





# ANNUAL STATEMENT

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

## Liberty Mutual Insurance Company

**NAIC Group Code** 0111 0111 **NAIC Company Code** 23043 **Employer's ID Number** 04-1543470  
(Current Period) (Prior Period)

**Organized under the Laws of** Massachusetts, **State of Domicile or Port of Entry** MA  
**Country of Domicile** United States of America

**Incorporated/Organized** January 1, 1912 **Commenced Business** July 1, 1912

**Statutory Home Office** 175 Berkeley Street, Boston, MA, US 02116  
(Street and Number) (City or Town, State, Country and Zip Code)

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

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

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

**Internet Web Site Address** www.libertymutualgroup.com

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

### OFFICERS

#### Chairman of the Board

David Henry Long

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

#### VICE-PRESIDENTS

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

#### DIRECTORS OR TRUSTEES

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

State of Massachusetts  
County of Suffolk ss

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

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

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

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	18,112,516,023		18,112,516,023	15,426,417,402
2. Stocks (Schedule D):				
2.1 Preferred stocks	2,311,700		2,311,700	4,940,000
2.2 Common stocks	18,615,224,952	100,429,422	18,514,795,530	16,380,495,431
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	764,385,318		764,385,318	630,008,606
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	193,169,809		193,169,809	235,608,378
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 74,163,160, Schedule E - Part 1), cash equivalents (\$ 1,973,040,167, Schedule E - Part 2), and short-term investments (\$ 10,804,216, Schedule DA)	2,058,007,542		2,058,007,542	778,754,989
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				2,374,466
8. Other invested assets (Schedule BA)	6,923,554,888	53,609,439	6,869,945,449	7,604,793,304
9. Receivables for securities	40,532,250		40,532,250	19,875,474
10. Securities lending reinvested collateral assets (Schedule DL)	569,345,193		569,345,193	327,328,003
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	47,279,047,675	154,038,861	47,125,008,814	41,410,596,053
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	118,399,147		118,399,147	102,273,390
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,215,362,927	138,446,704	3,076,916,223	2,320,546,814
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 10,197,706 earned but unbilled premiums)	3,817,414,876	1,019,775	3,816,395,101	3,749,084,403
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	85,454,820	8,595,675	76,859,145	148,352,424
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	969,138,940		969,138,940	661,228,065
16.2 Funds held by or deposited with reinsured companies	35,931,340		35,931,340	43,914,332
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	8,960	510	8,450	
18.1 Current federal and foreign income tax recoverable and interest thereon	31,024,477		31,024,477	
18.2 Net deferred tax asset	991,000,000	5,389,802	985,610,198	938,567,773
19. Guaranty funds receivable or on deposit	6,792,107		6,792,107	11,062,888
20. Electronic data processing equipment and software	1,005,461,784	952,693,770	52,768,014	73,424,940
21. Furniture and equipment, including health care delivery assets (\$ 0)	469,114,438	469,114,438		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	966,666,056	32,020,245	934,645,811	859,171,874
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	960,000,304	140,530,206	819,470,098	785,356,567
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	59,950,817,851	1,901,849,986	58,048,967,865	51,103,579,523
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	59,950,817,851	1,901,849,986	58,048,967,865	51,103,579,523

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	540,923,098		540,923,098	528,403,661
2502. Other assets	164,061,410	91,801,087	72,260,323	58,795,076
2503. Equities and deposits in pools and associations	119,556,277		119,556,277	107,139,330
2598. Summary of remaining write-ins for Line 25 from overflow page	135,459,519	48,729,119	86,730,400	91,018,500
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	960,000,304	140,530,206	819,470,098	785,356,567

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	20,067,862,413	17,882,077,092
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	861,212,954	451,404,542
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	3,811,354,200	3,650,776,695
4. Commissions payable, contingent commissions and other similar charges	382,701,866	304,275,072
5. Other expenses (excluding taxes, licenses and fees)	618,737,179	486,890,747
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	114,086,247	116,681,108
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		11,180,295
7.2 Net deferred tax liability		
8. Borrowed money \$ 149,837,775 and interest thereon \$ 547,864	150,385,639	150,207,328
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 10,004,236,960 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	8,448,706,991	8,007,146,482
10. Advance premium	51,653,763	49,811,139
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	1,192,716	1,143,826
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,711,588,407	1,454,581,802
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	343,068,613	507,868,920
14. Amounts withheld or retained by company for account of others	867,700,621	1,002,677,444
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)	77,397,000	125,722,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	797,602,350	288,702,288
20. Derivatives	895,150	580,710
21. Payable for securities	855,558,822	231,467,706
22. Payable for securities lending	569,345,193	327,328,003
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(701,957,387)	(758,328,109)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	39,029,092,737	34,292,195,090
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	39,029,092,737	34,292,195,090
29. Aggregate write-ins for special surplus funds	178,155,102	32,768,443
30. Common capital stock	10,000,000	10,000,000
31. Preferred capital stock	75	75
32. Aggregate write-ins for other-than-special surplus funds	1,250,000	1,250,000
33. Surplus notes	623,822,872	623,756,591
34. Gross paid in and contributed surplus	10,319,972,342	9,419,972,342
35. Unassigned funds (surplus)	7,886,674,737	6,723,636,983
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)		
36.2 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	19,019,875,128	16,811,384,434
38. Totals (Page 2, Line 28, Col. 3)	58,048,967,865	51,103,579,524

DETAILS OF WRITE-IN LINES		
2501. Other liabilities	1,005,533,052	818,724,838
2502. Amounts held under uninsured plans	268,023,710	263,125,541
2503. Deposit liability	20,798,484	23,798,484
2598. Summary of remaining write-ins for Line 25 from overflow page	(1,996,312,633)	(1,863,976,972)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(701,957,387)	(758,328,109)
2901. Special surplus from retroactive reinsurance	178,155,102	32,768,443
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	178,155,102	32,768,443
3201. Guaranty funds	1,250,000	1,250,000
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	1,250,000	1,250,000

## STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	15,870,923,692	15,977,636,954
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	9,985,649,839	9,981,826,826
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,872,125,067	2,014,564,147
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	4,985,367,451	4,683,276,285
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	16,843,142,357	16,679,667,258
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(972,218,665)	(702,030,304)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	858,026,084	1,108,760,695
10. Net realized capital gains (losses) less capital gains tax of \$ 49,539,938 (Exhibit of Capital Gains (Losses))	171,354,424	63,482,885
11. Net investment gain (loss) (Lines 9 + 10)	1,029,380,508	1,172,243,580
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 2,982,113 amount charged off \$ 110,510,932)	(107,528,819)	(67,337,581)
13. Finance and service charges not included in premiums	100,454,295	98,454,601
14. Aggregate write-ins for miscellaneous income	97,219,932	27,495,223
15. Total other income (Lines 12 through 14)	90,145,408	58,612,243
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	147,307,251	528,825,519
17. Dividends to policyholders	8,105,712	6,265,862
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)	139,201,539	522,559,657
19. Federal and foreign income taxes incurred	(123,456,227)	(75,843,008)
20. Net income (Line 18 minus Line 19) (to Line 22)	262,657,766	598,402,665
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	16,811,384,432	16,365,330,449
22. Net income (from Line 20)	262,657,766	598,402,665
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (57,837)	1,043,909,678	79,082,534
25. Change in net unrealized foreign exchange capital gain (loss)	46,055,617	48,210,588
26. Change in net deferred income tax	(31,191,322)	43,997,380
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	43,521,210	(103,248,049)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	48,325,000	(62,856,000)
29. Change in surplus notes	66,281	66,281
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		75
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in	900,000,000	(75)
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(64,766,000)	(64,766,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(40,087,534)	(92,835,416)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,208,490,696	446,053,983
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	19,019,875,128	16,811,384,432

<b>DETAILS OF WRITE-IN LINES</b>		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Retroactive reinsurance gain/(loss)	110,664,508	31,563,093
1402. Other income/(expense)	(13,444,576)	(4,067,870)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	97,219,932	27,495,223
3701. Other changes in surplus	(40,087,534)	(92,835,416)
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(40,087,534)	(92,835,416)

## CASH FLOW

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	15,777,810,574	16,069,205,184
2. Net investment income	979,462,439	1,240,285,187
3. Miscellaneous income	(215,070,007)	407,820,928
4. Total (Lines 1 through 3)	16,542,203,006	17,717,311,299
5. Benefit and loss related payments	7,722,430,811	8,738,534,363
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	6,566,243,210	6,536,652,771
8. Dividends paid to policyholders	8,056,821	6,233,564
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(32,878,446)	(177,395,566)
10. Total (Lines 5 through 9)	14,263,852,396	15,104,025,132
11. Net cash from operations (Line 4 minus Line 10)	2,278,350,610	2,613,286,167
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	16,219,927,179	14,463,884,742
12.2 Stocks	199,607,667	897,405,908
12.3 Mortgage loans	224,177,256	92,268,077
12.4 Real estate	46,517,969	
12.5 Other invested assets	2,956,541,097	2,194,896,269
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(1,573,910)	6,233
12.7 Miscellaneous proceeds	22,623,880	65,981,828
12.8 Total investment proceeds (Lines 12.1 to 12.7)	19,667,821,138	17,714,443,057
13. Cost of investments acquired (long-term only):		
13.1 Bonds	18,618,642,749	15,580,129,431
13.2 Stocks	984,625,584	535,141,772
13.3 Mortgage loans	355,167,183	139,324,436
13.4 Real estate	2,579,943	8,208,587
13.5 Other invested assets	2,846,988,894	2,471,823,470
13.6 Miscellaneous applications	(581,044,557)	(37,035,659)
13.7 Total investments acquired (Lines 13.1 to 13.6)	22,226,959,796	18,697,592,037
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,559,138,658)	(983,148,980)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	66,281	66,281
16.2 Capital and paid in surplus, less treasury stock	900,000,000	
16.3 Borrowed funds	178,311	(340,536)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	64,766,000	64,766,000
16.6 Other cash provided (applied)	724,562,008	(1,250,683,656)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,560,040,600	(1,315,723,911)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,279,252,552	314,413,276
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	778,754,990	464,341,714
19.2 End of year (Line 18 plus Line 19.1)	2,058,007,542	778,754,990

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

20.0001	2 - Net investment income	665,043	602,545
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	64,076,060	80,229,361
20.0003	12.2 - Proceeds from investments sold, matured or repaid - Stocks	54,747	58,781,431
20.0004	12.5 - Proceeds from investments sold, matured or repaid - Other invested assets		16,003
20.0005	13.1 - Cost of Investment Acquired - Bonds	47,684,747	80,572,895
20.0006	13.5 - Cost of Investment Acquired - Other invested assets		44,007
20.0007	16.6 - Other cash provided (applied)	(17,111,103)	(59,012,438)

## 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	432,651,415	163,522,768	173,015,567	423,158,616
2. Allied lines	345,540,946	136,393,595	155,808,090	326,126,451
3. Farmowners multiple peril	66,011,758	27,995,815	34,213,461	59,794,112
4. Homeowners multiple peril	3,278,377,149	1,683,986,161	1,778,454,596	3,183,908,714
5. Commercial multiple peril	1,174,514,359	584,393,144	595,208,252	1,163,699,251
6. Mortgage guaranty				
8. Ocean marine	112,409,147	46,859,892	62,305,063	96,963,976
9. Inland marine	529,749,066	140,587,707	152,814,345	517,522,428
10. Financial guaranty	17,807,821		16,070,312	1,737,509
11.1 Medical professional liability—occurrence	43,234,553	22,319,718	18,175,527	47,378,744
11.2 Medical professional liability—claims-made	88,576,012	36,926,485	44,235,192	81,267,305
12. Earthquake	43,757,513	20,074,289	22,263,756	41,568,046
13. Group accident and health	59,593,667	18,904,644	9,086,645	69,411,666
14. Credit accident and health (group and individual)				
15. Other accident and health	16,525,522	3,450,861	5,633,228	14,343,155
16. Workers' compensation	879,516,802	113,220,345	139,772,919	852,964,228
17.1 Other liability—occurrence	1,246,582,941	616,771,496	725,496,547	1,137,857,890
17.2 Other liability—claims-made	544,912,121	335,111,988	399,139,048	480,885,061
17.3 Excess workers' compensation	33,839,243	13,090,455	17,237,113	29,692,585
18.1 Products liability—occurrence	75,307,819	41,568,657	45,710,816	71,165,660
18.2 Products liability—claims-made	14,371,138	8,001,254	5,162,455	17,209,937
19.1,19.2 Private passenger auto liability	3,375,058,826	1,669,815,729	1,739,869,401	3,305,005,154
19.3,19.4 Commercial auto liability	645,402,295	346,580,239	317,750,056	674,232,478
21. Auto physical damage	2,352,281,788	1,280,436,003	1,318,841,514	2,313,876,277
22. Aircraft (all perils)	19,402,787	7,804,671	4,353,056	22,854,402
23. Fidelity	12,361,459	6,641,317	3,091,193	15,911,583
24. Surety	557,936,509	361,024,946	367,187,744	551,773,711
26. Burglary and theft	377,882	750,064	179,843	948,103
27. Boiler and machinery	24,008,697	9,670,000	11,367,805	22,310,892
28. Credit	25,363,018	22,854,847	26,103,454	22,114,411
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property	274,339,223	21,370,903	73,456,965	222,253,161
32. Reinsurance-nonproportional assumed liability	82,683,986	18,641,123	28,410,816	72,914,293
33. Reinsurance-nonproportional assumed financial lines	36,472,978	46,001,696	62,633,521	19,841,153
34. Aggregate write-ins for other lines of business	28,674	5,902	17,465	17,111
35. TOTALS	16,408,997,114	7,804,776,714	8,353,065,765	15,860,708,063

DETAILS OF WRITE-IN LINES				
3401. Tuition Protection Plan	25,767	5,902	11,540	20,129
3402. Other	2,907		5,925	(3,018)
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	28,674	5,902	17,465	17,111

## 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	155,630,127	17,385,440			173,015,567
2. Allied lines	151,220,384	4,587,706			155,808,090
3. Farmowners multiple peril	34,208,345	5,116			34,213,461
4. Homeowners multiple peril	1,778,569,273	(114,677)			1,778,454,596
5. Commercial multiple peril	576,686,693	21,904,624	(3,383,065)		595,208,252
6. Mortgage guaranty					
8. Ocean marine	33,278,979	29,026,084			62,305,063
9. Inland marine	120,540,759	32,273,586			152,814,345
10. Financial guaranty	16,070,312				16,070,312
11.1 Medical professional liability—occurrence	17,438,767	736,761			18,175,528
11.2 Medical professional liability—claims-made	34,458,290	9,776,902			44,235,192
12. Earthquake	21,633,167	630,589			22,263,756
13. Group accident and health	9,086,645				9,086,645
14. Credit accident and health (group and individual)					
15. Other accident and health	5,618,873	14,355			5,633,228
16. Workers' compensation	247,975,164	17,250,771	(4,308,426)	(121,144,590)	139,772,919
17.1 Other liability—occurrence	575,834,513	127,977,495	(1,844,238)	23,528,777	725,496,547
17.2 Other liability—claims-made	201,934,062	197,218,287	(13,300)		399,139,049
17.3 Excess workers' compensation	15,765,179	1,705,907		(233,973)	17,237,113
18.1 Products liability—occurrence	30,336,072	15,306,134	(648,676)	717,286	45,710,816
18.2 Products liability—claims-made	2,885,410	2,277,045			5,162,455
19.1,19.2 Private passenger auto liability	1,739,869,399	3			1,739,869,402
19.3,19.4 Commercial auto liability	303,916,351	2,144,721	11,309	11,677,675	317,750,056
21. Auto physical damage	1,318,548,370	293,144			1,318,841,514
22. Aircraft (all perils)	5,081,099	(728,043)			4,353,056
23. Fidelity	5,683,374	(2,592,181)			3,091,193
24. Surety	121,078,829	246,108,915			367,187,744
26. Burglary and theft	117,819	62,024			179,843
27. Boiler and machinery	11,134,506	233,299			11,367,805
28. Credit	9,008,592	17,094,862			26,103,454
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property	19,800,143	53,656,822			73,456,965
32. Reinsurance-nonproportional assumed liability	26,600,813	1,810,003			28,410,816
33. Reinsurance-nonproportional assumed financial lines	18,138,229	44,495,292			62,633,521
34. Aggregate write-ins for other lines of business	17,470			5	17,475
35. TOTALS	7,608,166,008	840,540,986	(10,186,396)	(85,454,820)	8,353,065,778
36. Accrued retrospective premiums based on experience					85,454,820
37. Earned but unbilled premiums					10,186,396
38. Balance (Sum of Lines 35 through 37)					8,448,706,994

DETAILS OF WRITE-IN LINES					
3401. Tuition Protection Plan	11,540				11,540
3402. Other	5,930			5	5,935
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	17,470			5	17,475

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	67,309,918	750,241,545	54,050,982	438,296,590	654,440	432,651,415
2. Allied lines	48,612,281	691,394,418	88,419,233	390,778,118	92,106,869	345,540,945
3. Farmowners multiple peril	1,680,863	135,513,606		66,761,658	4,421,054	66,011,757
4. Homeowners multiple peril	107,292,941	6,913,478,331	45,542,126	3,278,383,200	509,553,049	3,278,377,149
5. Commercial multiple peril	27,133,260	2,556,519,628	66,990,604	1,211,642,668	264,486,465	1,174,514,359
6. Mortgage guaranty						
8. Ocean marine	123,173,943	79,571,631	59,032,436	133,659,720	15,709,143	112,409,147
9. Inland marine	174,981,964	3,882,373,039	13,920,635	564,623,824	2,976,902,748	529,749,066
10. Financial guaranty		35,615,642		17,807,821		17,807,821
11.1 Medical professional liability--occurrence		86,203,189	320,149	43,283,916	4,870	43,234,552
11.2 Medical professional liability--claims-made		215,414,079	5,849,279	97,743,029	34,944,316	88,576,013
12. Earthquake	52,588	88,355,854	7,877,829	44,250,111	8,278,647	43,757,513
13. Group accident and health	828,806	128,928,766	154	59,593,667	10,570,392	59,593,667
14. Credit accident and health (group and individual)						
15. Other accident and health	10,662,373	22,291,323	115,971	16,984,086	(439,941)	16,525,522
16. Workers' compensation	2,034,428	2,155,416,311	41,192,519	886,062,493	433,063,963	879,516,802
17.1 Other liability—occurrence	437,452,794	2,381,550,065	200,607,358	1,274,940,358	498,086,918	1,246,582,941
17.2 Other liability—claims-made	354,899,694	1,210,012,927	203,773,904	679,199,373	544,575,030	544,912,122
17.3 Excess workers' compensation	13,613,702	57,875,336	199,801	35,891,150	1,958,446	33,839,243
18.1 Products liability—occurrence	30,911,319	131,885,386	353,136	86,597,105	1,244,917	75,307,819
18.2 Products liability—claims-made	250,234	28,491,991	23,637	14,371,138	23,587	14,371,137
19.1,19.2 Private passenger auto liability	174,324,006	6,744,528,199	44,572,442	3,375,058,828	213,306,993	3,375,058,826
19.3,19.4 Commercial auto liability	29,945,656	1,313,802,216	21,354,752	646,401,700	73,298,630	645,402,294
21. Auto physical damage	160,961,782	5,141,792,866	19,378,372	2,851,550,583	118,300,649	2,352,281,788
22. Aircraft (all perils)	14,871,053	92,066,457	300,970	19,396,262	68,439,430	19,402,788
23. Fidelity	24,448,188	20,291,580	6,989,598	16,368,903	22,999,004	12,361,459
24. Surety	729,185,260	407,287,501	29,760,332	579,655,257	28,641,326	557,936,510
26. Burglary and theft	38,619	728,465	1,573	377,882	12,892	377,883
27. Boiler and machinery	195,176	48,717,245	1,235,516	25,196,891	942,348	24,008,698
28. Credit	18,018,760	25,331,618	16,653,852	25,403,784	9,237,428	25,363,018
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X	437,871,958	133,269,105	274,339,148	22,462,692	274,339,223
32. Reinsurance-nonproportional assumed liability	X X X	83,601,455	79,061,881	82,683,815	(2,704,465)	82,683,986
33. Reinsurance-nonproportional assumed financial lines	X X X	7,252,094	67,092,611	36,472,978	1,398,748	36,472,979
34. Aggregate write-ins for other lines of business		108,147		28,674	50,799	28,674
35. TOTALS	2,552,879,608	35,874,512,868	1,207,940,757	17,273,804,730	5,952,531,387	16,408,997,116

DETAILS OF WRITE-IN LINES						
3401. Tuition Protection Plan		108,147		28,674	50,799	28,674
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)		108,147		28,674	50,799	28,674

(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 \$ 994,214

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 994,521

## UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	13,170,752	468,916,066	267,580,422	214,506,396	253,086,950	242,413,365	225,179,981	53.214
2. Allied lines	9,088,640	306,885,652	154,795,577	161,178,575	251,725,615	161,857,773	251,046,417	76.978
3. Farmowners multiple peril	37,299	62,283,906	31,123,628	31,197,577	29,834,634	15,843,362	45,188,849	75.574
4. Homeowners multiple peril	35,353,798	3,481,448,557	1,838,631,029	1,678,171,326	1,029,224,363	787,455,761	1,919,939,928	60.301
5. Commercial multiple peril	23,129,462	1,271,390,210	674,164,567	620,355,105	1,353,619,842	1,184,501,662	789,473,285	67.842
6. Mortgage guaranty								
8. Ocean marine	40,860,752	39,335,737	43,085,350	37,111,139	89,403,280	60,537,758	65,976,661	68.042
9. Inland marine	63,126,389	2,718,461,931	2,472,818,935	308,769,385	75,566,566	70,971,889	313,364,062	60.551
10. Financial guaranty		546,870	273,435	273,435	541,790		815,225	46.919
11.1 Medical professional liability—occurrence	5,513	17,764,568	7,744,175	10,025,906	111,957,098	96,459,148	25,523,856	53.872
11.2 Medical professional liability—claims-made		19,706,878	(10,833,143)	30,540,021	162,980,703	115,681,970	77,838,754	95.781
12. Earthquake		646,202	(212,675)	858,877	5,014,273	(2,305,275)	8,178,425	19.675
13. Group accident and health	497,346	138,128,778	70,755,170	67,870,954	49,747,811	61,613,505	56,005,260	80.686
14. Credit accident and health (group and individual)								
15. Other accident and health	8,219,549	10,833,346	13,858,900	5,193,995	14,089,082	10,978,737	8,304,340	57.898
16. Workers' compensation	54,906,508	1,309,498,396	852,106,504	512,298,400	5,255,603,283	5,365,215,574	402,686,109	47.210
17.1 Other liability—occurrence	201,702,107	917,644,912	514,723,397	604,623,622	3,743,109,625	2,972,776,935	1,374,956,312	120.837
17.2 Other liability—claims-made	40,965,242	133,371,111	7,564,305	166,772,048	1,288,196,578	1,097,539,116	357,429,510	74.327
17.3 Excess workers' compensation	4,752,532	16,510,319	13,454,663	7,808,188	321,942,007	300,217,371	29,532,824	99.462
18.1 Products liability—occurrence	15,098,914	51,833,452	30,053,571	36,878,795	213,371,364	214,733,523	35,516,636	49.907
18.2 Products liability—claims-made		(8,622,503)	(10,749,072)	2,126,569	34,390,893	33,293,752	3,223,710	18.732
19.1,19.2 Private passenger auto liability	79,168,967	3,566,275,756	1,902,351,500	1,743,093,223	3,453,516,990	3,189,153,286	2,007,456,927	60.740
19.3,19.4 Commercial auto liability	19,249,438	834,811,065	445,927,800	408,132,703	1,355,209,086	1,281,703,629	481,638,160	71.435
21. Auto physical damage	48,071,423	2,375,442,891	1,350,611,886	1,072,902,428	68,353,083	80,205,058	1,061,050,453	45.856
22. Aircraft (all perils)	19,825,815	25,005,997	20,691,123	24,140,689	65,346,669	55,201,377	34,285,981	150.019
23. Fidelity	1,694,075	5,425,019	4,365,335	2,753,759	37,933,548	40,004,420	682,887	4.292
24. Surety	121,425,924	58,551,160	95,016,735	84,960,349	268,625,646	150,765,695	202,820,300	36.758
26. Burglary and theft	3,297	(3,496,653)	(3,846,223)	352,867	3,274,419	3,428,778	198,508	20.937
27. Boiler and machinery		8,890,124	4,448,223	4,441,901	9,111,197	8,680,906	4,872,192	21.838
28. Credit	18,277,767	18,699,486	26,147,219	10,830,034	11,320,000	8,477,649	13,672,385	61.826
29. International								
30. Warranty					461,528	472,376	(10,848)	
31. Reinsurance-nonproportional assumed property	X X X	136,333,632	146,794,233	(10,460,601)	222,133,438	24,472,182	187,200,655	84.229
32. Reinsurance-nonproportional assumed liability	X X X	43,356,856	34,171,333	9,185,523	269,744,046	236,400,957	42,528,612	58.327
33. Reinsurance-nonproportional assumed financial lines	X X X	5,499,602	3,103,457	2,396,145	19,437,000	13,313,724	8,519,421	42.938
34. Aggregate write-ins for other lines of business		103,477	83,158	20,319	(9,994)	11,134	(809)	(4.728)
35. TOTALS	818,631,509	18,031,482,800	11,000,804,657	7,849,309,652	20,067,862,413	17,882,077,097	10,035,094,968	63.270

DETAILS OF WRITE-IN LINES								
3401. Tuition Protection Plan		116,357	89,598	26,759	(8,868)	(1)	17,892	88.887
3402. Other		(12,880)	(6,440)	(6,440)	(1,126)	11,135	(18,701)	619.649
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		103,477	83,158	20,319	(9,994)	11,134	(809)	(4.728)

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	7,320,952	356,049,847	218,658,846	144,711,953	9,226,477	210,029,145	110,880,625	253,086,950	18,553,936
2. Allied lines	33,355,542	190,391,917	143,775,515	79,971,944	18,875,772	361,222,907	208,345,008	251,725,615	14,148,753
3. Farmowners multiple peril	87,465	34,515,579	17,323,388	17,279,656	(157,952)	25,342,954	12,630,024	29,834,634	3,119,226
4. Homeowners multiple peril	11,375,989	1,104,644,540	583,290,496	532,730,033	(11,744,817)	1,039,270,729	531,031,582	1,029,224,363	145,629,380
5. Commercial multiple peril	63,875,881	1,326,025,896	723,280,122	666,621,655	50,537,405	1,373,477,003	737,016,221	1,353,619,842	388,005,136
6. Mortgage guaranty									
8. Ocean marine	37,443,820	45,931,117	50,808,379	32,566,558	72,567,089	54,204,798	69,935,165	89,403,280	7,857,893
9. Inland marine	88,658,793	195,672,160	225,812,452	58,518,501	29,227,387	(18,236,848)	(6,057,526)	75,566,566	18,172,455
10. Financial guaranty		2,291	1,145	1,146		1,081,289	540,645	541,790	
11.1 Medical professional liability—occurrence	57,504	44,848,954	23,240,379	21,666,079	105,798	182,830,254	92,645,033	111,957,098	10,490,501
11.2 Medical professional liability—claims-made		172,790,997	101,558,653	71,232,344	(23,902,334)	243,703,470	128,052,777	162,980,703	24,087,838
12. Earthquake		2,050,483	1,139,760	910,723	(237,373)	10,383,847	6,042,924	5,014,273	779,712
13. Group accident and health	1,302,964	46,951,231	27,099,263	21,154,932	14,621,041	47,752,492	33,780,654	(a) 49,747,811	2,030,689
14. Credit accident and health (group and individual)									
15. Other accident and health	5,879,497	42,351,074	42,410,637	5,819,934	3,258,008	43,704,697	38,693,557	(a) 14,089,082	398,659
16. Workers' compensation	566,668,967	5,707,913,870	3,850,475,395	2,424,107,442	360,154,567	6,765,557,448	4,294,216,174	5,255,603,283	1,047,790,241
17.1 Other liability—occurrence	437,227,089	2,132,994,254	1,477,365,637	1,092,855,706	714,624,865	5,676,083,289	3,740,454,235	3,743,109,625	754,268,891
17.2 Other liability—claims-made	238,396,483	689,748,834	603,971,168	324,174,149	420,662,602	2,196,453,376	1,653,093,549	1,288,196,578	243,558,955
17.3 Excess workers' compensation	33,631,520	290,413,208	204,392,387	119,652,341	59,623,488	454,347,449	311,681,271	321,942,007	50,356,044
18.1 Products liability—occurrence	37,148,240	103,288,707	100,264,429	40,172,518	102,647,544	266,051,229	195,499,927	213,371,364	141,446,928
18.2 Products liability—claims-made		21,744,592	13,941,192	7,803,400	752,936	63,918,314	38,083,757	34,390,893	17,041,089
19.1,19.2 Private passenger auto liability	74,767,234	3,801,422,237	2,275,993,307	1,600,196,164	94,132,965	3,728,923,622	1,969,735,761	3,453,516,990	655,494,089
19.3,19.4 Commercial auto liability	45,607,319	1,102,266,748	624,457,120	523,416,947	44,791,885	1,711,059,056	924,058,802	1,355,209,086	143,018,582
21. Auto physical damage	836,653	12,794,334	7,135,700	6,495,287	2,417,532	157,276,038	97,835,774	68,353,083	62,094,151
22. Aircraft (all perils)	20,322,219	127,645,276	141,436,193	6,531,302	3,199,772	122,930,015	67,314,420	65,346,669	8,636,435
23. Fidelity	15,314,002	6,361,464	15,508,029	6,167,437	23,657,697	54,863,969	46,755,555	37,933,548	5,143,424
24. Surety	(61,428,296)	13,477,583	(25,944,154)	(22,006,559)	225,802,133	366,383,551	301,553,479	268,625,646	31,794,712
26. Burglary and theft	6,310	5,002	5,656	5,656	2,075	9,493,760	6,227,072	3,274,419	755,715
27. Boiler and machinery		11,797,763	7,249,028	4,548,735	112,418	6,388,032	1,937,988	9,111,197	2,156,893
28. Credit		3,349,956	2,352,668	997,288	6,855,107	13,801,829	10,334,224	11,320,000	559,531
29. International									
30. Warranty					(68,103)	(124,929)	(654,560)	461,528	91,599
31. Reinsurance-nonproportional assumed property	X X X	187,553,173	105,223,373	82,329,800	X X X	426,842,693	287,039,055	222,133,438	4,575,574
32. Reinsurance-nonproportional assumed liability	X X X	153,111,711	85,385,711	67,726,000	X X X	372,809,795	170,791,749	269,744,046	8,919,501
33. Reinsurance-nonproportional assumed financial lines	X X X	11,063,309	5,533,365	5,529,944	X X X	27,488,403	13,581,347	19,437,000	377,543
34. Aggregate write-ins for other lines of business		(5,997)	5,869	(11,866)	1,874	(1)	(9,993)		127
35. TOTALS	1,657,856,147	17,939,172,110	11,653,151,108	7,943,877,149	2,221,747,858	25,995,313,675	16,093,076,268	20,067,862,414	3,811,354,202

DETAILS OF WRITE-IN LINES									
3401. Other		(5,997)	5,869	(11,866)	1,874	(1)		(9,993)	127
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)		(5,997)	5,869	(11,866)	1,874	(1)		(9,993)	127

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	216,531,758			216,531,758
1.2 Reinsurance assumed	1,614,517,131			1,614,517,131
1.3 Reinsurance ceded	951,810,948			951,810,948
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	879,237,941			879,237,941
2. Commission and brokerage:				
2.1 Direct, excluding contingent		289,415,944		289,415,944
2.2 Reinsurance assumed, excluding contingent		3,565,657,221		3,565,657,221
2.3 Reinsurance ceded, excluding contingent		2,559,532,565		2,559,532,565
2.4 Contingent—direct		20,679,734		20,679,734
2.5 Contingent—reinsurance assumed		476,485,584		476,485,584
2.6 Contingent—reinsurance ceded		250,493,171		250,493,171
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)		1,542,212,747		1,542,212,747
3. Allowances to manager and agents		151,655,194		151,655,194
4. Advertising	990,051	361,446,882	195,333	362,632,266
5. Boards, bureaus and associations	3,665,899	23,754,212	148,581	27,568,692
6. Surveys and underwriting reports	579,178	73,458,987	71,592	74,109,757
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	586,388,273	1,339,267,861	44,773,643	1,970,429,777
8.2 Payroll taxes	32,225,825	98,195,293	10,045,501	140,466,619
9. Employee relations and welfare	73,784,489	222,967,780	22,201,905	318,954,174
10. Insurance	52,601,518	2,021,795	206,161	54,829,474
11. Directors' fees	25,934	76,873	8,155	110,962
12. Travel and travel items	10,682,441	24,025,597	697,558	35,405,596
13. Rent and rent items	33,951,264	103,577,647	15,739,222	153,268,133
14. Equipment	34,738,033	109,986,173	10,485,254	155,209,460
15. Cost or depreciation of EDP equipment and software	27,005,584	(1,343,399)	6,656,920	32,319,105
16. Printing and stationery	3,218,707	13,522,164	491,551	17,232,422
17. Postage, telephone and telegraph, exchange and express	16,108,650	83,749,748	1,150,021	101,008,419
18. Legal and auditing	4,950,297	18,004,832	858,348	23,813,477
19. Totals (Lines 3 to 18)	880,916,143	2,624,367,639	113,729,745	3,619,013,527
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 1,090,009		331,708,131		331,708,131
20.2 Insurance department licenses and fees		35,972,342		35,972,342
20.3 Gross guaranty association assessments		(668,733)		(668,733)
20.4 All other (excluding federal and foreign income and real estate)		49,037,662		49,037,662
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		416,049,402		416,049,402
21. Real estate expenses			10,447,401	10,447,401
22. Real estate taxes			3,354,087	3,354,087
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	111,970,984	402,737,663	17,611,689	532,320,336
25. Total expenses incurred	1,872,125,068	4,985,367,451	145,142,922	(a) 7,002,635,441
26. Less unpaid expenses—current year	3,811,354,200	1,115,179,426	345,865	4,926,879,491
27. Add unpaid expenses—prior year	3,650,776,695	903,836,886	4,010,042	4,558,623,623
28. Amounts receivable relating to uninsured plans, prior year		(82,404)		(82,404)
29. Amounts receivable relating to uninsured plans, current year		8,450		8,450
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,711,547,563	4,774,115,765	148,807,099	6,634,470,427

DETAILS OF WRITE-IN LINES				
2401. Other expenses	111,970,984	402,737,663	17,611,689	532,320,336
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	111,970,984	402,737,663	17,611,689	532,320,336

(a) Includes management fees of \$ 2,441,974,288 to affiliates and \$ 151,630,034 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 40,278,757	35,690,359
1.1 Bonds exempt from U.S. tax	(a) 37,684,417	36,303,713
1.2 Other bonds (unaffiliated)	(a) 407,062,655	426,713,082
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 22,500	22,500
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	12,754,174	12,562,159
2.21 Common stocks of affiliates	145,857,062	145,857,062
3. Mortgage loans	(c) 26,009,406	25,799,144
4. Real estate	(d) 35,269,315	35,269,315
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 5,657,419	7,348,976
7. Derivative instruments	(f)	
8. Other invested assets	347,800,445	347,800,445
9. Aggregate write-ins for investment income	1,751,624	1,751,624
10. Total gross investment income	1,060,147,774	1,075,118,379
11. Investment expenses		(g) 145,142,924
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 57,309,157
14. Depreciation on real estate and other invested assets		(i) 14,640,215
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		217,092,296
17. Net investment income (Line 10 minus Line 16)		858,026,083

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	1,751,624	1,751,624
0902.		
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	1,751,624	1,751,624
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$ 19,870,941 accrual of discount less \$ 59,425,312 amortization of premium and less \$ 39,166,285 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 \$ 800,460 accrual of discount less \$ 31,991 amortization of premium and less \$ 55,891 paid for accrued interest on purchases.
- (d) Includes \$ 29,874,310 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 333,124 accrual of discount less \$ 43,893 amortization of premium and less \$ 39,886 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 50,205,847 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 49,813,078 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 14,640,215 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	94,738,641		94,738,641		
1.1 Bonds exempt from U.S. tax	19,123,023		19,123,023	777,361	
1.2 Other bonds (unaffiliated)	145,912,646	(16,822,426)	129,090,220	458,151	(12,462,028)
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(1,776,752)		(1,776,752)	1,700	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(14,148,451)	(509,190)	(14,657,641)	52,499,753	
2.21 Common stocks of affiliates	(23,034,989)		(23,034,989)	1,329,210,019	
3. Mortgage loans	2,623,247		2,623,247	(4,931)	
4. Real estate	17,013,155	(873,483)	16,139,672		
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(2,283,207)		(2,283,207)	878,177	6,671,795
7. Derivative instruments	16,645,290		16,645,290	(1,539,115)	
8. Other invested assets	(2,127,764)	(797,833)	(2,925,597)	(344,879,926)	4,595,706
9. Aggregate write-ins for capital gains (losses)	696,693	(13,484,239)	(12,787,546)	6,450,653	47,250,144
10. Total capital gains (losses)	253,381,532	(32,487,171)	220,894,361	1,043,851,842	46,055,617

DETAILS OF WRITE-IN LINES					
0901. REALIZED GAIN - ACCT REC - LITIGATION PROC	217,722		217,722		
0902. EARNED PREMIUM CTA					22,106
0903. ACCUMULATED TRANSLATION ADJUST-E/S					47,228,038
0998. Summary of remaining write-ins for Line 09 from overflow page	478,971	(13,484,239)	(13,005,268)	6,450,653	
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	696,693	(13,484,239)	(12,787,546)	6,450,653	47,250,144

## 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	100,429,422	95,229,928	(5,199,494)
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)	53,609,439	33,532,538	(20,076,901)
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	154,038,861	128,762,466	(25,276,395)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	138,446,704	120,239,094	(18,207,610)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,019,775	3,760,551	2,740,776
15.3 Accrued retrospective premiums and contracts subject to redetermination	8,595,675	16,555,239	7,959,564
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans	510		(510)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	5,389,802	83,485,227	78,095,425
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	952,693,770	786,668,876	(166,024,894)
21. Furniture and equipment, including health care delivery assets	469,114,438	570,628,454	101,514,016
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	32,020,245	97,079,387	65,059,142
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	140,530,206	137,697,626	(2,832,580)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,901,849,986	1,944,876,920	43,026,934
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,901,849,986	1,944,876,920	43,026,934

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other assets	91,801,087	92,669,314	868,227
2502. Goodwill	48,729,119	45,000,000	(3,729,119)
2503. Amounts receivable under high deductible policies		28,312	28,312
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	140,530,206	137,697,626	(2,832,580)

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies and Going Concern**

**A. Accounting Practices**

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the Massachusetts Insurance Commissioner, the accompanying financial statements of Liberty Mutual Insurance Company (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("APP Manual").

The Company does not have any prescribed or permitted accounting practices.

**NET INCOME**

	SSAP #	F/S Page	F/S Line #	2020	2019
(1) Liberty Mutual Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	X X X	X X X	X X X	262,657,766	598,402,665
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					

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

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

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

(4) NAIC SAP	(1 - 2 - 3 = 4)	X X X	X X X	X X X	262,657,766	598,402,665
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**SURPLUS**

	SSAP #	F/S Page	F/S Line #	2020	2019
(5) Liberty Mutual Insurance Company state basis (Page 3, Line 37, Columns 1 & 2)	X X X	X X X	X X X	19,019,875,128	16,811,384,434
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					

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

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

Home Office Property		SSAP #	F/S Page	F/S Line #	2020	2019
.....						
Totals (Lines 01A0701 through 01A0725)					0	0

(8) NAIC SAP	(5 - 6 - 7 = 8)	X X X	X X X	X X X	19,019,875,128	16,811,384,434
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**B. Use of Estimates in the Preparation of the Financial Statements**

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

**C. Accounting Policy**

## NOTES TO FINANCIAL STATEMENTS

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

In addition, the Company applies the following accounting policies, where applicable:

1. Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (SVO Manual).
2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
3. Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).
4. Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).
5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.
6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are based on market expectations. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
7. Investments in SCA companies are carried in accordance with SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and the SVO Manual.
8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Companies, and the SVO Manual.
9. Derivative Securities, refer to Note 8.
10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property Casualty Contracts - Premiums. Refer to Note 30.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods, for making such estimates and for establishing the resulting liability, are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
12. The Company did not change its capitalization policy in 2020.
13. The Company has no pharmaceutical rebate receivables."

D. **Going Concern**

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

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

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

3. **Business Combinations and Goodwill**

A. **Statutory Purchase Method**

On October 2, 2019, the Company directly acquired a 100% ownership and all of the issued and outstanding voting shares of Nationale Borg Re, a specialty reinsurance company. The transaction was accounted for as a statutory purchase and the cost was \$58,463,986, resulting in goodwill in the amount of \$35,587,490. Goodwill amortization relating to the purchase of Nationale Borg Re was \$3,558,749 for year ended December 31, 2020; goodwill is being amortized over ten years.

On May 1, 2017, the Company directly acquired a 100% ownership and all of the issued and outstanding voting shares of Ironshore Inc. ("Ironshore"), a holding company, which is the upstream parent of various subsidiaries that are engaged in insurance and non-insurance activity. The transaction was accounted for as a statutory purchase and the cost was \$2,935,288,000, resulting in goodwill in the amount of \$1,063,290,591. Goodwill amortization relating to the purchase of Ironshore was \$106,329,059 for year ended December 31, 2020; goodwill is being amortized over ten years.

On June 9, 2010, the Company purchased Liberty Mutual Fire Insurance Company's 2.892% holdings of the shares of Liberty Insurance Holdings, Inc. ("LIH"), a non-insurance holding company, for \$249,957,350 in cash and securities and Employers Insurance Company of Wausau's 4.048% holdings of shares of LIH for \$349,871,398 in cash and securities. The purchase price represented the estimated fair value of the LIH shares. The transaction resulted in \$288,195,370 of goodwill to LMIC. Goodwill amortization was \$12,728,629 for year ended December 31, 2020; goodwill was fully amortized as of December 31, 2020.

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



## NOTES TO FINANCIAL STATEMENTS

(1) Purchased entity	(2) Acquisition date	(3) Cost of acquired entity	(4) Original amount of admitted goodwill	(5) Admitted goodwill as of the reporting date	(6) Amount of goodwill amortized during the reporting period	(7) Admitted goodwill as a % of SCA BACV, gross of admitted goodwill
National Borg Re	10/2/2019	58,463,986	35,587,490	31,139,054	3,558,749	48%
Ironshore Inc.	5/1/2017	2,935,288,000	1,063,290,591	673,417,374	106,329,059	29%
Liberty Insurance Holdings, Inc.	6/9/2010	249,957,350	288,195,370	0	12,728,629	0%

**B. Statutory Merger**

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

**C. Impairment Loss**

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

**4. Discontinued Operations**

The Company has no discontinued operations

**A. Discontinued Operations Disposed of or Classified as Held for Sale**  
Not Applicable

**B. Change in Plan of Sale of Discontinued Operation**  
Not Applicable

**C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal**  
Not Applicable

**D. Equity Interest Retained in the Discontinued Operation After Disposal**  
Not Applicable

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

(1) The minimum and maximum lending rates for mortgage loans for 2020 were:  
Farm mortgages: N/A  
Residential mortgages: 2.69% and 5.21%  
Commercial mortgages: 1.877% and 5.125%

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

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

Current Year	Prior Year
12,168	16,147

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

**a. Current Year**

1. Recorded Investment (All)

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
(a) Current Year	\$ 0	0	172,373,885	0	592,231,067	0	764,604,952
(b) 30 - 59 Days Past Due	\$ 0	0	0	0	0	0	0
(c) 60 - 89 Days Past Due	\$ 0	0	0	0	0	0	0
(d) 90 - 179 Days Past Due	\$ 0	0	0	0	0	0	0
(e) 180 + Days Past Due	\$ 0	0	0	0	53,971	0	53,971

2. Accruing Interest 90 - 179 Days Past Due

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

3. Accruing Interest 180 + Days Past Due

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

## NOTES TO FINANCIAL STATEMENTS

4. Interest Reduced								
(a) Recorded Investment	\$	0	0	0	0	4,191,056	0	4,191,056
(b) Number of Loans	\$	0	0	0	0	125	0	125
(c) Percent Reduced		0.000%	0.000%	0.000%	0.000%	0.900%	0.000%	0.900%
5. Participant or Co-lender in a Mortgage Loan Agreement								
(a) Recorded Investment	\$	0	0	172,373,885	0	592,285,038	0	764,658,923
<b>b. Prior Year</b>								
1. Recorded Investment								
(a) Current Year	\$	0	0	0	0	630,144,296	0	630,144,296
(b) 30 - 59 Days Past Due	\$	0	0	0	0	79,751	0	79,751
(c) 60 - 89 Days Past Due	\$	0	0	0	0	0	0	0
(d) 90 - 179 Days Past Due	\$	0	0	0	0	0	0	0
(e) 180 + Days Past Due	\$	0	0	0	0	53,233	0	53,233
2. Accruing Interest 90 - 179 Days Past Due								
(a) Recorded Investment	\$	0	0	0	0	0	0	0
(b) Interest Accrued	\$	0	0	0	0	0	0	0
3. Accruing Interest 180 + Days Past Due								
(a) Recorded Investment	\$	0	0	0	0	0	0	0
(b) Interest Accrued	\$	0	0	0	0	0	0	0
4. Interest Reduced								
(a) Recorded Investment	\$	0	0	0	0	2,056,720	0	2,056,720
(b) Number of Loans	\$	0	0	0	0	41	0	41
(c) Percent Reduced	\$	0.000%	0.000%	0.000%	0.000%	1.400%	0.000%	1.400%
5. Participant or Co-lender in a Mortgage Loan Agreement								
(a) Recorded Investment	\$	0	0	0	0	630,277,279	0	630,277,279

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

	Farm	Residential		Commercial		Mezzanine	Total	
		Insured	All Other	Insured	All Other			
<b>a. Current Year</b>								
1. With Allowance for Credit Losses	\$	0	0	0	0	929,919	0	929,919
2. No Allowance for Credit Losses	\$	0	0	0	0	2,943,598	0	2,943,598
3. Total (1+2)	\$	0	0	0	0	3,873,517	0	3,873,517
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$	0	0	0	0	3,873,517	0	3,873,517
<b>b. Prior Year</b>								
1. With Allowance for Credit Losses	\$	0	0	0	0	656,907	0	656,907
2. No Allowance for Credit Losses	\$	0	0	0	0	3,314,319	0	3,314,319
3. Total (1+2)	\$	0	0	0	0	3,971,226	0	3,971,226
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	\$	0	0	0	0	3,971,226	0	3,971,226

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

	Farm	Residential		Commercial		Mezzanine	Total	
		Insured	All Other	Insured	All Other			
<b>a. Current Year</b>								
1. Average Recorded Investment	\$	0	0	0	0	3,919,372	0	3,919,372
2. Interest Income Recognized	\$	0	0	0	0	147,138	0	147,138
3. Recorded Investments on Nonaccrual Status	\$	0	0	0	0	53,971	0	53,971
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	0	0	0	0	147,340	0	147,340

## NOTES TO FINANCIAL STATEMENTS

**b. Prior Year**

1. Average Recorded Investment	\$	0	0	0	0	4,504,715	0	4,504,715
2. Interest Income Recognized	\$	0	0	0	0	234,730	0	234,730
3. Recorded Investments on Nonaccrual Status	\$	0	0	0	0	53,233	0	53,233
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	0	0	0	0	213,799	0	213,799

**(7) Allowance for Credit Losses:**

	Current Year	Prior Year
a. Balance at beginning of period	\$ 268,673	217,843
b. Additions charged to operations	\$ 52,119	382,746
c. Direct write-downs charged against the allowances	\$ (63,200)	(331,916)
d. Recoveries of amounts previously charged off	\$ 0	0
e. Balance at end of period	\$ 257,592	268,673

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

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

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

**B. Debt Restructuring**

	Current Year	Prior Year
(1) Total recorded investment in restructured loans, as of year end	\$ 4,548,050	3,869,705
(2) The realized capital losses related to these loans	\$ 0	0
(3) Total contractual commitments to extend credit to debtors owing receiv. whose terms have been modified in troubled debt restructurings	\$ 0	0

- (4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.

**C. Reverse Mortgages**

Not Applicable

**D. Loan-Backed Securities**

## NOTES TO FINANCIAL STATEMENTS

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than- Temporary Impairment	Amortized Cost After Other- Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
124860-CB-1	110,277	75,013	35,264	75,013	74,188	06/30/2020
87249Y-AC-7	1,499,190	990,000	509,190	990,000	1,056,000	06/30/2020
61749B-AB-9	113,682	99,021	14,661	99,021	94,660	09/30/2020
124860-CB-1	63,412	41,334	22,078	41,334	40,027	09/30/2020
59023X-AB-2	41,361	37,537	3,824	37,537	38,824	09/30/2020
45112A-AC-1	3,703,133	2,354,046	1,349,087	2,354,046	2,380,112	09/30/2020
45112A-AA-5	7,739,500	5,551,536	2,187,964	5,551,536	5,640,948	09/30/2020
59023X-AB-2	3,616	2,581	1,035	2,581	2,529	12/31/2020
<b>Total</b>	<b>X X X</b>	<b>X X X</b>	<b>4,123,103</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>

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

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

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

a. The aggregate Amount of unrealized losses:	(1)
Less than 12 months	\$ (3,786,491)
12 Months or Longer	\$ (9,116,978)
b. The aggregate related fair value of securities with unrealized losses:	
Less than 12 months	\$ 205,172,357
12 Months or Longer	\$ 300,498,809

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

## NOTES TO FINANCIAL STATEMENTS

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

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

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

(3) Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
Open	\$ 569,345,193
30 Days or Less	\$ 0
31 to 60 Days	\$ 0
61 to 90 Days	\$ 0
Greater Than 90 Days	\$ 0
Sub-Total	\$ 569,345,193
Securities Received	\$ 0
Total Collateral Received	\$ 569,345,193

2. Dollar Repurchase Agreement

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

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

\$ 658,570,675

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

d. Not applicable

(4) Securities Lending Transactions Administered by an Affiliated Agent

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

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending		
Open	\$ 0	\$ 0
30 Days or Less	\$ 187,763,076	\$ 187,763,076
31 to 60 Days	\$ 255,017,752	\$ 255,017,752
61 to 90 Days	\$ 126,564,366	\$ 126,564,366
91 to 120 Days	\$ 0	\$ 0
121 to 180 Days	\$ 0	\$ 0
181 to 365 Days	\$ 0	\$ 0
1 to 2 years	\$ 0	\$ 0
2 to 3 year	\$ 0	\$ 0
Greater Than 3 years	\$ 0	\$ 0
Sub-Total	\$ 569,345,194	\$ 569,345,194
Securities Received	\$ 0	\$ 0
Total Collateral Reinvested	\$ 569,345,194	\$ 569,345,194

## NOTES TO FINANCIAL STATEMENTS

2. Dollar Repurchase Agreement

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

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

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

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

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

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

1. In 2020 the Company recognized impairments of \$873,483 on one (1) of its commercial real estate properties which is depicted below. The property was classified as held for sale during the year and impairments were recorded to account for the difference between net book value and estimated sales price. The impairments are included in the "Net realized capital gains" caption on the Statement of Income.

Property Location	Impairment
New Castle, PA	\$873,483

2. The Company disposed of four (4) properties depicted below. The Company received \$46.5M for the sale of these properties and recognized a gain of \$17M in total on the transactions.

New Castle, PA - Sold July 2020  
Received \$1M and recognized a loss of \$26,454

Hopkinton, MA - Sold March 2020  
Received \$4.2M and recognized a gain of \$91,199

Mishawaka, IN - Sold January 2020  
Received \$2.1M and recognized a loss of \$175,047

Weston, MA - Sold December 2020  
Received \$39.3M and recognized a gain of \$17.1M

3. The Company did not experience any changes to its plans regarding sale of its investments in real estate other than what has been disclosed in questions 1 and 2.

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

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

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

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## NOTES TO FINANCIAL STATEMENTS

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

1. There are eleven years remaining of unexpired tax credits. The required holding period for the LIHTC investment is fifteen years.
2. There were \$48,172,071 of LIHTC and other tax benefits recognized during the year.
3. The balance of the investment recognized in the statement of financial position for the current year is \$146,521,990.
4. The Company's LIHTC property is required to meet regulatory benchmarks to comply with the LIHTC program which include the review of tenant files. Oversight of the projects is administered by the State Housing agencies.
5. The carrying value of the Company's investment in LIHTC did not exceed 10% of its admitted assets.
6. The Company did not recognize any impairment loss on its LIHTC investment during the year.
7. 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.

L. Restricted Assets

## NOTES TO FINANCIAL STATEMENTS

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Ass	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0	0	0	0	0
b. Collateral held under security lending agreements	\$ 569,345,193	0	0	0	569,345,193	327,328,003	242,017,190
c. Subject to repurchase agreements	\$ 0	0	0	0	0	0	0
d. Subject to reverse repurchase agreements	\$ 0	0	0	0	0	0	0
e. Subject to dollar repurchase agreements	\$ 0	0	0	0	0	0	0
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0	0	0	0	0
g. Placed under option contracts	\$ 0	0	0	0	0	0	0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0	0	0	0	0
i. FHLB capital stock	\$ 16,000,000	0	0	0	16,000,000	14,382,400	1,617,600
j. On deposit with states	\$ 1,214,313,442	0	0	0	1,214,313,442	1,235,873,39	-21,559,949
k. On deposit with other regulatory bodies	\$ 1,413,432,559	0	0	0	1,413,432,559	1,251,389,39	162,043,162
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 154,987,763	0	0	0	154,987,763	161,246,614	-6,258,851
m. Pledged as collateral not captured in other categories	\$ 1,980,169,658	0	0	0	1,980,169,658	924,211,609	1,055,958,04
n. Other restricted Assets	\$ 0	0	0	0	0	0	0
<b>o. Total Restricted Assets</b>	<b>\$ 5,348,248,615</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,348,248,615</b>	<b>3,914,431,41</b>	<b>1,433,817,20</b>

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	10 Gross (Admitted Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Tot Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0.000	0.000
b. Collateral held under security lending agreements	\$ 0	569,345,193	0.950	0.981
c. Subject to repurchase agreements	\$ 0	0	0.000	0.000
d. Subject to reverse repurchase agreements	\$ 0	0	0.000	0.000
e. Subject to dollar repurchase agreements	\$ 0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0.000	0.000
g. Placed under option contracts	\$ 0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0.000	0.000
i. FHLB capital stock	\$ 0	16,000,000	0.027	0.028
j. On deposit with states	\$ 0	1,214,313,442	2.027	2.092
k. On deposit with other regulatory bodies	\$ 0	1,413,432,559	2.359	2.435
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	154,987,763	0.259	0.267
m. Pledged as collateral not captured in other categories	\$ 0	1,980,169,658	3.305	3.411
n. Other restricted Assets	\$ 0	0	0.000	0.000
<b>o. Total Restricted Assets</b>	<b>\$ 0</b>	<b>5,348,248,615</b>	<b>8.927</b>	<b>9.214</b>

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

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



## NOTES TO FINANCIAL STATEMENTS

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

		Gross (Admitted & Nonadmitted) Restricted						6	7
		Current Year							
		1	2	3	4	5			
Description of Assets		Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)	
01	LLOYDS REINSURANCE AGREEMENT	1,089,274,671	0	0	0	1,089,274,6	760,342,38	328,932,283	
02	FMAC REINSURANCE AGREEMENT	89,005,552	0	0	0	89,005,552	58,186,775	30,818,777	
03	FNMA REINSURANCE AGREEMENT	72,718,571	0	0	0	72,718,571	80,674,842	(7,956,271)	
04	CITIBANK HONG KONG LOC	26,310,031	0	0	0	26,310,031	25,007,604	1,302,427	
05	LM EUROPE PLEDGED ASSETS	378,718,621	0	0	0	378,718,62	0	378,718,621	
06	LM EUROPE QUOTA SHARE	324,142,212	0	0	0	324,142,21	0	324,142,212	
Total (c)		1,980,169,658	0	0	0	1,980,169,6	924,211,60	1,055,958,0	

		Percentage		
		8	9	10
Description of Assets		Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
01.	LLOYDS REINSURANCE AGREEMENT	1,089,274,671	1.818	1.876
02.	FMAC REINSURANCE AGREEMENT	89,005,552	0.149	0.153
03.	FNMA REINSURANCE AGREEMENT	72,718,571	0.121	0.125
04.	CITIBANK HONG KONG LOC	26,310,031	0.044	0.045
05.	LM EUROPE PLEDGED ASSETS	378,718,621	0.632	0.652
06.	LM EUROPE QUOTA SHARE	324,142,212	0.541	0.558
Total (c)		1,980,169,658	3.305	3.409

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

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

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

## NOTES TO FINANCIAL STATEMENTS

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

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

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

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted*)	% of BACV to Total Admitted Assets**
<b>General Account:</b>				
a. Cash, Cash Equivalents and Short-Term Investments	\$ 0	0	0.000	0.000
b. Schedule D, Part 1	\$ 0	0	0.000	0.000
c. Schedule D, Part 2, Section 1	\$ 0	0	0.000	0.000
d. Schedule D, Part 2, Section 2	\$ 0	0	0.000	0.000
e. Schedule B	\$ 0	0	0.000	0.000
f. Schedule A	\$ 0	0	0.000	0.000
g. Schedule BA, Part 1	\$ 0	0	0.000	0.000
h. Schedule DL, Part 1	\$ 569,345,193	569,345,193	0.950	0.981
i. Other	\$ 0	0	0.000	0.000
<b>j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)</b>	<b>\$ 569,345,193</b>	<b>569,345,193</b>	<b>0.950</b>	<b>0.981</b>
<b>Separate Account:</b>				
k. Cash, Cash Equivalents and Short-Term Investments	\$ 0	0	0.000	0.000
l. Schedule D, Part 1	\$ 0	0	0.000	0.000
m. Schedule D, Part 2, Section 1	\$ 0	0	0.000	0.000
n. Schedule D, Part 2, Section 2	\$ 0	0	0.000	0.000
o. Schedule B	\$ 0	0	0.000	0.000
p. Schedule A	\$ 0	0	0.000	0.000
q. Schedule BA, Part 1	\$ 0	0	0.000	0.000
r. Schedule DL, Part 1	\$ 0	0	0.000	0.000
s. Other	\$ 0	0	0.000	0.000
<b>t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)</b>	<b>\$ 0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>

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

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

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

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

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

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

	1	2
Amount	%	%
\$ 569,345,193	0.950	0.981
\$ 0	0.000	0.000

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

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

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. 5GI Securities

Not Applicable

P. Short Sales

## NOTES TO FINANCIAL STATEMENTS

Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	152	0
(2) Aggregate Amount of Investment Income	4,941,464	0

**6. Joint Ventures, Partnerships and Limited Liability Companies**

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

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

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

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

**7. Investment Income**

Accrued Investment Income

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

Amounts Nonadmitted

B. No amounts were excluded as of December 31, 2020.

**8. Derivative Instruments**

A. Derivatives under SSAP No. 86—Derivatives

1., 2., 3. Derivative financial instruments utilized by the Company during 2020 and 2019 included futures contracts, credit default swaps, total return swaps, commodity swaps and option agreements.

(1) Market risk is defined as the risk of adverse financial impact due to fluctuations in market rates or prices. To mitigate this risk, the Company's senior management has established risk control limits for derivative transactions. Credit/counterparty risk is defined as the risk of financial loss if a counterparty is either unable or unwilling to repay borrowings or settle a transaction in accordance with the underlying contractual terms. The Company manages credit and counterparty risk by using highly rated counterparties and obtaining collateral, where appropriate. Collateral requirements are determined after a comprehensive review of the credit quality of each counterparty and the collateral requirements are monitored and adjusted as needed.

(2) The Company uses derivatives for risk management, income generation, and to increase investment portfolio returns through asset replication. The Company does not use derivatives for speculative purposes. 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.

## NOTES TO FINANCIAL STATEMENTS

(3) The following summarizes the objectives and accounting policies for each type of derivative used:

The Company uses interest rate futures contracts to manage interest rate risk associated with holding certain fixed income investments. Daily cash settlements of variation margins are required for futures contracts and is based on the changes in daily prices. The daily cash settlements of margin gains or losses for futures contracts that received non-hedged accounting treatment and have terminated are reported in net realized capital gains or losses. The daily cash settlements of margin gain or losses for open futures contracts that receive non-hedge accounting treatment are reported as net unrealized capital gains or losses within unassigned surplus.

The Company uses swap agreements as well as purchased and written call and put options to manage price risk associated with oil and gas price indices. The swap agreements and options receive non-hedge accounting treatment and the change in fair value of open contracts is reported as net unrealized gains or losses in unassigned surplus. Periodic settlements of the swap agreements, which represent amounts receivable from or payable to the counterparty are based on the settlement terms of the agreement and any gains or losses are recorded as net realized capital gains or losses. Cash settlement for the options only occurs if the options are exercised. Gains at the exercise date are reported as net realized gains.

Total return swap ("TRS") agreements are agreements where one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. The Company uses TRS agreements to hedge valuation flux in certain bond portfolios and replicate a return profile substantially the same as investing in otherwise permissible investments. Cash settlements occur at dates specified in individual agreements. The amount of cash exchanged is equal to the difference between the set rate in the contract and the return of the underlying asset.

A credit default swap index ("CDX") is an exchange traded credit derivative security. CDX are comprised of a collection of other credit default swaps (CDS). There are numerous types of CDX: high-yield, investment grade, high volatility, and emerging markets. CDXs measure the total returns for different sectors of the bond market and are examined and updated every six months. CDX are standardized and exchange-traded; as such, they possess a high level of liquidity and transparency. The Company uses CDX to mitigate credit risk or to replicate credit exposure in a particular bond portfolio.

TRS and CDX agreements receive non-hedge accounting treatment. Periodic settlements, which represent amounts receivable from/payable to the counterparties or a clearing house are based on the settlement terms within the agreement and reported as a component of net realized gains and losses. The change in the fair value of open swap agreements that receive non-hedge accounting treatment are reported as net unrealized capital gains and losses, within unassigned surplus.

- (4) The Company entered into futures contracts, commodity swap, total return, and credit default swaps in 2020 and 2019 which required the payment/receipt of premiums at either the inception of the contracts or throughout the life of the contracts, depending on the agreement with counterparties and brokers.
- (5) The Company did not have gains or losses in net unrealized capital gains or losses that represented a component of any derivatives' gain or loss that was excluded from the assessment of hedge effectiveness in 2020.
- (6) The Company did not have gains or losses in net unrealized gains or losses that resulted from derivatives that no longer qualify for hedge accounting treatment in 2020.
- (7) The company did not have derivatives accounted for as cash flow hedges of a forecasted transaction.

(8)

a.

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

b.

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

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

## NOTES TO FINANCIAL STATEMENTS

(1) Discussion of hedged item/hedging instruments and hedging strategy:

Not Applicable

(2) Recognition of gains/losses and deferred assets and liabilities

a. Scheduled Amortization

Amortization Year	Deferred Assets	Deferred Liabilities
1. 2020	\$ 0	\$ 0
2. 2021	\$ 0	\$ 0
3. 2022	\$ 0	\$ 0
4. 2023	\$ 0	\$ 0
5. 2024	\$ 0	\$ 0
6. 2025	\$ 0	\$ 0
7. 2026	\$ 0	\$ 0
8. 2027	\$ 0	\$ 0
9. 2028	\$ 0	\$ 0
10. 2029	\$ 0	\$ 0
11. Total	\$ 0	\$ 0

b. Total Deferred Balance \* \$ 0

\* Should agree to Column 18 of Schedule DB, Part E

c. Reconciliation of Amortization:

1. Prior Year Total Deferred Balance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
2. Current Year Amortization	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
3. Current Year Deferred Recognition	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
4. Ending Deferred Balance [1-(2+3)]	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>

d. Open Derivative Removed from SSAP No. 108 and Captured in Scope

1. Total Derivative Fair Value Change	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Change in Fair Value Reflected as a Natural Offset to VM21	
2. Liability under SSAP No. 108	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Change in Fair Value Reflected as a Deferred Asset / Liability	
3. Under SSAP No. 108	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
4. Other Changes	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Unrealized Gain / Loss Recognized for Derivative Under SSAP	
5. No. 86 [1-(sum of 2 through 4)]	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>

e. Open Derivative Removed from SSAP No. 86 and Captured in Scope

1. Total Derivative Fair Value Change	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Unrealized Gain / Loss Recognized Prior to the Reclassification	
2. to SSAP No. 108	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
3. Other Changes	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Fair Value Change Available for Application under SSAP No.	
4. 108 [1-(2+3)]	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>

(3) Hedging Strategies Identified as No Longer Highly Effective

b. Details of Hedging Strategies Identified as No Longer Highly Effective

## NOTES TO FINANCIAL STATEMENTS

Unique Identifier	Date Domiciliary State Notified	Amortization (# of years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020	\$ 0	\$ 0	\$ 0	\$ 0
2. 2021	\$ 0	\$ 0	\$ 0	\$ 0
3. 2022	\$ 0	\$ 0	\$ 0	\$ 0
4. 2023	\$ 0	\$ 0	\$ 0	\$ 0
5. 2024	\$ 0	\$ 0	\$ 0	\$ 0
6. Total Adjusted Amortization	\$ 0			

(4) Hedging Strategies Terminated

b. Details of Hedging Strategies Terminated

Unique Identifier	Date Domiciliary State Notified	Amortization (# of years) 5 or Less	Recognized Deferred Assets	Recognized Deferred Liabilities

c. Amortization

Amortization Year	Recognized Deferred Assets	Recognized Deferred Liabilities	Accelerated Amortization	Original Amortization
1. 2020	\$ 0	\$ 0	\$ 0	\$ 0
2. 2021	\$ 0	\$ 0	\$ 0	\$ 0
3. 2022	\$ 0	\$ 0	\$ 0	\$ 0
4. 2023	\$ 0	\$ 0	\$ 0	\$ 0
5. 2024	\$ 0	\$ 0	\$ 0	\$ 0
6. Total Adjusted Amortization	\$ 0			

9. Income Taxes

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

	12/31/2020			12/31/2019		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total
a. Gross Deferred Tax Assets	\$ 1,659,765,000	161,752,000	1,821,517,000	1,647,589,000	147,960,000	1,795,549,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0	0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 1,659,765,000	161,752,000	1,821,517,000	1,647,589,000	147,960,000	1,795,549,000
d. Deferred Tax Assets Nonadmitted	\$ 5,389,802	0	5,389,802	83,485,227	0	83,485,227
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 1,654,375,198	161,752,000	1,816,127,198	1,564,103,773	147,960,000	1,712,063,773
f. Deferred Tax Liabilities	\$ 321,652,000	508,865,000	830,517,000	315,055,000	458,441,000	773,496,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 1,332,723,198	(347,113,000)	985,610,198	1,249,048,773	(310,481,000)	938,567,773

**NOTES TO FINANCIAL STATEMENTS**

	Change		
	(7)	(8)	(9)
	(Col 1 - 4) Ordinary	(Col 2- 5) Capital	(Col 7 + 8) Total
a. Gross Deferred Tax Assets	\$ 12,176,000	13,792,000	25,968,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 12,176,000	13,792,000	25,968,000
d. Deferred Tax Assets Nonadmitted	\$ (78,095,425)	0	(78,095,425)
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 90,271,425	13,792,000	104,063,425
f. Deferred Tax Liabilities	\$ 6,597,000	50,424,000	57,021,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 83,674,425	(36,632,000)	47,042,425

	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	0	0	0	0	0
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 954,022,910	31,587,287	985,610,197	938,567,773	0	938,567,773
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ 954,022,910	31,587,287	985,610,197	938,567,773	0	938,567,773
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	0	X X X	X X X	2,378,287,694
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 321,652,000	508,865,000	830,517,000	315,055,000	458,441,000	773,496,000
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 1,275,674,910	540,452,287	1,816,127,197	1,253,622,773	458,441,000	1,712,063,773

	Change		
	(1)	(2)	(3)
	(Col 1 - 4) Ordinary	(Col 2- 5) Capital	(Col 7 + 8) Total
Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	0	0
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 15,455,137	31,587,287	47,042,424
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ 15,455,137	31,587,287	47,042,424
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	(2,378,287,694)
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 6,597,000	50,424,000	57,021,000
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 22,052,137	82,011,287	104,063,424

	2020	2019
	a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	335.2%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 18,034,264,930.000	15,872,816,661.000

	12/31/2020	12/31/2019	Change
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## NOTES TO FINANCIAL STATEMENTS

Impact of Tax-Planning Strategies	(1)	(2)	(3)	(4)	(5)	(6)
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 1,659,765,000	161,752,000	1,647,589,000	147,960,000	12,176,000	13,792,000
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 1,654,375,198	161,752,000	1,564,103,773	147,960,000	90,271,425	13,792,000
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000

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

B. Regarding deferred tax liabilities that are not recognized:

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

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

	(1)	(2)	(3)
	12/31/2020	12/31/2019	(Col 1 - 2) Change
(1) Current Income Tax			
a. Federal	\$ (177,705,307)	(86,861,201)	(90,844,106)
b. Foreign	\$ 54,249,080	11,018,193	43,230,887
c. Subtotal	\$ (123,456,227)	(75,843,008)	(47,613,219)
d. Federal Income Tax on net capital gains	\$ 49,539,938	32,722,008	16,817,930
e. Utilization of capital loss carry-forwards	\$ 0	0	0
f. Other	\$ 0	0	0
g. Federal and foreign income taxes incurred	\$ (73,916,289)	(43,121,000)	(30,795,289)

(2) Deferred Tax Assets:

a. Ordinary

1. Discounting of unpaid losses	\$ 324,990,000	304,123,000	20,867,000
2. Unearned premium reserve	\$ 364,908,000	346,294,000	18,614,000
3. Policyholder reserves	\$ 0	0	0
4. Investments	\$ 56,109,000	56,750,000	(641,000)
5. Deferred acquisition costs	\$ 0	0	0
6. Policyholder dividends accrual	\$ 0	0	0
7. Fixed assets	\$ 9,068,000	19,272,000	(10,204,000)
8. Compensation and benefits accrual	\$ 307,274,000	280,753,000	26,521,000
9. Pension accrual	\$ 87,142,000	82,887,000	4,255,000
10. Receivables - nonadmitted	\$ 377,655,000	375,974,000	1,681,000
11. Net operating loss carry-forward	\$ 0	0	0
12. Tax credit carry-forward	\$ 73,141,000	136,270,000	(63,129,000)
13 Other (including items <5% of total ordinary tax assets)	\$ 59,478,000	45,266,000	14,212,000
99. Subtotal	\$ 1,659,765,000	1,647,589,000	12,176,000

b. Statutory valuation allowance adjustment	\$ 0	0	0
c. Nonadmitted	\$ 5,389,802	83,485,227	(78,095,425)
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 1,654,375,198	1,564,103,773	90,271,425

e. Capital:

(1) Investments	\$ 61,452,000	74,303,000	(12,851,000)
(2) Net capital loss carry-forward	\$ 0	0	0
(3) Real estate	\$ 0	0	0
(4) Other (including items <5% of total capital tax assets)	\$ 100,300,000	73,657,000	26,643,000
(99) Subtotal	\$ 161,752,000	147,960,000	13,792,000

f. Statutory valuation allowance adjustment	\$ 0	0	0
g. Nonadmitted	\$ 0	0	0
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 161,752,000	147,960,000	13,792,000
i. Admitted deferred tax assets (2d + 2h)	\$ 1,816,127,198	1,712,063,773	104,063,425



## NOTES TO FINANCIAL STATEMENTS

(3) Deferred Tax Liabilities:

a. Ordinary

1. Investments	\$ 43,153,000	40,868,000	2,285,000
2. Fixed assets	\$ 117,195,000	101,944,000	15,251,000
3. Deferred and uncollected premium	\$ 0	0	0
4. Policyholder reserves	\$ 65,686,000	78,823,000	(13,137,000)
5. Other (including items <5% of total ordinary tax liabilities)	\$ 95,618,000	93,420,000	2,198,000
99. Subtotal	\$ 321,652,000	315,055,000	6,597,000

b. Capital:

1. Investments	\$ 508,865,000	458,441,000	50,424,000
2. Real Estate	\$ 0	0	0
3. Other (including items <5% of total capital tax liabilities)	\$ 0	0	0
99. Subtotal	\$ 508,865,000	458,441,000	50,424,000

c. Deferred tax liabilities (3a99 + 3b99)	\$ 830,517,000	773,496,000	57,021,000
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(4) Net deferred tax assets/liabilities (2i - 3c)	\$ 985,610,198	938,567,773	47,042,425
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D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of passive foreign investment income, subpart F income, intercompany eliminations, discounting of unpaid losses and loss adjustment expenses, compensation adjustments, tax exempt income, intercompany dividends, LP & LLC income, mark to market adjustments, accrued expenses, limits on unearned premium reserve deductions, amortization, allowance for doubtful accounts, depreciation, abandonments, gain on sale, accretion of market discount, partnership income/loss, fixed assets, derivatives, loss reserve transitional adjustment, book income reallocations, sale of subsidiary, utilization of foreign tax credits, utilization of general business credits, revisions to prior year estimates, foreign branch tax and foreign withholding.

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

(1) The Company has foreign tax credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2019	\$3,881,000	2029
2020	\$18,431,000	2030

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

Year Generated	Amount	Expiration
2019	\$11,430,000	2039
2020	\$39,399,000	2040

(3) The amount of Federal income taxes incurred and available for recoupment in the event of future losses are none from the current year and none from the preceding year.

F. 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.

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

H. Repatriation Transition Tax  
Not applicable.

I. Alternative Minimum Tax Credit

	<u>Amount</u>	
(1) Gross AMT Credit Recognized as:		
a. Current year recoverable	\$	0
b. Deferred tax asset (DTA)	\$	0
(2) Beginning Balance of AMT Credit Carryforward	\$	7,637,000
(3) Amounts Recovered	\$	7,109,000
(4) Adjustments	\$	0
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	\$	528,000
(6) Reduction for Sequestration	\$	0
(7) Nonadmitted by Reporting Entity	\$	0
(8) Reporting Entity Ending Balance (8=5-6-7)	\$	528,000

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

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

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

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

B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.

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## NOTES TO FINANCIAL STATEMENTS

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- C. As of December 31, 2020, the Company had the following transactions with its parent and subsidiaries:
1. Received capital contributions of \$900,000,000.
  2. Received return of capital distributions of \$845,099,119.
  3. Contributed capital in the amount of \$1,555,803,063.
  4. Received dividends in the amount of \$476,816,008.
- D. At December 31, 2020, the Company reported a net \$137,043,461 due from affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has entered into guarantees to or on behalf of the following affiliates, as described in Note 14A.

America First Insurance Company  
Liberty Specialty Markets Bermuda Limited  
Liberty Information Technology Limited  
Liberty Specialty Markets Hong Kong Limited  
Liberty Specialty Markets Singapore Pte. Limited  
Liberty Citystate Holdings Pte. Ltd.  
Liberty Mutual Insurance Europe SE  
Liberty Personal Insurance Company  
Liberty Surplus Insurance Corporation  
Safeco Insurance Company of Oregon  
San Diego Insurance Company  
Companies in the Liberty Mutual Group holding custodial accounts with JP Morgan Chase Bank

## NOTES TO FINANCIAL STATEMENTS

F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

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

The Company is party to service agreements with the following SCA companies -

Berkeley/Columbus II LLC  
 Berkeley/Columbus Real Estate LLC  
 Helmsman Insurance Agency LLC  
 Helmsman Management Services LLC  
 Ironshore Insurance Services LLC  
 Ironshore Services Inc.  
 Ironshore Management Inc.  
 Ironshore Holdings (U.S.) Inc.  
 Liberty Information Technology Limited  
 Liberty Lloyd's of Texas Insurance Company  
 Liberty Mutual Agency Corporation  
 Liberty Mutual Auto and Home Services LLC  
 Liberty Mutual Credit Risk Transfer PPC, Inc.  
 Liberty Mutual Equity LLC  
 Liberty Mutual Group Inc.  
 Liberty Mutual Managed Care LLC  
 Liberty Mutual Technology Group Inc.  
 Liberty Specialty Markets Limited  
 Liberty Specialty Markets Europe Sàrl  
 LIU Specialty Insurance Agency Inc.  
 LM Property and Casualty Insurance Company  
 San Diego Insurance Company

Under these agreements, the Company may provide the SCA companies with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and through a management services agreement entered into by the Company and LMGI. Services include but are not limited to the following: claims handling, credit and collections, sales, policy production, underwriting and a variety of computer activities.

The Company is a party to a management services agreement with LMGI. Under the agreement, the Company may provide the SCA companies with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and through a management services agreement entered into by the Company and LMGI. Services include but are not limited to the following: claims handling, credit and collections, sales policy production, underwriting and a variety of computer activities.

Pursuant to an Employee Benefit Plans Cost-Sharing Agreement, the Company has agreed to reimburse LMGI for certain costs related to one or more employee benefit or welfare plans covering current or past employees of the Company or its affiliates which have been transferred to LMGI or which may be transferred to LMGI in the future. The amount of the reimbursement is: (a) the required contributions to the pension plans and (b) with respect to other plans, the benefits incurred on the Company's behalf.

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

The Company is party to an account services agreement with Liberty Mutual Group Asset Management Inc. ("LMGAM"). Under the agreement LMGAM provides services to the Company with respect to the cash management account.

The Company is a party to an investment management agreement with the Liberty Mutual Retirement Plan Master Trust (the "Trust"). Under the agreement, the Company provides services to the Trust.

The Company is a party to an investment management agreement with LMGAM. Under the agreement, LMGAM provides sub-adviser services to the Company.

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

Company	Credit Line
Employers Insurance Company of Wausau	\$125,000,000
Liberty Corporate Capital Limited	\$100,000,000
Liberty International Holdings Inc.	\$20,000,000
Liberty Mutual Fire Insurance Company	\$130,000,000
Liberty Mutual Group Inc.	\$1,500,000,000
Liberty Specialty Markets Bermuda Limited	\$100,000,000
Peerless Insurance Company	\$475,000,000
Safeco Insurance Company of America	\$150,000,000
The Ohio Casualty Insurance Company	\$200,000,000

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

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

Company	Credit Line
Employers Insurance Company of Wausau*	\$125,000,000
Liberty Mutual Fire Insurance Company*	\$130,000,000
Liberty Mutual Group Inc.	\$1,500,000,000
Liberty Specialty Markets Bermuda Limited	\$100,000,000
Peerless Insurance Company*	\$475,000,000
Safeco Insurance Company of America*	\$150,000,000
The Ohio Casualty Insurance Company	\$200,000,000

## NOTES TO FINANCIAL STATEMENTS

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

\*Reference Note 11C for detail on 2020 short term borrowings .

The Company is a party to revolving credit agreements under which the Company may lend funds to the following international companies for the purpose of accommodating fluctuations in daily cash flow and to satisfy liquidity risk requirements of Solvency II:

Company	Credit Line (\$USD approximate)
Liberty Compania de Seguros Generales S.A.	\$ 40,020,240
Liberty Seguros S.A.	\$37,979,953
Liberty Seguros S.A. (Ecuador)	\$10,000,000
Liberty International Insurance Limited	\$25,803,456
Liberty Specialty Markets Hong Kong Limited	\$19,352,592
Liberty Mutual Insurance Europe SE	\$247,990,000
Liberty Insurance Pte Ltd	\$49,162,482
Liberty Specialty Markets Singapore Pte. Limited	\$19,644,993
Liberty International European Holdings, S.L.	\$477,303,750
Liberty Seguros, Compania de Seguros y Reaseguros, S.A.	\$192,018,750
LMG Insurance Public Company Limited	\$30,634,480
Liberty Insurance Limited	\$4,953,780

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

There is an "Agent-Company Agreement" between the Company and Helmsman Insurance Agency, LLC ("Helmsman") whereby Helmsman is appointed a property-casualty insurance agent of the Company and provides usual and customary services of an insurance agent on all insurance contracts placed by Helmsman with the Company.

The Company is a party to management service agreements (the "Agreements") with the following SCA companies –

America First Insurance Company  
 America First Lloyds' Insurance Company  
 American Economy Insurance Company  
 American Fire and Casualty Company  
 American States Insurance Company  
 American States Insurance Company of Texas  
 American States Lloyds Insurance Company  
 American States Preferred Insurance Company  
 Colorado Casualty Insurance Company  
 Consolidated Insurance Company  
 Employers Insurance Company of Wausau  
 Excelsior Insurance Company  
 First National Insurance Company of America  
 General Insurance Company of America  
 Golden Eagle Insurance Corporation  
 Hawkeye-Security Insurance Company  
 Indiana Insurance Company  
 Ironshore Indemnity Inc.  
 Ironshore Specialty Insurance Company  
 Insurance Company of Illinois  
 Liberty Insurance Corporation  
 Liberty Insurance Underwriters Inc.  
 Liberty Mutual Fire Insurance Company  
 Liberty Mutual Mid-Atlantic Insurance Company  
 Liberty Mutual Personal Insurance Company  
 Liberty Northwest Insurance Corporation  
 Liberty Personal Insurance Company  
 Liberty Surplus Insurance Corporation  
 LM General Insurance Company  
 LM Insurance Corporation  
 LM Property and Casualty Insurance Company  
 Mid-American Fire & Casualty Company  
 Montgomery Mutual Insurance Company  
 National Insurance Association  
 North Pacific Insurance Company  
 Ohio Security Insurance Company  
 Oregon Automobile Insurance Company  
 Peerless Indemnity Insurance Company  
 Peerless Insurance Company  
 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 Surplus Lines Insurance Company  
 San Diego Insurance Company  
 The First Liberty Insurance Corporation  
 The Midwestern Indemnity Company  
 The Netherlands Insurance Company  
 The Ohio Casualty Insurance Company  
 Wausau Business Insurance Company  
 Wausau General Insurance Company  
 Wausau Underwriters Insurance Company

## NOTES TO FINANCIAL STATEMENTS

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### West American Insurance Company

Under these Agreements, the Company may provide these subsidiaries with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. The Company is reimbursed for the cost of all services which it provides under these Agreements.

## NOTES TO FINANCIAL STATEMENTS

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company owns 100.00% of Liberty Insurance Holdings, Inc. ("LIH, Inc"), a downstream holding company. LIH, Inc. is carried at audited U.S. Generally Accepted Accounting Principles ("GAAP") equity, adjusted for statutory basis of accounting in accordance with SSAP No 97.

At December 31, 2020 the Company's ownership interest in LIH, Inc.'s assets, liabilities and results of operations are as follows:  
LMIC Admitted Unamortized GW for the purchase of LMFIC & EICOW's shares of LIH Inc.

Assets: \$0  
Liabilities: \$0  
Results of Operations: \$0

Liberty Insurance Holdings, Inc.

Assets: \$6,616,775,300  
Liabilities: \$0

R results of Operations: \$4,921,647

- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.
- L. The Company utilizes the look-through approach for the valuation of the following downstream non-insurance holding companies:

	Carrying Value
Berkeley Management Corporation:	\$20,202,718
LM Captive Holdings LLC:	\$10,849,225
Liberty Mutual Mexico LLC:	\$73,049,370
Berkeley/Columbus III, LLC:	\$328,706,891
Liberty International Holdings Inc.:	\$5,490,660,375
Liberty Insurance Holdings, Inc.:	\$6,616,775,300
Ohio Casualty Corporation:	\$1,675,612,306
Ironshore Holdings (U.S.) Inc.:	\$427,117,424

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

- M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amou
Total SSAP No. 97 8A Entities	X X X	0	0	0
<b>b. SSAP No. 97 8b(ii) Entities</b>				
01. Liberty Insurance Holdings, Inc.	100.000	6,616,775,300	6,605,563,407	11,211,894
02. Ohio Casualty Corporation	78.000	1,675,612,306	1,668,944,026	6,668,280
03. Berkeley Management Corporation	100.000	20,202,718	7,673,416	12,529,302
04. Liberty Mutual Captive Holdings LLC	100.000	10,849,225	10,026,995	822,230
Total SSAP No. 97 8b(ii) Entities	X X X	8,323,439,549	8,292,207,844	31,231,706
<b>c. SSAP No. 97 8b(iii) Entities</b>				
01. St. James/Arlington Real Estate Limited Partnership	92.000	701,935,910	701,935,910	0
02. Liberty Energy Holdings, LLC	100.000	1,256,947,090	1,256,947,090	0
03. Liberty Metals & Mining Holdings, LLC	100.000	628,312,191	628,312,191	0
04. Liberty Mutual Investment Holdings LLC	40.000	1,542,396,656	1,542,396,656	0
05. Liberty Mutual Opportunistic Investments LLC	100.000	1,022,326,533	1,022,326,533	0
06. Liberty Structured Holdings LLC	20.000	258,833,984	258,833,984	0
07. Liberty Mutual Latam LLC	100.000	10,613,061	4,912,649	5,700,413
08. Georgia Tax Credit Fund LM L.P.	0.010	(48,728)	(48,728)	0
09. RBC State Credit Fund	100.000	3,767,446	3,767,446	0
10. Liberty Mutual Personal Insurance Ventures, LLC	100.000	43,029,477	15,000	43,014,477
11. Raymond James LM MALP LIHTC S	100.000	160,262	160,262	0
12. Berkeley/Columbus III LLC	100.000	328,706,891	328,706,391	500
13. Liberty Mutual Equity LLC	100.000	(12,048)	(9,404)	(2,644)
14. Solaria Labs, LLC	100.000	2,743,240	0	2,743,240
Total SSAP No. 97 8b(iii) Entities	X X X	6,300,658,252	6,179,167,229	121,491,025

## NOTES TO FINANCIAL STATEMENTS

c. SSAP No. 97 8b(iii) Entities				
15. Liberty Real Estate Holding LLC	100.000	16,888,634	16,888,634	0
16. LMAT Holdings LLC	30.000	56,940,229	56,940,229	0
17. Ironshore Holdings (US) Inc.	100.000	427,117,424	357,082,386	70,035,039
<b>Total SSAP No. 97 8b(iii) Entities</b>	<b>X X X</b>	<b>6,300,658,252</b>	<b>6,179,167,229</b>	<b>121,491,025</b>
d. SSAP No. 97 8b(iv) Entities				
01. Liberty Re Bermuda Limited	100.000	501,954,151	501,954,151	0
02. Liberty Sponsored Insurance Vermont	100.000	4,475,277	4,475,277	0
03. Liberty Insurance Company Limited	100.000	30,695,748	30,695,748	0
04. Liberty Insurance Berhad	100.000	129,795,228	129,795,228	0
05. Liberty Brasil Investimentos e Participacoes Ltda.	100.000	962,061	0	962,061
06. Liberty Mutual Mexico LLC	100.000	73,049,370	72,705,966	343,404
07. Liberty International Holdings Inc.	100.000	5,490,660,375	5,490,660,375	0
08. Nationale Borg Re	100.000	64,715,689	64,715,689	0
09. Ironshore Inc.	100.000	2,338,353,789	2,338,353,789	0
<b>Total SSAP No. 97 8b(iv) Entities</b>	<b>X X X</b>	<b>8,634,661,688</b>	<b>8,633,356,223</b>	<b>1,305,465</b>
<b>e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)</b>	<b>X X X</b>	<b>23,258,759,489</b>	<b>23,104,731,296</b>	<b>154,028,196</b>
<b>f. Aggregate Total (a + e)</b>	<b>X X X</b>	<b>23,258,759,489</b>	<b>23,104,731,296</b>	<b>154,028,196</b>

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y / N	NAIC Disallow Entities Valuat Method, Resubmission Required Y / N	Code **
a. SSAP No. 97 8a Entities						
<b>Total SSAP No. 97 8A Entities</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>
b. SSAP No. 97 8b(ii) Entities						
01. Liberty Insurance Holdings, Inc. (filed for non-P&C only)	S2	11/17/2020	0	Y	N	I
02. Ohio Casualty Corporation (filed for non-P&C only)	S2	10/22/2020	0	N	N	I
03. Berkeley Management Corporation	S2	10/21/2020	0	N	N	I
<b>Total SSAP No. 97 8b(ii) Entities</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>
c. SSAP No. 97 8b(iii) Entities						
01. Ironshore Holdings (US) Inc.	S1	11/20/2020	0	N	N	I
<b>Total SSAP No. 97 8b(iii) Entities</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>
d. SSAP No. 97 8b(iv) Entities						
01. Liberty Re Bermuda Limited	S2	10/21/2020	0	N	N	I
02. Liberty Sponsored Insurance Vermont	S2	10/22/2020	0	N	N	I
03. Liberty International Holdings Inc.	S2	12/21/2020	0	N	N	I
04. Nationale Borg Re	S1	12/22/2020	0	N	N	I
<b>Total SSAP No. 97 8b(iv) Entities</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>
<b>e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>
<b>f. Aggregate Total (a + e)</b>	<b>X X X</b>	<b>X X X</b>	<b>0</b>	<b>X X X</b>	<b>X X X</b>	<b>X X X</b>

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

\*\* I - Immaterial or M - Material

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

11 Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.



## NOTES TO FINANCIAL STATEMENTS

### B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. On March 23, 2012, the Company borrowed \$127,000,000 under the agreement with a maturity date of March 23, 2032. On April 2, 2012, the Company borrowed \$23,000,000 under the agreement with a maturity date of April 2, 2032. The borrowings are fully collateralized. Interest on the March 23, 2012 borrowing accrues at an annual rate of 4.24%. Interest on the April 2, 2012 borrowing accrues at an annual rate of 4.25%. For December year-to-date, the Company has incurred and paid interest expense of \$6,468,338. It is part of the Company's strategy to utilize these funds as backup liquidity. The Company has determined the actual maximum borrowing capacity as \$2,000,000,000 per Board of Directors consent.

#### (2) FHLB Capital Stock

##### a. Aggregate Totals

##### 1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
(a) Membership Stock - Class A	\$ 0	0	0
(b) Membership Stock - Class B	\$ 10,000,000	10,000,000	0
(c) Activity Stock	\$ 6,000,000	6,000,000	0
(d) Excess Stock	\$ 0	0	0
(e) Aggregate Total (a + b + c + d)	\$ 16,000,000	16,000,000	0
(f) Actual or est. Borrowing Capacity as Determined by the Insurer	\$ 2,000,000,000	X X X	X X X

##### 2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
(a) Membership Stock - Class A	\$ 0	0	0
(b) Membership Stock - Class B	\$ 8,382,400	8,382,400	0
(c) Activity Stock	\$ 6,000,000	6,000,000	0
(d) Excess Stock	\$ 0	0	0
(e) Aggregate Total (a + b + c + d)	\$ 14,382,400	14,382,400	0
(f) Actual or est. Borrowing Capacity as Determined by the Insurer	\$ 2,000,000,000	X X X	X X X

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

	1 Current Year Total (2 + 3 + 4 + 5 + 6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ 0	0	0	0	0	0
2. Class B	\$ 10,000,000	10,000,000	0	0	0	0

### (3) Collateral Pledged to FHLB

#### a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell (Lines 2 + 3)	\$ 163,960,100	157,123,088	150,000,000
2. Current Year General Account (Total Pledged)	\$ 163,960,100	157,123,088	150,000,000
3. Current Year Protected Cell (Total Pledged)	\$ 0	0	0
4. Prior Year-end Total General and Protected Cell (Total Pledged)	\$ 163,849,088	161,667,217	150,000,000

#### b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Max. Collateral
1. Current Year Total General and Protected Cell (Lines 2 + 3)	\$ 164,403,827	158,605,090	150,000,000
2. Current Year General Account (Maximum Pledged)	\$ 164,403,827	158,605,090	150,000,000
3. Current Year Protected Cell (Maximum Pledged)	\$ 0	0	0
4. Prior Year-end Total General and Protected Cell (Maximum Pledged)	\$ 163,896,393	162,127,679	150,000,000

## NOTES TO FINANCIAL STATEMENTS

## (4) Borrowing From FHLB

## a. Amount as of the Reporting Date

## 1. Current Year

	1 Total 2+3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$ 150,000,000	150,000,000	0	X X X
(b) Funding Agreements	\$ 0	0	0	0
(c) Other	\$ 0	0	0	X X X
(d) Aggregate Total (a + b + c)	\$ 150,000,000	150,000,000	0	0

## 2. Prior Year-end

	1 Total 2+3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$ 150,000,000	150,000,000	0	X X X
(b) Funding Agreements	\$ 0	0	0	0
(c) Other	\$ 0	0	0	X X X
(d) Aggregate Total (a + b + c)	\$ 150,000,000	150,000,000	0	0

## b. Maximum Amount during Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Debt	\$ 150,000,000	150,000,000	0
2. Funding Agreements	\$ 0	0	0
3. Other	\$ 0	0	0
4. Aggregate Total (1 + 2 + 3)	\$ 150,000,000	150,000,000	0

## c. FHLB- Prepayment Obligations

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

C. The Company maintains a \$150,000,000 revolving line of credit with Employers Insurance Company of Wausau ("EICOW"), a \$140,000,000 revolving line of credit with Ohio Casualty Insurance Company ("OCIC"), a \$100,000,000 revolving line of credit with Safeco Insurance Company of America ("SICOA"), a \$150,000,000 line with Liberty Mutual Fire Insurance Company ("LMFIC") and a \$650,000,000 revolving line of credit with Peerless Insurance Company ("PIC") (see Note 10F). On March 2, 2020, the company borrowed \$30,000,000 under the EICOW agreement, \$19,000,000 under the OCIC agreement, \$12,000,000 under the SICOA agreement, \$20,000,000 under the LMFIC agreement and \$85,000,000 under the PIC agreement at an annual interest rate of 2.797% and a maturity date of September 2, 2020. On March 26, 2020, the company repaid \$2,680,330 on the outstanding PIC borrowing and \$4,400,603 on the outstanding OCIC borrowing. On March 30, 2020, the company repaid \$3,750,000 on the LMFIC borrowing. For March year-to-date, the Company has incurred and paid interest expense of \$374,746 and \$0, respectively. There is \$30,000,000 outstanding on the EICOW agreement, \$14,599,397 outstanding on the OCIC agreement, \$12,000,000 outstanding on the SICOA, \$16,250,000 on the LMFIC agreement and \$82,319,670 outstanding on the PIC agreement as of March 31, 2020. On April 24, 2020, the company borrowed \$110,000,000 under the PIC agreement at an annual interest rate of 2.26%. On April 14, 2020, the company repaid \$2,750,000 on the OCIC borrowing \$3,500,000 on the SICOA borrowing, and \$8,000,000 on the PIC borrowing. On May 28, 2020, the company repaid \$2,059,312 on the EICOW borrowing. On June 1, 2020, all outstanding borrowings were repaid. For December YTD 2020, the Company has incurred and paid interest expense of \$1,224,944

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

## A. Defined Benefit Plans

## NOTES TO FINANCIAL STATEMENTS

Eligible employees may participate in the Liberty Mutual Retirement Benefit Plan for U.S. Employees, the Supplemental Income at Retirement Plan (SIRP) which has both a defined benefit component and defined contribution savings component, the Liberty Mutual 401(k) plan (defined contribution savings) and the U.S. postretirement health and life insurance benefit plans sponsored by the Holding Company, Liberty Mutual Group Inc. (LMGI). Accordingly, the plan assets and obligations are not included in the Company's summary of assets and obligations below.

The Company continues to sponsor non-contributory defined benefit pension and contributory defined contribution savings plans covering substantially all Canadian employees and certain U.S. employees. Also, the Company continues to provide certain health care and life insurance postretirement benefits for Canadian and certain U.S. employees. The pension and postretirement benefits and eligibility are based on age, years of service and the employee's compensation as more fully defined in the plan documents. In 2018, the Company announced a Canada pension plan freeze effective December 31, 2019. The impact is reflected as a curtailment in the Change in Benefit Obligation table below. As of December 31, the Company accrued pension and postretirement cost in accordance with actuarially determined amounts.

In 2020, the Company offered a voluntary early retirement option ("ERO") to U.S. employees meeting certain age and service requirements. Employees opting into the program will receive an enhanced pension benefit and be required to terminate employment with the Company between December 31, 2020 and December 30, 2021. The Company recorded \$2,366,639 of ERO benefit costs in the statement of income for the year ended December 31, 2020.

A summary of assets, obligations, and assumptions of the Company sponsored Pension Plans and Postretirement Benefit Plans are as follows as of December 31, 2020 and December 31, 2019.

	Overfunded		Underfunded	
	2020	2019	2020	2019
(1) Change in benefit obligation:				
a. Pension Benefits				
1. Benefit obligation at beginning of year	\$ 0	0	206,845,948	181,613,176
2. Service cost	\$ 0	0	1,301,789	1,974,088
3. Interest cost	\$ 0	0	6,042,155	7,114,437
4. Contribution by plan participants	\$ 0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	23,468,452	21,716,972
6. Foreign currency exchange rate changes	\$ 0	0	1,811,526	3,909,081
7. Benefits paid	\$ 0	0	(11,222,449)	(9,594,040)
8. Plan amendments	\$ 0	0	2,366,639	112,234
9. Business combinations, etc.	\$ 0	0	0	0
10. Benefit obligation at end of year	\$ 0	0	230,614,060	206,845,948
b. Postretirement Benefits				
1. Benefit obligation at beginning of year	\$ 0	0	312,802,085	226,508,670
2. Service cost	\$ 0	0	3,021,584	2,205,567
3. Interest cost	\$ 0	0	10,146,777	10,209,418
4. Contribution by plan participants	\$ 0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	35,129,889	73,581,874
6. Foreign currency exchange rate changes	\$ 0	0	312,730	463,449
7. Benefits paid	\$ 0	0	(113,442)	(166,893)
8. Plan amendments	\$ 0	0	0	0
9. Business combinations, etc.	\$ 0	0	2,005,590	0
10. Benefit obligation at end of year	\$ 0	0	363,305,213	312,802,085
c. Special or Contractual Benefits Per SSAP No. 11				
1. Benefit obligation at beginning of year	\$ 0	0	0	0
2. Service cost	\$ 0	0	0	0
3. Interest cost	\$ 0	0	0	0
4. Contribution by plan participants	\$ 0	0	0	0
5. Actuarial gain (loss)	\$ 0	0	0	0
6. Foreign currency exchange rate changes	\$ 0	0	0	0
7. Benefits paid	\$ 0	0	0	0
8. Plan amendments	\$ 0	0	0	0
9. Business combinations, etc.	\$ 0	0	0	0
10. Benefit obligation at end of year	\$ 0	0	0	0

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
(2) Change in plan assets:						
a. Fair value of plan assets beginning of year	\$ 67,300,542	60,751,726	0	0	0	0
b. Actual return on plan assets	\$ 610,312	4,292,204	0	0	0	0
c. Foreign currency exchange rate changes	\$ 1,071,714	3,310,382	0	0	0	0
d. Reporting Entity contribution	\$ 283,375	1,968,628	0	0	0	0
e. Plan participants contributions	\$ 0	0	0	0	0	0
f. Benefits paid	\$ (3,394,495)	(3,022,398)	0	0	0	0
g. Business combinations, etc.	\$ 0	0	0	0	0	0
h. Fair value of plan assets end of year	\$ 65,871,448	67,300,542	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

## (3) Funded status:

## a. Components:

1. Prepaid benefit costs	\$ 13,731,529	14,704,062	0	0
2. Overfunded plan assets	\$ (13,731,529)	(14,704,062)	0	0
3. Accrued benefit costs	\$ 89,653,354	84,604,987	196,481,889	159,634,302
4. Liability for pension benefits	\$ 75,089,258	54,940,419	166,823,324	154,552,094

## b. Assets and liabilities recognized

1. Assets (nonadmitted)	\$ 0	0	0	0
2. Liabilities recognized	\$ 164,742,612	139,545,406	363,305,212	314,186,395
c. Unrecognized liabilities	\$ 0	0	0	(1,384,311)

## (4) Components of net periodic benefit cost:

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
a. Service cost	\$ 1,301,789	1,974,088	3,021,584	2,205,567	0	0
b. Interest cost	\$ 6,042,155	7,114,437	10,146,777	10,209,418	0	0
c. Expected return on plan assets	\$ (2,557,688)	(2,493,683)	0	0	0	0
d. Amortization of unrecognized transition oblig. or transition asset	\$ 493,883	493,884	5,936,041	5,936,041	0	0
e. Amount of recognized gains and losses	\$ 6,796,036	4,093,043	7,800,480	1,290,889	0	0
f. Amount of prior service cost recognized	\$ (189,021)	(237,621)	253,008	2,945,450	0	0
g. Amount of gain or loss recog. due to a settlement or curtailment	\$ 0	0	9,598,973	0	0	0
h. Total net periodic benefit cost	\$ 11,887,154	10,944,148	36,756,863	22,587,365	0	0
i. ERO benefit cost	\$ 2,366,639	0	0	0	0	0
j. Total net periodic benefit cost	\$ 14,253,793	10,944,148	36,756,863	22,587,365	0	0

## (5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost:

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Items not yet recognized as a components of net period cost -PY	\$ 69,644,482	52,843,186	153,167,782	89,639,598
b. Net transition asset or obligation recognized	\$ (493,883)	(493,884)	(13,529,424)	(5,936,041)
c. Net prior service cost or credit arising during the period	\$ 0	112,234	0	0
d. Net prior service cost of credit recognized	\$ 189,021	237,621	(253,008)	(2,945,450)
e. Net gain and loss arising during the period	\$ 26,277,204	21,038,368	35,238,453	73,700,564
f. Net gain and loss recognized	\$ (6,796,036)	(4,093,043)	(7,800,480)	(1,290,889)
g. Items not yet recognized as a component of net periodic cost -CY	\$ 88,820,788	69,644,482	166,823,323	153,167,782

## (6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost:

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Net transition asset or obligation	\$ 0	493,883	63,639,099	77,168,523
b. Net prior service cost or credit	\$ (958,941)	(1,147,484)	10,911	272,219
c. Net recognized gains and losses	\$ 89,779,729	70,298,083	103,173,314	75,727,040

## (7) Weighted-average assumptions used to determine net periodic benefit costs as of Dec. 31:

a. Weighted average discount rate	0.033	0.044
b. Expected long-term rate of return on plan assets	0.040	0.040
c. Rate of compensation increase	0.046	0.038
d. Interest crediting rates (for cash balance plans and other plans w/ promised interest crediting rates)	0.025	0.033

## Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:

e. Weighted average discount rate	0.027	0.033
f. Rate of compensation increase	0.049	0.046
g. Interest crediting rates (for cash balance plans and other plans w/ promised interest crediting rates)	0.018	0.025

For measurement purposes, a 6.98% percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2020. The rate was assumed to decrease gradually to 4.50% percent for 2032 and remain at that level thereafter.

## (8) The amount of the accumulated benefit obligation for the defined benefit pension plans was \$228,818,105 for the current year and \$204,234,415 for the prior year.

## (9) Not applicable

## NOTES TO FINANCIAL STATEMENTS

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

2021	\$ 18,096,875
2022	\$ 18,973,210
2023	\$ 19,948,682
2024	\$ 20,842,736
2025	\$ 21,758,447
2026 thru 2030	\$ 122,962,998

- (11) The Company currently intends to make a contribution of \$298,116 to the defined benefit pension plan in 2021 as required by regulation.
- (12) Not applicable
- (13) Not applicable
- (14) Not applicable
- (15) Not applicable
- (16) Not applicable
- (17) See items 1-9.
- (18) The Company elected to apply the transition guidance to record the surplus impact of adopting SSAP No. 92 - Accounting for Postretirement Benefits Other Than Pensions, SSAP No. 102 Accounting for Pensions, and EITF 06-04 Accounting for Split-Dollar Life Insurance Arrangements in 2013. The full transition surplus impact as of January 1, 2019 was \$3,771,427. During 2019, \$3,771,427 was recognized resulting in an end of year transition liability of \$0.

### B.

- (1) Information about Plan Assets

The Company recognizes that, based on historical data, the asset classes most likely to produce the greatest return in excess of inflation over time are also likely to exhibit the most volatility. Conversely, the asset classes likely to be the least volatile are likely to produce the lowest return over time. Therefore, the investment philosophies and strategies must take into account both return and risk objectives.

Based on the following considerations, the Company can tolerate a moderate amount of risk while striving to maximize investment returns:

- i. The Company is responsible for financing any unfunded liabilities emerging because of poor investment returns. Therefore, the Company has a direct exposure to risk. While it is important to avoid excessive volatility in investment returns, the Company can tolerate some volatility risk;
- ii. The Company contributes to the Plan in compliance with regulatory requirements and at a level sufficient to finance the defined benefits. The Company will establish these contributions based on the advice of an actuary. However, periodic increases in pension contributions, to finance unfunded liabilities emerging from poorer than expected investment performance, should not significantly affect the Company's overall cash flow. Therefore, the Company can tolerate some volatility of investment returns; and,
- iii. The Plan is managed on a going concern basis, including management of the assets. In the foreseeable future, it is unlikely that there will be any special liquidity demands on the Plan. Thus, shorter-term fluctuations in security values will not have a significant adverse impact on the financial stability of the Plan. Therefore, the Company can tolerate some volatility of investment returns.

Taking into consideration the investment risk and philosophy of the Plan, the Canada Pension Plan weighted-average asset allocation and target allocation for each major category of plan assets is as follows:

	2020	2019	Target Allocation
Debt Securities	55%	55%	55%-80%
Equity Securities	43%	41%	20%-45%
Other	2%	4%	0%-10%
Total	100%	100%	

The investment strategy for each category of Plan assets is as follows:

- Fixed maturities: To achieve superior performance against the FTSE TMX Universe Bond Index over a longer time horizon.
- Canadian equities: To achieve superior performance against a composite benchmark of Standard & Poor's/Toronto Stock Exchange over a longer time horizon.
- Global equities: To achieve superior performance against the MSCI World ex.- Canada Index over a longer time horizon.

The Plans' assets are administered by the Liberty Mutual Retirement Committee who has the fiduciary responsibility for management of the Plans' assets in accordance with the Liberty Mutual Retirement Benefit Plan for Canadian Employees Statement of Investment Policies and Procedures.

### C.

- (1) Fair Value Measurements at December 31, 2020

## NOTES TO FINANCIAL STATEMENTS

(1) Description for each class of plan assets	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
01. Cash, Cash Equivalents, and Short-term Investments	\$ 293,945	1,199,471	0	1,493,416
02. Fixed Maturities	\$ 0	0	0	0
03. Corporate and Other	\$ 0	13,495,181	0	13,495,181
04. Foreign Government Securities	\$ 0	22,793,537	0	22,793,537
05. Equities	\$ 0	0	0	0
06. Global Equities	\$ 9,449,157	0	0	9,449,157
07. Canadian Equities	\$ 18,640,157	0	0	18,640,157
Total Plan Assets	\$ 28,383,259	37,488,189	0	65,871,448

## (2) Fair Value Measurements at December 31, 2019

(1) Description for each class of plan assets	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
01. Cash, Cash Equivalents, and Short-term Investments	\$ 234,375	2,430,444	0	2,664,819
02. Fixed Maturities	\$ 0	0	0	0
03. Corporate and Other	\$ 0	10,962,960	0	10,962,960
04. Foreign Government Securities	\$ 0	26,375,166	0	26,375,166
05. Equities	\$ 0	0	0	0
06. Global Equities	\$ 10,129,248	0	0	10,129,248
07. Canadian Equities	\$ 17,168,349	0	0	17,168,349
Total Plan Assets	\$ 27,531,972	39,768,570	0	67,300,542

## D. Narrative description of expected long term rate of return assumption

The expected long-term rate of return is estimated based on many factors including the expected forecast for inflation, risk premiums for each asset class, expected asset allocation, current and future financial market conditions, and diversification and rebalancing strategies.

## E. Defined Contribution Plan

The Company continues to sponsor various contributory defined contribution savings plans for Canadian and certain U.S. employees. The Company's expense charged to operations amounted to approximately \$583,101 and \$406,554 in 2020 and 2019, respectively. The Company's contribution to the contributory defined contribution savings plans is based on the employee contribution amounts and company performance.

## F. Multiemployer Plans

Not applicable.

## G. Consolidated/Holding Company Plans

The Company participates in noncontributory defined benefit pension plans and contributory defined contribution savings plans sponsored by LMGI, a Holding Company. In addition, the Company provides certain other postretirement benefits to retired employees through a postretirement health and life insurance plan sponsored by LMGI. The Company has no legal obligation for benefits under these plans subsequent to September 24, 2003 except for the minimum required contributions described in Note 14.

The Holding Company allocates costs to the Company pursuant to the Employee Benefits Plans Cost-Sharing Agreement disclosed in Note 10. The Company's cost allocation for the noncontributory defined benefit pension plans was \$4,617,260 and \$99,613,071 for 2020 and 2019, respectively. The Company's cost allocation for the contributory defined contribution savings plans was \$123,821,700 and \$125,817,317 for 2020 and 2019, respectively. The Company's cost allocation for the other postretirement benefit plans was \$79,630,552 and \$23,266,637 for 2020 and 2019, respectively.

## H. Postemployment benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

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

Not Applicable

## 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

## A. The Company has 100,000 shares authorized, issued and outstanding as of December 31, 2020. All shares have a stated par value of \$100.

The Company has 100,000 shares authorized of Series A Preferred Stock, 7,468 shares issued and outstanding as of December 31, 2020. All shares have a stated par value of \$0.01.

## NOTES TO FINANCIAL STATEMENTS

- B. On December 31, 2008, the Company issued 7,468 preferred shares, at an issuance price of \$647,660,000, to its parent, LMGI. Dividends, based on the issuance price, are cumulative and payable on a quarterly basis.
- C. There are no dividend restrictions.
- D. The Company paid dividends to its parent in 2020 of:

Month	Ordinary
March	\$16,191,500
June	\$16,191,500
September	\$16,191,500
December	\$16,191,500
Total	\$64,766,000

- E. The maximum amount of dividends which can be paid by Massachusetts-domiciled insurance companies to shareholders without the prior approval of the Insurance Commissioner is the greater of (a) 10% of surplus or (b) net income, subject to the availability of accumulated undistributed earnings. The maximum dividend payout which may be made without prior approval in 2021 is \$ 1,805,057,759.
- F. As of December 31, 2020, the Company has pre-tax restricted surplus of \$178,155,102 resulting from retroactive reinsurance contracts.
- G. The Company had no advances to surplus.
- H. The Company does not hold stock for special purposes.
- I. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2020.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$ (4,881,506,836) after applicable deferred taxes of \$4,586,478
- K. The company issued the following surplus debentures or similar obligations:

Details of Surplus Debentures or similar obligation

1	2	3	4	5	6	7	8
Item Number	Date Issues	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder A Related Party (Yes/No)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Unapproved Interest And/Or Principal
0	05/18/1995	0.085	140,000,000	0	139,948,602	139,958,239	0
0	10/21/1996	0.079	227,085,000	0	226,998,536	227,011,188	0
0	10/15/1997	0.077	260,233,000	0	256,809,093	256,853,082	0
Total	XXX	XXX	627,318,000	XXX	623,756,231	623,822,509	0

\*Total should agree with Page 3, Line 32 of Annual Statement

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider).	Current Year Principal Paid	Life-To-Date Principal Paid	Date of Maturity
0	11,900,000	0	0	0	0	05/15/2025
0	17,882,944	0	0	0	0	10/15/2026
0	20,030,134	0	0	0	0	10/15/2097
Total	49,813,078	0	XXX	0	0	XXX

1	15	16	17	18	19
Item Number	Are Surplus Note payments contractually linked? (Y/N)	Surplus Note payments subject to administrative offsetting provisions? (Y/N)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (Y/N)	Is Asset Issuer a Related Party (Y/N)	Type of Assets Received Upon Issuance
Total	XXX	XXX	XXX	XXX	0

## NOTES TO FINANCIAL STATEMENTS

1	20	21	23
Item Number	Principal Amount of Assets Received Upon Issuance	Book/Adjusted Carry Value of Assets	Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
Total	0	0	XXX

The 8.50% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by Merrill Lynch & Co., Goldman Sachs & Co. and Salomon Brothers Inc. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was \$150,000,000. In 2009, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased \$10,000,000 of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

The 7.875% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by CS First Boston, Morgan Stanley & Co. and Salomon Brothers Inc. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was \$250,000,000. In 2009, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased \$22,915,000 of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

The 7.697% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by CS First Boston, Goldman Sachs & Co. and Merrill Lynch & Co. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was \$500,000,000. In 2009 and 2012, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased \$64,917,000 and \$174,850,000, respectively, of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

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

Not Applicable

M. Quasi-reorganization (effective date)

Not applicable.

#### 14. Liabilities, Contingencies and Assessments

A. The Company has made no material commitments or contingent commitments on behalf of affiliates.

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

(2)

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted. (a)	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
01. The Company guarantees full and punctual payment of all obligations of Liberty Citystate Holdings Pte. Ltd. to Citigroup Inc., its subsidiaries and affiliates. The Company's maximum liability with respect to face amounts of any Letters of Credit will not exceed INR 1,620,000,000 plus reasonable fees and expenses.	0	Increase in investment in SCA	22,171,288	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
02. The Company guarantees any undisputed obligations of Liberty Specialty Markets Hong Kong Limited (f/k/a Liberty International Underwriters Ltd. (Hong Kong)) arising out of or in connection with any policy of insurance, contract of reinsurance or surety bond.	0	Increase in investment in SCA	0	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
03. The Company guarantees the future non-cancellable lease obligations of Liberty Information Technology Ltd. in the amount of \$18,650,040. This guarantee was executed on March 13, 2007. The lease expires in June 2031.	0	Increase in investment in SCA	18,650,040	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
04. The Company guarantees the full and punctual payment when due of any undisputed obligations of Liberty Specialty Markets Singapore Pte. Limited (f/k/a Liberty International Underwriters Pte Limited) to an obligee arising out of or in connection with any policy of insurance, contract of reinsurance or Surety Bond issued to the obligee by Liberty International Underwriters Pte Limited. The liability of the Company shall not be limited to any specific sum other than as set forth as an Obligation under the obligee's contract.	0	Increase in investment in SCA	0	Guaranteed affiliate is in compliance with the terms of guaranteed contract.



## NOTES TO FINANCIAL STATEMENTS

(2)

1 Nature and circumstances of guarantee and key attributes, including date and duration of agreement	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	3 Ultimate financial statement impact if action under the guarantee is required	4 Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted. (a)	5 Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
05. The Company guarantees full and punctual payment of all obligations of Liberty Specialty Markets Hong Kong Limited (f/k/a Liberty International Underwriters Limited) to Citigroup Inc., its subsidiaries and affiliates. The Company's maximum liability with respect to face amounts of any Letters of Credit will not exceed HKD 158,860,000 plus reasonable fees and expenses.	0	Increase in investment in SCA	20,487,887	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
06. The Company guarantees obligations of Liberty Mutual Insurance Europe SE ("LMIE") on policies and contracts issued until such time as LMIE can achieve a Standard & Poor's rating as specified in the guarantee. This guarantee was executed April 13, 2006 and shall continue until terminated. A Restated Guarantee was executed on August 29, 2018 to reflect the change in corporate entity of LMIE to a Societas Europaea. All terms of the guarantee remain unchanged.	0	Increase in investment in SCA	0	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
07. The Company guarantees that, if America First Insurance Company should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any "qualifying Louisiana investment" as defined in Louisiana Revised Statutes 22:823, the Company shall pay America First Insurance Company a sufficient amount to reimburse it for such reduction, not exceeding \$5,000,000. As of December 31, 2020, \$4,709,524 in "qualifying Louisiana investment" was held. This guarantee shall remain effective until the Company no longer holds "qualifying Louisiana investments".	0	Increase in investment in SCA	4,709,524	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
08. The Company guarantees that, if Liberty Personal Insurance Company should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any "qualifying Louisiana investment" as defined in Louisiana Revised Statutes 22:823, the Company shall pay Liberty Personal Insurance Company a sufficient amount to reimburse it for such reduction, not exceeding \$7,000,000. As of December 31, 2020, \$8,165,321 "qualifying Louisiana investment" was held. This guarantee shall remain effective until the Company no longer holds "qualifying Louisiana investments".	0	Increase in investment in SCA	7,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
09. The Company guarantees that, if Safeco Insurance Company of Oregon, should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any "qualifying Louisiana investment", as defined in Louisiana Revised Statutes 22:832, the Company shall pay Safeco Insurance Company of Oregon a sufficient amount to reimburse it for such reduction, not exceeding \$15,000,000. As of December 31, 2020, \$8,593,519 in "qualifying Louisiana investment" was held. This guarantee shall remain effective until the Company no longer owns or controls Safeco Insurance Company of Oregon.	0	Increase in investment in SCA	8,593,519	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
10. The Company guarantees obligations of San Diego Insurance Company ("SDIC") under a reinsurance agreement with Golden Eagle Insurance Company (in liquidation) and the California Insurance Commissioner, providing reinsurance of \$190,000,000 in excess of SDIC's existing obligations under an August 21, 1997 agreement, and further guarantees obligations of SDIC under an Aggregate Excess of Loss Reinsurance Agreement dated as of November 30, 2006. These agreements shall continue until there are no longer outstanding liabilities under the reinsurance agreements.	0	Increase in investment in SCA	24,379,727	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
11. The Company unconditionally guarantees that in order for Liberty Surplus Insurance Corporation (LSI) to operate as an insurance company in the state of Maine, LSI will maintain capital and surplus levels each in the amount of \$500,000. This guarantee was executed on October 14, 1998 and shall continue until terminated.	0	Increase in investment in SCA	1,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
12. The Company guarantees to cover any overdraft of funds, not exceeding \$500,000,000, in the custodial accounts of any Liberty Mutual Group company with JPMorgan Chase Bank. This guarantee was executed on February 19, 2003 and shall continue until terminated.	0	Dividend to Stockholder	0	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
13. The Company guarantees undisputed obligations of Liberty Specialty Markets Bermuda Limited (f/k/a Ironshore Insurance Ltd.) to an obligee arising from or in connection with any policy of insurance, contract of reinsurance or surety bond. The guarantee was executed on May 2, 2017.	0	Increase in investment in SCA	0	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
14. The Company is contingently liable for certain payment obligations of Liberty Corporate Capital Limited. The Company's obligations have been collateralized by a direct pledge of assets. As of December 31, 2020, there have been no drawings on the collateral.	0	Increase in investment in SCA	1,143,241,937	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
15. The Company is contingently liable for the performance of certain capital contribution obligations of Liberty Specialty Markets Holdco S.L.U. in the aggregate amount of \$425,000,000. The Company's obligations have been collateralized. As of December 31, 2020, there is no current payment obligation.	0	Increase in investment in SCA	425,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
Total	0	X X X	1,675,233,922	X X X

## NOTES TO FINANCIAL STATEMENTS

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

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

	\$		1,675,233,922
b.		Current Liability Recognized in F/S:	
	\$	1. Noncontingent Liabilities	0
	\$	2. Contingent Liabilities	0
c.		Ultimate Financial Statement Impact if action under the guarantee is required:	
	\$	1. Investments in SCA	1,675,233,922
	\$	2. Joint Venture	0
	\$	3. Dividends to Stockholders (capital contribution)	0
	\$	4. Expense	0
	\$	5. Other	0
	\$	6. Total (Should equal (3)a.)	1,675,233,922

**B. Assessments**

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

The Company was subject to a North Carolina Plan assessment of \$417,851 and a Texas Windstorm assessment, which was accrued for in 2019, of \$4,598,100. In addition, the Company received a refund of \$528,627 related to the total 2019 North Carolina Plan assessment of \$671,600.

The Company has accrued a liability for guaranty funds and other assessments of \$43,846,151 that is offset by future premium tax credits of \$1,090,009. Current guaranty fund assessments and assessments based on losses paid are expected to be paid out in the next two years, while premium tax offsets are realized over the period determined by each individual state once the guaranty fund assessment has been paid. The Company continues to remit payment relating to prior year insolvencies.

(2) a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end

\$ 1,322,094

b. Decreases current year:

01.	Premium tax offset applied	\$	1,322,094	
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c. Increases current year:

0.1	Premium tax offset increase	\$	1,090,009	
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d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end

\$ 1,090,009

(3) a. Discount Rate Applied

0.000

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency

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

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years on the Discounting Time Period for Payables and Recoverables by Insolvency:

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

**C. Gain Contingencies**

## NOTES TO FINANCIAL STATEMENTS

Not Applicable

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

Claims related ECO and bad faith losses paid during the reporting period \$ 13,490,669

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

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

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

Answer (F or G): F

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

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

G. All Other Contingencies

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

As disclosed in Note 9F, 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.

The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe the amounts in excess of non-admitted amounts are material.

The Company refunded all premium and interest held in an escrow fund to certain of its policyholders in accordance with North Carolina General Statutes § 58-36-25(b). These distributions represented the full disposition of the Company's escrow fund.

15. Leases.

A. Lessee Leasing Arrangements

a. See below

(1)

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

b. See below

c. See below

(2)

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

Operating Leases

Year Ending December 31 Operating Leases

2021 (as seen in Notes text)	\$ 60,691,242
2022 (as seen in Notes text)	\$ 50,323,631
2023 (as seen in Notes text)	\$ 41,275,409
2024 (as seen in Notes text)	\$ 39,790,885
2025 (as seen in Notes text)	\$ 27,690,970
2026 & thereafter	\$ 52,545,787
Total	\$ 272,317,924

(3) The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is \$56,016,655.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

(1)

c. Lessor Leases

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

Operating Leases

Year Ending December 31

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

(2)

Leveraged Leases

b. The Company's investment in leveraged leases relates to equipment...

2020

2019

Dec. 31, 2020 were as shown below: (In thousands)

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

c. The components of the investment in leveraged leases at

2020

2019

Dec. 31, 2020 and Dec. 31, 2019 were as shown below: (In thousands)

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

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

The notional amounts specified in the agreements are used to calculate the exchange of contractual payments under the agreements and are generally not representative of the potential for gain or loss on these agreements.

(1) The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk.

		ASSETS		LIABILITIES	
		2020	2019	2020	2019
		(years as seen in Notes text)		(years as seen in Notes text)	
a. Swaps	\$	0	4,590,000	0	2,790,000
b. Futures	\$	0	3,552,000	14,576,000	11,160,000
c. Options	\$	0	0	0	0
d. Totals	\$	0	8,142,000	14,576,000	13,950,000

See Schedule DB of the Company's annual statement for additional detail.

(2) The credit risk, market risk, cash requirements, and accounting policies of the Company's derivative instruments utilized during 2020 and 2019 are discussed in Note 8.

(3) The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. The credit exposure is represented by the fair value of contracts with a positive statement value at the reporting date. Because exchange-traded futures are affected through a regulated exchange and positions are marked to market on a daily basis, the Company has little exposure to credit-related losses in the event of nonperformance by counterparties to such financial instruments. The Company has not incurred any losses on derivative financial instruments due to counterparty non-performance.

(4) The Company is required to put up collateral for any futures contracts that are entered. The Company pledges or obtains collateral when certain predetermined exposure limits are exceeded. The amount of collateral that is required is determined by the exchange on which it is traded and is typically in the form of cash. The Company currently puts up cash and U.S. Treasury Bonds to satisfy this collateral requirement.

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

A. Transfers of Receivables Reported as Sales

## NOTES TO FINANCIAL STATEMENTS

(1) Not Applicable

(2) Not Applicable

## B. Transfers and Servicing of Financial Assets

- (1) The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The company does not participate in term loans; therefore, the company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities, such as Treasuries and Agency Bonds. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the collateral is unrestricted and the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2020 the total fair value of securities on loan was \$642,323,665 with corresponding collateral value of \$658,570,675 of which \$569,345,193 represents cash collateral that was reinvested.

## C. Wash Sales:

Not Applicable

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

Not Applicable

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

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

## 20. Fair Value Measurements

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

Fair Value Measurements by Levels 1, 2 and 3

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

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

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

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

## (1) Fair Value Measurements at Reporting Date

	(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(6) Net Asset Value	(7) Total
a. Assets at fair Value						
01.	Bonds	\$ 0	0	0	0	0
02.	Residential MBS	\$ 0	183,979	0	0	183,979
03.	Commercial MBS	\$ 0	0	0	0	0
04.	Other MBS and ABS	\$ 0	55,177,234	0	0	55,177,234
05.	U.S. State and municipal	\$ 0	17,610,387	0	0	17,610,387
06.	Corporate and other	\$ 0	224,936,539	21,100,935	0	246,037,474
07.	Foreign government securities	\$ 0	750,641	0	0	750,641
09.	Preferred Stocks	\$ 0	511,700	1,800,000	0	2,311,700
11.	Common Stocks	\$ 555,686,363	8,397,130	16,000,000	0	580,083,493
Total assets at fair value		\$ 555,686,363	307,567,610	38,900,935	0	902,154,908

## NOTES TO FINANCIAL STATEMENTS

## b. Liabilities at fair value

01. Derivative Liabilities	\$	895,150	0	0	0	895,150
Total liabilities at fair value	\$	895,150	0	0	0	895,150

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Beginning Balance at 01/01/2020	Transfers in- to Level 3 (a)	Transfers out of Level 3 (b)	Total gains and (losses) included in Net income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2020
<b>Assets:</b>										
Bonds	\$ 0	0	0	0	0	0	0	0	0	0
Residential MBS	\$ 0	0	0	0	0	0	0	0	0	0
Commercial MBS	\$ 0	0	0	0	0	0	0	0	0	0
Other MBS and ABS	\$ 0	0	0	0	0	0	0	0	0	0
U.S. State and municipal	\$ 0	17,118,152	(17,204,754)	0	122,223	0	0	(40,623)	5,002	0
Corporate and other	\$ 10,581,979	0	(2,564,128)	140,243	(8,465)	19,240,880	0	(6,291,004)	1,430	21,100,935
Foreign government securities	\$ 0	0	0	0	0	0	0	0	0	0
Preferred Stocks	\$ 4,430,000	0	0	(1,775,752)	0	6,650,000	0	(7,504,248)	0	1,800,000
Common Stocks	\$ 14,383,130	0	0	0	(730)	1,617,600	0	0	0	16,000,000
<b>Total</b>	<b>\$ 29,395,109</b>	<b>17,118,152</b>	<b>(19,768,882)</b>	<b>(1,635,509)</b>	<b>113,028</b>	<b>27,508,480</b>	<b>0</b>	<b>(13,835,875)</b>	<b>6,432</b>	<b>38,900,935</b>
<b>Liabilities:</b>										
Derivative Liabilities	\$ (534,149)	0	0	5,291,250	534,149	0	0	(5,291,250)	0	0
<b>Total</b>	<b>\$ (534,149)</b>	<b>0</b>	<b>0</b>	<b>5,291,250</b>	<b>534,149</b>	<b>0</b>	<b>0</b>	<b>(5,291,250)</b>	<b>0</b>	<b>0</b>

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### (4) Inputs and Techniques Used for Fair Value

#### Fixed Maturities

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

#### U.S. Government and Agency Securities

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

#### Mortgage-Backed Securities

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

#### Asset-Backed Securities

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

#### Municipal Securities

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

#### Corporate debt and other

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

#### Foreign government securities

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

#### Common and Preferred Stocks

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

#### Other Invested Assets

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

#### Derivatives

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

### B. Other Fair Value Disclosures

Not Applicable

### C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets				Net Asset Value (NAV)	Not Practicable (Carrying Value)
			(Level 1)	(Level 2)	(Level 3)		
01 Cash, Cash Equivalents & Short Term	\$ 2,058,399,804	2,058,007,542	75,712,788	1,020,838,328	4,835	961,843,853	0
02 Bonds	\$ 19,061,679,44	18,112,516,02	1,805,209,987	16,828,113,83	428,355,624	0	0
03 Preferred Stock	\$ 2,311,700	2,311,700	0	511,700	1,800,000	0	0
04 Common Stock	\$ 580,083,493	580,083,494	555,686,363	8,397,130	16,000,000	0	0
05 Securities Lending	\$ 569,348,979	569,345,193	0	569,348,979	0	0	0
06 Mortgage Loans	\$ 764,385,318	764,658,922	0	0	764,385,318	0	0
07 Surplus Notes	\$ 61,371,564	64,197,585	0	32	61,371,532	0	0
Total	\$ 23,097,580,30	22,150,225,30	2,435,713,988	18,427,210,00	1,271,917,309	961,843,853	0

## NOTES TO FINANCIAL STATEMENTS

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Practicable (Carrying Value)
09 Derivatives	\$ 0	(895,150)	(895,150)	0	0	0	0
Total	\$ 23,097,580,30	22,150,225,30	2,435,713,988	18,427,210,00	1,271,917,309	961,843,853	0

D. Reasons Not Practical to Estimate Fair Value

Not Applicable

E. Instruments Measures at Net Asset Value (NAV)

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

21. Other items

A. Unusual or Infrequent Items

On May 1, 2018 the Company, with regulatory approval, sold its 90% ownership interest in Liberty Life Assurance Company to Lincoln Financial Group, resulting in a total realized gain of \$302,579,097. The Company recognized an additional realized loss of \$46,428,300 in 2019 and \$22,483,184 in 2020.

B. Troubled Debt Restructuring

Not Applicable

C. Other Disclosures

1. Florida Special Disability Trust Fund

- a. The Company took a credit in the determination of its loss reserves of \$5,342,559 in 2020 and \$4,229,619 in 2019.
- b. The Company received payments from the Special Disability Trust Fund of \$500,577 in 2020 and \$432,416 in 2019.
- c. The amount the Company was assessed by the Special Disability Trust Fund was \$11 in 2020 and \$2,186 in 2019.

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable Tax Credits

(1) Description of State Transferrable Tax Credits

Carrying value of transferable and non-transferable state tax credits gross of any related state tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
01. Film Credit	MA	536,294	536,294
Total	X X X	536,294	536,294

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

The Company estimated the utilization of the remaining transferable and non-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 and non-transferable state tax credits.

(3) Impairment Loss

The Company has not recognized any impairment losses associate with its transferable and non-transferable state tax credits during the reporting period.

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Non-Admitted
a. Transferable	536,294	0
b. Non-transferable	0	0

F. Subprime-Mortgage-Related Risk Exposure



## NOTES TO FINANCIAL STATEMENTS

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

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

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

(3) Direct exposure through other investments.

	1	2	3	4
	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	244,732	243,043	234,325	179,518
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securitie	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	244,732	243,043	234,325	179,518

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

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

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

G. Insurance-Linked Securities (ILS) Contracts

Management of Risk Related To:

(1) Directly Written Insurance Risks

	1	2
	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
a. ILS Contracts as Issuer	0	0
b. ILS Contracts as Ceding Insurer	5	178,441,903
c. ILS Contracts as Counterparty	0	0

(2) Assumed Insurance Risks

	1	2
	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
a. ILS Contracts as Issuer	0	0
b. ILS Contracts as Ceding Insurer	1	15,934,953
c. ILS Contracts as Counterparty	0	0

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and

## NOTES TO FINANCIAL STATEMENTS

Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not Applicable

**22. Events Subsequent**

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

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

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

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	NO	
B. ACA fee assessment payable for the upcoming year	\$ 0	0
C. ACA fee assessment paid	\$ 0	0
D. Premium written subject to ACA 9010 assessment	\$ 0	0
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	\$ 0	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 0	
G. Authorized Control Level (Five-Year Historical Line 29)	\$ 0	
H. Would reporting the ACA assessment as of Dec. 31, 2020 have triggered an RBC action level (YES/NO)?		

**23. Reinsurance**

A. Unsecured Reinsurance Recoverables

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

Reinsurer	NAIC No.	Federal ID No.	Reinsurer
Swiss Re Group			
North American Elite Insurance Co	29700	13-3440360	
North American Specialty Insurance Co	29874	02-0311919	
Swiss Re Life & Health America Inc	82627	06-0839705	
Swiss Reinsurance America Corp	25364	13-1675535	
Westport Insurance Corp	39845	48-0921045	
Swiss Re Australia LTD	00000	AA-1934100	
Swiss Re Europe S.A.	00000	AA-1370021	
Swiss Re Frankona Ruck	00000	AA-1340090	
Swiss Re International SE	00000	AA-1121405	
Swiss Re Life & Health Canada	00000	AA-1560016	
Swiss Reinsurance Co Limited	00000	AA-1460146	
Swiss Reinsurance Co UK LTD	00000	AA-1121400	
Union Ruckversicherungs-Gesell Schaft	00000	AA-1460155	
Swiss Re Group Total			\$903,804,000
National Workers' Compensation Reinsurance		AA-9992118	\$1,279,447,008
Michigan Catastrophic Claims Assn (Mcca)		AA-9991159	\$620,262,000
Total			\$2,803,513,008

B. Reinsurance Recoverable in Dispute

Not Applicable

C. REINSURANCE ASSUMED AND CEDED

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

	Assumed		Ceded		Net	
	Premium Reserve (1)	Commission Equity (2)	Premium Reserve (3)	Commission Equity (4)	Premium Reserve (5)	Commission Equity (6)
a. Affiliates	\$ 16,333,187,000	240,558,433	8,653,742,000	209,727,014	7,679,445,000	30,831,419
b. All Other	\$ 522,998,106	158,269,815	1,350,494,960	258,925,737	(827,496,854)	(100,655,922)
c. TOTAL	\$ 16,856,185,106	398,828,248	10,004,236,960	468,652,751	6,851,948,146	(69,824,503)
d. Direct Unearned Premium Reserve	\$ 1,596,758,846					

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

## NOTES TO FINANCIAL STATEMENTS

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

Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2020 are as follows:

REINSURANCE		Direct	Assumed	Ceded	Net
a.	Contingent Commission	\$ 16,992,072	575,787,934	297,992,904	294,787,102
b.	Sliding Scale Adjustments	\$ 0	707,536	353,768	353,768
c.	Other Profit Commission Arrangements	\$ 0	0	0	0
d.	TOTAL	\$ 16,992,072	576,495,470	298,346,672	295,140,870

- (3) Reinsurance

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

### D. UNCOLLECTIBLE REINSURANCE

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

\$ 11,525,933

which is reflected as:

a.	Losses incurred	\$ 7,136,018
b.	Loss adjustment expenses incurred	\$ 4,389,915
c.	Premiums earned	\$ 0
d.	Other	\$ 0

e.

Company	Amount
01. Munich Reinsurance America Inc	\$ 22,752,511
02. All Other	\$ 299,355
03. Peerless Insurance Company, 24198	\$ (4,610,373)
04. Employers Insurance Company of Wausau, 21458	\$ (1,844,149)
05. Liberty Mutual Fire Insurance Company, 23035	\$ (1,844,149)
06. The Ohio Casualty Insurance Company, 24074	\$ (1,844,149)
07. Safeco Insurance Company of America, 24740	\$ (1,383,112)
08. TOTAL	\$ 11,525,933

### E. COMMUTATION OF CEDED REINSURANCE

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

(1) Losses Incurred	\$ (136)
(2) Loss adjustment expenses incurred	\$ 50,683
(3) Premiums Earned	\$ 0
(4) Other	\$ 3,513

(5)

Company	Amount
01. Ethanol Risk Management Spc, L	\$ 393,376
02. Liberty Insurance OJSC	\$ (468,969)
03. IPPA insurance Company LTD	\$ (6,918)
04. Arlington Insurance Co	\$ (21,242)
05. All Other	\$ (4,366)
06. Peerless Insurance Company, 24198	\$ 21,624
07. Employers Insurance Company of Wausau, 21458	\$ 8,649
08. Liberty Mutual Fire Insurance Company, 23035	\$ 8,649
09. The Ohio Casualty Insurance Company, 24074	\$ 8,649
10. Safeco Insurance Company of America, 24740	\$ 6,487
11. TOTAL	\$ (54,059)

### F. RETROACTIVE REINSURANCE

## NOTES TO FINANCIAL STATEMENTS

(1)	Reported Company	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$ 315,037,496	1,913,874,319
2. Adjustments - Prior Year(s)	\$ (512,866,990)	(124,325,778)
3. Adjustments - Current Year	\$ 271,600,682	280,535,280
4. Current Total	\$ 73,771,188	2,070,083,821
b. Consideration Paid or Received:		
1. Initial Consideration	\$ 349,047,271	2,037,726,230
2. Adjustments - Prior Year(s)	\$ 14,829,212	42,765,075
3. Adjustments - Current Year	\$ 61,916,421	123,713,158
4. Current Total	\$ 425,792,904	2,204,204,463
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	\$ 623,813,761	403,317,582
2. Current Year	\$ (37,345,737)	(20,149,505)
3. Current Total	\$ 586,468,024	383,168,077
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$ 48,468,665	121,540,784
2. Adjustments - Prior Year(s)	\$ (96,117,559)	(208,619,044)
3. Adjustments - Current Year	\$ 13,171,370	(122,550,030)
4. Current Year Restricted Surplus	\$ (251,909)	177,903,192
5. Cumulative Total Transferred to Unassigned Funds	\$ (34,729,433)	(31,725,098)
e. All cedents and reinsurers involved in all transactions included in summary totals above:		

Column 1: Cedents and Reinsurers Company Name	Assumed Amt	Ceded Amt
01 Lloyd's Syndicate, AA-1120098	\$ 31,721,737	0
02 Great American Insurance Company, 16691	\$ 41,290,245	0
03 Wettereau Insurance Co LTD., AA-3191047	\$ 132,867	0
04 Employers Insurance Company of Wausau, 21458	\$ (250,004)	0
05 Ironshore Indemnity Inc., 23647	\$ 876,343	0
06 National Indemnity Co, 20087	\$ 0	4,008,883,585
07 Federal Insurance Company, 20281	\$ 0	41,442,941
08 Munich Reinsurance America Inc., 10227	\$ 0	9,573,487
09 Swiss Reinsurance America Corporation, 25364	\$ 0	2,102,401
10 Westport Insurance Corporation, 39845	\$ 0	1,768,755
11 American National Insurance Company, 60739	\$ 0	773,952
12 Everest Reinsurance Co., 22-2005057	\$ 0	1,072,006
13 Legion Insurance Co., 23-1892289	\$ 0	326,391
14 Reliastar Life Insurance Company, 67105	\$ 0	272,803
15 Nokatus Insurance Co Limited, AA-0000000	\$ 0	76,184
16 American United Life Insurance Company, 60895	\$ 0	54,253
17 Continental Casualty Co, 20443	\$ 0	54,561
18 Other	\$ 0	(4,864)
19 Peerless Insurance Company, 24198	\$ 0	(798,525,053)
20 Employers Insurance Company of Wausau, 21458	\$ 0	(319,410,021)
21 Liberty Mutual Fire Insurance Company, 23035	\$ 0	(319,410,021)
22 The Ohio Casualty Insurance Company, 24074	\$ 0	(319,410,021)
23 Safeco Insurance Company of America, 24740	\$ 0	(239,557,516)
<b>Total*</b>	<b>\$ 73,771,188</b>	<b>2,070,083,823</b>

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

f.

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

**Authorized Reinsurers Total: Company Name**


Total

Total Paid/Loss/LAE Amount over  
90 Recoverable days overdue

\$ 0	0

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

## NOTES TO FINANCIAL STATEMENTS

respects amounts recoverable from unauthorized reinsurer

**Unauthorized Reinsurers Total: Company Name**

--

Total

	Total Paid/Loss/LAE Recoverable	Amt over 90 Days Overdue	Collateral Held
	0	0	0

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

**Certified Reinsurers Total: Company Name**

--

Total

	Total Paid/Loss/LAE Recoverable	Amt over 90 Days Overdue	Collateral Held
	0	0	0

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

--

Total

	Total Paid/Loss/L	Amt over 90
	0	0

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

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

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

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

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

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

G. Reinsurance Accounted for as a Deposit

At December 31, 2020, the deposit receivable balance for reinsurance contracts accounted for under the deposit method was \$3,448,222.

At December 31, 2020, the deposit liability balance for reinsurance contracts accounted for under the deposit method was \$20,798,484.

Description	Interest Income	Cash Recoveries	Deposit Balance

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

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

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

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

a.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

a.

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

b. The Company is not a Certified Reinsurer.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation  
Not Applicable

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

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

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

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

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

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

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

a. Total accrued retro premiums	\$ 85,454,820
b. Unsecured amount	\$ 0
c. Less: Nonadmitted amount (10%)	\$ 8,595,675
d. Less: Nonadmitted for any person for whom agents' balances	\$ 0
e. Admitted amount (a) - (c) - (d)	\$ 76,859,145

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

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

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

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

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

a. Permanent ACA Risk Adjustment Program

Assets

AMOUNT

1. Premium adjustments receivable due to ACA Risk  
Adjustment Liabilities

\$ 0

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment

\$ 0

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

\$ 0

## NOTES TO FINANCIAL STATEMENTS

Operations (Revenue & Expense)

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

b. Transitional ACA Reinsurance Program

Assets

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

Liabilities

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

Operations (Revenue & Expense)

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

c. Temporary ACA Risk Corridors Program

Assets

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

Liabilities

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

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

Not Applicable

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

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

**26. Intercompany Pooling Arrangements**

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

		NAIC Company Number	Pooling Companies	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool Companies:	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines

## NOTES TO FINANCIAL STATEMENTS

	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPC")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0.00%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMM")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
100% Quota Share	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
Affiliated Companies:	LM Property and Casualty Insurance Company ("LMPA")	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. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- C. The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- D. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- E. There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.



## NOTES TO FINANCIAL STATEMENTS

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

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

Affiliate	Amount
Peerless Insurance Company -	\$47,743,858
Employers Insurance Company of Wausau	\$19,097,543
Liberty Mutual Fire Insurance Company	\$19,097,543
The Ohio Casualty Insurance Company	\$19,097,543
Safeco Insurance Company of America	\$14,323,157
Wausau General Insurance Company	\$935,153
Wausau Underwriters Insurance Company	\$7,103,923
Wausau Business Insurance Company	\$(742,909)
Ironshore Specialty Insurance Company	\$(149,825,902)
Ironshore Indemnity Inc.	\$(96,189,553)

**27. Structured Settlements**

As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves after applying Intercompany Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities as of December 31, 2020 is as follows:

A.

	Loss Reserves Elim. by Annu.	Unrecorded Loss Contingencies

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:

B.

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

**28. Health Care Receivables**

Not applicable

Not Applicable

**29. Participating Policies**

Not Applicable

**30. Premium Deficiency Reserves**

01. Liability carried for premium deficiency reserves	\$ (1) 0
02. Date of the most recent evaluation of this liability	12/31/2020

03. Was anticipated investment income utilized in the calculation? Yes [ ] No [X]

**31. High Deductible**

As of December 31, 2020, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$3,218,853,000 and the amount billed and recoverable on paid claims was \$131,938,500. There are no unsecured high dollar deductible recoverables from professional employer organizations included in these amounts.

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles  
Not Applicable

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same  
Not Applicable

**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

For Workers' Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2020 liabilities include \$6,303,393,837 of such discounted reserves. The Company recognized \$3,321,652 of interest accretion in the Statement of Income for the current year related to tabular discount on Workers' Compensation. The December 31, 2020 liabilities subject to discount were carried at a value representing a discount of \$119,989,509 net of all reinsurance.

A. TABULAR DISCOUNT Tabular Discount Included in  
**14.50**

## NOTES TO FINANCIAL STATEMENTS

	Schedule P, Part 1*	
	Tabular Disc.	Tabular Disc.
	CASE	IBNR
Schedule P Lines of Business:		
01. HOME OWNERS / FARMOWNERS	\$ 0	0
02. PRIVATE PASSENGER AUTO LIABILITY/MEDICAL	\$ 0	0
03. COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL	\$ 0	0
04. WORKERS' COMPENSATION	\$ 190,761,763	91,717,627
05. COMMERCIAL MULTIPLE PERIL	\$ 0	0
06. MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE	\$ 0	0
07. MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE	\$ 0	0
08. SPECIAL LIABILITY	\$ 0	0
09. OTHER LIABILITY - OCCURRENCE	\$ 0	0
10. OTHER LIABILITY - CLAIMS-MADE	\$ 0	0
11. SPECIAL PROPERTY	\$ 0	0
12. AUTO PHYSICAL DAMAGE	\$ 0	0
13. FIDELITY, SURETY	\$ 0	0
14. OTHER (INCLUDING CREDIT, A&H)	\$ 0	0
15. INTERNATIONAL	\$ 0	0
16. REINSURANCE NONPROPORTIONAL ASSUMED PROPERTY	\$ 0	0
17. REINSURANCE NONPROPORTIONAL ASSUMED LIABILITY	\$ 0	0
18. REINSURANCE NONPROPORTIONAL ASSUMED FINANCIAL LINE	\$ 0	0
19. PRODUCTS LIABILITY - OCCURRENCE	\$ 0	0
20. PRODUCTS LIABILITY - CLAIMS-MADE	\$ 0	0
21. FINANCIAL GUARANTY/MORTGAGE GUARANTY	\$ 0	0
22. WARRANTY	\$ 0	0
23. TOTAL	\$ 190,761,763	91,717,627

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

**B. NON-TABULAR DISCOUNT**

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

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

Not Applicable

**33. Asbestos/Environmental Reserves**

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

## NOTES TO FINANCIAL STATEMENTS

### Factors Contributing to Uncertainty in Establishing Adequate Reserves

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

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

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

### Uncertainty Regarding Reserving Methodologies

As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities and establishing related reserves, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based on historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in a liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

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

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

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

(1) Direct:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 740,188,964	774,439,191	734,485,562	762,752,297	782,759,714
b. Incurred losses and loss adjustment expense	\$ 163,905,946	88,670,837	154,569,999	126,989,490	71,600,838
c. Calendar year payments for losses & loss adj expenses	\$ 129,655,719	128,624,467	126,303,263	106,982,073	91,843,714
d. Ending reserves	\$ 774,439,191	734,485,561	762,752,298	782,759,714	762,516,838

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 276,572,986	255,949,495	265,307,679	248,127,345	227,865,398
b. Incurred losses and loss adjustment expense	\$ (2,476,924)	25,333,329	(2,322,094)	(7,440,615)	841,834
c. Calendar year payments for losses & loss adj expenses	\$ 18,744,881	15,975,145	14,858,241	12,821,332	8,857,241
d. Ending reserves	\$ 255,351,181	265,307,679	248,127,344	227,865,398	219,849,991

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 340,799,247	336,003,375	337,545,527	389,750,105	422,335,618
b. Incurred losses and loss adjustment expense	\$ 31,144,307	42,936,041	100,387,034	125,104,774	55,291,390
c. Calendar year payments for losses & loss adj expenses	\$ 35,940,179	41,393,889	48,182,457	92,519,261	56,059,931
d. Ending reserves	\$ 336,003,375	337,545,527	389,750,104	422,335,618	421,567,077

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

(1) Direct Basis	\$ 519,826,588
(2) Assumed Reinsurance Basis	\$ 158,608,551
(3) Net of Ceded Reinsurance Basis	\$ 282,782,120

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

(1) Direct Basis	\$ 448,334,725
(2) Assumed Reinsurance Basis	\$ 5,285,306
(3) Net of Ceded Reinsurance Basis	\$ 208,009,345

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

## NOTES TO FINANCIAL STATEMENTS

(1) Direct:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 181,183,686	186,350,297	193,197,317	207,212,296	221,552,346
b. Incurred losses and loss adjustment expense	\$ 40,124,443	32,160,670	54,601,495	55,959,780	71,252,715
c. Calendar year payments for losses & loss adj expenses	\$ 34,957,832	25,313,650	40,586,516	41,619,731	29,802,843
d. Ending reserves	\$ 186,350,297	193,197,317	207,212,296	221,552,345	263,002,218

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 21,895,685	20,855,856	25,430,924	22,492,071	21,325,493
b. Incurred losses and loss adjustment expense	\$ (82,374)	6,067,609	(410,591)	1,727,335	1,761,131
c. Calendar year payments for losses & loss adj expenses	\$ 2,035,761	1,492,540	2,528,263	2,893,913	1,345,274
d. Ending reserves	\$ 19,777,550	25,430,925	22,492,070	21,325,493	21,741,350

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 131,057,498	128,018,132	137,576,256	141,249,209	153,916,634
b. Incurred losses and loss adjustment expense	\$ 24,552,997	25,488,255	24,984,025	43,060,036	60,926,322
c. Calendar year payments for losses & loss adj expenses	\$ 27,592,363	15,930,131	21,311,072	30,392,611	22,628,819
d. Ending reserves	\$ 128,018,132	137,576,256	141,249,209	153,916,634	192,214,137

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

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

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

(1) Direct Basis	\$ 113,684,578
(2) Assumed Reinsurance Basis	\$ 2,024,570
(3) Net of Ceded Reinsurance Basis	\$ 76,654,272

### 34. Subscriber Savings Accounts

Not Applicable

### 35. Multiple Peril Crop Insurance

Not Applicable

### 36. Financial Guaranty Insurance

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

(1) Installment contracts:

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

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

1.	
1st Quarter 2021	\$ 61,743
2nd Quarter 2021	\$ 183,743
3rd Quarter 2021	\$ 321,746
4th Quarter 2021	\$ 495,614
Year 2022	\$ 2,244,691
Year 2023	\$ 2,244,691
Year 2024	\$ 2,190,464
Year 2025	\$ 1,959,909
2.	
2026 through 2030	\$ 5,073,046
2031 through 2035	\$ 1,020,880
2036 through 2040	\$ 221,615

## NOTES TO FINANCIAL STATEMENTS

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

1. Expected future premiums - Beginning of Year	\$	0
2. Less - Premium payments received for existing installment contracts	\$	0
3. Add - Expected premium payments for new installment contracts	\$	16,018,142
4. Adjustments to the expected future premium payments	\$	0
5. Expected future premiums - End of Year	\$	16,018,142

(2) Non-installment contacts:

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

1.		
1st Quarter 2021	\$	45,446
2nd Quarter 2021	\$	110,098
3rd Quarter 2021	\$	184,191
4th Quarter 2021	\$	276,160
Year 2022	\$	818,522
Year 2023	\$	311,994
Year 2024	\$	43,269
Year 2025	\$	0
2.		
2026 through 2030	\$	0
2031 through 2035	\$	0
2036 through 2040	\$	0

(3) Claim liability:

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

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

Components		
1. Accretion of the discount	\$	0
2. Change in timing	\$	0
3. New reserves for defaults of insured contracts	\$	0
4. Change in deficiency reserves	\$	1,145
5. Change in incurred but not reported claims	\$	549,187
6. Total	\$	550,332

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

Insured contractual payments outstanding:

3a. Principal	\$ 622,636,537	0	0	625,125	623,261,662
3b. Interest	\$ 0	0	0	0	0
3c. Total	\$ 622,636,537	0	0	625,125	623,261,662
4. Gross claim liability	\$ 548,423	0	0	1,909	550,332
Less:					
5a. Gross potential recoveries	\$ 0	0	0	0	0
5b. Discount, net	\$ 0	0	0	0	0
6. Net claim liability	\$ 548,423	0	0	1,909	550,332
7. Unearned premium revenue	\$ 16,070,127	0	0	185	16,070,312
8. Reinsurance recoverables	\$ 0	0	0	0	0

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes  No
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State Regulating? Massachusetts
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes  No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2018
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/19/2020
- 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- If yes, complete and file the merger history data file with the NAIC.

## GENERAL INTERROGATORIES

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

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

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

6.2 If yes, give full information:

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

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

7.2 If yes,

7.21 State the percentage of foreign control. \_\_\_\_\_ 0.00 %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP  
 200 Clarendon Street  
 Boston, MA 02116  
 .....

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

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

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



## GENERAL INTERROGATORIES

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

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

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

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

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

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

12.11 Name of real estate holding company	Various
12.12 Number of parcels involved	11
12.13 Total book/adjusted carrying value	\$ 1,047,512,936

12.2 If yes, provide explanation:  
 Liberty Mutual Insurance Company directly owns 100% of Liberty Real Estate Holdings, LLC, 92% of St. James/Arlington Real Estate LP, and 100% of Berkeley/Columbus III, LLC.  
 .....  
 .....

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

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

.....

.....

.....

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

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

.....

.....

.....

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

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Lette	4 Amount
11301798	Eastern Bank	Default of payment or expiration	175,000
11600567	Peoples Trust Company of St. Albans	Default of payment or expiration	180,000
21000021	Riyad Bank	Default of payment or expiration	2,294,949
21302884	Adirondack Trust Company	Default of payment or expiration	493,887
21303618	NBT BANK, NATIONAL ASSOCIATION	Default of payment or expiration	175,000
21305386	Community Bank N.A.	Default of payment or expiration	50,000
21914544	WESTCHESTER BANK, THE	Default of payment or expiration	450,000
22000046	M & T Bank	Default of payment or expiration	18,353,095
26002794	BANK LEUMI USA	Default of payment or expiration	230,000
31306278	CNB BANK	Default of payment or expiration	1,025,000
44101305	PARK NATIONAL BANK, THE	Default of payment or expiration	200,000
51404464	FIRST BANK AND TRUST COMPANY, THE	Default of payment or expiration	3,302,419
51408949	TOWNEBANK	Default of payment or expiration	40,000
53101121	Branch Banking & Trust Company	Default of payment or expiration	7,847,251
55001096	SANDY SPRING BANK	Default of payment or expiration	650,000
61000104	SunTrust Bank	Default of payment or expiration	136,000
61100606	Synovus Bank	Default of payment or expiration	2,559,460
62001186	Compass Bank	Default of payment or expiration	1,419,000
63100646	COLUMBIA BANK	Default of payment or expiration	52,463
63115806	SUNRISE BANK	Default of payment or expiration	1,005,000
63116261	Bank of Central Florida	Default of payment or expiration	75,000
64009380	CAPSTAR BANK	Default of payment or expiration	445,000
65304385	CITIZENS BANK	Default of payment or expiration	5,301,191
65306134	Bank of Brookhaven	Default of payment or expiration	6,089
65306189	First Commercial Bank	Default of payment or expiration	75,000
71006486	The PrivateBank and Trust Company	Default of payment or expiration	6,038,383
71102076	First Mid Illinois Bank & Trust	Default of payment or expiration	50,000
71118222	STATE BANK OF GRAYMONT	Default of payment or expiration	100,000
71212128	1st Source Bank	Default of payment or expiration	192,798
71925981	EVERGREEN BANK GROUP	Default of payment or expiration	4,977,000
72410013	Chemical Bank	Default of payment or expiration	500,000
73901974	Cherokee State Bank	Default of payment or expiration	296,000
81200531	MERCANTILE BANK	Default of payment or expiration	50,000
81500859	Boone County National Bank of Columbia	Default of payment or expiration	4,950,000
82900319	First National Bank of Fort Smith	Default of payment or expiration	125,000
82901567	UNION BANK & TRUST COMPANY	Default of payment or expiration	236,039
83000564	Stock Yards Bank and Trust Co	Default of payment or expiration	400,000
83901621	Citizens Union Bank	Default of payment or expiration	3,000,000
84000026	First Tennessee Bank National Associatio	Default of payment or expiration	1,759,492
84201278	BancorpSouth	Default of payment or expiration	9,750,000
91902036	EAGLE BANK	Default of payment or expiration	1,820,000

## GENERAL INTERROGATORIES

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Lette	4 Amount
101100375	Commercial Bank	Default of payment or expiration	50,000
101101950	Morrill & Janes Bank	Default of payment or expiration	865,000
101104928	Bennington State Bank	Default of payment or expiration	100,000
101110488	Stanley Bank	Default of payment or expiration	215,000
102301199	Hilltop National Bank	Default of payment or expiration	6,405,578
103100881	First United Bank & Trust Company	Default of payment or expiration	1,000,000
103101262	Firststar Bank	Default of payment or expiration	50,000
103102106	First Bank & Trust Co.	Default of payment or expiration	130,000
103900036	Bank of Oklahoma National Association	Default of payment or expiration	2,579,211
104901678	Five Points Bank of Grand Island	Default of payment or expiration	75,000
107002448	Bank of Colorado	Default of payment or expiration	2,000,000
111000960	North Dallas Bank & Trust Co.	Default of payment or expiration	150,000
111322994	PLAINSCAPITAL BANK	Default of payment or expiration	1,671,000
111900581	Extraco Banks National Association	Default of payment or expiration	14,000
112201836	Lea County State Bank	Default of payment or expiration	708,000
113024164	GREEN BANK, NATIONAL ASSOCIATION	Default of payment or expiration	267,000
121108441	FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA	Default of payment or expiration	228,000
121142287	HERITAGE BANK OF COMMERCE	Default of payment or expiration	337,000
121143781	United Business Bank	Default of payment or expiration	233,200
122234149	Citizens Business Bank	Default of payment or expiration	135,000
122238420	Rabobank, N.A.	Default of payment or expiration	109,000
122243334	COMMERCEWEST BANK	Default of payment or expiration	5,500,000
122402382	MEADOWS BANK	Default of payment or expiration	35,000
125100089	WASHINGTON TRUST BANK	Default of payment or expiration	1,940,000
125200060	First National Bank of Alaska	Default of payment or expiration	500,000
211274382	Bangor Savings Bank	Default of payment or expiration	98,916
221270910	MAGYAR BANK	Default of payment or expiration	105,000
222370440	First Niagara Bank, N.A.	Default of payment or expiration	1,297,000
265370915	FIRST SOUTHERN BANK	Default of payment or expiration	200,000
292970825	GLACIER BANK	Default of payment or expiration	1,220,000
321370765	AMERICAN SAVINGS BANK, F.S.B.	Default of payment or expiration	700,000
114924700	Farm Credit	Default of payment or expiration	350,000
296075878	FARM CREDIT EMPLOYEES	Default of payment or expiration	360,000
11701084	MASCOMA SAVINGS BANK	Default of payment or expiration	285,000
122238420	Rabobank International	Default of payment or expiration	11,213,925

## BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes  No
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes  No
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes  No

## FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes  No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |    |   |
|--|---|----|---|
|  | 20.11 To directors or other officers              | \$ | 0 |
|  | 20.12 To stockholders not officers                | \$ | 0 |
|  | 20.13 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |    |   |
|--|---|----|---|
|  | 20.21 To directors or other officers              | \$ | 0 |
|  | 20.22 To stockholders not officers                | \$ | 0 |
|  | 20.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 |

## GENERAL INTERROGATORIES

- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                            |    |  |   |
|----------------------------|----|--|---|
| 21.21 Rented from others   | \$ |  | 0 |
| 21.22 Borrowed from others | \$ |  | 0 |
| 21.23 Leased from others   | \$ |  | 0 |
| 21.24 Other                | \$ |  | 0 |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]
- 22.2 If answer is yes:
- |  |    |  |   |
|--|----|--|---|
| 22.21 Amount paid as losses or risk adjustment | \$ |  | 0 |
| 22.22 Amount paid as expenses                  | \$ |  | 0 |
| 22.23 Other amounts paid                       | \$ |  | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ \_\_\_\_\_ 0

## INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]
- 24.02 If no, give full and complete information, relating thereto:  
 .....  
 .....  
 .....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 See Note 17  
 .....  
 .....  
 .....
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ \_\_\_\_\_ 658,570,675
- 24.05 For the reporting entity's securities lending program report amount of collateral for other programs. \$ \_\_\_\_\_ 0
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- |  |    |  |             |
|--|----|--|-------------|
| 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2                   | \$ |  | 569,345,193 |
| 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ |  | 569,345,193 |
| 24.093 Total payable for securities lending reported on the liability page                                       | \$ |  | 569,345,193 |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

## GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ <u>0</u>
	25.22 Subject to reverse repurchase agreements	\$ <u>0</u>
	25.23 Subject to dollar repurchase agreements	\$ <u>0</u>
	25.24 Subject to reverse dollar repurchase agreements	\$ <u>0</u>
	25.25 Placed under option agreements	\$ <u>0</u>
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ <u>0</u>
	25.27 FHLB Capital Stock	\$ <u>16,000,000</u>
	25.28 On deposit with states	\$ <u>1,214,313,442</u>
	25.29 On deposit with other regulatory bodies	\$ <u>1,413,432,559</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>1,980,169,658</u>
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>154,987,763</u>
	25.32 Other	\$ <u>0</u>

25.3 For category (25.26) provide the following:

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

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

26.2 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.

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

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

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

	26.41 Special accounting provision of SSAP No. 108	Yes [ ] No [X]
	26.42 Permitted accounting practice	Yes [ ] No [X]
	26.43 Other accounting guidance	Yes [ ] No [X]

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

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

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

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

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

## GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of Itau	Av. Engenheiro Armondo de Arruda Pereira, 707 Torre Eudoro Villela – 7 andar 04309 010 Sau, Paulo SP
Bank of New York Mellon	601 Travis Street, Houston, TX 77002
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005
JP Morgan Chase	259 George Street, Sydney, Australia
Royal Trust	77 King Street West, Toronto, Ontario M5W 1 P9
US Bank Corporate Trust Services	21 South Street, 3rd Floor, Morristown, NJ 07960

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	18,123,366,195	19,073,217,674	949,851,479
30.2 Preferred stocks	2,311,700	2,311,700	0
<b>30.3 Totals</b>	<b>18,125,677,895</b>	<b>19,075,529,374</b>	<b>949,851,479</b>

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

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

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

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

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

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

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

32.2 If no, list exceptions:

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

## OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 27,635,609

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC	\$ 7,443,881
	\$ 0
	\$ 0

38.1 Amount of payments for legal expenses, if any? \$ 18,278,003

38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$ 0
	\$ 0
	\$ 0

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 2,073,710

39.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$ 0
	\$ 0
	\$ 0





# GENERAL INTERROGATORIES

## PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

1.31 Reason for excluding

.....

.....

.....

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 84,033,589		\$ 118,690,809	
2.2 Premium Denominator	\$ 15,860,708,063		\$ 15,977,636,954	
2.3 Premium Ratio (2.1 / 2.2)	<u>0.01</u>		<u>0.01</u>	
2.4 Reserve Numerator	\$ 80,986,114		\$ 98,279,470	
2.5 Reserve Denominator	\$ 33,189,136,561		\$ 29,991,404,811	
2.6 Reserve Ratio (2.4 / 2.5)	<u>0.00</u>		<u>0.00</u>	

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

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

3.21 Participating policies \$ 31,595,134

3.22 Non-participating policies \$ 2,521,284,472

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0 %

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

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [ ] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

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

.....

.....

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:  
 The Company purchases a combination of per risk excess of loss reinsurance and excess of loss per event catastrophe reinsurance.

.....

.....

.....

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
 The company employs various methods, including the use of proprietary and third-party catastrophe models, in order to assess and manage the potential loss related to natural and man-made catastrophe risks. For natural catastrophe risks, the company models both property and worker's compensation exposures (where appropriate) and applies adjustments for other non-modeled exposure and loss elements. The companies loss estimates for terrorism also reflect U.S. property and workers' compensation exposures.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 The Company purchases a combination of quota share reinsurance, per risk excess of loss reinsurance, excess of loss per event catastrophe reinsurance and aggregate programs.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss  
 The Company purchases aggregate coverage to substantially replace nonreinstated catastrophe layers.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No [ ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. \_\_\_\_\_ 15
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is 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 [X] No [ ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, Yes [ ] No [X]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes  No  N/A
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes  No
- 11.2 If yes, give full information  
 The Company guarantees policies issued by Liberty Mutual Insurance Europe SE, Liberty Specialty Markets Singapore Pte Limited, Liberty Specialty Markets Hong Kong Limited, and Liberty Specialty Markets Bermuda Limited.
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- |   |  |    |                   |
|---|--|----|-------------------|
| 12.11 Unpaid losses   |  | \$ | (657,328)         |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) |  | \$ | <u>59,011,837</u> |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 810,281
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes  No  N/A
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- |            |  |              |               |
|------------|--|--------------|---------------|
| 12.41 From |  | _____        | 0.00 %        |
| 12.42 To   |  | <u>_____</u> | <u>0.00 %</u> |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes  No
- 12.6 If yes, state the amount thereof at December 31 of current year:
- |                                  |  |    |                      |
|----------------------------------|--|----|----------------------|
| 12.61 Letters of Credit          |  | \$ | <u>1,490,139,522</u> |
| 12.62 Collateral and other funds |  | \$ | <u>412,704,056</u>   |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 622,713,755
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes  No
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes  No
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 Premiums and recoverables were allocated pursuant to allocation agreements, including the intercompany pooling agreement.
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes  No
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes  No
- 14.5 If the answer to 14.4 is no, please explain:  
 N/A
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes  No
- 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business? Yes  No   
 If yes, disclose the following information for each of the following types of warranty coverage:
- |                  |    | 1                         | 2                       | 3                         | 4                          | 5                        |
|------------------|----|---------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
|                  |    | Direct Losses<br>Incurred | Direct Losses<br>Unpaid | Direct Written<br>Premium | Direct Premium<br>Unearned | Direct Premium<br>Earned |
| 16.11 Home       | \$ | 0                         | 0                       | 0                         | 0                          | 0                        |
| 16.12 Products   | \$ | 0                         | 0                       | 0                         | 0                          | 0                        |
| 16.13 Automobile | \$ | 0                         | 0                       | 0                         | 0                          | 0                        |
| 16.14 Other*     | \$ | 0                         | (68,103)                | 0                         | 0                          | 0                        |

\* Disclose type of coverage: GL

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

## FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2020	2019	2018	2017	2016
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	15,886,858,509	15,598,170,913	15,068,933,203	14,747,605,005	13,280,706,517
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	11,190,491,963	10,891,336,694	10,496,346,885	9,940,043,810	9,399,145,420
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	10,273,315,786	9,696,953,192	9,572,025,943	9,262,571,356	8,902,410,982
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,476,517,871	1,392,051,685	1,216,269,402	977,735,210	841,575,578
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	808,149,104	546,094,933	732,341,718	370,670,992	297,637,346
6. Total (Line 35)	39,635,333,233	38,124,607,417	37,085,917,151	35,298,626,373	32,721,475,843
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	6,946,801,749	6,969,983,933	7,003,727,496	6,771,964,286	6,060,240,866
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,704,358,610	3,815,247,863	3,706,989,928	2,595,426,875	2,489,435,508
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,674,723,898	4,512,809,102	4,363,874,378	4,265,393,673	4,151,321,519
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	689,616,671	657,528,655	577,352,965	465,061,209	400,396,352
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	393,496,188	178,620,188	263,539,831	177,259,739	148,038,421
12. Total (Line 35)	16,408,997,116	16,134,189,741	15,915,484,598	14,275,105,782	13,249,432,666
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(972,218,665)	(702,030,304)	(67,970,155)	(1,540,802,453)	(422,319,804)
14. Net investment gain (loss) (Line 11)	1,029,380,508	1,172,243,580	2,857,816,874	529,573,001	545,305,247
15. Total other income (Line 15)	90,145,408	58,612,243	(290,182,935)	11,610,122	11,219,731
16. Dividends to policyholders (Line 17)	8,105,712	6,265,862	8,220,582	6,796,773	8,884,883
17. Federal and foreign income taxes incurred (Line 19)	(123,456,227)	(75,843,008)	(402,204,243)	(97,994,788)	(278,991,553)
18. Net income (Line 20)	262,657,766	598,402,665	2,893,647,445	(908,421,315)	404,311,844
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	58,048,967,865	51,103,579,523	48,830,564,857	46,020,754,541	44,001,881,687
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	3,076,916,223	2,320,546,814	2,011,787,572	1,545,946,132	1,202,011,937
20.2 Deferred and not yet due (Line 15.2)	3,816,395,101	3,749,084,403	3,632,858,640	3,517,985,022	3,308,300,952
20.3 Accrued retrospective premiums (Line 15.3)	76,859,145	148,352,424	173,281,022	194,726,669	199,664,574
21. Total liabilities excluding protected cell business (Page 3, Line 26)	39,029,092,737	34,292,195,090	32,465,234,407	31,489,431,268	27,473,676,194
22. Losses (Page 3, Line 1)	20,067,862,413	17,882,077,092	16,732,409,112	16,391,595,471	14,282,969,304
23. Loss adjustment expenses (Page 3, Line 3)	3,811,354,200	3,650,776,695	3,432,800,188	3,267,135,983	2,950,907,996
24. Unearned premiums (Page 3, Line 9)	8,448,706,991	8,007,146,482	7,851,429,449	7,503,154,587	6,929,723,299
25. Capital paid up (Page 3, Lines 30 & 31)	10,000,075	10,000,075	10,000,000	10,000,000	10,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	19,019,875,128	16,811,384,434	16,365,330,449	14,531,323,273	16,528,205,493
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	2,278,350,610	2,613,286,167	2,877,673,035	1,020,240,458	603,518,517
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	19,019,875,128	16,811,384,434	16,365,330,449	14,665,993,622	16,632,057,566
29. Authorized control level risk-based capital	5,380,376,875	4,331,454,312	4,106,950,603	4,142,674,161	3,412,337,603
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	38.4	37.3	35.4	33.2	35.8
31. Stocks (Lines 2.1 & 2.2)	39.3	39.6	41.5	43.7	29.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	1.6	1.5	1.5	1.6	1.7
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.4	0.6	0.6	0.7	0.8
34. Cash, cash equivalents and short-term investments (Line 5)	4.4	1.9	1.2	1.0	3.1
35. Contract loans (Line 6)					
36. Derivatives (Line 7)		0.0	0.1	0.1	0.0
37. Other invested assets (Line 8)	14.6	18.4	17.9	19.1	29.1
38. Receivables for securities (Line 9)	0.1	0.0	0.2	0.1	0.1
39. Securities lending reinvested collateral assets (Line 10)	1.2	0.8	1.7	0.4	0.5
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	18,035,141,458	15,985,516,365	15,558,830,351	16,351,779,441	9,864,622,544
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)			14,827,800		14,827,800
46. Affiliated mortgage loans on real estate					
47. All other affiliated	5,998,597,233	6,312,570,333	5,908,127,122	6,232,346,407	9,545,403,006
48. Total of above Lines 42 to 47	24,033,738,691	22,298,086,698	21,481,785,273	22,584,125,848	19,424,853,350
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	126.4	132.6	131.3	155.4	117.5

## FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2020	2019	2018	2017	2016
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)	1,043,909,678	79,082,534	(1,035,176,416)	(764,286,013)	4,902,750
52. Dividends to stockholders (Line 35)	(64,766,000)	(64,766,000)	(64,766,000)	(69,727,700)	(67,859,641)
53. Change in surplus as regards policyholders for the year (Line 38)	2,208,490,696	446,053,983	1,834,007,176	(1,996,882,220)	712,937,880
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	7,274,643,175	8,873,757,820	9,019,556,497	7,368,934,353	7,902,459,177
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,000,316,590	6,371,586,557	5,944,677,632	5,607,553,716	5,323,465,115
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,007,561,657	5,135,845,586	5,202,090,301	4,784,932,081	4,215,094,493
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	382,402,797	327,600,861	185,310,149	130,143,004	19,146,887
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	185,190,090	269,152,416	197,113,802	116,198,760	79,212,006
59. Total (Line 35)	18,850,114,309	20,977,943,240	20,548,748,381	18,007,761,914	17,539,377,678
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,522,299,475	4,038,780,391	3,977,910,738	3,222,376,119	3,502,571,250
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,758,568,528	2,141,643,630	2,043,117,102	1,505,221,069	1,439,352,127
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,395,417,737	2,453,088,844	2,396,117,091	2,311,444,789	2,019,090,121
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	171,902,845	160,697,594	91,852,448	60,497,383	9,144,762
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,121,067	45,505,467	94,460,817	57,177,308	39,490,813
65. Total (Line 35)	7,849,309,652	8,839,715,926	8,603,458,196	7,156,716,668	7,009,649,073
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	62.9	62.5	57.8	66.0	56.6
68. Loss expenses incurred (Line 3)	11.8	12.6	12.2	13.5	13.2
69. Other underwriting expenses incurred (Line 4)	31.4	29.3	30.4	31.7	33.4
70. Net underwriting gain (loss) (Line 8)	(6.1)	(4.4)	(0.4)	(11.2)	(3.3)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	29.8	28.7	31.0	30.4	32.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	74.7	75.1	70.0	79.5	69.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	86.3	96.0	97.3	98.2	80.2
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	477,309	433,065	(357,758)	440,185	105,091
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	2.8	2.6	(2.5)	2.7	0.7
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	924,649	34,647	195,920	473,162	(43,462)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	5.7	0.2	1.2	3.0	(0.3)

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 [ ]

If no, please explain:

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

## SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P – PART 1 – SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	327,112	104,581	99,577	34,713	21,789	1,930	3,528	307,254	X X X
2. 2011	13,557,901	2,986,968	10,570,933	8,235,257	1,671,163	623,418	106,618	1,020,402	7,153	529,538	8,094,143	X X X
3. 2012	14,643,997	3,235,193	11,408,804	8,397,229	1,783,170	642,601	115,471	1,054,531	6,498	614,161	8,189,222	X X X
4. 2013	15,460,975	3,482,868	11,978,107	7,987,194	1,763,440	594,792	98,533	1,049,529	9,165	488,411	7,760,377	X X X
5. 2014	15,856,257	3,509,225	12,347,032	8,098,649	1,761,751	573,298	78,557	1,029,878	11,610	402,409	7,849,907	X X X
6. 2015	16,376,932	3,801,905	12,575,027	8,457,050	1,890,937	567,679	69,050	1,030,865	12,191	551,685	8,083,416	X X X
7. 2016	16,800,258	3,812,618	12,987,640	8,597,848	1,890,605	504,609	60,060	1,059,381	21,511	322,441	8,189,662	X X X
8. 2017	17,606,919	3,813,437	13,793,482	9,466,876	2,242,493	438,130	49,178	1,045,752	6,905	364,931	8,652,182	X X X
9. 2018	18,398,094	2,859,697	15,538,397	8,449,833	1,361,799	309,156	21,199	1,036,405	917	471,310	8,411,479	X X X
10. 2019	19,011,128	3,033,522	15,977,606	7,490,318	1,390,438	182,445	13,947	972,995	757	489,384	7,240,616	X X X
11. 2020	19,364,020	3,493,496	15,870,524	5,269,827	1,305,246	69,030	6,462	735,546	252	249,468	4,762,443	X X X
12. Totals	X X X	X X X	X X X	80,777,193	17,165,623	4,604,735	653,788	10,057,073	78,889	4,487,266	77,540,701	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1. Prior	2,794,270	1,008,478	2,317,768	801,305	170,639	98,332	731,135	261,387	52,630	2	12,301	3,896,938	X X X
2. 2011	176,434	30,494	308,516	15,956	5,837	953	53,929	2,456	7,666		1,964	502,523	X X X
3. 2012	239,516	56,739	461,710	45,870	12,144	3,761	82,409	4,205	8,565		5,948	693,769	X X X
4. 2013	236,260	53,747	515,884	88,477	16,933	3,668	83,501	6,511	31,604		6,757	731,779	X X X
5. 2014	292,952	81,886	352,756	93,780	24,460	7,952	87,518	9,095	20,796	3	7,621	585,766	X X X
6. 2015	370,303	89,966	488,875	132,788	21,232	4,081	103,501	6,867	25,117	9	30,484	775,317	X X X
7. 2016	570,276	143,966	477,110	118,250	41,775	6,075	126,551	13,832	73,876	11	19,388	1,007,454	X X X
8. 2017	916,568	139,749	957,947	242,917	58,551	13,865	235,994	20,413	108,816	6	50,392	1,860,926	X X X
9. 2018	1,172,868	137,053	1,644,303	317,238	44,224	4,021	331,554	26,022	127,743	11	94,253	2,836,347	X X X
10. 2019	1,638,108	262,703	2,517,968	271,800	48,897	3,550	480,379	32,602	220,443	24	101,204	4,335,116	X X X
11. 2020	1,790,662	249,549	4,812,876	603,243	36,265	4,406	527,100	34,157	378,124	232	254,954	6,653,440	X X X
12. Totals	10,198,217	2,254,330	14,855,713	2,731,624	480,957	150,664	2,843,571	417,547	1,055,380	298	585,266	23,879,375	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	3,302,255	594,683
2. 2011	10,431,459	1,834,793	8,596,666	76,940	61,427	81,324				438,500	64,023
3. 2012	10,898,705	2,015,714	8,882,991	74,424	62,306	77,861				598,617	95,152
4. 2013	10,515,697	2,023,541	8,492,156	68,014	58,100	70,897				609,920	121,859
5. 2014	10,480,307	2,044,634	8,435,673	66,096	58,265	68,321				470,042	115,724
6. 2015	11,064,622	2,205,889	8,858,733	67,562	58,021	70,447				636,424	138,893
7. 2016	11,451,426	2,254,310	9,197,116	68,162	59,128	70,814				785,170	222,284
8. 2017	13,228,634	2,715,526	10,513,108	75,133	71,209	76,218				1,491,849	369,077
9. 2018	13,116,086	1,868,260	11,247,826	71,290	65,331	72,387				2,362,880	473,467
10. 2019	13,551,553	1,975,821	11,575,732	71,282	65,133	72,450				3,621,573	713,543
11. 2020	13,619,430	2,203,547	11,415,883	70,334	63,076	71,931				5,750,746	902,694
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	20,067,976	3,811,399

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



**SCHEDULE P – PART 2 – SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	One Year	Two Year	
1. Prior	11,692,287	11,773,954	12,109,518	12,103,280	12,143,548	12,167,811	12,254,981	12,030,462	12,204,303	12,282,433	78,130	251,971	
2. 2011	7,495,325	7,492,408	7,524,464	7,524,818	7,519,988	7,530,877	7,549,976	7,554,502	7,577,463	7,587,288	9,825	32,786	
3. 2012	X X X	7,803,283	7,862,124	7,788,875	7,743,327	7,773,961	7,801,245	7,832,854	7,836,407	7,837,094	687	4,240	
4. 2013	X X X	X X X	7,274,607	7,352,768	7,301,015	7,299,506	7,373,072	7,386,543	7,380,605	7,429,891	49,286	43,348	
5. 2014	X X X	X X X	X X X	7,359,619	7,338,674	7,316,402	7,396,881	7,392,768	7,406,747	7,406,039	(708)	13,271	
6. 2015	X X X	X X X	X X X	X X X	7,568,102	7,632,162	7,711,608	7,659,890	7,773,523	7,823,611	50,088	163,721	
7. 2016	X X X	X X X	X X X	X X X	X X X	7,863,820	7,936,901	7,923,413	7,979,819	8,092,927	113,108	169,514	
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	9,426,149	9,312,582	9,326,561	9,375,452	48,891	62,870	
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,906,349	9,946,959	10,089,277	142,318	182,928	
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,402,264	10,387,948	(14,316)	X X X	
11. 2020	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,307,628	X X X	X X X	
											12. Totals	477,309	924,649

**SCHEDULE P – PART 3 – SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
1. Prior	000	2,455,819	4,175,780	5,383,245	6,227,172	6,775,761	7,200,891	7,558,760	7,950,297	8,237,692	X X X	X X X
2. 2011	3,411,636	4,821,886	5,631,932	6,199,607	6,563,008	6,784,136	6,889,206	6,983,475	7,042,212	7,080,894	X X X	X X X
3. 2012	X X X	3,352,369	5,034,782	5,804,061	6,335,764	6,687,445	6,874,701	7,013,930	7,100,648	7,141,189	X X X	X X X
4. 2013	X X X	X X X	3,159,633	4,674,511	5,415,281	5,966,219	6,273,267	6,507,532	6,627,664	6,720,013	X X X	X X X
5. 2014	X X X	X X X	X X X	3,358,195	4,833,036	5,583,164	6,049,308	6,495,449	6,721,536	6,831,639	X X X	X X X
6. 2015	X X X	X X X	X X X	X X X	3,478,902	5,029,745	5,745,231	6,437,786	6,845,729	7,064,742	X X X	X X X
7. 2016	X X X	X X X	X X X	X X X	X X X	3,693,212	5,192,390	6,126,586	6,785,088	7,151,792	X X X	X X X
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	4,001,574	6,117,827	7,094,608	7,613,335	X X X	X X X
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,263,336	6,438,076	7,375,991	X X X	X X X
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,426,523	6,268,378	X X X	X X X
11. 2020	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,027,149	X X X	X X X

**SCHEDULE P – PART 4 – SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Prior	5,603,082	4,207,775	3,750,502	3,157,320	2,797,498	2,609,851	2,517,804	2,141,130	2,089,176	2,031,936
2. 2011	2,464,174	1,514,747	1,046,436	707,443	547,764	456,511	423,919	369,351	368,150	348,624
3. 2012	X X X	2,854,750	1,643,300	1,130,702	836,031	674,252	614,583	549,861	521,654	498,281
4. 2013	X X X	X X X	2,696,474	1,569,708	1,114,770	797,156	708,975	593,255	529,682	509,351
5. 2014	X X X	X X X	X X X	2,561,970	1,498,018	1,009,324	736,580	487,745	401,102	345,013
6. 2015	X X X	X X X	X X X	X X X	2,619,350	1,538,337	1,088,408	605,870	483,751	457,104
7. 2016	X X X	X X X	X X X	X X X	X X X	2,714,906	1,540,607	877,377	505,664	478,003
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	3,593,743	1,679,663	1,032,626	937,858
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,765,299	2,092,251	1,633,200
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,153,167	2,695,865
11. 2020	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,706,598

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

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2						
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	10,647,914	9,375,047		3,044,078	71,459,064	27,862,383	121,166
2. Alaska	AK	L	10,744,236	11,444,553		1,621,258	3,536,046	10,301,143	1,011
3. Arizona	AZ	L	32,480,026	28,095,310		3,139,749	4,908,318	26,481,673	80,772
4. Arkansas	AR	L	4,486,411	4,832,623		4,113,567	478,896	7,433,251	16,677
5. California	CA	L	163,133,008	157,537,136		47,690,666	517,499,022	135,132,590	397,799
6. Colorado	CO	L	21,104,303	21,634,260		3,268,829	6,679,612	22,541,523	340,683
7. Connecticut	CT	L	19,577,781	18,135,977	26,848	13,641,735	17,962,711	70,343,167	337,066
8. Delaware	DE	L	7,741,735	5,069,878		4,042,095	4,889,589	18,102,559	85,525
9. District of Columbia	DC	L	19,712,627	18,983,982	1	5,267,283	2,249,962	15,380,454	56,184
10. Florida	FL	L	82,120,958	84,530,581	137	66,995,053	52,835,780	129,543,413	133,602
11. Georgia	GA	L	25,808,266	24,860,456	3	7,679,455	14,614,550	42,024,742	239,903
12. Hawaii	HI	L	6,171,282	6,997,782		356,839	924,559	6,881,187	32,738
13. Idaho	ID	L	5,001,215	5,054,066		354,870	915,410	4,585,513	49,462
14. Illinois	IL	L	44,164,963	40,525,690	(1,954)	15,979,673	8,686,800	74,550,522	267,499
15. Indiana	IN	L	14,210,466	11,624,978	(8,685)	13,297,003	10,152,502	26,789,566	151,055
16. Iowa	IA	L	3,876,566	4,567,943	(28,462)	1,127,753	483,035	4,595,607	33,070
17. Kansas	KS	L	7,016,567	6,498,194		1,552,133	2,612,902	14,256,524	20,851
18. Kentucky	KY	L	17,738,849	16,555,152	48	7,669,715	9,492,410	58,709,810	235,050
19. Louisiana	LA	L	19,828,390	19,892,720		7,333,854	6,592,843	50,616,674	44,412
20. Maine	ME	L	6,427,295	6,674,565	71	1,551,330	233,338	10,750,277	54,185
21. Maryland	MD	L	19,273,338	20,335,736		14,573,960	(488,287)	33,771,045	194,243
22. Massachusetts	MA	L	324,728,061	343,172,292	5,782	112,909,638	115,185,973	290,916,583	4,543,069
23. Michigan	MI	L	23,047,016	22,099,066	11	7,654,215	4,083,466	69,304,843	298,768
24. Minnesota	MN	L	23,596,592	20,584,680	4	4,375,227	6,197,365	39,647,786	349,844
25. Mississippi	MS	L	3,995,969	4,554,895	70	948,675	(2,724,814)	20,191,407	30,158
26. Missouri	MO	L	23,079,043	18,518,900		4,948,687	5,436,641	17,958,419	316,261
27. Montana	MT	L	6,809,178	4,534,750		(233,238)	805,062	3,024,281	16,075
28. Nebraska	NE	L	6,718,988	4,082,274		384,389	(696,700)	4,566,952	23,865
29. Nevada	NV	L	13,223,659	14,691,181		2,633,599	5,694,471	15,725,324	148,338
30. New Hampshire	NH	L	6,002,462	5,923,101		1,327,894	2,339,501	35,543,214	146,431
31. New Jersey	NJ	L	46,675,123	47,171,875	696	28,209,949	22,530,410	173,440,679	783,292
32. New Mexico	NM	L	6,554,392	5,762,498		1,252,741	907,420	8,656,661	37,113
33. New York	NY	L	121,167,510	127,481,066	473	72,331,321	72,362,176	452,241,163	1,109,174
34. North Carolina	NC	L	48,924,789	51,721,271		16,095,131	14,241,990	46,787,815	220,251
35. North Dakota	ND	L	2,149,906	1,844,811		207,183	931,772	3,132,003	3,424
36. Ohio	OH	L	34,067,903	31,791,719		7,950,601	7,712,006	82,988,789	405,244
37. Oklahoma	OK	L	7,767,258	7,739,066		831,231	46,627	14,719,301	114,286
38. Oregon	OR	L	15,216,369	14,423,644	11,865	(5,187,076)	3,096,830	(864,839)	141,739
39. Pennsylvania	PA	L	50,943,644	49,924,321	183	14,433,700	6,972,571	140,715,501	862,471
40. Rhode Island	RI	L	2,645,158	2,628,329		1,905,970	(596,029)	12,534,424	60,876
41. South Carolina	SC	L	12,922,861	12,295,842		2,535,202	3,094,976	21,808,752	129,053
42. South Dakota	SD	L	6,807,143	3,419,790		241,155	792,463	1,374,909	9,204
43. Tennessee	TN	L	23,593,244	22,604,134		3,915,795	7,128,885	72,118,026	377,344
44. Texas	TX	L	109,099,112	106,665,142	7,658,885	38,994,962	25,849,879	194,602,940	650,429
45. Utah	UT	L	12,287,528	11,077,481		481,005	1,790,631	7,340,421	64,823
46. Vermont	VT	L	1,489,297	1,660,074		367,305	1,459,659	12,741,273	36,856
47. Virginia	VA	L	64,012,642	53,838,400		16,341,032	21,277,561	65,164,968	278,237
48. Washington	WA	L	35,693,083	38,473,764		44,957,340	58,187,817	34,633,576	122,064
49. West Virginia	WV	L	7,736,642	6,296,840		1,216,650	(2,551,238)	9,671,561	33,029
50. Wisconsin	WI	L	24,164,644	18,226,341	(418)	10,928,884	5,862,000	52,154,206	228,845
51. Wyoming	WY	L	3,531,251	3,599,787		192,411	(275,621)	2,233,295	3,419
52. American Samoa	AS	N							
53. Guam	GU	N						(1,554)	
54. Puerto Rico	PR	L	51,816,494	50,795,300		3,266,217	11,141,908	92,358,080	
55. U.S. Virgin Islands	VI	L	782,092	781,784			29,316	718,449	
56. Northern Mariana Islands	MP	L	542,349	407,628			26,800	110,177	
57. Canada	CAN	L	408,793,586	360,604,304		120,230,673	140,069,949	356,794,744	
58. Aggregate Other Alien	OT	X X X	481,028,425	416,886,881		77,682,158	282,952,565	733,896,265	
59. Totals	(a)	54	2,552,879,609	2,409,509,800	7,665,558	818,631,524	1,558,083,350	3,879,604,017	14,436,935

DETAILS OF WRITE-INS									
58001.	AUS AUSTRALIA	X X X	470,672,237	404,850,411		75,770,845	263,622,388	788,410,196	
58002.	ZZZ OTHER ALIEN	X X X	4,099,965	3,367,619		10,967	21,998,402	(76,239,672)	
58003.	CAN CANADA	X X X	975,437	585,704				346,439	
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X	5,280,786	8,083,147		1,900,346	(2,668,225)	21,379,302	
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	481,028,425	416,886,881		77,682,158	282,952,565	733,896,265	

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

(a) Active Status Counts

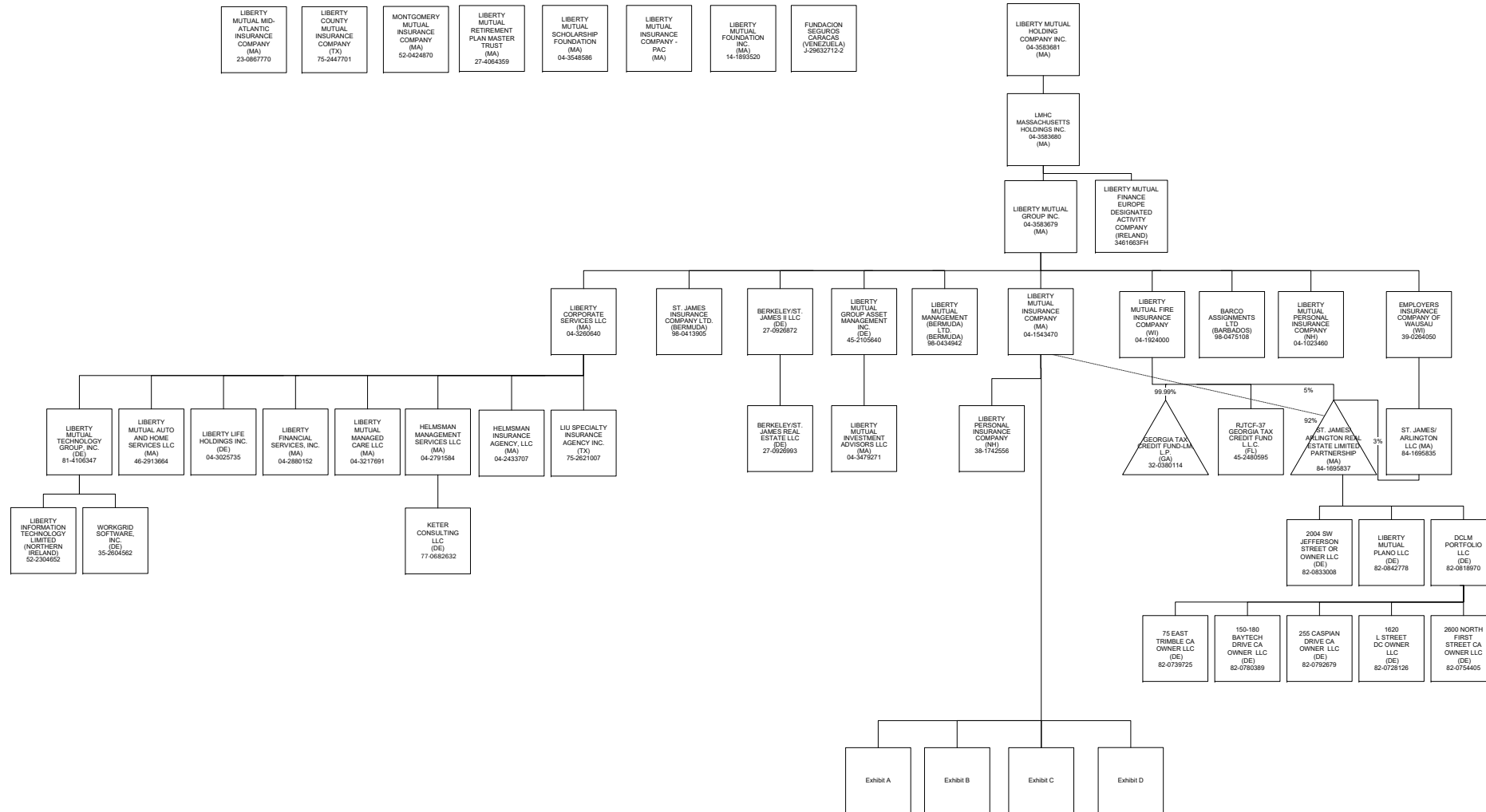
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	55
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	2

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

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

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

## PART 1 - ORGANIZATIONAL CHART

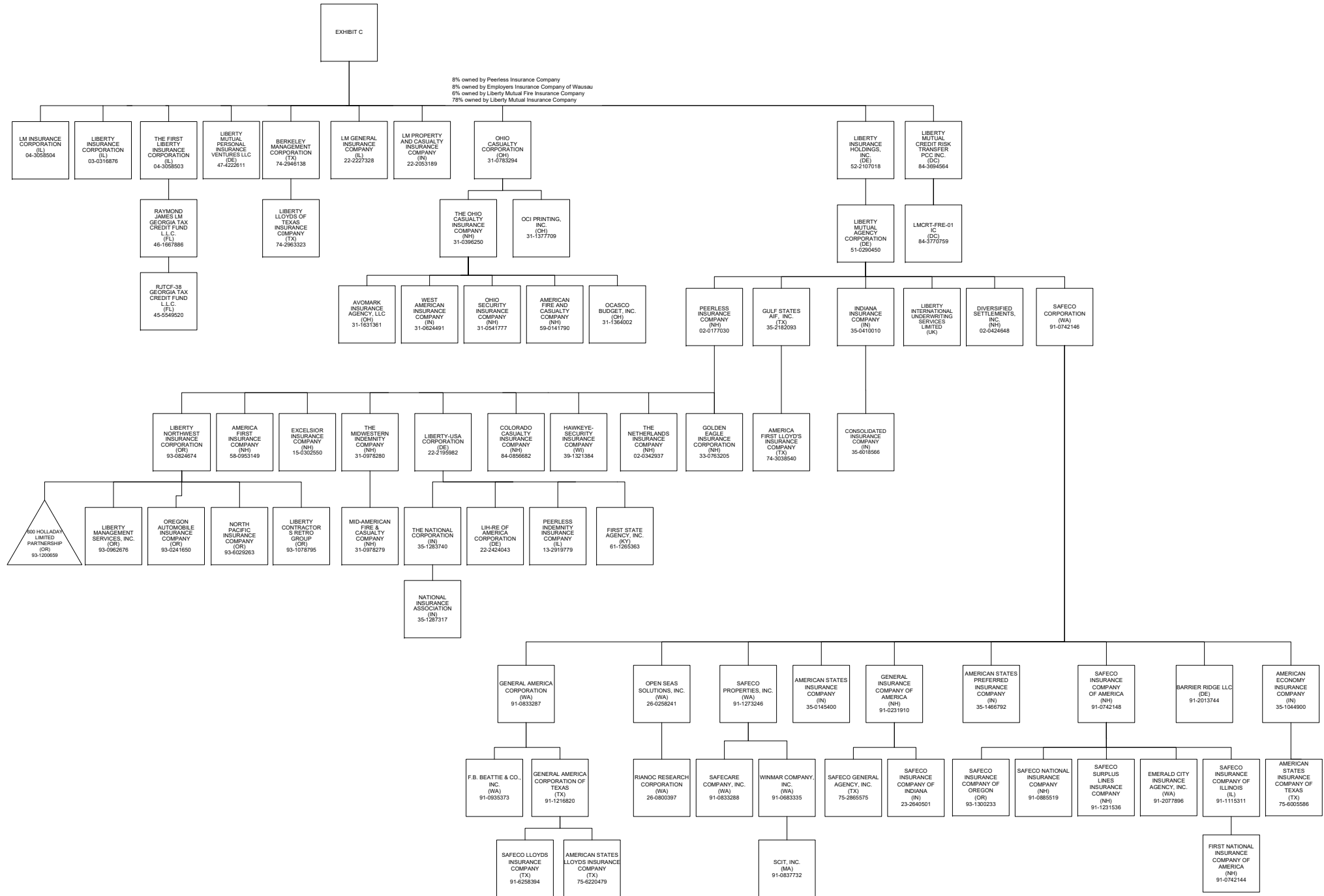






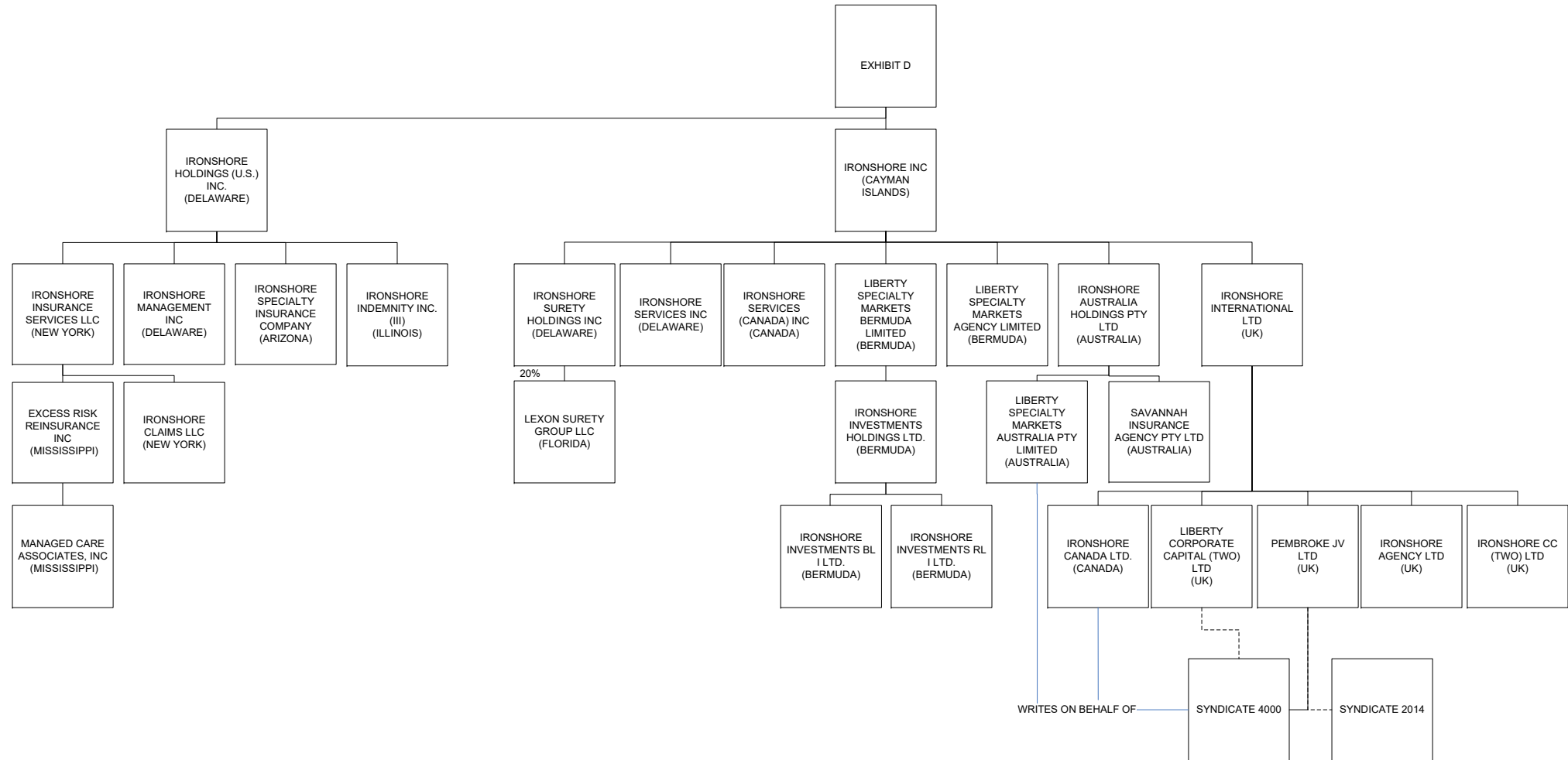
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



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

## PART 1 - ORGANIZATIONAL CHART



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**OVERFLOW PAGE FOR WRITE-INS**


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**Page 2 - Continuation****ASSETS**

	Current Year			Prior Year
	1	2	3	4
<b>REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS</b>	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Amounts receivable under high deductible policies	86,730,400		86,730,400	91,018,500
2505. Goodwill	48,729,119	48,729,119		
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	135,459,519	48,729,119	86,730,400	91,018,500



**OVERFLOW PAGE FOR WRITE-INS**

**Page 3 - Continuation**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1	2
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	Current Year	Prior Year
2504. Retroactive reinsurance reserves	(1,996,312,633)	(1,863,976,972)
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	(1,996,312,633)	(1,863,976,972)

**OVERFLOW PAGE FOR WRITE-INS**

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**EXHIBIT OF CAPITAL GAINS (LOSSES)**

DETAILS OF WRITE-IN LINES FOR EXHIBIT OF CAPITAL GAINS (LOSSES) AT LINE 09	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)
0904. REALIZED LOSS - ACCT REC - LITIGATION PROC	(282,021)		(282,021)		
0905. SOFTWARE IMPAIRMENT	760,992	(13,484,239)	(12,723,247)	6,450,653	
0997. Totals (Lines 0904 through 0996) (Page 8, Line 0998)	478,971	(13,484,239)	(13,005,268)	6,450,653	

## OVERFLOW PAGE FOR WRITE-INS

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## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
58004. BMU BERMUDA	X X X	911,653	986,350			(237,193)	6,588,457		
58005. MEX MEXICO	X X X	668,144	210,346			(296,954)	151,131		
58006. CHL CHILE	X X X	614,423	614,623		387,735	847,075	652,769		
58007. SGP SINGAPORE	X X X	481,077	583,805		4,850	443,466	808,650		
58008. IRL IRELAND	X X X	383,983	368,294			130,989	21,598		
58009. PAN PANAMA	X X X	318,665	325,198		148,449	120,115	259,374		
58010. COL COLOMBIA	X X X	265,353	1,285,884		560,361	541,221	863,676		
58011. ISL ICELAND	X X X	176,884	200,178			74,321	188,746		
58012. VGB BRITISH VIRGIN ISLANDS	X X X	164,556	161,238			3,757	2,054,402		
58013. CYM CAYMAN ISLANDS	X X X	160,000	103,690			(93,816)	531,447		
58014. DEU GERMANY	X X X	151,435	123,748			42,798	89,671		
58015. ECU ECUADOR	X X X	140,810	37,779		17,994	(11,465)	45,636		
58016. TTO TRINIDAD AND TOBAGO	X X X	123,679	234,272			(304,157)	93,351		
58017. PRY PARAGUAY	X X X	120,239	90,840			106,229	58,502		
58018. PER PERU	X X X	98,246	203,473		(96,395)	(82,654)	182,039		
58019. BHS BAHAMAS	X X X	92,073	79,474			20,572	1,531		
58020. FRA FRANCE	X X X	79,701	71,973			16,213	127,381		
58021. JAM JAMAICA	X X X	78,548	78,548		362,500	(283,755)	(132,834)		
58022. ITA ITALY	X X X	78,298	30,708			4,281	32,782		
58023. TUR TURKEY	X X X	67,651	404,152			117,420	15,828		
58024. DOM DOMINICAN REPUBLIC	X X X	65,074	74,424			(55,714)	26,863		
58025. ARG ARGENTINA	X X X	64,925	364,784		2,452	133,707	238,992		
58026. ISR ISRAEL	X X X	43,171	221,912			22,698	506,695		
58027. FIN FINLAND	X X X	36,511	32,876		401	4,215	33,429		
58028. BRB BARBADOS	X X X	32,130	25,880			7,223	24,266		
58029. IDN INDONESIA	X X X	18,589	19,333			5,740			
58030. GHA GHANA	X X X	16,522	16,522			4,905			
58031. URY URUGUAY	X X X	13,611	28,188			(3,705)	12,229		
58032. GUY GUYANA	X X X	10,553	41,972			11,609			
58033. GBR UNITED KINGDOM	X X X	7,028	23,721		100,000	73,280	924,583		
58034. GEO GEORGIA	X X X	5,585	3,077			679	20,789		
58035. HND HONDURAS	X X X	4,178	4,178		3,584	(17,548)	723,293		
58036. GIN GUINEA	X X X	2,731	2,647			839	9,668		
58037. PHL PHILIPPINES	X X X	367	373			47	271		
58038. CYP CYPRUS	X X X	8	456			72	10,162		
58039. IOT INDIAN OCEAN	X X X					(56,122)	72,330		
58040. BOL BOLIVIA	X X X					1,926	11		
58041. BES BONAIRE	X X X		14,857			(8,532)	20,923		
58042. CHE SWITZERLAND	X X X				11,063	(3,253)	4,393		
58043. VEN VENEZUELA	X X X					(1,102)	11		
58044. ABW ARUBA	X X X					(10,438)	2,642		
58045. HKG HONG KONG	X X X					1	16,533		
58046. ARE UNITED ARAB EMIRATES	X X X					(17)			
58047. BEL BELGIUM	X X X					(17)	173,317		
58048. BLR BELARUS	X X X								
58049. CHN CHINA	X X X		1,407			49,150	2,136,990		
58050. GNQ EQUATORIAL GUINEA	X X X						(11,217)		
58051. GRD GRENADA	X X X					(2,691)	837		
58052. JPN JAPAN	X X X						(5)		
58053. KOR SOUTH KOREA	X X X						45,452		
58054. LUX LUXEMBOURG	X X X					(1,254)			
58055. MYS MALAYSIA	X X X						21,509		
58056. NIC NICARAGUA	X X X					(34,956)	1,797		
58057. NLD NETHERLANDS	X X X					(31)	48,411		
58058. NZL NEW ZEALAND	X X X					(168)	437,139		
58059. POL POLAND	X X X						(2)		
58060. PRT PORTUGAL	X X X		167			37	143		
58061. SLV EL SALVADOR	X X X					1,653	54		
58062. THA TAIWAN	X X X					(3,487,540)	2,701,554		
58063. TUV TURKS AND CAICOS	X X X		5,217			(7,945)	3,662		
58064. VNM VIETNAM	X X X					(245)	13		
58065. LCA SAINT LUCIA	X X X					(18,956)	(4,030)		
58066. MAF SAINT-MARTIN	X X X					(3,458)			
58067. VCT SAINT VINCENT AND GRENA	X X X					1,158			
58068. CRI COSTA RICA	X X X					3,129	169		
58069. GTM GUATEMALA	X X X	(35)	11			7,901	5,593		
58070. BRA BRAZIL	X X X	(215,580)	1,006,572		397,352	(442,965)	535,696		
Total (Lines 58004 through 58150) (Page 94, Line 58998)	X X X	5,280,786	8,083,147		1,900,346	(2,668,225)	21,379,302		