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	17,859
	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	$ 6,666	$ 6,452
2.2	Premium Denominator	$ 1,284,781,601	$ 1,111,055,765
2.3	Premium Ratio (2.1/2.2)	0.00	0.00
2.4	Reserve Numerator	$ 624,509	$ 542,544
2.5	Reserve Denominator	$ 3,265,080,352	$ 2,505,534,345
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 [X] No [ ]

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

3.21	Participating policies	$ 5,974,987,083
3.22	Non-participating policies	$ 72,952,407

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 [X] No [ ]

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 $ 20,720,441

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 9,431,905

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? $ 19,273,241

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 $ 1,054,340,284

12.62 Collateral and other funds $ 94,486,197

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 6,324,225

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 separate intercompany pooling 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 [X] No [ ]
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	$ 405,246	$ 9,415,424	$ 2,947,570	$ 876,165	$ 3,844,804
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,	3,590,647,037	3,718,690,571	3,926,002,421	4,079,094,206	3,658,840,797
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,010,912,616	1,993,882,355	2,004,950,580	1,959,252,250	1,775,841,350
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,804,217,748	1,730,228,776	1,707,461,220	1,597,063,454	1,435,449,021
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,919,017	(7,207,304)	36,159,337	32,826,801	23,765,204
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	33,282,664	23,130,966	18,761,642	11,471,427	8,205,252
6. Total (Line 35)	7,448,979,082	7,458,725,364	7,693,335,200	7,679,708,138	6,902,101,624
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,	879,669,500	707,669,879	785,354,232	759,187,103	698,766,287
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	276,270,576	183,338,000	183,855,128	195,545,430	180,380,681
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	209,918,385	172,343,529	197,164,058	195,313,438	152,289,938
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,898,466	(15,828,295)	29,822,829	24,895,705	19,966,857
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	33,282,664	23,130,966	18,761,642	11,471,427	8,205,252
12. Total (Line 35)	1,401,039,591	1,070,654,079	1,214,957,889	1,186,413,103	1,059,609,015
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(142,133,087)	(63,124,588)	(65,389,363)	(35,831,805)	(78,401,721)
14. Net investment gain (loss) (Line 11)	151,268,944	154,213,924	141,144,337	129,278,747	133,270,308
15. Total other income (Line 15)	(22,092,934)	(12,278,518)	(9,215,093)	(8,303,200)	(11,248,165)
16. Dividends to policyholders (Line 17)	2,984,835	2,679,073	6,977,259	5,102,760	3,610,789
17. Federal and foreign income taxes incurred (Line 19)	(608,129)	(25,866,829)	9,189,847	27,049,266	17,922,875
18. Net income (Line 20)	(15,333,783)	101,998,574	50,372,775	52,991,716	22,086,758
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	4,590,131,975	3,569,946,982	3,565,128,451	3,420,760,390	3,016,812,078
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	153,215,375	124,587,991	106,169,541	82,310,609	69,934,129
20.2 Deferred and not yet due (Line 13.2)	363,175,679	242,671,447	275,048,165	275,281,586	206,978,256
20.3 Accrued retrospective premiums (Line 13.3)	56,725,740	47,917,537	51,079,004	69,581,565	70,410,069
21. Total liabilities excluding protected cell business (Page 3, Line 24)	3,517,256,976	2,601,953,831	2,603,833,443	2,507,229,875	2,186,837,908
22. Losses (Page 3, Line 1)	2,163,880,048	1,660,695,040	1,659,389,032	1,529,242,431	1,420,713,713
23. Loss adjustment expenses (Page 3, Line 3)	437,777,667	324,963,843	338,953,051	313,472,293	290,974,608
24. Unearned premiums (Page 3, Line 9)	566,403,363	437,433,448	484,675,823	468,376,826	419,930,093
25. Capital paid up (Page 3, Lines 28 & 29)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
26. Surplus as regards policyholders (Page 3, Line 35)	1,072,874,999	967,993,151	961,295,008	913,530,515	829,974,170
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	603,268,357	47,086,432	180,566,720	254,212,484	114,047,296
Risk-Based Capital Analysis					
28. Total adjusted capital	1,079,605,217	974,300,833	968,354,122	919,697,516	835,749,683
29. Authorized control level risk-based capital	239,615,136	194,652,242	191,184,380	158,722,416	140,134,594
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)	71.9	66.0	71.0	77.1	85.1
31. Stocks (Lines 2.1 & 2.2)	14.4	15.4	15.4	9.6	8.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.0	2.5	2.3	1.2	
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	5.5	7.3	3.7	6.2	2.2
35. Contract loans (Line 6)					
36. Other invested assets (Line 7)	5.9	8.9	7.5	5.6	4.0
37. Receivables for securities (Line 8)	0.2	0.1	0.2	0.3	0.0
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)	24,312,264	24,312,264			
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	369,991,686	316,685,493	214,218,007	44,932,264	43,168,456
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	23,137,046	26,531,878	25,620,108		
46. Total of above Lines 40 to 45	417,440,996	367,529,635	239,838,115	44,932,264	43,168,456
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)	38.9	38.0	24.9	7.6	5.2

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)	63,738,367	(243,003,410)	2,217,240	23,279,156	3,001,168
49. Dividends to stockholders (Line 35)	(15,000,000)				
50. Change in surplus as regards policyholders for the year (Line 38)	104,881,848	6,698,143	47,764,493	83,556,345	157,229,628
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,	2,062,366,481	2,496,216,598	2,337,127,553	2,297,354,783	2,251,960,601
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,129,670,727	990,204,294	1,007,871,398	1,263,123,605	800,646,701
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	975,767,824	1,040,851,660	806,812,793	863,341,060	915,671,782
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	410,383	11,287,934	3,422,622	1,690,446	5,315,965
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(4,293,205)	8,827,470	10,724,488	15,212,995	10,927,955
56. Total (Line 35)	4,163,922,210	4,547,387,956	4,165,958,854	4,440,722,889	3,984,523,004
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,	102,519,076	484,806,456	401,485,489	374,227,410	373,706,037
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	146,808,198	108,521,833	100,000,740	112,931,045	91,958,460
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	105,966,265	132,135,513	89,124,148	83,347,035	96,464,757
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(122,299)	10,927,722	3,189,058	1,638,408	5,315,965
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(4,293,205)	8,827,470	10,724,488	15,212,995	10,927,955
62. Total (Line 35)	350,878,035	745,218,994	604,523,923	587,356,893	578,373,174
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	25.2	24.1	27.7	26.4	25.4
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)	130.6	110.6	126.4	129.9	127.7
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)	31,108	(33,312)	31,239	49,421	51,164
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)	3.2	(3.5)	3.4	6.0	7.6
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)	(6,480)	23,775	112,836	134,597	133,723
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)	(0.7)	2.6	13.6	20.0	24.3

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:

N/A

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	96,123	31,034	27,539	7,947	4,950	33	2,936	89,598	X X X
2. 2000	1,179,651	206,459	973,192	955,811	173,949	79,918	12,588	98,813	2,040	24,833	945,965	X X X
3. 2001	1,220,417	214,662	1,005,755	936,602	223,620	75,505	12,885	93,971	1,648	30,659	867,925	X X X
4. 2002	1,385,157	283,402	1,101,755	884,075	193,399	69,780	11,045	106,429	1,242	46,704	854,598	X X X
5. 2003	1,538,167	375,500	1,162,667	801,200	179,978	65,518	7,457	113,079	1,671	48,680	790,691	X X X
6. 2004	1,583,842	419,479	1,164,363	771,632	202,783	57,117	9,882	111,221	6,056	47,522	721,249	X X X
7. 2005	1,612,913	386,547	1,226,366	900,268	275,896	54,241	10,481	111,267	8,097	45,632	771,302	X X X
8. 2006	1,748,961	409,581	1,339,380	726,651	139,521	47,278	5,378	118,168	8,764	44,564	738,434	X X X
9. 2007	1,859,719	451,567	1,408,152	757,762	180,852	41,922	5,508	118,289	10,769	50,832	720,844	X X X
10. 2008	1,982,075	548,808	1,433,267	805,711	208,576	32,098	3,994	126,106	9,033	43,089	742,312	X X X
11. 2009	1,887,537	602,753	1,284,784	512,513	185,676	12,253	2,246	100,757	1,607	25,989	435,994	X X X
12. Totals	X X X	X X X	X X X	8,148,348	1,995,284	563,169	89,411	1,103,050	50,960	411,440	7,678,912	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	597,124	183,800	304,258	182,972	37,016	30,715	134,394	47,366	13,624	2	6,943	641,561	X X X
2. 2000	41,727	15,310	16,614	13,351	1,173	334	3,939	2,270	892	3	497	33,077	X X X
3. 2001	49,853	20,567	22,494	17,709	1,211	558	6,241	3,017	1,031	5	622	38,974	X X X
4. 2002	42,926	27,087	32,998	26,123	1,416	654	6,580	2,175	998	3	894	28,876	X X X
5. 2003	42,604	17,310	71,197	29,454	1,704	711	7,742	3,110	1,144	7	1,565	73,799	X X X
6. 2004	49,577	16,855	77,753	21,956	1,584	319	13,661	2,767	4,765	46	2,302	105,397	X X X
7. 2005	66,219	22,681	94,613	39,887	2,137	371	18,159	2,970	4,365	489	3,409	119,095	X X X
8. 2006	93,339	22,826	124,771	40,525	3,361	656	31,874	5,681	5,497	59	4,689	189,095	X X X
9. 2007	134,192	26,846	172,745	44,056	4,700	694	44,172	7,086	8,843	188	6,980	285,782	X X X
10. 2008	216,318	47,220	282,597	68,645	5,944	924	64,758	13,569	23,090	669	9,745	461,680	X X X
11. 2009	216,761	36,874	425,781	90,535	5,527	443	68,268	10,336	46,715	547	25,474	624,317	X X X
12. Totals	1,550,640	437,376	1,625,821	575,213	65,773	36,379	399,788	100,347	110,964	2,018	63,120	2,601,653	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	534,610	106,951
2. 2000	1,198,887	219,845	979,042	101.631	106.484	100.601			12.900	29,680	3,397
3. 2001	1,186,908	280,009	906,899	97.254	130.442	90.171			12.900	34,071	4,903
4. 2002	1,145,202	261,728	883,474	82.677	92.352	80.188			12.900	22,714	6,162
5. 2003	1,104,188	239,698	864,490	71.786	63.834	74.354			12.900	67,037	6,762
6. 2004	1,087,310	260,664	826,646	68.650	62.140	70.996			12.900	88,519	16,878
7. 2005	1,251,269	360,872	890,397	77.578	93.358	72.605			12.900	98,264	20,831
8. 2006	1,150,939	223,410	927,529	65.807	54.546	69.251			12.900	154,759	34,336
9. 2007	1,282,625	275,999	1,006,626	68.969	61.120	71.486			12.900	236,035	49,747
10. 2008	1,556,622	352,630	1,203,992	78.535	64.254	84.003			12.900	383,050	78,630
11. 2009	1,388,575	328,264	1,060,311	73.565	54.461	82.528			12.900	515,133	109,184
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,163,872	437,781

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										DEVELOPMENT	
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 One Year	12 Two Year
1. Prior	1,582,485	1,736,675	1,830,722	1,918,082	2,033,713	2,126,187	2,184,876	2,256,109	2,240,924	2,293,948	53,024	37,839
2. 2000	774,558	808,646	813,463	840,795	863,121	870,403	876,222	884,725	885,728	885,302	(426)	577
3. 2001	X X X	789,037	766,753	778,956	768,362	792,395	804,368	810,475	812,472	816,644	4,172	6,169
4. 2002	X X X	X X X	773,125	731,136	732,048	758,348	772,232	777,666	780,400	780,165	(235)	2,499
5. 2003	X X X	X X X	X X X	801,973	719,339	698,716	740,700	753,034	752,833	757,090	4,257	4,056
6. 2004	X X X	X X X	X X X	X X X	791,904	738,155	718,832	724,422	725,518	724,596	(922)	174
7. 2005	X X X	X X X	X X X	X X X	X X X	860,096	816,894	799,889	791,706	791,983	277	(7,906)
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	870,447	837,472	825,658	822,617	(3,041)	(14,855)
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	935,741	921,321	900,708	(20,613)	(35,033)
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	1,084,356	1,078,971	(5,385)	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	931,632	X X X	X X X
										12. Totals	31,108	(6,480)

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										11	12
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	352,323	643,835	848,650	1,031,644	1,169,320	1,282,910	1,390,596	1,488,222	1,572,903	X X X	X X X
2. 2000	345,258	538,259	638,799	708,770	772,966	799,350	818,346	831,805	842,311	849,192	X X X	X X X
3. 2001	X X X	355,500	535,567	626,305	680,237	719,832	740,691	756,976	767,971	775,602	X X X	X X X
4. 2002	X X X	X X X	333,718	511,412	614,663	665,588	708,444	727,670	741,110	749,411	X X X	X X X
5. 2003	X X X	X X X	X X X	307,081	466,376	543,672	600,223	638,901	662,617	679,283	X X X	X X X
6. 2004	X X X	X X X	X X X	X X X	277,609	426,529	496,392	553,545	592,009	616,084	X X X	X X X
7. 2005	X X X	X X X	X X X	X X X	X X X	318,190	487,796	572,244	629,430	668,132	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	309,818	472,950	565,799	629,030	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	319,959	510,312	613,324	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	394,933	625,239	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	336,844	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	530,422	368,878	253,744	202,920	175,871	212,360	220,682	237,341	189,977	222,380
2. 2000	211,490	79,539	33,492	22,638	18,550	13,571	10,990	13,224	9,396	5,947
3. 2001	X X X	218,335	87,213	51,386	24,906	20,977	16,939	15,552	10,573	8,593
4. 2002	X X X	X X X	229,103	88,498	37,899	28,718	22,878	20,911	14,256	11,531
5. 2003	X X X	X X X	X X X	331,534	134,522	59,737	71,005	66,496	54,600	49,489
6. 2004	X X X	X X X	X X X	X X X	359,419	201,578	133,820	103,395	85,280	71,654
7. 2005	X X X	X X X	X X X	X X X	X X X	385,884	208,910	136,426	96,990	76,290
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	405,888	233,360	158,205	117,108
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	423,907	262,902	173,389
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	450,575	277,488
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	409,288

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama AL	L	60,055,317	62,234,186	14,763	48,196,369	49,534,907	69,888,940	230,993	
2. Alaska AK	L	3,892,659	4,152,700	(29)	2,286,513	1,637,037	10,453,292	6,407	
3. Arizona AZ	L	108,541,198	108,938,206	52,541	52,964,080	56,467,605	89,695,253	384,614	
4. Arkansas AR	L	23,004,697	23,379,195	1,086	47,856,487	48,170,080	35,535,480	49,125	
5. California CA	L	617,931,451	618,801,528	(787,740)	350,866,847	324,674,829	738,139,197	2,846,827	
6. Colorado CO	L	75,294,297	78,237,119	(31,999)	63,430,825	72,296,558	86,333,890	352,624	
7. Connecticut CT	L	223,157,748	220,202,752	56,986	124,699,282	132,060,596	192,635,811	1,414,658	
8. Delaware DE	L	74,921,587	72,831,253	(5,802)	40,533,944	46,487,176	55,095,167	366,581	
9. District of Columbia DC	L	13,990,660	15,315,490	19,345	8,345,535	6,652,216	17,470,879	48,270	
10. Florida FL	L	370,827,207	399,545,242	321,379	206,116,371	180,903,523	392,584,425	3,013,382	
11. Georgia GA	L	220,807,017	219,959,980	37,605	162,629,278	175,408,322	177,296,312	1,013,284	
12. Hawaii HI	L	43,622,437	42,264,251	(1,009)	17,376,455	19,345,833	31,728,103	255,228	
13. Idaho ID	L	21,403,190	22,147,706	(337)	9,325,766	9,965,858	9,497,588	100,738	
14. Illinois IL	L	199,056,256	202,075,074	(10,809)	134,670,803	139,109,682	247,516,628	822,816	
15. Indiana IN	L	89,517,213	93,120,618	93,965	53,290,795	53,567,118	81,323,191	420,450	
16. Iowa IA	L	19,695,988	22,040,633	17,174	13,252,304	10,956,365	37,901,832	40,905	
17. Kansas KS	L	31,960,548	35,519,037	131,801	24,197,319	25,759,031	34,997,354	103,428	
18. Kentucky KY	L	91,232,141	93,174,190	(741)	72,317,445	60,925,063	95,896,851	473,154	
19. Louisiana LA	L	161,080,759	161,436,184	(1,371)	118,091,625	65,318,620	140,675,540	448,700	
20. Maine ME	L	56,323,661	56,794,481	9,823	34,199,930	26,455,746	45,346,187	565,746	
21. Maryland MD	L	151,305,184	147,292,259	12,686	85,774,068	87,841,805	126,001,753	825,262	
22. Massachusetts MA	L	173,173,980	174,229,656	(4)	90,317,435	76,159,632	145,577,479	876,397	
23. Michigan MI	L	168,259,276	169,111,391	110,154	99,964,622	91,766,753	261,179,207	830,268	
24. Minnesota MN	L	102,566,616	104,168,677	(1,578)	67,385,986	50,168,915	138,343,390	422,889	
25. Mississippi MS	L	22,425,341	22,695,475	12,813	9,097,465	8,646,744	28,929,417	49,159	
26. Missouri MO	L	89,551,511	88,849,233	(35,692)	53,251,410	46,820,292	87,104,713	322,418	
27. Montana MT	L	13,398,495	14,559,263	518	10,406,209	13,147,416	22,158,031	57,206	
28. Nebraska NE	L	19,753,537	20,558,173	6,321	15,895,460	9,188,171	30,205,644	55,112	
29. Nevada NV	L	68,256,718	70,027,623	3	33,191,388	41,126,735	56,036,060	280,698	
30. New Hampshire NH	L	81,205,451	83,161,014	231,212	62,302,556	54,126,596	65,945,418	637,706	
31. New Jersey NJ	L	466,746,352	482,138,917	13,348	298,798,377	275,328,681	529,999,713	4,657,792	
32. New Mexico NM	L	29,439,606	30,061,272	294	14,471,066	14,955,456	25,631,349	107,195	
33. New York NY	L	746,560,282	737,320,837	205,044	433,488,397	425,140,792	800,005,803	6,159,263	
34. North Carolina NC	L	76,322,725	77,296,799	3,759	58,724,034	41,606,477	142,419,013	164,559	
35. North Dakota ND	L	2,775,136	3,049,192	(1)	1,015,842	1,567,445	3,287,039	6,550	
36. Ohio OH	L	148,443,516	151,201,590	48	103,983,065	65,425,916	73,462,774	1,076,284	
37. Oklahoma OK	L	83,291,774	81,768,846	3,002	69,684,373	65,265,379	67,757,116	313,987	
38. Oregon OR	L	57,673,027	58,984,788	(87)	32,713,068	34,573,638	46,019,952	314,925	
39. Pennsylvania PA	L	238,751,996	246,980,655	33,407	147,905,897	142,550,554	339,095,507	1,739,575	
40. Rhode Island RI	L	56,799,614	58,343,404	(534)	28,826,348	26,722,722	42,328,800	373,174	
41. South Carolina SC	L	85,873,952	88,878,676	4,972	42,877,132	45,031,313	74,343,900	363,962	
42. South Dakota SD	L	3,057,146	3,372,090	466	2,315,251	2,781,678	8,378,658	12,406	
43. Tennessee TN	L	94,262,733	96,506,088	44,659	65,288,570	67,753,958	147,978,058	493,423	
44. Texas TX	L	201,228,093	202,905,418	1,708,584	207,549,319	116,241,061	431,560,354	197,397	
45. Utah UT	L	45,031,150	45,458,683	4,191	24,400,017	25,632,693	31,371,888	164,132	
46. Vermont VT	L	23,425,571	24,087,673	51,340	10,617,911	11,124,559	16,099,886	164,001	
47. Virginia VA	L	72,591,687	79,006,454	(2,624)	41,102,132	37,092,553	82,407,022	407,118	
48. Washington WA	L	102,535,394	100,112,574	2	46,332,654	56,602,610	50,343,319	406,562	
49. West Virginia WV	L	32,174,719	32,534,200	2	18,261,656	20,773,665	14,703,426	200,795	
50. Wisconsin WI	L	78,474,978	80,329,611	915,142	49,420,797	67,473,128	110,946,778	306,916	
51. Wyoming WY	L	3,469,233	3,785,582	62	1,539,926	1,568,914	2,516,700	11,898	
52. American Samoa AS	N								
53. Guam GU	N	2,195	1,479			(354)	1,935		
54. Puerto Rico PR	L	2,229,638	1,623,929	(6)	34,526	230,239	1,615,837		
55. U.S. Virgin Islands VI	N	35,098	35,932		303,271	90,712	76,142		
56. Northern Mariana Islands MP	N								
57. Canada CN	N	(38)	(38)		81,718	68,320	14,261		
58. Aggregate Other Alien OT	XXX	531,773	719,859	(3,925)	1,074,258	(394,949)	9,697,621		
59. Totals	(a) 52	6,047,939,490	6,133,327,099	3,234,209	3,813,044,177	3,529,896,384	6,603,555,883	34,956,959	

DETAILS OF WRITE-INS									
5801. Other alien	XXX	531,773	719,859	(3,925)	1,074,258	(394,949)	9,697,621		
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	531,773	719,859	(3,925)	1,074,258	(394,949)	9,697,621		

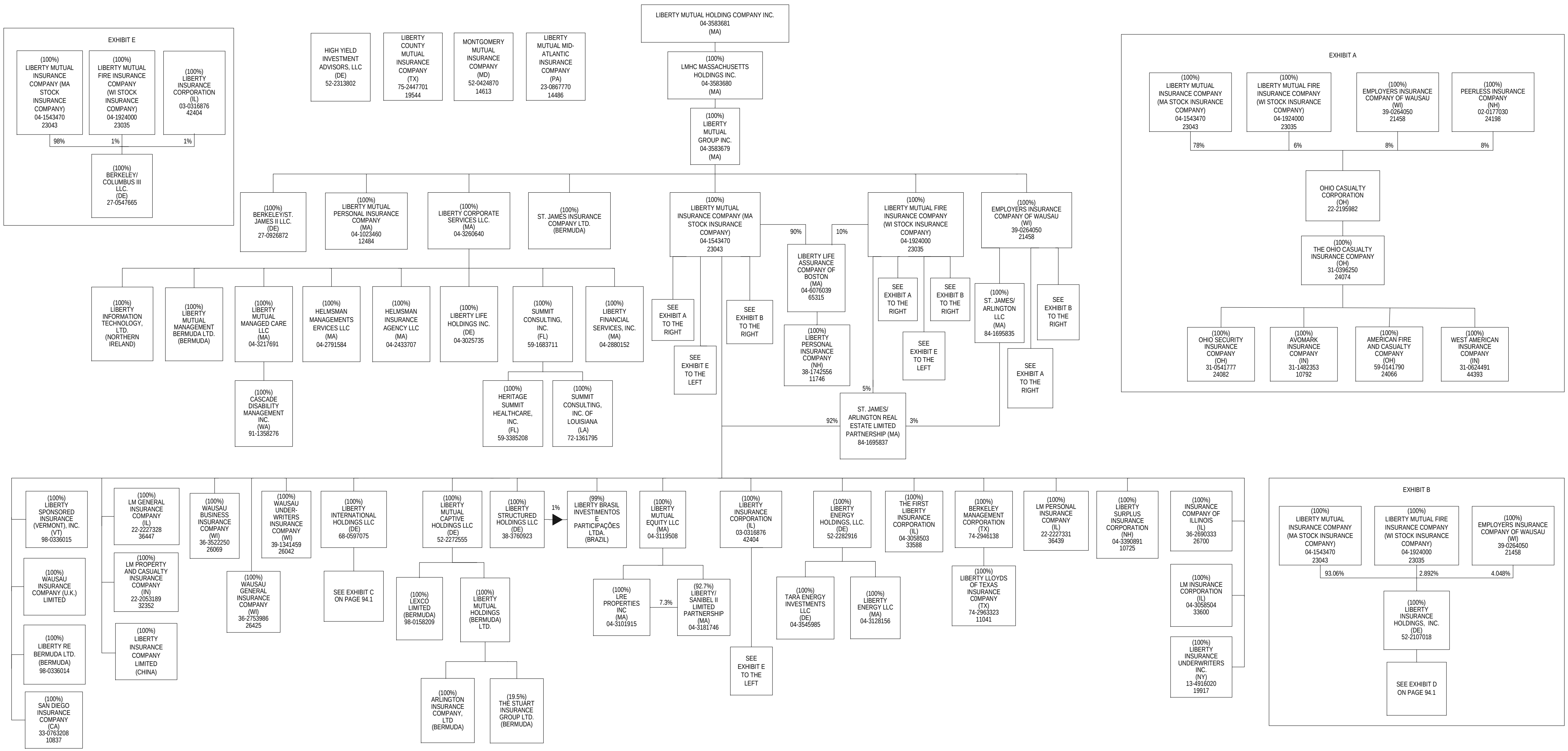
Explanation of basis of allocation of premiums by states, etc.

*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.

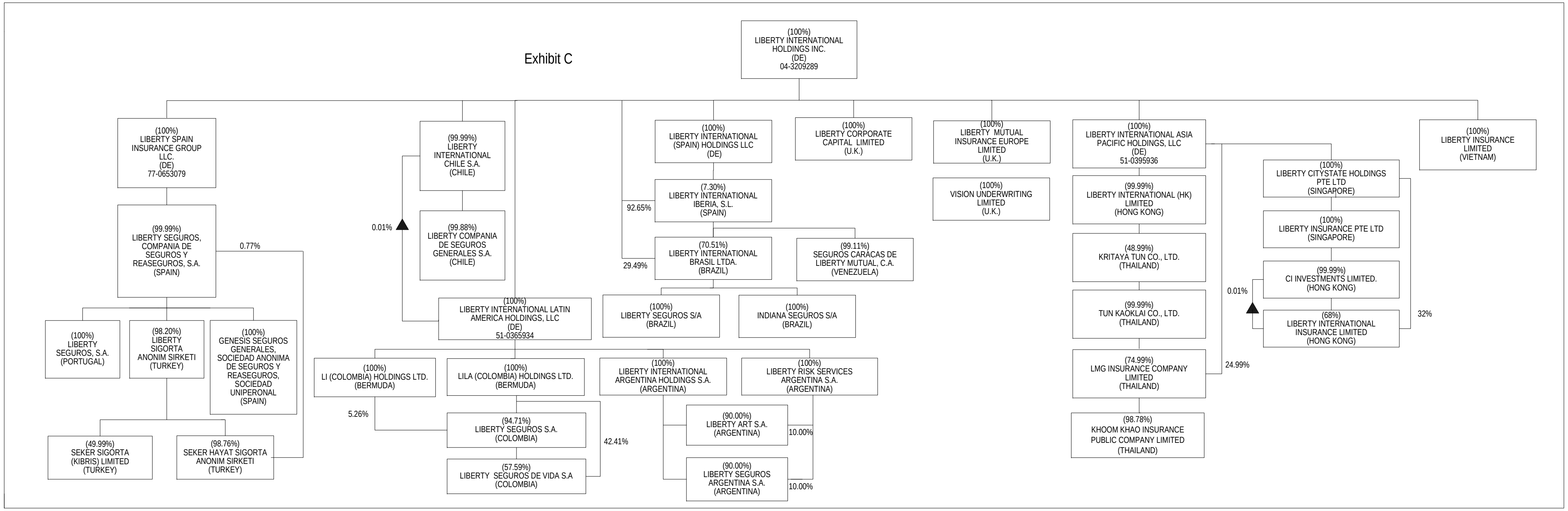
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

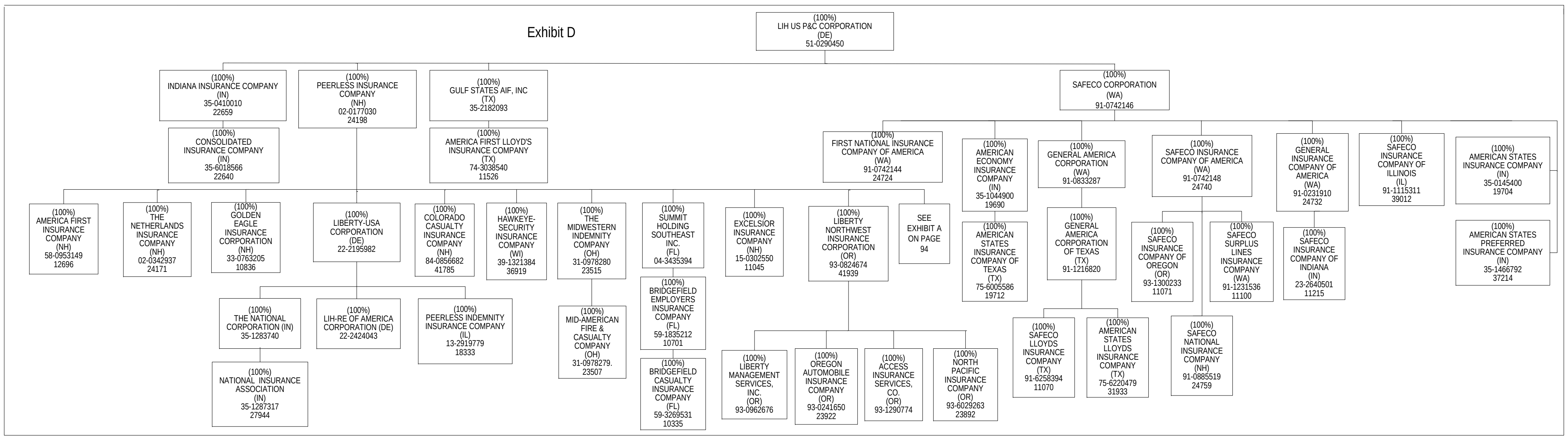
PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART





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	4,735,953		4,735,953	4,748,629
2397. Totals (Lines 2301. through 2396.) (Page 2, Line 2398)	4,735,953		4,735,953	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	121,022	
2305. Swap Payable (Schedule DB – Part 4)		3,424,692
2306. Retroactive reinsurance reserves	(278,799,735)	(221,683,101)
2397. Totals (Lines 2304 through 2396) (Page 3, Line 2398)	(278,678,713)	(218,258,409)

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT