

**ANNUAL STATEMENT**

**OF THE**

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**SAFECO INSURANCE COMPANY OF AMERICA**

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**of** \_\_\_\_\_ **Dover**

**STATE OF** \_\_\_\_\_ **NEW HAMPSHIRE**

**TO THE**

**Insurance Department**

**OF THE**

**FOR THE YEAR ENDED**

**December 31, 2020**

**PROPERTY AND CASUALTY**

**2020**



24740202020100100

# ANNUAL STATEMENT

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

## Safeco Insurance Company of America

**NAIC Group Code** 0111 0111 **NAIC Company Code** 24740 **Employer's ID Number** 91-0742148  
(Current Period) (Prior Period)

**Organized under the Laws of** New Hampshire, **State of Domicile or Port of Entry** NH  
**Country of Domicile** United States of America

**Incorporated/Organized** September 2, 1953 **Commenced Business** October 1, 1953

**Statutory Home Office** 100 Liberty Way, Dover, NH, US 03820  
(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.safeco.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)	3,958,199,599		3,958,199,599	3,826,583,224
2. Stocks (Schedule D):				
2.1 Preferred stocks				2,000,000
2.2 Common stocks	306,715,477		306,715,477	242,941,508
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	175,236,718		175,236,718	167,465,400
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (43,857,599), Schedule E - Part 1), cash equivalents (\$ 121,173,918, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	77,316,319		77,316,319	21,593,738
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				21,233
8. Other invested assets (Schedule BA)	590,522,058		590,522,058	317,088,212
9. Receivables for securities	9,453,239		9,453,239	10,500,876
10. Securities lending reinvested collateral assets (Schedule DL)	92,479,834		92,479,834	42,487,868
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,209,923,244		5,209,923,244	4,630,682,059
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	27,100,627		27,100,627	25,689,481
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	138,598,498	16,613,605	121,984,893	112,188,706
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 1,223,725 earned but unbilled premiums)	450,004,363	122,373	449,881,990	441,766,251
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	10,254,579	1,031,481	9,223,098	17,802,291
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	1,075	61	1,014	(9,889)
18.1 Current federal and foreign income tax recoverable and interest thereon				506,795
18.2 Net deferred tax asset	44,604,000		44,604,000	50,012,999
19. Guaranty funds receivable or on deposit	815,053		815,053	1,327,547
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	33,275,652		33,275,652	9,077,740
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	113,306,050	23,464,596	89,841,454	88,651,955
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,027,883,141	41,232,116	5,986,651,025	5,377,695,935
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	6,027,883,141	41,232,116	5,986,651,025	5,377,695,935

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	64,910,772		64,910,772	63,408,439
2502. Other assets	23,640,877	23,464,596	176,281	1,464,575
2503. Equities and deposits in pools and associations	14,346,753		14,346,753	12,856,720
2598. Summary of remaining write-ins for Line 25 from overflow page	10,407,648		10,407,648	10,922,221
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	113,306,050	23,464,596	89,841,454	88,651,955

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	2,408,143,493	2,145,849,255
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	22,408,580	6,808,068
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	457,362,508	438,093,207
4. Commissions payable, contingent commissions and other similar charges	45,924,224	36,513,010
5. Other expenses (excluding taxes, licenses and fees)	74,206,959	57,853,832
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	13,690,350	14,001,733
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	3,633,162	
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 1,645,835,188 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	1,013,844,840	960,857,579
10. Advance premium	6,198,452	5,977,337
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	143,126	137,259
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others	1,900,767	3,691,174
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,009,370	7,790,911
20. Derivatives		
21. Payable for securities	149,627,961	104,523,119
22. Payable for securities lending	92,479,834	42,487,868
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(166,893,837)	(150,794,722)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	4,123,679,789	3,673,789,630
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	4,123,679,789	3,673,789,630
29. Aggregate write-ins for special surplus funds	21,378,612	3,932,213
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	733,869,024	733,869,024
35. Unassigned funds (surplus)	1,102,723,600	961,105,067
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)		
36.2 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,862,971,236	1,703,906,304
38. Totals (Page 2, Line 28, Col. 3)	5,986,651,025	5,377,695,934

DETAILS OF WRITE-IN LINES		
2501. Other liabilities	40,500,834	41,307,449
2502. Amounts held under uninsured plans	32,162,845	31,575,065
2503. Retroactive reinsurance reserves	(239,557,516)	(223,677,236)
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(166,893,837)	(150,794,722)
2901. Special surplus from retroactive reinsurance	21,378,612	3,932,213
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)	21,378,612	3,932,213
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

## STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	1,904,418,606	1,917,316,435
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,198,223,360	1,197,819,221
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	224,645,633	241,747,703
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	581,174,113	547,684,581
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	2,004,043,106	1,987,251,505
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(99,624,500)	(69,935,070)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	137,428,381	168,704,227
10. Net realized capital gains (losses) less capital gains tax of \$ 18,338,358 (Exhibit of Capital Gains (Losses))	68,985,250	7,329,419
11. Net investment gain (loss) (Lines 9 + 10)	206,413,631	176,033,646
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 357,854 amount charged off \$ 13,261,306)	(12,903,453)	(8,080,510)
13. Finance and service charges not included in premiums	12,054,516	11,814,552
14. Aggregate write-ins for miscellaneous income	5,484,066	632,192
15. Total other income (Lines 12 through 14)	4,635,129	4,366,234
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	111,424,260	110,464,810
17. Dividends to policyholders	972,685	751,903
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)	110,451,575	109,712,907
19. Federal and foreign income taxes incurred	11,714,642	10,124,981
20. Net income (Line 18 minus Line 19) (to Line 22)	98,736,933	99,587,926
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,703,906,304	1,566,471,403
22. Net income (from Line 20)	98,736,933	99,587,926
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,569,755	63,771,849	23,414,170
25. Change in net unrealized foreign exchange capital gain (loss)	373,145	15,504,459
26. Change in net deferred income tax	(3,839,244)	(8,094,844)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	22,249	7,023,190
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	159,064,932	137,434,901
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,862,971,236	1,703,906,304

<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)	13,279,741	3,787,571
1402. Other income/(expense)	(7,795,675)	(3,155,379)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	5,484,066	632,192
3701. Other changes in surplus		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

## CASH FLOW

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	1,949,360,106	1,908,649,566
2. Net investment income	145,576,926	174,135,140
3. Miscellaneous income	9,257,096	6,371,904
4. Total (Lines 1 through 3)	2,104,194,128	2,089,156,610
5. Benefit and loss related payments	926,316,797	1,059,281,187
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	760,925,158	766,470,255
8. Dividends paid to policyholders	966,819	748,028
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	25,913,043	20,924,259
10. Total (Lines 5 through 9)	1,714,121,817	1,847,423,729
11. Net cash from operations (Line 4 minus Line 10)	390,072,311	241,732,881
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	4,925,146,727	4,918,632,130
12.2 Stocks	7,103,362	284,234,850
12.3 Mortgage loans	82,700,085	18,945,476
12.4 Real estate		
12.5 Other invested assets	375,357,024	452,457,239
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	13,757	(88,196)
12.7 Miscellaneous proceeds	1,045,730	3,807,862
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,391,366,685	5,677,989,361
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,973,320,439	5,304,983,855
13.2 Stocks	76,694,003	161,572,457
13.3 Mortgage loans	89,957,218	32,466,348
13.4 Real estate		
13.5 Other invested assets	631,467,898	366,401,728
13.6 Miscellaneous applications	(45,104,842)	(63,083,575)
13.7 Total investments acquired (Lines 13.1 to 13.6)	5,726,334,716	5,802,340,813
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)	(334,968,031)	(124,351,452)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	618,302	(118,901,979)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	618,302	(118,901,979)
<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)	55,722,582	(1,520,550)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	21,593,737	23,114,287
19.2 End of year (Line 18 plus Line 19.1)	77,316,319	21,593,737

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

20.0001	2 - Net investment income	253,502	16,412
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	93,896,089	22,597,223
20.0003	13.1 Cost of Investment Acquired - Bonds	94,149,591	24,091,876
20.0004	16.6 Other Cash Provided (applied)		1,478,241

## 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	51,918,293	19,622,732	20,761,868	50,779,157
2. Allied lines	41,464,218	16,367,232	18,696,971	39,134,479
3. Farmowners multiple peril	7,921,411	3,359,498	4,105,615	7,175,294
4. Homeowners multiple peril	393,405,258	202,078,339	213,414,551	382,069,046
5. Commercial multiple peril	140,941,604	70,127,177	71,424,990	139,643,791
6. Mortgage guaranty				
8. Ocean marine	13,486,039	5,623,187	7,476,608	11,632,618
9. Inland marine	63,561,200	16,870,525	18,337,721	62,094,004
10. Financial guaranty	2,136,939		1,928,437	208,502
11.1 Medical professional liability—occurrence	5,188,146	2,678,366	2,181,063	5,685,449
11.2 Medical professional liability—claims-made	10,629,121	4,431,178	5,308,223	9,752,076
12. Earthquake	5,250,901	2,408,915	2,671,651	4,988,165
13. Group accident and health	7,151,240	2,268,557	1,090,397	8,329,400
14. Credit accident and health (group and individual)				
15. Other accident and health	1,982,400	414,103	675,987	1,720,516
16. Workers' compensation	105,542,016	13,586,441	16,772,750	102,355,707
17.1 Other liability—occurrence	149,574,074	74,012,580	87,059,586	136,527,068
17.2 Other liability—claims-made	65,370,407	40,213,439	47,896,686	57,687,160
17.3 Excess workers' compensation	4,060,074	1,570,855	2,068,454	3,562,475
18.1 Products liability—occurrence	9,035,536	4,988,239	5,485,298	8,538,477
18.2 Products liability—claims-made	1,724,536	960,150	619,495	2,065,191
19.1,19.2 Private passenger auto liability	405,007,059	200,377,887	208,784,328	396,600,618
19.3,19.4 Commercial auto liability	77,447,484	41,589,629	38,130,007	80,907,106
21. Auto physical damage	282,273,433	153,652,321	158,260,982	277,664,772
22. Aircraft (all perils)	2,327,574	936,561	522,367	2,741,768
23. Fidelity	1,481,961	796,958	370,943	1,907,976
24. Surety	66,951,237	43,322,994	44,062,529	66,211,702
26. Burglary and theft	45,346	90,008	21,581	113,773
27. Boiler and machinery	2,881,033	1,160,400	1,364,137	2,677,296
28. Credit	3,043,562	2,742,582	3,132,414	2,653,730
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property	32,920,698	2,564,508	8,814,836	26,670,370
32. Reinsurance-nonproportional assumed liability	9,922,058	2,236,935	3,409,298	8,749,695
33. Reinsurance-nonproportional assumed financial lines	4,376,757	5,520,204	7,516,023	2,380,938
34. Aggregate write-ins for other lines of business	3,441	708	2,097	2,052
35. TOTALS	1,969,025,056	936,573,208	1,002,367,893	1,903,230,371

DETAILS OF WRITE-IN LINES				
3401. Tuition Protection Plan	3,092	708	1,385	2,415
3402. Other	349		712	(363)
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	3,441	708	2,097	2,052

## 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	18,675,615	2,086,253			20,761,868
2. Allied lines	18,146,446	550,525			18,696,971
3. Farmowners multiple peril	4,105,001	614			4,105,615
4. Homeowners multiple peril	213,428,313	(13,761)			213,414,552
5. Commercial multiple peril	69,202,403	2,628,555	(405,968)		71,424,990
6. Mortgage guaranty					
8. Ocean marine	3,993,478	3,483,130			7,476,608
9. Inland marine	14,464,891	3,872,830			18,337,721
10. Financial guaranty	1,928,437				1,928,437
11.1 Medical professional liability—occurrence	2,092,652	88,411			2,181,063
11.2 Medical professional liability—claims-made	4,134,995	1,173,228			5,308,223
12. Earthquake	2,595,980	75,671			2,671,651
13. Group accident and health	1,090,397				1,090,397
14. Credit accident and health (group and individual)					
15. Other accident and health	674,265	1,723			675,988
16. Workers' compensation	29,757,020	2,070,093	(517,011)	(14,537,351)	16,772,751
17.1 Other liability—occurrence	69,100,142	15,357,299	(221,309)	2,823,453	87,059,585
17.2 Other liability—claims-made	24,232,087	23,666,194	(1,596)		47,896,685
17.3 Excess workers' compensation	1,891,822	204,709		(28,077)	2,068,454
18.1 Products liability—occurrence	3,640,329	1,836,736	(77,841)	86,074	5,485,298
18.2 Products liability—claims-made	346,249	273,245			619,494
19.1,19.2 Private passenger auto liability	208,784,328				208,784,328
19.3,19.4 Commercial auto liability	36,469,962	257,367	1,357	1,401,321	38,130,007
21. Auto physical damage	158,225,805	35,177			158,260,982
22. Aircraft (all perils)	609,732	(87,365)			522,367
23. Fidelity	682,005	(311,062)			370,943
24. Surety	14,529,459	29,533,070			44,062,529
26. Burglary and theft	14,138	7,443			21,581
27. Boiler and machinery	1,336,141	27,996			1,364,137
28. Credit	1,081,031	2,051,383			3,132,414
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property	2,376,017	6,438,819			8,814,836
32. Reinsurance-nonproportional assumed liability	3,192,098	217,200			3,409,298
33. Reinsurance-nonproportional assumed financial lines	2,176,588	5,339,435			7,516,023
34. Aggregate write-ins for other lines of business	2,097				2,097
35. TOTALS	912,979,923	100,864,918	(1,222,368)	(10,254,580)	1,002,367,893
36. Accrued retrospective premiums based on experience					10,254,579
37. Earned but unbilled premiums					1,222,368
38. Balance (Sum of Lines 35 through 37)					1,013,844,840

DETAILS OF WRITE-IN LINES					
3401. Tuition Protection Plan	1,385				1,385
3402. Other	712				712
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	2,097				2,097

(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	159,833,981	51,918,293		159,833,981		51,918,293
2. Allied lines	259,758,215	41,464,218		259,758,215		41,464,218
3. Farmowners multiple peril		7,921,411				7,921,411
4. Homeowners multiple peril	1,284,810,903	393,405,258		1,284,810,903		393,405,258
5. Commercial multiple peril	16,791,594	140,941,604		16,791,594		140,941,604
6. Mortgage guaranty						
8. Ocean marine		13,486,039				13,486,039
9. Inland marine	61,456,350	63,561,200		61,456,350		63,561,200
10. Financial guaranty		2,136,939				2,136,939
11.1 Medical professional liability--occurrence		5,188,146				5,188,146
11.2 Medical professional liability--claims-made		10,629,121				10,629,121
12. Earthquake	9,716,073	5,250,901		9,716,073		5,250,901
13. Group accident and health		7,151,240				7,151,240
14. Credit accident and health (group and individual)						
15. Other accident and health		1,982,400				1,982,400
16. Workers' compensation	431,058	105,542,016		431,058		105,542,016
17.1 Other liability—occurrence	203,434,475	149,574,074		203,434,475		149,574,074
17.2 Other liability—claims-made	(18)	65,370,407		(18)		65,370,407
17.3 Excess workers' compensation		4,060,074				4,060,074
18.1 Products liability—occurrence		9,035,536				9,035,536
18.2 Products liability—claims-made		1,724,536				1,724,536
19.1,19.2 Private passenger auto liability	652,152,665	405,007,059		652,152,665		405,007,059
19.3,19.4 Commercial auto liability	8,465	77,447,484		8,465		77,447,484
21. Auto physical damage	554,889,968	282,273,433		554,889,968		282,273,433
22. Aircraft (all perils)		2,327,574				2,327,574
23. Fidelity		1,481,961				1,481,961
24. Surety	19,639,401	66,951,237		19,639,401		66,951,237
26. Burglary and theft	4,328	45,346		4,328		45,346
27. Boiler and machinery		2,881,033				2,881,033
28. Credit		3,043,562				3,043,562
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X	32,920,698				32,920,698
32. Reinsurance-nonproportional assumed liability	X X X	9,922,058				9,922,058
33. Reinsurance-nonproportional assumed financial lines	X X X	4,376,757				4,376,757
34. Aggregate write-ins for other lines of business		3,441				3,441
35. TOTALS	3,222,927,458	1,969,025,056		3,222,927,458		1,969,025,056

DETAILS OF WRITE-IN LINES						
3401. Tuition Protection Plan		3,092				3,092
3402. Other		349				349
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		3,441				3,441

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

If yes: 1. The amount of such installment premiums \$ 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

## 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	60,861,273	25,740,417	60,861,273	25,740,417	30,370,433	29,089,604	27,021,246	53.213
2. Allied lines	125,786,392	19,340,971	125,786,392	19,340,971	30,207,074	19,422,933	30,125,112	76.978
3. Farmowners multiple peril		3,743,709		3,743,709	3,580,157	1,901,203	5,422,663	75.574
4. Homeowners multiple peril	668,300,570	201,380,559	668,300,570	201,380,559	123,506,924	94,494,692	230,392,791	60.301
5. Commercial multiple peril	3,747,496	74,442,032	3,747,496	74,442,032	162,434,383	142,140,201	94,736,214	67.841
6. Mortgage guaranty								
8. Ocean marine		4,451,897		4,451,897	10,728,393	7,264,530	7,915,760	68.048
9. Inland marine	31,260,632	37,064,663	31,260,632	37,064,663	9,067,988	8,516,627	37,616,024	60.579
10. Financial guaranty		32,812		32,812	65,014		97,826	46.918
11.1 Medical professional liability—occurrence		1,203,109		1,203,109	13,434,851	11,575,098	3,062,862	53.872
11.2 Medical professional liability—claims-made		3,664,802		3,664,802	19,557,684	13,881,836	9,340,650	95.781
12. Earthquake	6,281	103,065	6,281	103,065	601,713	(276,633)	981,411	19.675
13. Group accident and health		8,144,514		8,144,514	5,969,738	7,393,621	6,720,631	80.686
14. Credit accident and health (group and individual)								
15. Other accident and health		621,778		621,778	1,690,690	1,317,448	995,020	57.833
16. Workers' compensation	3,187,825	61,475,808	3,187,825	61,475,808	630,672,394	643,825,869	48,322,333	47.210
17.1 Other liability—occurrence	79,547,640	72,553,128	79,547,640	72,553,128	449,173,155	356,733,232	164,993,051	120.850
17.2 Other liability—claims-made		20,011,044		20,011,044	154,583,590	131,704,694	42,889,940	74.349
17.3 Excess workers' compensation		935,704		935,704	38,633,041	36,026,085	3,542,660	99.444
18.1 Products liability—occurrence		4,425,447		4,425,447	25,604,564	25,768,023	4,261,988	49.915
18.2 Products liability—claims-made		255,188		255,188	4,126,907	3,995,250	386,845	18.732
19.1,19.2 Private passenger auto liability	330,982,994	209,171,187	330,982,994	209,171,187	414,362,464	382,638,819	240,894,832	60.740
19.3,19.4 Commercial auto liability	1,281,568	48,973,824	1,281,568	48,973,824	162,684,666	153,864,011	57,794,479	71.433
21. Auto physical damage	249,799,317	128,747,908	249,799,317	128,747,908	8,202,370	9,624,607	127,325,671	45.856
22. Aircraft (all perils)		2,896,127		2,896,127	7,841,600	6,624,165	4,113,562	150.033
23. Fidelity		330,451		330,451	4,552,025	4,800,531	81,945	4.295
24. Surety	27,052	10,195,220	27,052	10,195,220	32,235,078	18,091,883	24,338,415	36.758
26. Burglary and theft		42,344		42,344	392,931	411,454	23,821	20.937
27. Boiler and machinery		533,028		533,028	1,093,343	1,041,709	584,662	21.838
28. Credit		1,299,604		1,299,604	1,358,401	1,017,318	1,640,687	61.826
29. International								
30. Warranty					55,383	56,685	(1,302)	
31. Reinsurance-nonproportional assumed property	X X X	(1,255,272)		(1,255,272)	26,656,013	2,936,662	22,464,079	84.229
32. Reinsurance-nonproportional assumed liability	X X X	1,102,263		1,102,263	32,369,286	28,368,115	5,103,434	58.327
33. Reinsurance-nonproportional assumed financial lines	X X X	287,537		287,537	2,332,664	1,598,983	1,021,218	42.891
34. Aggregate write-ins for other lines of business		2,438		2,438	(1,424)		1,014	49.415
35. TOTALS	1,554,789,040	941,917,306	1,554,789,040	941,917,306	2,408,143,493	2,145,849,255	1,204,211,544	63.272

DETAILS OF WRITE-IN LINES								
3401. Tuition Protection Plan				3,211		(1,064)	2,147	88.903
3402. Other				(773)		(360)	(1,133)	312.121
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				2,438		(1,424)	1,014	49.415

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	41,967,087	17,365,434	41,967,087	17,365,434	15,319,644	13,004,999	15,319,644	30,370,433	2,226,473
2. Allied lines	10,870,984	9,596,633	10,870,984	9,596,633	14,319,258	20,610,441	14,319,258	30,207,074	1,697,851
3. Farmowners multiple peril		2,073,559		2,073,559		1,506,598		3,580,157	374,307
4. Homeowners multiple peril	192,826,432	63,927,604	192,826,432	63,927,604	196,917,353	59,579,320	196,917,353	123,506,924	17,475,526
5. Commercial multiple peril	10,209,821	79,994,599	10,209,821	79,994,599	78,400	82,439,784	78,400	162,434,383	46,560,616
6. Mortgage guaranty									
8. Ocean marine		3,907,987		3,907,987		6,820,406		10,728,393	942,947
9. Inland marine	1,765,889	7,022,220	1,765,889	7,022,220	3,793,773	2,045,768	3,793,773	9,067,988	2,180,694
10. Financial guaranty		137		137		64,877		65,014	
11.1 Medical professional liability—occurrence		2,599,929		2,599,929		10,834,922		13,434,851	1,258,860
11.2 Medical professional liability—claims-made		8,547,881		8,547,881		11,009,803		19,557,684	2,890,540
12. Earthquake	21,000	109,287	21,000	109,287	741,774	492,426	741,774	601,713	93,566
13. Group accident and health		2,538,592		2,538,592		3,431,146		(a) 5,969,738	243,683
14. Credit accident and health (group and individual)									
15. Other accident and health		698,392		698,392		992,298		(a) 1,690,690	47,839
16. Workers' compensation	30,538,615	290,892,893	30,538,615	290,892,893	3,564,696	339,779,501	3,564,696	630,672,394	125,734,829
17.1 Other liability—occurrence	136,140,489	131,142,685	136,140,489	131,142,685	147,903,625	318,030,470	147,903,625	449,173,155	90,512,267
17.2 Other liability—claims-made		38,900,898		38,900,898		115,682,692	74,065	154,583,590	29,227,075
17.3 Excess workers' compensation		14,358,281		14,358,281		24,274,760		38,633,041	6,042,725
18.1 Products liability—occurrence	103,629	4,820,702	103,629	4,820,702	37,005	20,783,862	37,005	25,604,564	16,973,631
18.2 Products liability—claims-made		936,408		936,408		3,190,499		4,126,907	2,044,931
19.1,19.2 Private passenger auto liability	269,452,709	192,023,540	269,452,709	192,023,540	334,014,402	222,338,924	334,014,402	414,362,464	78,718,866
19.3,19.4 Commercial auto liability	500,000	62,810,034	500,000	62,810,034	1,033,620	99,874,632	1,033,620	162,684,666	17,102,655
21. Auto physical damage	45,069	779,434	45,069	779,434	20,398,208	7,422,936	20,398,208	8,202,370	7,451,298
22. Aircraft (all perils)		783,756		783,756		7,057,844		7,841,600	1,036,372
23. Fidelity		740,092		740,092	(300)	3,811,933	(300)	4,552,025	617,211
24. Surety	(10,459,982)	(2,640,787)	(10,459,982)	(2,640,787)	25,368,364	34,875,865	25,368,364	32,235,078	3,815,365
26. Burglary and theft		679		679		392,252		392,931	90,686
27. Boiler and machinery		545,848		545,848		547,495		1,093,343	258,827
28. Credit		119,675		119,675		1,238,726		1,358,401	67,144
29. International									
30. Warranty						55,383		55,383	10,992
31. Reinsurance-nonproportional assumed property	X X X	9,879,576		9,879,576	X X X	16,776,437		26,656,013	549,069
32. Reinsurance-nonproportional assumed liability	X X X	8,127,120		8,127,120	X X X	24,242,166		32,369,286	1,070,340
33. Reinsurance-nonproportional assumed financial lines	X X X	663,593		663,593	X X X	1,669,071		2,332,664	45,305
34. Aggregate write-ins for other lines of business		(1,424)		(1,424)				(1,424)	17
35. TOTALS	683,981,742	953,265,257	683,981,742	953,265,257	763,563,887	1,454,878,236	763,563,887	2,408,143,493	457,362,507
<b>DETAILS OF WRITE-IN LINES</b>									
3401. Other		(360)		(360)				(360)	17
3402. Tuition Protection Plan		(1,064)		(1,064)				(1,064)	
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		(1,424)		(1,424)				(1,424)	17

(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	57,553,318			57,553,318
1.2 Reinsurance assumed	105,501,920			105,501,920
1.3 Reinsurance ceded	57,553,318			57,553,318
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	105,501,920			105,501,920
2. Commission and brokerage:				
2.1 Direct, excluding contingent		427,093,307		427,093,307
2.2 Reinsurance assumed, excluding contingent		155,462,872		155,462,872
2.3 Reinsurance ceded, excluding contingent		427,093,307		427,093,307
2.4 Contingent—direct		211,207,648		211,207,648
2.5 Contingent—reinsurance assumed		29,600,658		29,600,658
2.6 Contingent—reinsurance ceded		211,207,648		211,207,648
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)		185,063,530		185,063,530
3. Allowances to manager and agents		18,198,623		18,198,623
4. Advertising	118,806	43,373,626	16,743	43,509,175
5. Boards, bureaus and associations	439,908	2,850,505	12,736	3,303,149
6. Surveys and underwriting reports	69,501	8,815,078	6,137	8,890,716
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	70,366,593	160,712,143	3,837,856	234,916,592
8.2 Payroll taxes	3,867,099	11,783,435	861,069	16,511,603
9. Employee relations and welfare	8,854,139	26,756,134	1,903,078	37,513,351
10. Insurance	6,312,182	242,615	17,671	6,572,468
11. Directors' fees	3,112	9,225	699	13,036
12. Travel and travel items	1,281,893	2,883,072	59,792	4,224,757
13. Rent and rent items	4,074,152	12,429,318	1,349,117	17,852,587
14. Equipment	4,168,564	13,198,341	898,763	18,265,668
15. Cost or depreciation of EDP equipment and software	3,240,670	(161,208)	570,610	3,650,072
16. Printing and stationery	386,245	1,622,660	42,134	2,051,039
17. Postage, telephone and telegraph, exchange and express	1,933,038	10,049,970	98,576	12,081,584
18. Legal and auditing	594,036	2,160,580	73,575	2,828,191
19. Totals (Lines 3 to 18)	105,709,938	314,924,117	9,748,556	430,382,611
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 130,801		39,804,976		39,804,976
20.2 Insurance department licenses and fees		4,316,681		4,316,681
20.3 Gross guaranty association assessments		(80,248)		(80,248)
20.4 All other (excluding federal and foreign income and real estate)		5,883,066		5,883,066
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		49,924,475		49,924,475
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	13,433,776	31,261,992	1,742,311	46,438,079
25. Total expenses incurred	224,645,634	581,174,114	11,490,867	(a) 817,310,615
26. Less unpaid expenses—current year	457,362,508	133,821,533		591,184,041
27. Add unpaid expenses—prior year	438,093,207	108,460,428		546,553,635
28. Amounts receivable relating to uninsured plans, prior year		(9,888)		(9,888)
29. Amounts receivable relating to uninsured plans, current year		1,014		1,014
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	205,376,333	555,823,911	11,490,867	772,691,111

DETAILS OF WRITE-IN LINES				
2401. Other expenses	13,433,776	31,261,992	1,742,311	46,438,079
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)	13,433,776	31,261,992	1,742,311	46,438,079

(a) Includes management fees of \$ 281,423,410 to affiliates and \$ 18,195,604 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	8,701,492	6,516,542
1.1 Bonds exempt from U.S. tax	(a)	17,254,819	16,574,543
1.2 Other bonds (unaffiliated)	(a)	89,072,980	92,801,229
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)		
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)		1,450,249	1,645,216
2.21 Common stocks of affiliates		17,552,761	17,552,761
3. Mortgage loans	(c)	7,693,115	7,549,217
4. Real estate	(d)		
5. Contract loans			
6. Cash, cash equivalents and short-term investments	(e)	636,896	1,102,924
7. Derivative instruments	(f)		
8. Other invested assets		4,424,073	4,424,073
9. Aggregate write-ins for investment income		805,083	805,083
10. Total gross investment income		147,591,468	148,971,588
11. Investment expenses	(g)		11,490,868
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)		
13. Interest expense	(h)		
14. Depreciation on real estate and other invested assets	(i)		
15. Aggregate write-ins for deductions from investment income			
16. Total deductions (Lines 11 through 15)			11,490,868
17. Net investment income (Line 10 minus Line 16)			137,480,720

DETAILS OF WRITE-IN LINES			
0901. Miscellaneous Income/(Expense)		805,083	805,083
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)		805,083	805,083
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 \$ 1,583,021 accrual of discount less \$ 12,850,658 amortization of premium and less \$ 8,628,558 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 \$ 338,049 accrual of discount less \$ 15,346 amortization of premium and less \$ 13,299 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 183,520 accrual of discount less \$ 721 amortization of premium and less \$ 52,481 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 11,490,868 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	43,063,791		43,063,791		
1.1 Bonds exempt from U.S. tax	10,988,648		10,988,648	98,139	
1.2 Other bonds (unaffiliated)	40,652,839	(1,900,689)	38,752,150	379,634	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(1,787,477)		(1,787,477)		
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(200,160)		(200,160)	4,751,458	
2.21 Common stocks of affiliates				(10,580,492)	
3. Mortgage loans	201,424		201,424	(9,943)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	13,757		13,757		
7. Derivative instruments	247,662		247,662	(380,880)	
8. Other invested assets	(3,953,086)	(1,193)	(3,954,279)	71,083,688	373,144
9. Aggregate write-ins for capital gains (losses)	(1,907)		(1,907)		
10. Total capital gains (losses)	89,225,491	(1,901,882)	87,323,609	65,341,604	373,144

DETAILS OF WRITE-IN LINES					
0901. Miscellaneous gains (losses)		(1,907)		(1,907)	
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)		(1,907)		(1,907)	

## 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			
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
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	16,613,605	14,428,691	(2,184,914)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	122,373	451,266	328,893
15.3 Accrued retrospective premiums and contracts subject to redetermination	1,031,481	1,986,629	955,148
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	61		(61)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	23,464,596	24,359,634	895,038
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	41,232,116	41,226,220	(5,896)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	41,232,116	41,226,220	(5,896)

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	23,464,596	24,356,237	891,641
2502. Amounts receivable under high deductible policies		3,397	3,397
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	23,464,596	24,359,634	895,038

## 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 New Hampshire Insurance Commissioner, the accompanying financial statements of Safeco Insurance Company of America (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) Safeco Insurance Company of America state basis (Page 4, Line 20, Columns 1 & 2)	X X X	X X X	X X X	98,736,933	99,587,926
(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	98,736,933	99,587,926
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**SURPLUS**

	SSAP #	F/S Page	F/S Line #	2020	2019
(5) Safeco Insurance Company of America state basis (Page 3, Line 37, Columns 1 & 2)	X X X	X X X	X X X	1,862,971,236	1,703,906,304
(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	1,862,971,236	1,703,906,304
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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**

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

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

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

**B. Statutory Merger**

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

**C. Impairment Loss**

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



## NOTES TO FINANCIAL STATEMENTS

**4. Discontinued Operations**

The Company has no discontinued operations

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

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

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

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

**5. Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

Farm mortgages: N/A  
Residential mortgages: 2.69% and 5.21%  
Commercial mortgages: 2.15% and 5.00%

(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
3,846	6,732

(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	47,316,346	0	127,951,032	0	175,267,379
(b) 30 - 59 Days Past Due	\$ 0	0	0	0	0	0	0
(c) 60 - 89 Days Past Due	\$ 0	0	0	0	0	0	0
(d) 90 - 179 Days Past Due	\$ 0	0	0	0	0	0	0
(e) 180 + Days Past Due	\$ 0	0	0	0	0	0	0

2. Accruing Interest 90 - 179 Days Past Due

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

3. Accruing Interest 180 + Days Past Due

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

4. Interest Reduced

(a) Recorded Investment	\$ 0	0	0	0	4,682,434	0	4,682,434
(b) Number of Loans	\$ 0	0	0	0	122	0	122
(c) Percent Reduced	0.000%	0.000%	0.000%	0.000%	1.100%	0.000%	1.100%

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

(a) Recorded Investment	\$ 0	0	47,316,346	0	127,951,032	0	175,267,379
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**b. Prior Year**

1. Recorded Investment

(a) Current Year	\$ 0	0	0	0	167,353,136	0	167,353,136
(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

## NOTES TO FINANCIAL STATEMENTS

4. Interest Reduced								
(a) Recorded Investment	\$	0	0	0	0	1,844,807	0	1,844,807
(b) Number of Loans	\$	0	0	0	0	41	0	41
(c) Percent Reduced	\$	0.000%	0.000%	0.000%	0.000%	1.300%	0.000%	1.300%
5. Participant or Co-lender in a Mortgage Loan Agreement								
(a) Recorded Investment	\$	0	0	0	0	167,486,118	0	167,486,118

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

## a. Current Year

	Farm	Residential		Commercial		Mezzanine	Total	
		Insured	All Other	Insured	All Other			
1. With Allowance for Credit Losses	\$	0	0	0	0	227,420	0	227,420
2. No Allowance for Credit Losses	\$	0	0	0	0	188,210	0	188,210
3. Total (1+2)	\$	0	0	0	0	415,630	0	415,630
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	415,630	0	415,630

## b. Prior Year

1. With Allowance for Credit Losses	\$	0	0	0	0	32,515	0	32,515
2. No Allowance for Credit Losses	\$	0	0	0	0	102,576	0	102,576
3. Total (1+2)	\$	0	0	0	0	135,091	0	135,091
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	135,091	0	135,091

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

## a. Current Year

	Farm	Residential		Commercial		Mezzanine	Total	
		Insured	All Other	Insured	All Other			
1. Average Recorded Investment	\$	0	0	0	0	275,360	0	275,360
2. Interest Income Recognized	\$	0	0	0	0	3,237	0	3,237
3. Recorded Investments on Nonaccrual Status	\$	0	0	0	0	0	0	0
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	\$	0	0	0	0	0	0	0

## b. Prior Year

1. Average Recorded Investment	\$	0	0	0	0	67,545	0	67,545
2. Interest Income Recognized	\$	0	0	0	0	5,172	0	5,172
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	4,039	0	4,039

- (7) Allowance for Credit Losses:

	Current Year	Prior Year
a. Balance at beginning of period	\$ 20,718	0
b. Additions charged to operations	\$ 57,130	20,718
c. Direct write-downs charged against the allowances	\$ (63,200)	0
d. Recoveries of amounts previously charged off	\$ 0	0
e. Balance at end of period	\$ 14,648	20,718

- (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	\$ 239,463	102,576
(2) The realized capital losses related to these loans	\$ 0	0
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$ 0	0

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

## C. Reverse Mortgages

## NOTES TO FINANCIAL STATEMENTS

Not Applicable

## D. Loan-Backed Securities

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

	(1)	(2)	(3)
	Amortized 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 p 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 p 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 p 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 p recover the amortized cost basis	\$ 0	0	0
l. Total 4th Quarter	\$ 0	0	0
m. Annual Aggregate Total	\$ X X X	0	0

(3)	(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
	05539T-AR-6	3,330	1,203	2,127	1,203	1,206	09/30/2020
	59023X-AB-2	82,275	61,172	21,103	61,172	61,981	09/30/2020
	45112A-AA-5	4,282,288	3,352,761	929,527	3,352,761	3,417,338	09/30/2020
\$	Total	X X X	X X X	952,757	X X X	X X X	X X X

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

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

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

a. The aggregate Amount of unrealized losses:

	(1)
Less than 12 months	\$ (1,346,003)
12 Months or Longer	\$ (3,102,426)

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

Less than 12 months	\$ 27,177,985
12 Months or Longer	\$ 119,809,917

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

## E. Dollar Repurchase Agreements and/or Securities Lending Transactions

## NOTES TO FINANCIAL STATEMENTS

(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

1. Securities Lending

	Fair Value
Open	\$ 92,479,834
30 Days or Less	\$ 0
31 to 60 Days	\$ 0
61 to 90 Days	\$ 0
Greater Than 90 Days	\$ 0
Sub-Total	\$ 92,479,834
Securities Received	\$ 53,987,846
Total Collateral Received	\$ 146,467,680

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

\$ 146,467,681

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.

(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

1. Securities Lending

	Amortized Cost	Fair Value
Open	\$ 0	\$ 0
30 Days or Less	\$ 30,498,717	\$ 30,498,717
31 to 60 Days	\$ 41,423,024	\$ 41,423,024
61 to 90 Days	\$ 20,558,093	\$ 20,558,093
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	\$ 92,479,834	\$ 92,479,834
Securities Received	\$ 0	\$ 0
Total Collateral Reinvested	\$ 92,479,834	\$ 92,479,834

## 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

The Company does not hold any investments in real estate.

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

1. There are three years remaining of unexpired tax credits. The required holding period for the LIHTC investment is fifteen years.
2. There were \$315 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 \$510.
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	\$ 92,479,834	0	0	0	92,479,834	42,487,868	49,991,966
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	\$ 0	0	0	0	0	0	0
j. On deposit with states	\$ 145,754,260	0	0	0	145,754,260	151,148,995	-5,394,735
k. On deposit with other regulatory bodies	\$ 0	0	0	0	0	0	0
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0	0	0	0	0
m. Pledged as collateral not captured in other categories	\$ 0	0	0	0	0	0	0
n. Other restricted Assets	\$ 0	0	0	0	0	0	0
<b>o. Total Restricted Assets</b>	<b>\$ 238,234,094</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>238,234,094</b>	<b>193,636,863</b>	<b>44,597,231</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	11
			Gross (Admitted Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Tot Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0.000	0.000
b. Collateral held under security lending agreements	\$ 0	92,479,834	1.534	1.545
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	0	0.000	0.000
j. On deposit with states	\$ 0	145,754,260	2.418	2.435
k. On deposit with other regulatory bodies	\$ 0	0	0.000	0.000
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	\$ 0	0	0.000	0.000
n. Other restricted Assets	\$ 0	0	0.000	0.000
<b>o. Total Restricted Assets</b>	<b>\$ 0</b>	<b>238,234,094</b>	<b>3.952</b>	<b>3.980</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						
	Current Year					6	7
	1	2	3	4	5		
Description of Assets	Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)
Total (c)	0	0	0	0	0	0	0

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

- (a) Subset of column 1  
 (b) Subset of column 3  
 (c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively
- (3) Detail of Other Restricted Assets (Contracts that Share Similar 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)
Total (c)	0	0	0	0	0	0	0

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

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

## NOTES TO FINANCIAL STATEMENTS

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

		1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted*)	4 % of BACV to Total Admitted Assets**
<b>Collateral Assets</b>					
<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	\$	92,479,834	92,479,834	1.534	1.545
i. Other	\$	0	0	0.000	0.000
<b>j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)</b>	<b>\$</b>	<b>92,479,834</b>	<b>92,479,834</b>	<b>1.534</b>	<b>1.545</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>\$</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)

		1 Amount	2 % of Liability to Total Liabilities*
u. Recognized Obligation to Return Collateral Assets (General Account)	\$	92,479,834	1.545
v. Recognized Obligation to Return Collateral Asset (Separate Account)	\$	0	0.000

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

M. Working Capital Finance Investments  
Not Applicable

N. Offsetting and Netting of Assets and Liabilities  
Not Applicable

O. 5GI Securities  
Not Applicable

P. Short Sales  
Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	44	0
(2) Aggregate Amount of Investment Income	1,174,435	0

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

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

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



## NOTES TO FINANCIAL STATEMENTS

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

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

7. **Investment Income**

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2020.

8. **Derivative Instruments**

A. Derivatives under SSAP No. 86—Derivatives

1., 2., 3. Derivative financial instruments utilized by the Company during 2020 and 2019 included only interest rate futures contracts.

(1,2,3) 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.

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.

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.

(4) The Company entered into futures contracts 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 or 2019.

(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 and 2019.

(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

Not Applicable

## NOTES TO FINANCIAL STATEMENTS

## 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)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
a. Gross Deferred Tax Assets	\$ 104,791,000	1,611,000	106,402,000	97,784,000	2,144,000	99,928,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0	0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 104,791,000	1,611,000	106,402,000	97,784,000	2,144,000	99,928,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0	0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 104,791,000	1,611,000	106,402,000	97,784,000	2,144,000	99,928,000
f. Deferred Tax Liabilities	\$ 32,829,000	28,969,000	61,798,000	31,854,000	18,061,000	49,915,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 71,962,000	(27,358,000)	44,604,000	65,930,000	(15,917,000)	50,013,000

	Change		
	(7)	(8)	(9)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
a. Gross Deferred Tax Assets	\$ 7,007,000	(533,000)	6,474,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 7,007,000	(533,000)	6,474,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 7,007,000	(533,000)	6,474,000
f. Deferred Tax Liabilities	\$ 975,000	10,908,000	11,883,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ 6,032,000	(11,441,000)	(5,409,000)

	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 52,127,296	0	52,127,296	38,562,564	0	38,562,564
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)	\$ 25,767,299	0	25,767,299	34,060,265	0	34,060,265
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ 0	0	0	34,060,265	0	34,060,265
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	282,392,574	X X X	X X X	252,267,608
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.	\$ 26,896,405	1,611,000	28,507,405	25,161,171	2,144,000	27,305,171
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 104,791,000	1,611,000	106,402,000	97,784,000	2,144,000	99,928,000

	Change		
	(1)	(2)	(3)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 13,564,732	0	13,564,732
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)	\$ (8,292,966)	0	(8,292,966)
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ (34,060,265)	0	(34,060,265)

## NOTES TO FINANCIAL STATEMENTS

2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$	X X X	X X X	30,124,966		
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.	\$	1,735,234	(533,000)	1,202,234		
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$	7,007,000	(533,000)	6,474,000		
(3)		2020	2019			
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.		713.300%	643.600%			
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$	1,818,367,235.000	1,653,893,305.000			
(4)		12/31/2020	12/31/2019	Change		
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) (Col 2 - 4)
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$	104,791,000	1,611,000	97,784,000	2,144,000	7,007,000 (533,000)
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)	\$	104,791,000	1,611,000	97,784,000	2,144,000	7,007,000 (533,000)
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	\$ 11,714,642	10,107,778	1,606,864
b. Foreign	\$ 0	17,203	(17,203)
c. Subtotal	\$ 11,714,642	10,124,981	1,589,661
d. Federal Income Tax on net capital gains	\$ 18,338,358	1,906,019	16,432,339
e. Utilization of capital loss carry-forwards	\$ 0	0	0
f. Other	\$ 0	0	0
g. Federal and foreign income taxes incurred	\$ 30,053,000	12,031,000	18,022,000
(2) Deferred Tax Assets:			
a. Ordinary			
1. Discounting of unpaid losses	\$ 42,011,000	38,341,000	3,670,000
2. Unearned premium reserve	\$ 43,789,000	41,555,000	2,234,000
3. Policyholder reserves	\$ 0	0	0
4. Investments	\$ 859,000	1,098,000	(239,000)
5. Deferred acquisition costs	\$ 0	0	0
6. Policyholder dividends accrual	\$ 0	0	0
7. Fixed assets	\$ 0	0	0
8. Compensation and benefits accrual	\$ 1,922,000	2,031,000	(109,000)
9. Pension accrual	\$ 1,001,000	1,201,000	(200,000)
10. Receivables - nonadmitted	\$ 8,659,000	8,657,000	2,000
11. Net operating loss carry-forward	\$ 0	0	0
12. Tax credit carry-forward	\$ 5,000	341,000	(336,000)
13. Other (including items <5% of total ordinary tax assets)	\$ 6,545,000	4,560,000	1,985,000
99. Subtotal	\$ 104,791,000	97,784,000	7,007,000
b. Statutory valuation allowance adjustment	\$ 0	0	0
c. Nonadmitted	\$ 0	0	0
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 104,791,000	97,784,000	7,007,000

## NOTES TO FINANCIAL STATEMENTS

## e. Capital:

(1) Investments	\$ 1,611,000	2,144,000	(533,000)
(2) Net capital loss carry-forward	\$ 0	0	0
(3) Real estate	\$ 0	0	0
(4) Other (including items <5% of total capital tax assets)	\$ 0	0	0
(99) Subtotal	\$ 1,611,000	2,144,000	(533,000)

f. Statutory valuation allowance adjustment	\$ 0	0	0
g. Nonadmitted	\$ 0	0	0
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 1,611,000	2,144,000	(533,000)
i. Admitted deferred tax assets (2d + 2h)	\$ 106,402,000	99,928,000	6,474,000

## (3) Deferred Tax Liabilities:

## a. Ordinary

1. Investments	\$ 4,724,000	4,651,000	73,000
2. Fixed assets	\$ 18,713,000	15,961,000	2,752,000
3. Deferred and uncollected premium	\$ 0	0	0
4. Policyholder reserves	\$ 7,601,000	9,121,000	(1,520,000)
5. Other (including items <5% of total ordinary tax liabilities)	\$ 1,791,000	2,121,000	(330,000)
99. Subtotal	\$ 32,829,000	31,854,000	975,000

## b. Capital:

1. Investments	\$ 28,315,000	17,407,000	10,908,000
2. Real Estate	\$ 654,000	654,000	0
3. Other (including items <5% of total capital tax liabilities)	\$ 0	0	0
99. Subtotal	\$ 28,969,000	18,061,000	10,908,000

c. Deferred tax liabilities (3a99 + 3b99)	\$ 61,798,000	49,915,000	11,883,000
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(4) Net deferred tax assets/liabilities (2i - 3c)	\$ 44,604,000	50,013,000	(5,409,000)
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D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of discounting of unpaid losses and loss adjustment expenses, tax exempt income, intercompany dividends, LP & LLC income, limits on unearned premiums reserve deductions, amortization, partnership income/loss, loss reserve transitional adjustment and revisions to prior year estimates.

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

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

Year Generated	Amount	Expiration
2019	\$5,000	2039

(2) The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$31,851,000 from the current year and \$19,062,000 from the preceding year.

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

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.

## NOTES TO FINANCIAL STATEMENTS

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
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  
  
Not Applicable

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

A. All the outstanding shares of capital stock of the Company are held by Safeco Corporation (“Safeco”), an insurance holding company incorporated in Washington. Safeco is wholly owned by Liberty Mutual Agency Corporation, an insurance holding company incorporated in Delaware. Liberty Mutual Agency Corporation is wholly owned by Liberty Insurance Holdings, Inc., an insurance holding company incorporated in Delaware. Liberty Insurance Holdings, Inc. is wholly owned by Liberty Mutual Insurance Company (“LMIC”), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc., a Massachusetts company.

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

C. As of December 31, 2020, the Company had the following capital transactions with its parent and subsidiaries:

1. Received capital contributions of \$0.
2. Received return of capital distributions of \$0.
3. Contributed capital in the amount of \$188,743,177.
4. Received dividends in the amount of \$19,952,761.

## NOTES TO FINANCIAL STATEMENTS

- D. At December 31, 2020, the Company reported a net \$32,266,282 due from affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

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

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

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

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

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

Company	Credit Line
Liberty Mutual Insurance Company	\$150,000,000
Employers Insurance Company of Wausau	\$125,000,000
Liberty Mutual Fire Insurance Company	\$130,000,000
The Ohio Casualty Insurance Company	\$150,000,000
Peerless Insurance Company	\$150,000,000

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

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

Company	Credit Line
Liberty Mutual Insurance Company	\$150,000,000
Employers Insurance Company of Wausau	\$125,000,000
Liberty Mutual Fire Insurance Company	\$130,000,000
The Ohio Casualty Insurance Company	\$150,000,000
Peerless Insurance Company	\$150,000,000

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

The Company is a party to an Amended and Restated Intercompany Short -Term Borrowing Agreement with Safeco Corporation. Pursuant to the agreement, each party agrees to lend funds to any other party to the agreement for a maximum term of 12 months. The amount of the loan is limited by statutory requirements of the Insurance Holding Company Act of the state of domicile of the Company.

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

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not own investments in subsidiary, controlled or affiliated entities that exceed 10% of admitted assets.
- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.
- L. The Company does not hold any investments in downstream non-insurance holding companies that utilize the lookthrough approach.
- 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
.....				
<b>Total SSAP No. 97 8A Entities</b>	<b>X X X</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>b. SSAP No. 97 8b(ii) Entities</b>				
.....				
<b>Total SSAP No. 97 8b(ii) Entities</b>	<b>X X X</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTES TO FINANCIAL STATEMENTS

c. SSAP No. 97 8b(iii) Entities				
01. Liberty Mutual Investment Holdings LLC	8.000	308,479,331	308,479,331	0
02. LMAT Holdings LLC	10.000	18,980,076	18,980,076	0
03. Liberty Structured Holdings	15.000	194,125,488	194,125,488	0
04. Georgia Tax Credit Fund LM L.P.	0.010	510	510	0
05. Emerald City Insurance Agency, Inc	100.000	1,000	1,000	0
<b>Total SSAP No. 97 8b(iii) Entities</b>	<b>X X X</b>	<b>521,586,405</b>	<b>521,586,405</b>	<b>0</b>
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities				
	X X X	0	0	0
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)				
	X X X	521,586,405	521,586,405	0
f. Aggregate Total (a + e)				
	X X X	521,586,405	521,586,405	0

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y / N	NAIC Disallow Entities Valuat Method, Resubmission Required Y / N	Code **
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8A Entities						
	X X X	X X X	0	X X X	X X X	X X X
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities						
	X X X	X X X	0	X X X	X X X	X X X
c. SSAP No. 97 8b(iii) Entities						
01. Emerald City Insurance Agency, Inc	S2	12/23/2020	0	Y	N	I
Total SSAP No. 97 8b(iii) Entities						
	X X X	X X X	0	X X X	X X X	X X X
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities						
	X X X	X X X	0	X X X	X X X	X X X
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)						
	X X X	X X X	0	X X X	X X X	X X X
f. Aggregate Total (a + e)						
	X X X	X X X	0	X X X	X X X	X X X

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

\*\* I - Immaterial or M - Material

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

11 Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

Not Applicable

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

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

A. Defined Benefit Plans

## NOTES TO FINANCIAL STATEMENTS

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

		Overfunded		Underfunded	
		2020	2019	2020	2019
(1)	Change in benefit obligation:				
a.	Pension Benefits				
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
b.	Postretirement Benefits				
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
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	\$ 0	0	0	0	0	0
b.	Actual return on plan assets	\$ 0	0	0	0	0	0
c.	Foreign currency exchange rate changes	\$ 0	0	0	0	0	0
d.	Reporting Entity contribution	\$ 0	0	0	0	0	0
e.	Plan participants contributions	\$ 0	0	0	0	0	0
f.	Benefits paid	\$ 0	0	0	0	0	0
g.	Business combinations, etc.	\$ 0	0	0	0	0	0
h.	Fair value of plan assets end of year	\$ 0	0	0	0	0	0
(3)	Funded status:						
a.	Components:						
1.	Prepaid benefit costs	\$ 0	0	0	0	0	0
2.	Overfunded plan assets	\$ 0	0	0	0	0	0
3.	Accrued benefit costs	\$ 0	0	0	0	0	0
4.	Liability for pension benefits	\$ 0	0	0	0	0	0
b.	Assets and liabilities recognized						
1.	Assets (nonadmitted)	\$ 0	0	0	0	0	0
2.	Liabilities recognized	\$ 0	0	0	0	0	0
c.	Unrecognized liabilities	\$ 0	0	0	0	0	0



## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

(8) Not applicable

(9) Not applicable

## NOTES TO FINANCIAL STATEMENTS

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

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

(11) Not applicable

(12) Not applicable

(13) Not applicable

(14) Not applicable

(15) Not applicable

(16) Not applicable

(17) Not applicable

(18) Not applicable

**B.**

(1) Information about Plan Assets  
Not Applicable

C. Not Applicable

E. Defined Contribution Plan

Not Applicable

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

Not Applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (I

Not Applicable

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

A. The Company has 20,000 shares authorized, issued and outstanding as of December 31, 2020. All shares have a stated par value of \$250.

B. Preferred Stock

Not applicable.

C. There are no dividend restrictions.

D. The Company did not pay any dividend to its parent in 2020.

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E. The maximum amount of dividends that can be paid by New Hampshire-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is less than 10% of surplus or net income. The maximum dividend payout which may be made without prior approval in 2021 is \$ 29,751,683.

F. As of December 31, 2020, the Company has pre-tax restricted surplus of \$21,378,612 resulting from retroactive reinsurance contracts.

G. The Company had no advances to surplus.

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

## NOTES TO FINANCIAL STATEMENTS

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:                     \$ 94,305,558  
after applicable deferred taxes of (\$1,348,849)

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

Not Applicable

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

Not Applicable

M. Quasi-reorganization (effective date)

Not applicable

**14. Liabilities, Contingencies and Assessments**

A. Contingent Commitments

Refer to Note 10E

(1) Total SSAP No. 97 - Investments in Subsidiary, Con Partnerships and Limited Liability Companies contin                     \$ 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
Total	0	X X X	0	X X X

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

(3)

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

\$ ..... 0

b. Current Liability Recognized in F/S:

1. Noncontingent Liabilities

\$ ..... 0

2. Contingent Liabilities

\$ ..... 0

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

1. Investments in SCA

\$ ..... 0

2. Joint Venture

\$ ..... 0

3. Dividends to Stockholders (capital contribution)

\$ ..... 0

4. Expense

\$ ..... 0

5. Other

\$ ..... 0

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

\$ ..... 0

**B. Assessments**

## NOTES TO FINANCIAL STATEMENTS

- (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 \$50,142 and a Texas Windstorm assessment, which was accrued for in 2019, of \$551,772. In addition, the Company received a refund of \$63,453 related to the total 2019 North Carolina Plan assessment of \$80,592.

The Company has accrued a liability for guaranty funds and other assessments of \$5,261,538 that is offset by future premium tax credits of \$130,801. 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 t  
policy surcharges prior year-end \$ 158,651

b. Decreases current year:

Premium tax offset applied	\$	158,651
----------------------------	----	---------

c. Increases current year:

Premium tax offset increase	\$	130,801
-----------------------------	----	---------

d. Assets recognized from paid and accrued premium t  
policy surcharges current year-end \$ 130,801

(3)

a. Discount Rate Applied 0.000

b. The Undiscounted and Discounted Amount of the G  
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 Di

Period for Payables and Recoverables by Insolvency:

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

C. Gain Contingencies

Not Applicable

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

Claims related ECO and bad faith losses paid during the reporting period \$ 3,574,020

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

## NOTES TO FINANCIAL STATEMENTS

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

G All Other Contingencies

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

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

15. **Leases.**

A. Lessee Leasing Arrangements

a. See below

(1)

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)	\$ 7,282,949
2022 (as seen in Notes text)	\$ 6,038,836
2023 (as seen in Notes text)	\$ 4,953,049
2024 (as seen in Notes text)	\$ 4,774,906
2025 (as seen in Notes text)	\$ 3,322,916
2026 & thereafter	\$ 6,305,494
Total	\$ 32,678,150

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 \$6,721,999.

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

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

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

(1)

c. Lessor Leases

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

Operating Leases

Year Ending December 31

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

d.

(2) Leveraged Leases

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

2020                      2019  
(years as seen in Notes text)

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

## NOTES TO FINANCIAL STATEMENTS

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

2020  
2019  
(years as seen in Notes text)

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	0	0	0
b. Futures	\$	0	880,000	0	0
c. Options	\$	0	0	0	0
d. Totals	\$	0	880,000	0	0

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, Parts 1-3.
- (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

- (1) The Company did not have any transfers of receivables reported as sales.
- (2) 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.

#### 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 \$143,011,311 with corresponding collateral value of \$146,467,681 of which \$92,479,834 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

## NOTES TO FINANCIAL STATEMENTS

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 Fair Value Measurements by Levels 1, 2 and 3

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

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

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

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

#### (1) Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(6) Net Asset Value	(7) Total
<b>a. Assets at fair Value</b>					
01. Bonds	\$ 0	0	0	0	0
02. Residential MBS	\$ 0	282	0	0	282
03. Commercial MBS	\$ 0	0	0	0	0
04. Other MBS and ABS	\$ 0	22,605,797	0	0	22,605,797
05. U.S. State and municipal	\$ 0	0	0	0	0
06. Corporate and other	\$ 0	41,533,997	8,843,918	0	50,377,915
07. Foreign government securities	\$ 0	0	0	0	0
09. Preferred Stocks	\$ 0	0	0	0	0
11. Common Stocks	\$ 74,501,265	2,919,270	0	0	77,420,535
<b>Total assets at fair value</b>	<b>\$ 74,501,265</b>	<b>67,059,346</b>	<b>8,843,918</b>	<b>0</b>	<b>150,404,529</b>
<b>b. Liabilities at fair value</b>					
	\$ 0	0	0	0	0
<b>Total liabilities at fair value</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Assets:	(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
Bonds	\$ 0	0	0	0	0	0	0	0	0	0
Residential MBS	\$ 0	0	0	0	0	0	0	0	0	0
Commercial MBS	\$ 0	0	0	0	0	0	0	0	0	0
Other MBS and ABS	\$ 0	0	0	0	0	0	0	0	0	0
U.S. State and municipal	\$ 0	0	0	0	0	0	0	0	0	0
Corporate and other	\$ 3,366,247	0	(1,314,986)	0	2,685	8,894,688	0	(2,155,603)	50,887	8,843,918
Foreign government securities	\$ 0	0	0	0	0	0	0	0	0	0
Preferred Stocks	\$ 2,000,000	0	0	(1,786,477)	0	6,650,000	0	(6,863,523)	0	0
Common Stocks	\$ 0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 5,366,247</b>	<b>0</b>	<b>(1,314,986)</b>	<b>(1,786,477)</b>	<b>2,685</b>	<b>15,544,688</b>	<b>0</b>	<b>(9,019,126)</b>	<b>50,887</b>	<b>8,843,918</b>

## NOTES TO FINANCIAL STATEMENTS

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

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	Admitted				Net Asset	Not
	Fair Value	Assets	(Level 1)	(Level 2)	(Level 3)	Value (NAV)	Practicable (Carrying Value)
01 Cash, Cash Equivalents & Short Term	\$ 77,316,319	77,316,319	(43,857,599)	19,674,029	0	101,499,889	0
02 Bonds	\$ 4,183,386,582	3,958,199,599	300,987,211	3,773,335,723	109,063,647	0	0
03 Preferred Stock	\$ 0	0	0	0	0	0	0
04 Common Stock	\$ 77,420,535	77,420,535	74,501,265	2,919,270	0	0	0
05 Securities Lending	\$ 92,480,449	92,479,834	0	92,480,449	0	0	0
Total	\$ 4,605,840,603	4,380,683,666	331,630,877	3,888,409,471	284,300,365	101,499,889	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)
06 Mortgage Loans	\$ 175,236,718	175,267,379	0	0	175,236,718	0	0
07 Surplus Notes	\$ 0	0	0	0	0	0	0
09 Net Derivatives	\$ 0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 4,605,840,603</b>	<b>4,380,683,666</b>	<b>331,630,877</b>	<b>3,888,409,471</b>	<b>284,300,365</b>	<b>101,499,889</b>	<b>0</b>

D. Reasons Not Practical to Estimate Fair Value

Not Applicable

E. Instruments Measures at Net Asset Value (NAV)

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

21. Other items

A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

B. Troubled Debt Restructuring

Not Applicable

C. Other Disclosures

1. Florida Special Disability Trust Fund

Not applicable

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	NV	309,501	309,501
<b>Total</b>	<b>X X X</b>	<b>309,501</b>	<b>309,501</b>

(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	309,501	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	127,449	136,367	132,514	459,144
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securities	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	127,449	136,367	132,514	459,144

\*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
	0	0	0	0
d. Total	0	0	0	0

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

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

Not Applicable

### 22. Events Subsequent

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

**23. Reinsurance**

A. Unsecured Reinsurance Recoverables

Excluding amounts arising pursuant to the Intercompany Reinsurance Agreements, there are no unsecured reinsurance recoverables with an individual reinsurer which exceed 3% of policyholder's surplus.

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B. Reinsurance Recoverable in Dispute  
Not Applicable

C. REINSURANCE ASSUMED AND CEDED

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

	Assumed		Ceded		Net	
	Premium Reserve (1)	Commission Equity (2)	Premium Reserve (3)	Commission Equity (4)	Premium Reserve (5)	Commission Equity (6)
a. Affiliates	\$ 1,013,844,841	0	1,645,835,188	0	(631,990,347)	0
b. All Other	0	0	0	0	0	0
c. TOTAL	\$ 1,013,844,841	0	1,645,835,188	0	(631,990,347)	0
d. Direct Unearned Premium Reserve	\$ 1,645,835,188					

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

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

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

	REINSURANCE			
	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 286,345,630	35,374,452	286,345,630	35,374,452
b. Sliding Scale Adjustments	0	42,452	0	42,452
c. Other Profit Commission Arrangements	0	0	0	0
d. TOTAL	\$ 286,345,630	35,416,904	286,345,630	35,416,904

(3) Reinsurance

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

D. UNCOLLECTIBLE REINSURANCE

(1) The company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of \$ 1,448,547 which is reflected as:

a. Losses incurred	\$ 856,322
b. Loss adjustment expenses incurred	\$ 526,790
c. Premiums earned	\$ 0
d. Other	\$ 0

e.

Company	Amount
01. Liberty Mutual Insurance Company, 23043	\$ 1,383,112

E. COMMUTATION OF CEDED REINSURANCE

## NOTES TO FINANCIAL STATEMENTS

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	\$ (16)
(2) Loss adjustment expenses incurred	\$ 6,082
(3) Premiums Earned	\$ 0
(4) Other	\$ 422
(5)	

Company	Amount
01. Liberty Mutual Insurance Company, 23043	\$ 6,487

**F. RETROACTIVE REINSURANCE**

	Reported Company	
	Assumed	Ceded
<b>(1) a. Reserves Transferred:</b>		
1. Initial Reserves	\$ (191,860,419)	0
2. Adjustments - Prior Year(s)	\$ (46,624,945)	0
3. Adjustments - Current Year	\$ (1,072,152)	0
4. Current Total	\$ (239,557,516)	0
<b>b. Consideration Paid or Received:</b>		
1. Initial Consideration	\$ (202,641,475)	0
2. Adjustments - Prior Year(s)	\$ (3,352,304)	0
3. Adjustments - Current Year	\$ 14,845,579	0
4. Current Total	\$ (191,148,200)	0
<b>c. Paid Losses Reimbursed or Recovered:</b>		
1. Prior Year(s)	\$ 26,459,542	0
2. Current Year	\$ (2,063,548)	0
3. Current Total	\$ 24,395,994	0
<b>d. Special Surplus from Retroactive Reinsurance:</b>		
1. Initial Surplus Gain or Loss	\$ (8,768,654)	0
2. Adjustments - Prior Year(s)	\$ 13,500,178	0
3. Adjustments - Current Year	\$ 16,286,568	0
4. Current Year Restricted Surplus	\$ (21,378,612)	0
5. Cumulative Total Transferred to Unassigned Funds	\$ (360,520)	0
<b>e. All cedents and reinsurers involved in all transactions included in summary totals above:</b>		

Column 1: Cedents and Reinsurers Company Name	Assumed Amt	Ceded Amt
01. Liberty Mutual Insurance Company, 23043	\$ (239,557,516)	0
<b>Total*</b>	<b>\$ (239,557,516)</b>	<b>0</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 c (for authorized, unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurer

**Authorized Reinsurers Total: Company Name**

--

Total

Total Paid/Loss/L Recoverable	Amount over 90 days overdue
\$ 0	0

2. 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

**Unauthorized Reinsurers Total: Company Name**

--

Total

Total Paid/Loss/L Recoverable	Amt over 90 Days Overdue	Collateral Held
\$ 0	0	0

## NOTES TO FINANCIAL STATEMENTS

3. 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 Paid/Loss/L		Collateral
	Recoverable	Days Overdue	Held
Total	\$ 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 Paid/Loss/L	Amt over 90
Total	\$ 0	0

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

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

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

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

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

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

G. Reinsurance Accounted for as a Deposit

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

Description	Interest Income	Cash Recoveries	Deposit Balance

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

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

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

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

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

b. The Company does not transact business with Certified Reinsurers.

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

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

b. The Company is not a Certified Reinsurer.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation  
Not Applicable

## NOTES TO FINANCIAL STATEMENTS

**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	\$	10,254,579
b. Unsecured amount	\$	0
c. Less: Nonadmitted amount (10%)	\$	1,031,481
d. Less: Nonadmitted for any person for whom agents' balances	\$	0
e. Admitted amount (a) - (c) - (d)	\$	9,223,098

- (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 \$

Liabilities

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

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

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$

- b. Transitional ACA Reinsurance Program

Assets

## NOTES TO FINANCIAL STATEMENTS

1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance -not reported as ceded premium	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
9. ACA Reinsurance contributions- not reported as ceded premium	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
4. Effect of ACA risk Corridors on change in reserves for rate credits	\$ <span style="border: 1px solid black; padding: 2px 10px;">0</span>
Not Applicable	

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

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

**26. Intercompany Pooling Arrangements**

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

		NAIC Company Number	Pooling Companies	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20%	All Lines
Pool Companies:	Employers Insurance Company of Wausau ("EICOW")	21458	8%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0%	All Lines
	America First Insurance Company ("AFIC")	12696	0%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0%	All Lines
	American States Insurance Company ("ASIC")	19704	0%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0%	All Lines
	American States Preferred Insurance Company ("ASPC")	37214	0%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0%	All Lines



## NOTES TO FINANCIAL STATEMENTS

	Excelsior Insurance Company ("EIC")	11045	0%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0%	All Lines
	General Insurance Company of America ("GICA")	24732	0%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0%	All Lines
	Indiana Insurance Company ("IIC")	22659	0%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0%	All Lines
	LM Insurance Corporation ("LMC")	33600	0%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMM")	14486	0%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0%	All Lines
	National Insurance Association ("NIA")	27944	0%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0%	All Lines
	Oregon Automobile Insurance Company ("OAI")	23922	0%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0%	All Lines
100% Quota Share	West American Insurance Company ("WAIC")	44393	0%	All Lines
Affiliated Companies:	LM Property and Casualty Insurance Company ("LMPA")	32352	0%	All Lines

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

- A. Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- B. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- C. The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- D. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- E. There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- 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
Liberty Mutual Insurance Company	\$14,323,157

### 27. Structured Settlements

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

## NOTES TO FINANCIAL STATEMENTS

	Loss Reserves Elim. by Annu.	Unrecorded Loss Contingencies
Disclose the amount of reserves no longer carried .....	58,569,228	58,569,228

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

	Life Insurance Company and Location	Licensed in Company's State of Domicile	Statement Value (ie:Present Value) of Annuities
01.	Prudential Insurance Company New Jersey	YES	29,740,493

**28. Health Care Receivables**

Not Applicable

**29. Participating Policies**

Not Applicable

**30. Premium Deficiency Reserves**

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

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

**31. High Deductible**

As of December 31, 2020, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$386,262,360 and the amount billed and recoverable on paid claims was \$15,832,620. There are no unsecured high dollar deductible recoverable from professional employer organizations included in these amounts.

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

Not Applicable

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same

Not Applicable

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

For Workers' Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2020 liabilities include \$756,407,260 of such discounted reserves. The Company recognized \$398,598 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 \$14,398,741 net of all reinsurance.

A. TABULAR DISCOUNT

		Tabular Discount Included in Schedule P, Part 1*	
		Tabular Disc. CASE	Tabular Disc. 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 .....	22,891,412	11,006,115
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

## NOTES TO FINANCIAL STATEMENTS

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	\$	22,891,412	11,006,115

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

**B. NON-TABULAR DISCOUNT**

Schedule P Lines of Business:

		NON-Tab. Disc.	NON-Tab. Disc.	NON-Tab. Disc.	NON-Tab. Disc.
		CASE	IBNR	Def & Cost Cont E	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 I

## 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:	\$ 88,822,676	92,932,704	88,138,267	91,530,276	93,931,166
b. Incurred losses and loss adjustment expense	\$ 19,668,714	10,640,500	18,548,400	15,238,739	8,592,101
c. Calendar year payments for losses & loss adj expenses	\$ 15,558,686	15,434,936	15,156,392	12,837,849	11,021,246
d. Ending reserves	\$ 92,932,704	88,138,268	91,530,275	93,931,166	91,502,021

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 33,188,758	30,713,939	31,836,921	29,775,281	27,343,848
b. Incurred losses and loss adjustment expense	\$ (297,231)	3,039,999	(278,651)	(892,874)	101,020
c. Calendar year payments for losses & loss adj expenses	\$ 2,249,386	1,917,017	1,782,989	1,538,560	1,062,869
d. Ending reserves	\$ 30,642,141	31,836,921	29,775,281	27,343,847	26,381,999

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 40,895,910	40,320,405	40,505,463	46,770,013	50,680,274
b. Incurred losses and loss adjustment expense	\$ 3,737,317	5,152,325	12,046,444	15,012,573	6,634,967
c. Calendar year payments for losses & loss adj expenses	\$ 4,312,821	4,967,267	5,781,895	11,102,311	6,727,192
d. Ending reserves	\$ 40,320,406	40,505,463	46,770,012	50,680,275	50,588,049

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

(1) Direct Basis	\$ 62,379,191
(2) Assumed Reinsurance Basis	\$ 19,033,026
(3) Net of Ceded Reinsurance Basis	\$ 33,933,854

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

(1) Direct Basis	\$ 53,800,167
(2) Assumed Reinsurance Basis	\$ 634,237
(3) Net of Ceded Reinsurance Basis	\$ 24,961,121

### 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 environme

## NOTES TO FINANCIAL STATEMENTS

(1) Direct:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 21,742,042	22,362,035	23,183,678	24,865,476	26,586,281
b. Incurred losses and loss adjustment expense	\$ 4,814,933	3,859,280	6,552,179	6,715,174	8,550,326
c. Calendar year payments for losses & loss adj expenses	\$ 4,194,940	3,037,638	4,870,382	4,994,368	3,576,341
d. Ending reserves	\$ 22,362,035	23,183,677	24,865,475	26,586,282	31,560,266

(2) Assumed Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 2,627,482	2,502,703	3,051,711	2,699,048	2,559,059
b. Incurred losses and loss adjustment expense	\$ (9,885)	728,113	(49,271)	207,280	211,336
c. Calendar year payments for losses & loss adj expenses	\$ 244,291	179,105	303,392	347,270	161,433
d. Ending reserves	\$ 2,373,306	3,051,711	2,699,048	2,559,058	2,608,962

(3) Net of Ceded Reinsurance:	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 15,726,900	15,362,176	16,509,151	16,949,905	18,469,996
b. Incurred losses and loss adjustment expense	\$ 2,946,360	3,058,591	2,998,083	5,167,204	7,311,159
c. Calendar year payments for losses & loss adj expenses	\$ 3,311,084	1,911,616	2,557,329	3,647,113	2,715,458
d. Ending reserves	\$ 15,362,176	16,509,151	16,949,905	18,469,996	23,065,697

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

(1) Direct Basis	\$ 21,645,229
(2) Assumed Reinsurance Basis	\$ 1,501,061
(3) Net of Ceded Reinsurance Basis	\$ 15,304,197

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

(1) Direct Basis	\$ 13,642,149
(2) Assumed Reinsurance Basis	\$ 242,948
(3) Net of Ceded Reinsurance Basis	\$ 9,198,513

### 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	\$ 7,409
	2nd Quarter 2021	\$ 22,049
	3rd Quarter 2021	\$ 38,610
	4th Quarter 2021	\$ 59,474
	Year 2022	\$ 269,363
	Year 2023	\$ 269,363
	Year 2024	\$ 262,856
	Year 2025	\$ 235,189
2.		
	2026 through 2030	\$ 608,765
	2031 through 2035	\$ 122,506
	2036 through 2040	\$ 26,594

## 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	\$	1,922,177
4. Adjustments to the expected future premium payments	\$	0
5. Expected future premiums - End of Year	\$	1,922,177

(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	\$	5,453
2nd Quarter 2021	\$	13,212
3rd Quarter 2021	\$	22,103
4th Quarter 2021	\$	33,139
Year 2022	\$	98,223
Year 2023	\$	37,439
Year 2024	\$	5,192
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	\$	137
5. Change in incurred but not reported claims	\$	65,902
6. Total	\$	66,039

(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	\$ 74,716,384	0	0	75,015	74,791,399
3b. Interest	\$ 0	0	0	0	0
3c. Total	\$ 74,716,384	0	0	75,015	74,791,399
4. Gross claim liability	\$ 65,811	0	0	229	66,040
Less:					
5a. Gross potential recoveries	\$ 0	0	0	0	0
5b. Discount, net	\$ 0	0	0	0	0
6. Net claim liability	\$ 65,811	0	0	229	66,040
7. Unearned premium revenue	\$ 1,928,415	0	0	22	1,928,437
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? New Hampshire
- 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?  
State of New Hampshire Insurance Department  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 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 [ ] No [X]

12.11 Name of real estate holding company	
12.12 Number of parcels involved	0
12.13 Total book/adjusted carrying value	\$ 0

12.2 If yes, provide explanation:  
 .....  
 .....  
 .....

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

## BOARD OF DIRECTORS

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

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

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

## FINANCIAL

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

## INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]
- 24.02 If no, give full and complete information, relating thereto:  
 .....  
 .....  
 .....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 See Note 17  
 .....  
 .....  
 .....
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ 146,467,681
- 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                   | \$ | 92,479,834 |
| 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 92,479,834 |
| 24.093 Total payable for securities lending reported on the liability page                                       | \$ | 92,479,834 |
- 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>0</u>
	25.28 On deposit with states	\$ <u>145,754,260</u>
	25.29 On deposit with other regulatory bodies	\$ <u>0</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>0</u>
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>0</u>
	25.32 Other	\$ <u>0</u>

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	601 Travis Street, Houston, TX 77002
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005

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	3,958,199,598	4,176,085,836	217,886,238
30.2 Preferred stocks	0	0	0
<b>30.3 Totals</b>	<b>3,958,199,598</b>	<b>4,176,085,836</b>	<b>217,886,238</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? \$ 3,316,273

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	\$ 893,266
	\$ 0
	\$ 0

38.1 Amount of payments for legal expenses, if any? \$ 2,193,360

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? \$ 248,845

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

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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	\$ 10,080,864		\$ 14,242,897	
2.2 Premium Denominator	\$ 1,903,230,372		\$ 1,917,316,435	
2.3 Premium Ratio (2.1 / 2.2)	<u>0.01</u>		<u>0.01</u>	
2.4 Reserve Numerator	\$ 9,718,335		\$ 11,793,536	
2.5 Reserve Denominator	\$ 3,901,759,421		\$ 3,551,608,109	
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 [ ] No [X]

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 \$ 0

3.22 Non-participating policies \$ 3,222,927,459

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?

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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

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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.

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## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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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	\$	(78,879)
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	<u>7,081,420</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? \$ 97,234

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		<u>0.00 %</u>
12.42 To		<u>0.00 %</u>

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes  No

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

12.61 Letters of Credit	\$	178,816,743
12.62 Collateral and other funds	\$	<u>49,524,487</u>

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 74,725,651

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

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16.1 Does the reporting entity write any warranty business? Yes  No

If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage: \_\_\_\_\_

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

## FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2020	2019	2018	2017	2016
<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)	1,689,605,098	1,660,586,997	1,646,872,098	1,576,657,289	1,415,993,033
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,490,172,306	1,484,625,250	1,418,691,170	1,226,028,020	1,140,626,475
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,862,565,416	1,918,341,195	1,845,625,547	1,785,418,732	1,703,352,314
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	102,390,181	98,370,883	88,563,116	80,542,252	76,939,260
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	47,219,513	21,434,423	31,624,780	21,271,168	17,764,611
6. Total (Line 35)	5,191,952,514	5,183,358,748	5,031,376,711	4,689,917,461	4,354,675,693
<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)	833,578,453	836,398,073	840,447,299	812,635,715	727,228,904
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	444,513,391	457,829,744	444,838,791	311,451,226	298,732,261
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	560,962,919	541,537,092	523,664,926	511,847,242	498,158,583
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	82,750,780	78,903,438	69,282,355	55,807,344	48,047,562
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	47,219,513	21,434,423	31,624,780	21,271,168	17,764,611
12. Total (Line 35)	1,969,025,056	1,936,102,770	1,909,858,151	1,713,012,695	1,589,931,921
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(99,624,500)	(69,935,070)	7,250,832	(169,620,215)	(46,230,464)
14. Net investment gain (loss) (Line 11)	206,413,631	176,033,646	171,280,040	159,884,476	99,543,037
15. Total other income (Line 15)	4,635,129	4,366,234	(19,342,561)	10,769,548	4,915,378
16. Dividends to policyholders (Line 17)	972,685	751,903	986,470	815,613	1,066,186
17. Federal and foreign income taxes incurred (Line 19)	11,714,642	10,124,981	37,182,725	(26,976,789)	10,310,760
18. Net income (Line 20)	98,736,933	99,587,926	121,019,116	27,194,985	46,851,005
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	5,986,651,028	5,377,695,935	5,117,280,905	4,863,358,765	4,485,053,022
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	121,984,893	112,188,706	101,626,203	97,711,475	81,736,405
20.2 Deferred and not yet due (Line 15.2)	449,881,990	441,766,251	430,179,599	417,064,860	395,418,962
20.3 Accrued retrospective premiums (Line 15.3)	9,223,098	17,802,291	20,793,723	23,367,201	23,959,749
21. Total liabilities excluding protected cell business (Page 3, Line 26)	4,123,679,789	3,673,789,630	3,550,809,501	3,360,066,662	2,987,188,549
22. Losses (Page 3, Line 1)	2,408,143,493	2,145,849,255	2,007,889,097	1,966,991,459	1,713,956,318
23. Loss adjustment expenses (Page 3, Line 3)	457,362,508	438,093,207	411,936,027	392,056,322	354,108,962
24. Unearned premiums (Page 3, Line 9)	1,013,844,840	960,857,579	942,171,535	900,378,551	831,566,797
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,862,971,235	1,703,906,304	1,566,471,403	1,503,292,104	1,497,864,470
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	390,072,311	241,732,881	247,092,282	72,967,404	158,567,858
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	1,862,971,235	1,703,906,304	1,566,471,403	1,503,292,104	1,497,864,470
29. Authorized control level risk-based capital	254,919,679	256,957,246	242,055,111	227,516,289	197,908,494
<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)	76.0	82.6	77.5	77.2	72.2
31. Stocks (Lines 2.1 & 2.2)	5.9	5.3	8.5	8.5	14.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.4	3.6	3.5	3.1	3.6
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	1.5	0.5	0.5	1.6	1.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	11.3	6.8	6.5	7.1	6.7
38. Receivables for securities (Line 9)	0.2	0.2	0.3	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.8	0.9	3.1	2.4	1.0
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)	229,294,941	239,875,432	263,691,560	258,850,265	253,818,663
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)				61,326,542	
46. Affiliated mortgage loans on real estate					
47. All other affiliated	523,585,405	266,395,157	244,264,778	245,038,765	205,683,786
48. Total of above Lines 42 to 47	752,880,346	506,270,589	507,956,338	565,215,572	459,502,449
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)	40.4	29.7	32.4	37.6	30.7

## 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)	63,771,849	23,414,170	(27,989,376)	(7,872,042)	40,277,069
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	159,064,932	137,434,901	63,179,299	5,427,634	104,504,272
<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)	837,669,268	954,563,635	948,265,687	825,385,886	801,355,024
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	678,753,263	831,500,391	824,888,336	754,862,104	660,384,236
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	959,495,418	1,074,092,744	1,015,534,448	986,276,604	861,203,044
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,653,869	14,193,833	(7,159,830)	(3,384,774)	(13,581,335)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	134,528	5,460,657	11,335,298	6,861,276	4,738,898
59. Total (Line 35)	2,496,706,346	2,879,811,260	2,792,863,939	2,570,001,096	2,314,099,867
<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)	422,669,241	484,653,647	477,349,289	386,685,135	420,308,552
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	211,039,368	256,997,235	245,174,052	180,626,528	172,722,256
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	287,447,352	294,370,662	287,534,052	277,373,375	242,290,815
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,626,817	19,283,711	11,022,294	7,259,686	1,097,371
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	134,528	5,460,657	11,335,298	6,861,276	4,738,898
65. Total (Line 35)	941,917,306	1,060,765,912	1,032,414,985	858,806,000	841,157,892
<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)	30.5	28.6	29.6	30.8	33.1
70. Net underwriting gain (loss) (Line 8)	(5.2)	(3.6)	0.4	(10.3)	(3.0)
<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)	29.3	28.1	29.9	29.0	32.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	74.7	75.1	70.0	79.5	69.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	105.7	113.6	121.9	114.0	106.1
<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)	57,266	51,947	(42,943)	52,820	12,612
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)	3.4	3.3	(2.9)	3.5	0.9
<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)	110,950	4,141	23,505	56,772	(5,215)
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)	7.1	0.3	1.6	4.1	(0.4)

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	39,253	12,548	11,950	4,165	2,615	231	423	36,874	X X X
2. 2011	1,626,948	358,436	1,268,512	988,232	200,541	74,807	12,793	122,448	858	63,544	971,295	X X X
3. 2012	1,757,280	388,223	1,369,057	1,007,667	213,981	77,111	13,857	126,543	779	73,699	982,704	X X X
4. 2013	1,855,317	417,944	1,437,373	958,464	211,613	71,373	11,824	125,943	1,100	58,608	931,243	X X X
5. 2014	1,902,751	421,107	1,481,644	971,839	211,410	68,795	9,426	123,586	1,393	48,289	941,991	X X X
6. 2015	1,965,232	456,229	1,509,003	1,014,846	226,911	68,120	8,287	123,702	1,463	66,199	970,007	X X X
7. 2016	2,016,031	457,514	1,558,517	1,031,742	226,871	60,554	7,207	127,123	2,580	38,694	982,761	X X X
8. 2017	2,112,830	457,612	1,655,218	1,136,025	269,100	52,576	5,901	125,490	827	43,793	1,038,263	X X X
9. 2018	2,207,771	343,164	1,864,607	1,013,982	163,416	37,095	2,542	124,367	110	56,559	1,009,376	X X X
10. 2019	2,281,335	364,023	1,917,312	898,837	166,852	21,893	1,673	116,757	90	58,724	868,872	X X X
11. 2020	2,323,684	419,220	1,904,464	632,380	156,631	8,284	776	88,267	30	29,936	571,494	X X X
12. Totals	X X X	X X X	X X X	9,693,267	2,059,874	552,558	78,451	1,206,841	9,461	538,468	9,304,880	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	335,312	121,018	278,132	96,157	20,475	11,797	87,737	31,366	6,313		1,476	467,631	X X X
2. 2011	21,173	3,661	37,019	1,915	699	114	6,471	295	922		236	60,299	X X X
3. 2012	28,741	6,808	55,406	5,505	1,456	452	9,890	506	1,026		714	83,248	X X X
4. 2013	28,351	6,453	61,905	10,616	2,032	440	10,021	780	3,793		812	87,813	X X X
5. 2014	35,153	9,827	42,330	11,252	2,934	955	10,501	1,089	2,496		914	70,291	X X X
6. 2015	44,436	10,796	58,665	15,935	2,548	488	12,421	827	3,014	1	3,657	93,037	X X X
7. 2016	68,433	17,277	57,253	14,190	5,015	729	15,186	1,659	8,866	1	2,327	120,897	X X X
8. 2017	109,989	16,769	114,953	29,149	7,024	1,662	28,319	2,449	13,057	1	6,047	223,312	X X X
9. 2018	140,745	16,445	197,316	38,066	5,308	483	39,783	3,123	15,328	1	11,310	340,362	X X X
10. 2019	196,573	31,525	302,156	32,618	5,867	427	57,647	3,911	26,454	3	12,145	520,213	X X X
11. 2020	214,880	29,946	577,544	72,389	4,351	527	63,254	4,099	45,373	28	30,595	798,413	X X X
12. Totals	1,223,786	270,525	1,782,679	327,792	57,709	18,074	341,230	50,104	126,642	35	70,233	2,865,516	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	396,269	71,362
2. 2011	1,251,771	220,177	1,031,594	76,940	61,427	81,323				52,616	7,683
3. 2012	1,307,840	241,888	1,065,952	74,424	62,306	77,860				71,834	11,414
4. 2013	1,261,882	242,826	1,019,056	68,014	58,100	70,897				73,187	14,626
5. 2014	1,257,634	245,352	1,012,282	66,096	58,264	68,322				56,404	13,887
6. 2015	1,327,752	264,708	1,063,044	67,562	58,021	70,447				76,370	16,667
7. 2016	1,374,172	270,514	1,103,658	68,162	59,127	70,815				94,219	26,678
8. 2017	1,587,433	325,858	1,261,575	75,133	71,208	76,218				179,024	44,288
9. 2018	1,573,924	224,186	1,349,738	71,290	65,329	72,387				283,550	56,812
10. 2019	1,626,184	237,099	1,389,085	71,282	65,133	72,450				434,586	85,627
11. 2020	1,634,333	264,426	1,369,907	70,334	63,076	71,931				690,089	108,324
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,408,148	457,368

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

**SCHEDULE P – PART 2 – SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	One Year	Two Year	
1. Prior	1,403,075	1,412,874	1,453,142	1,452,394	1,457,226	1,460,137	1,470,598	1,443,655	1,464,516	1,473,896	9,380	30,241	
2. 2011	899,439	899,089	902,936	902,978	902,399	903,705	905,997	906,540	909,296	910,466	1,170	3,926	
3. 2012	X X X	936,394	943,455	934,665	929,199	932,875	936,149	939,942	940,369	940,446	77	504	
4. 2013	X X X	X X X	872,953	882,332	876,122	875,941	884,769	886,385	885,673	891,584	5,911	5,199	
5. 2014	X X X	X X X	X X X	883,154	880,641	877,968	887,626	887,132	888,810	888,724	(86)	1,592	
6. 2015	X X X	X X X	X X X	X X X	908,172	915,859	925,393	919,187	932,823	938,831	6,008	19,644	
7. 2016	X X X	X X X	X X X	X X X	X X X	943,658	952,428	950,810	957,578	971,155	13,577	20,345	
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	1,131,138	1,117,510	1,119,187	1,125,056	5,869	7,546	
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,188,762	1,193,635	1,210,715	17,080	21,953	
10. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,248,272	1,246,552	(1,720)	X X X	
11. 2020	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,236,917	X X X	X X X	
											12. Totals	57,266	110,950

**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	294,698	501,093	645,989	747,261	813,091	864,107	907,051	954,036	988,526	X X X	X X X
2. 2011	409,396	578,626	675,832	743,953	787,561	814,096	826,705	838,017	845,065	849,705	X X X	X X X
3. 2012	X X X	402,284	604,174	696,487	760,292	802,493	824,964	841,672	852,078	856,940	X X X	X X X
4. 2013	X X X	X X X	379,156	560,941	649,834	715,946	752,792	780,904	795,320	806,400	X X X	X X X
5. 2014	X X X	X X X	X X X	402,983	579,964	669,980	725,917	779,454	806,584	819,798	X X X	X X X
6. 2015	X X X	X X X	X X X	X X X	417,468	603,569	689,428	772,534	821,487	847,768	X X X	X X X
7. 2016	X X X	X X X	X X X	X X X	X X X	443,185	623,087	735,190	814,211	858,218	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	480,189	734,139	851,353	913,600	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	511,600	772,569	885,119	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	531,183	752,205	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	483,257	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	672,370	504,933	450,060	378,878	335,699	313,182	302,136	256,935	250,701	243,833
2. 2011	295,701	181,770	125,572	84,893	65,732	54,781	50,870	44,322	44,178	41,831
3. 2012	X X X	342,570	197,196	135,684	100,324	80,910	73,750	65,983	62,598	59,793
4. 2013	X X X	X X X	323,577	188,365	133,772	95,659	85,077	71,191	63,562	61,124
5. 2014	X X X	X X X	X X X	307,436	179,762	121,119	88,390	58,529	48,132	41,404
6. 2015	X X X	X X X	X X X	X X X	314,322	184,600	130,609	72,704	58,050	54,850
7. 2016	X X X	X X X	X X X	X X X	X X X	325,789	184,873	105,285	60,680	57,361
8. 2017	X X X	X X X	X X X	X X X	X X X	X X X	431,249	201,560	123,915	112,544
9. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	451,836	251,070	195,982
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	498,380	323,504
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	564,793



## 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	3							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	23,459,585	24,227,335		14,020,047	15,379,109	7,083,965	575,170							
2. Alaska	AK	L	5,268,513	5,149,929		2,648,007	2,311,857	7,581,475	319,412							
3. Arizona	AZ	L	193,395,156	191,850,939		98,403,257	111,044,904	88,434,597	5,636,620							
4. Arkansas	AR	L	33,409,751	34,388,506		19,749,138	22,788,099	8,714,770	684,813							
5. California	CA	L	753,620,707	757,146,895		284,578,546	330,378,708	456,967,196	22,864,463							
6. Colorado	CO	L	507,997,032	500,311,397		264,486,747	290,935,238	228,862,774	13,218,189							
7. Connecticut	CT	L	21,919,929	23,030,791		8,804,934	14,833,884	18,171,844	637,588							
8. Delaware	DE	L	78,979	78,237		1,326	3,293	25,525	342							
9. District of Columbia	DC	L	981,278	962,091			76,128	571,239	460							
10. Florida	FL	L	17,535,647	16,833,894		8,874,489	14,183,166	16,948,432	1,045,873							
11. Georgia	GA	L	11,449,087	11,549,801		7,714,844	8,617,336	8,385,167	1,210,678							
12. Hawaii	HI	L	43,185	44,458		3,977	(3,120)	612,097	126							
13. Idaho	ID	L	13,845,936	12,926,264		6,516,567	8,083,005	6,343,915	767,856							
14. Illinois	IL	L	1,189,632	1,154,786		972,991	784,662	1,614,022	659,418							
15. Indiana	IN	L	684,175	648,893		151,843	(180,860)	482,245	820,320							
16. Iowa	IA	L	20,070,159	20,434,736		14,501,032	17,293,187	8,259,192	503,764							
17. Kansas	KS	L	69,764,446	70,938,121		26,269,025	25,246,868	14,328,087	1,508,626							
18. Kentucky	KY	L	69,829,316	74,659,527		27,314,133	29,857,235	19,727,105	1,330,953							
19. Louisiana	LA	L	8,913,926	2,470,697		5,298,125	7,885,795	3,441,909	359,386							
20. Maine	ME	L	76,348	70,338		4,603	9,899	42,356	38,512							
21. Maryland	MD	L	45,358,065	43,295,759		23,958,874	25,711,690	13,832,887	1,219,460							
22. Massachusetts	MA	L	54,194,703	47,278,258		25,579,409	27,293,349	25,897,261	1,555,389							
23. Michigan	MI	L	51,274,029	54,600,922		24,954,172	30,134,263	22,823,282	1,408,709							
24. Minnesota	MN	L	12,195,716	12,164,180		6,531,158	5,962,347	9,805,666	412,322							
25. Mississippi	MS	L	66,592,670	69,281,685		41,185,704	47,483,224	20,559,537	1,462,664							
26. Missouri	MO	L	132,009,875	139,822,594		77,337,805	79,386,639	32,906,442	2,326,196							
27. Montana	MT	L	73,307,466	73,877,589		47,710,533	25,426,978	20,681,021	1,754,896							
28. Nebraska	NE	L	18,153,901	18,812,710		9,794,253	4,501,085	3,868,834	316,337							
29. Nevada	NV	L	30,197,923	29,888,126		10,150,884	11,136,928	10,864,400	718,988							
30. New Hampshire	NH	L	47,492,174	46,879,915		15,320,786	17,991,227	18,080,517	1,115,419							
31. New Jersey	NJ	L	580,010	586,228		342,746	276,299	(2,799,146)	1,207							
32. New Mexico	NM	L	74,354,718	75,936,894		32,763,952	32,341,614	24,230,940	1,918,004							
33. New York	NY	L	8,938,267	8,740,479		2,780,766	3,601,426	(6,177,599)	931,389							
34. North Carolina	NC	L	28,696,585	26,172,191		13,427,133	15,839,308	8,665,427	873,063							
35. North Dakota	ND	L	19,211,781	19,164,823		7,806,204	4,402,090	5,468,900	398,143							
36. Ohio	OH	L	18,769,220	18,011,621		5,660,862	8,733,249	11,067,284	1,324,333							
37. Oklahoma	OK	L	195,980,473	199,868,914		102,952,187	120,083,065	68,626,985	4,551,408							
38. Oregon	OR	L	2,998,888	2,964,137	216	1,628,406	1,506,843	7,101,451	1,154,457							
39. Pennsylvania	PA	L	24,840,659	23,606,749		8,210,132	2,831,759	9,542,228	1,033,870							
40. Rhode Island	RI	L	2,493,284	426,812		58,826	137,509	(112,731)	67,524							
41. South Carolina	SC	L	38,463,341	39,970,633		25,212,267	28,785,327	15,252,319	1,259,591							
42. South Dakota	SD	L	27,653,914	28,492,003		24,873,092	34,970,172	18,437,812	646,047							
43. Tennessee	TN	L	58,226,715	62,429,508		37,874,868	41,749,004	19,871,518	1,255,840							
44. Texas	TX	L	28,874,586	28,083,934		17,108,562	22,579,284	28,501,858	4,592,832							
45. Utah	UT	L	18,703,809	18,998,196		11,082,500	12,597,703	6,396,436	528,235							
46. Vermont	VT	L	12,496,410	12,470,557		4,989,853	5,693,177	4,968,241	239,372							
47. Virginia	VA	L	6,577,523	6,424,385		1,807,828	3,676,529	5,847,747	554,724							
48. Washington	WA	L	282,212,864	276,432,265		143,813,237	165,477,350	117,799,845	7,603,673							
49. West Virginia	WV	L	43,937,704	41,346,537		18,116,331	21,087,481	14,110,824	1,206,003							
50. Wisconsin	WI	L	19,304,334	20,254,273		9,805,682	8,252,638	6,156,867	440,988							
51. Wyoming	WY	L	23,484,436	23,054,171		11,636,400	10,799,666	7,087,627	616,249							
52. American Samoa	AS	N														
53. Guam	GU	L	1,818,631	1,495,180			136,908	423,323								
54. Puerto Rico	PR	N														
55. U.S. Virgin Islands	VI	N						15								
56. Northern Mariana Islands	MP	N														
57. Canada	CAN	N														
58. Aggregate Other Alien	OT	X X X		39		683,405	1,159,700									
59. Totals	(a) 52		3,222,927,461	3,219,709,902	216	1,554,789,043	1,720,797,929	1,447,545,630	95,669,901							

DETAILS OF WRITE-INS										
58001.	ZZZ Other Alien	X X X		39		683,405	1,159,700			
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X		39		683,405	1,159,700			

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

(a) Active Status Counts

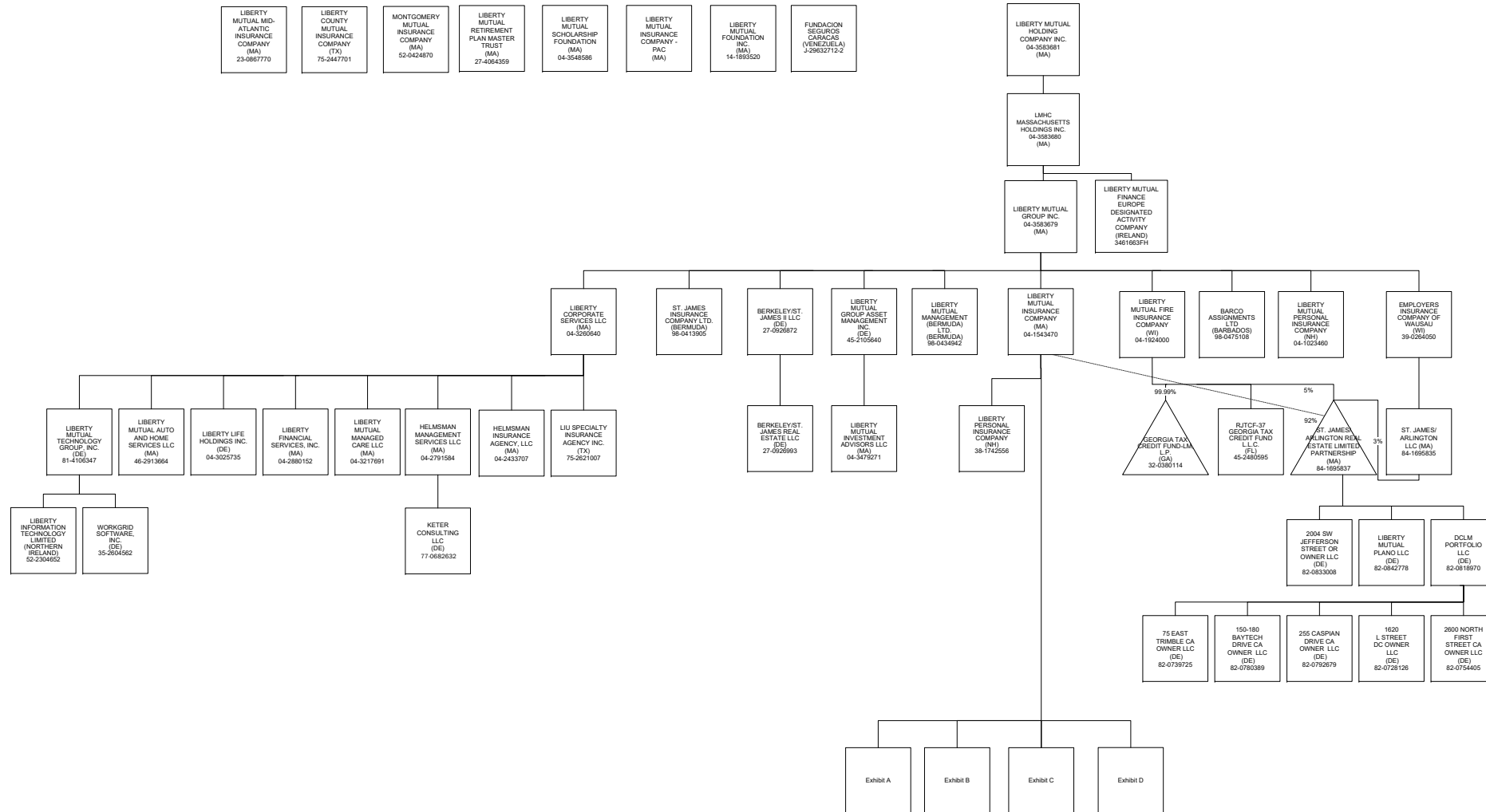
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	52
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
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)	5

**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	

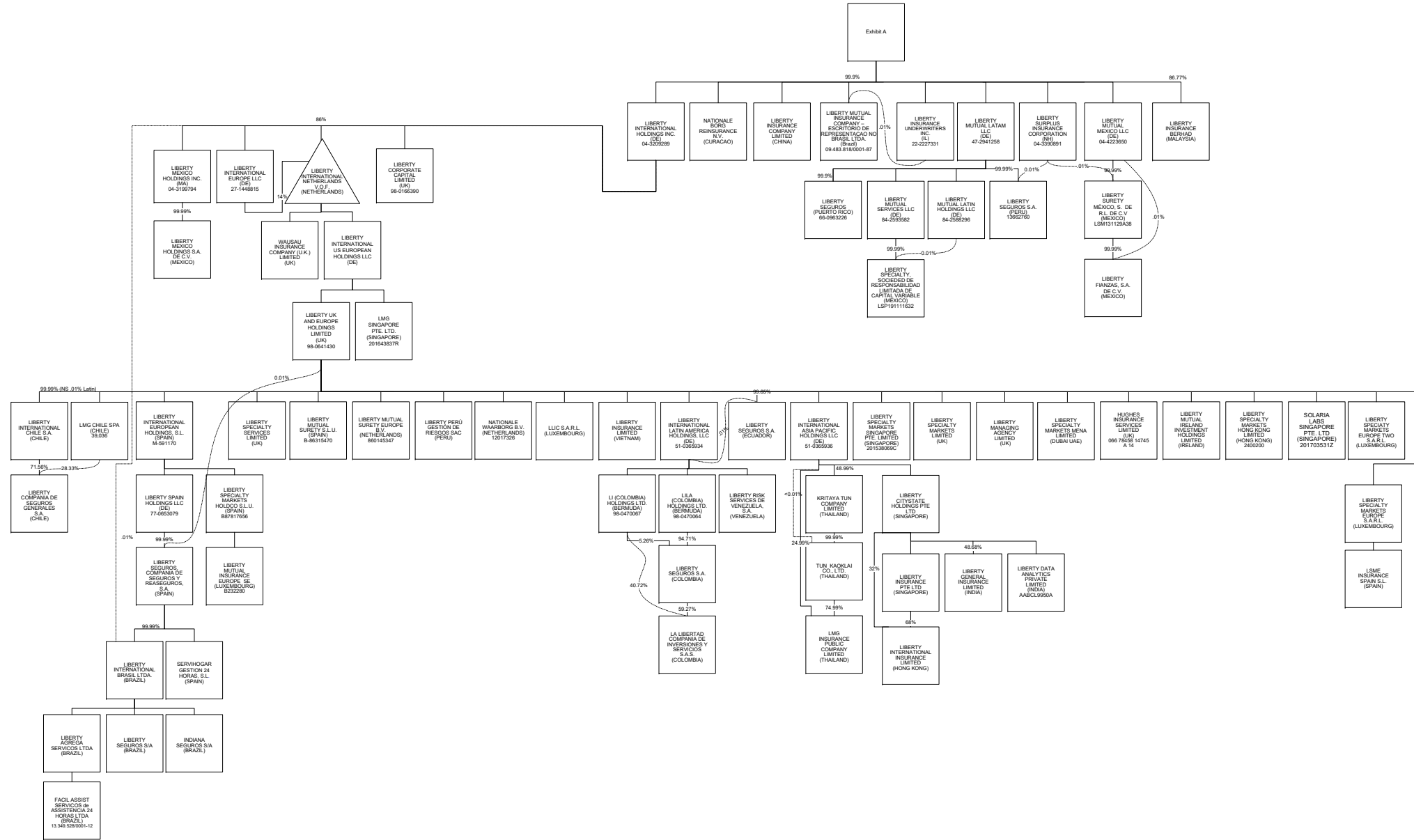
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



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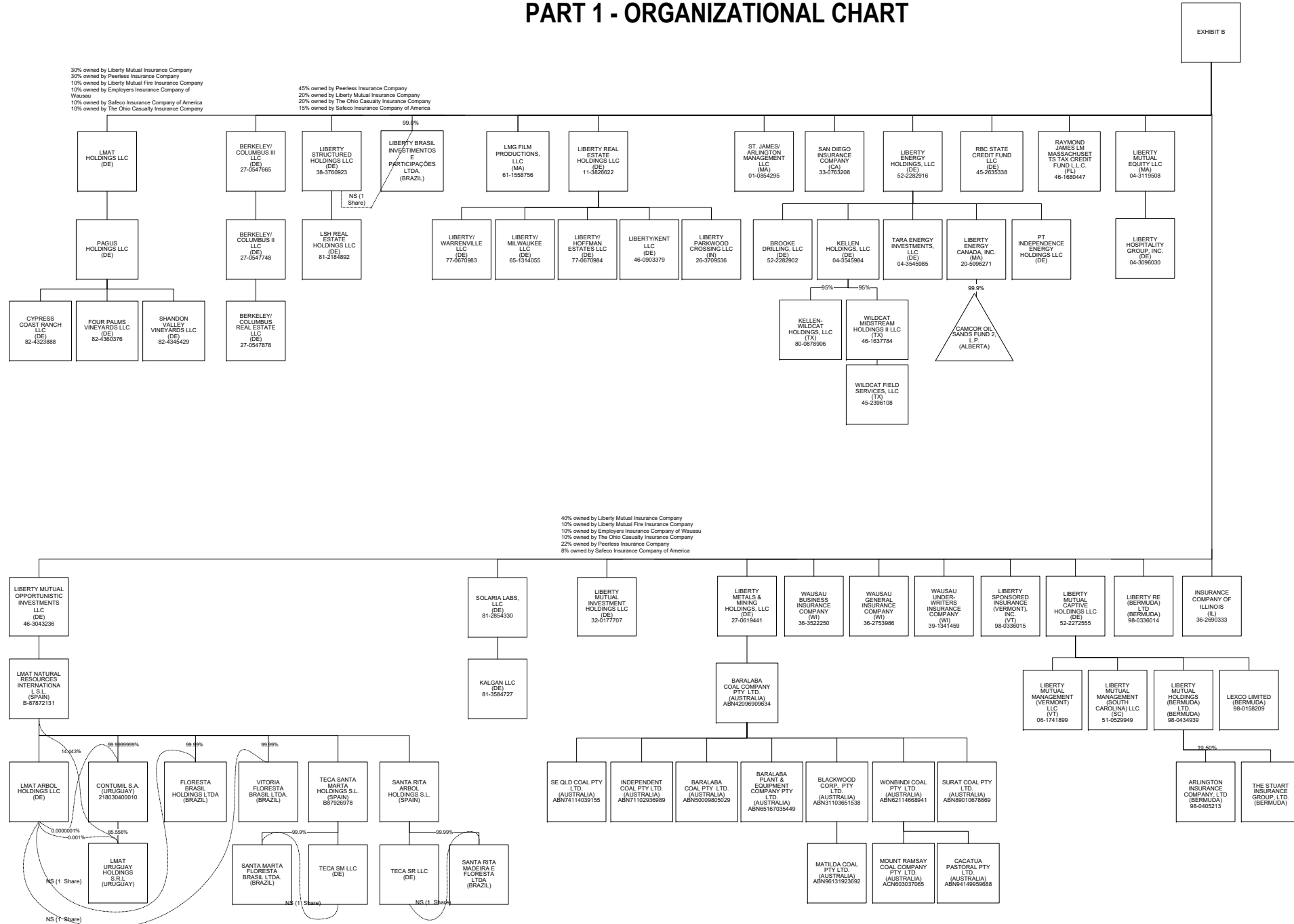
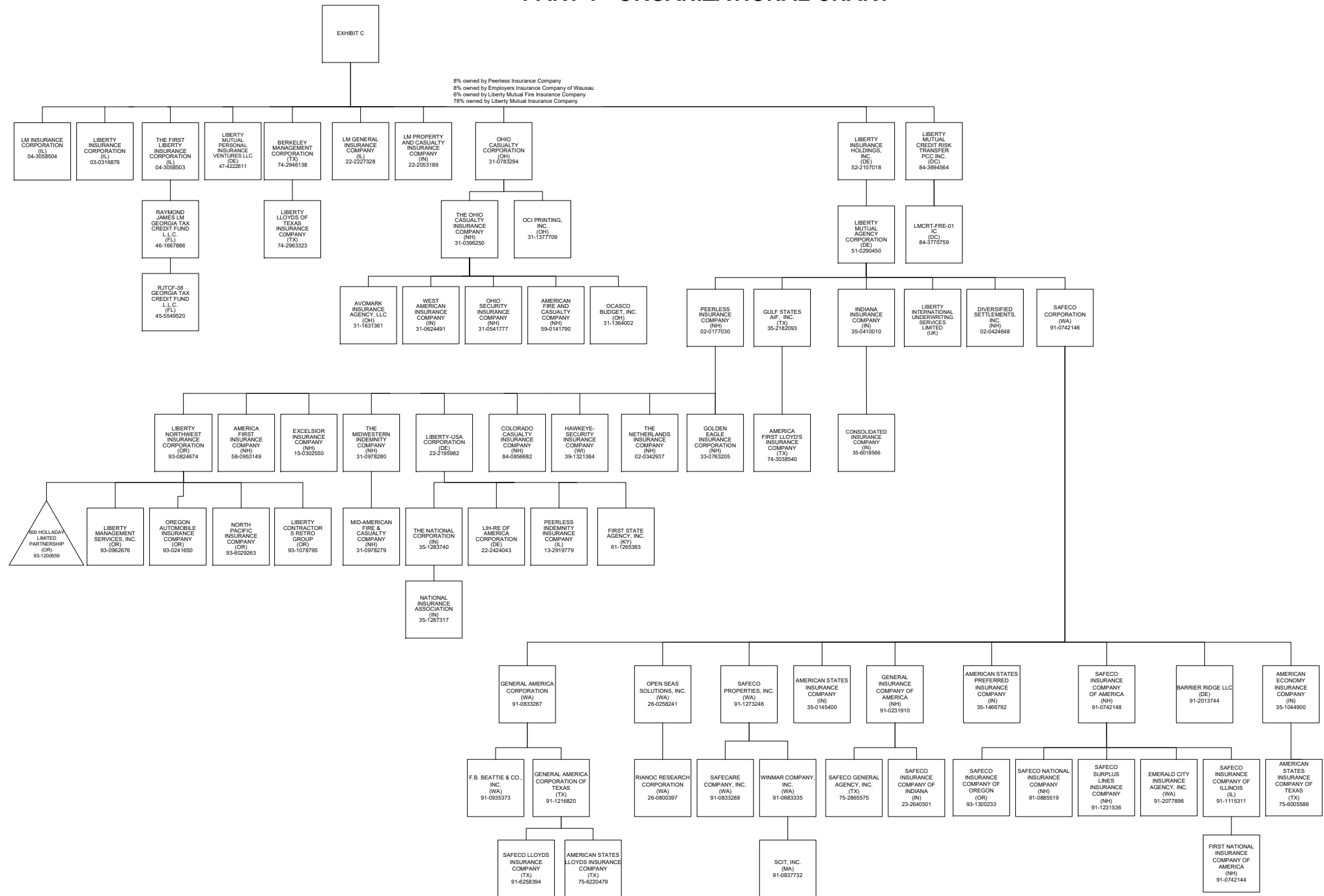


EXHIBIT B

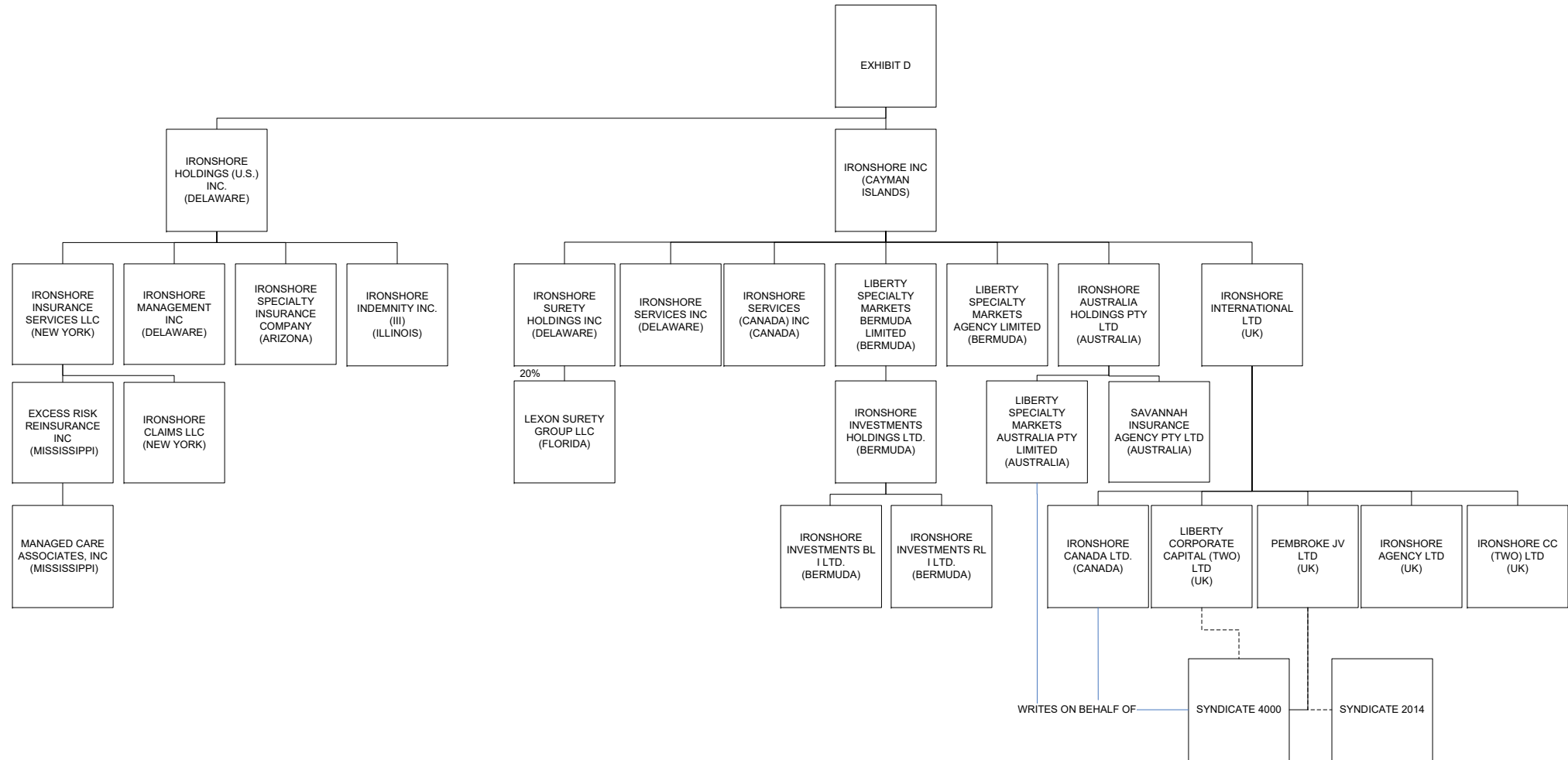
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**OVERFLOW PAGE FOR WRITE-INS**

**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	10,407,648		10,407,648	10,922,221
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	10,407,648		10,407,648	10,922,221