PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

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ANNUAL STATEMENT

For the Year Ended December 31, 2006

OF THE CONDITION AND AFFAIRS OF THE

UNITED STATES FIDELITY AND GUARANTY COMPANY

NAIC Group Code 3548 (Current Period) 3548 (Prior Period) **NAIC Company Code 25887 Employer's ID Number 52-0515280**

Organized under the Laws of Maryland, State of Domicile or Port of Entry Maryland, Country of Domicile US

INCORPORATED/ORGANIZED, MARCH 19, 1896 COMMENCED BUSINESS, AUGUST 1, 1896

Statutory Home Office: **111 Schilling Road, Hunt Valley, MD 21031**
Main Administrative Office: **385 Washington Street, St. Paul, MN 55102 (651) 310-7911**
Mail Address: **385 Washington Street, St. Paul, MN 55102**
Primary Location of Books and Records: **385 Washington Street, St. Paul, MN 55102 (651) 310-7911**
Internet Website Address: **stpaultravelers.com**
Statutory Statement Contact: **Michael J. Doody (860) 277-3966**
Annual.Statement.Contact@Travelers.com (860) 277-7002
(E-Mail Address) (Fax Number)
Policyowner Relations Contact: **One Tower Square, 5GS, Hartford, CT 06183 (860) 277-1561**

OFFICERS

Name	Title	Name	Title
1. BRIAN WILLIAM MacLEAN	Chairman of the Board, President & Chief Executive Officer	# SAMUEL GERSTEN LISS	Executive Vice President, Strategic Development and Financial & Professional & International Insurance
2. JAY STEVEN BENET	Vice Chairman & Chief Financial Officer	# MARIA OLIVO	Executive Vice President, Investor Relations & Communications
3. CHARLES JOSEPH CLARKE	Vice Chairman	# KATHLEEN LYNCH PRESTON	Executive Vice President, Enterprise Development
4. WILLIAM HERBERT HEYMAN	Vice Chairman & Chief Investment Officer	DOREEN SPADORCIA	Executive Vice President, Claim
5. # JOHN JOSEPH ALBANO	Executive Vice President, Business Insurance	KENNETH FRANKLIN SPENCE, III	Executive Vice President & General Counsel
6. ANDY FRANCIS BESSETTE	Executive Vice President & Chief Administrative Officer	BRUCE ALLEN BACKBERG	Senior Vice President & Corporate Secretary
7. JOHN PATRICK CLIFFORD, JR.	Executive Vice President, Human Resources	# DOUGLAS KEITH BELL **	Senior Vice President, Accounting Standards
8. # WILLIAM PATRICK HANNON *	Executive Vice President, Enterprise Risk Management and Business Conduct Officer	WADE THOMAS OVERGAARD	Senior Vice President & Chief Corporate Actuary
9. # JOSEPH PATRICK LACHER, JR.	Executive Vice President, Personal Insurance	DOUGLAS KENNETH RUSSELL	Senior Vice President, Treasurer & Corporate Controller
		SCOTT WILLIAM RYNDA	Senior Vice President, Tax Administration

DIRECTORS

JOHN JOSEPH ALBANO
JAY STEVEN BENET
ANDY FRANCIS BESSETTE
WILLIAM HERBERT HEYMAN
MICHAEL FREDERICK KLEIN
JOSEPH PATRICK LACHER, JR.
BRIAN WILLIAM MacLEAN
DOREEN SPADORCIA
KENNETH FRANKLIN SPENCE, III

* Effective January 22, 2007
** Effective January 1, 2007

STATE OF CONNECTICUT
COUNTY OF HARTFORD } 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.

Brian W. MacLean	Bruce A. Backberg	Douglas K. Russell
President	Secretary	Controller

Subscribed and sworn to before me this
1st day of February, 2007

Sandra M Bachman *Notary Public*
My Commission Expires September 30, 2007

SANDRA M. BACHMAN NOTARY PUBLIC CONNECTICUT

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 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	2,980,231,321	0	2,980,231,321	2,583,787,570
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	387,400
2.2 Common stocks	723,531,035	34,331,555	689,199,480	562,204,824
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	37,378,617
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $.....0 encumbrances)	0	0	0	0
5. Cash ($.....1,988,097, Sch. E-Part 1), cash equivalents ($.....0, Sch. E-Part 2) and short-term investments ($.....301,759,287, Sch. DA)	303,747,384	0	303,747,384	381,930,734
6. Contract loans (including $.....0 premium notes)	0	0	0	0
7. Other invested assets (Schedule BA)	28,124,474	0	28,124,474	169,629,383
8. Receivables for securities	12,745	0	12,745	1,990,718
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,035,646,959	34,331,555	4,001,315,404	3,737,309,246
11. Title plants less $.....0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	39,486,218	0	39,486,218	32,436,129
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection	50,255,948	5,381,954	44,873,994	43,448,578
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....3,446,212 earned but unbilled premiums)	174,872,312	1,368,636	173,503,675	168,503,941
13.3 Accrued retrospective premiums	6,139,455	327,283	5,812,172	8,684,938
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	0	0	0	0
14.2 Funds held by or deposited with reinsured companies	33,241,593	0	33,241,593	38,143,907
14.3 Other amounts receivable under reinsurance contracts	0	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	55,266,389
16.2 Net deferred tax asset	142,064,696	64,320,078	77,744,618	78,304,630
17. Guaranty funds receivable or on deposit	1,268,017	0	1,268,017	1,646,446
18. Electronic data processing equipment and software	0	0	0	0
19. Furniture and equipment, including health care delivery assets ($.....0)	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0	0
22. Health care ($.....0) and other amounts receivable	0	0	0	0
23. Aggregate write-ins for other than invested assets	15,565,259	2,719,211	12,846,049	29,702,595
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,498,540,457	108,448,717	4,390,091,740	4,193,446,799
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. TOTALS (Lines 24 and 25)	4,498,540,457	108,448,717	4,390,091,740	4,193,446,799
DETAILS OF WRITE-INS				
0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Equities and deposits in pools and associations	6,752,802	0	6,752,802	2,681,000
2302. Suspense, undistributed payments	4,127,840	0	4,127,840	20,292,862
2303. Amounts receivable under high deductible policies	3,746,392	2,719,211	1,027,182	5,916,166
2398. Summary of remaining write-ins for Line 23 from overflow page	938,225	0	938,225	812,567
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	15,565,259	2,719,211	12,846,049	29,702,595

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 34, Column 8)	1,356,886,906	1,403,321,562
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	78,880	212,420
3.	Loss adjustment expenses (Part 2A, Line 34, Column 9)	301,758,820	306,614,808
4.	Commissions payable, contingent commissions and other similar charges	26,249,922	25,135,728
5.	Other expenses (excluding taxes, licenses and fees)	21,537,724	14,775,244
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	19,464,849	22,233,166
7.1	Current federal and foreign income taxes (including $.....25,331,820 on realized capital gains (losses))	6,823,880	0
7.2	Net deferred tax liability	0	0
8.	Borrowed money $.....0 and interest thereon $.....0	0	0
9.	Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....107,695,535 and including warranty reserves of $.....0)	348,657,336	339,359,001
10.	Advance premiums	814,048	932,714
11.	Dividends declared and unpaid:		
	11.1 Stockholders	0	0
	11.2 Policyholders	984,996	1,146,926
12.	Ceded reinsurance premiums payable (net of ceding commissions)	15,773,075	16,998,832
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14.	Amounts withheld or retained by company for account of others	4,715,787	4,749,072
15.	Remittances and items not allocated	2,062,380	7,069,412
16.	Provision for reinsurance (Schedule F, Part 7)	0	0
17.	Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18.	Drafts outstanding	0	0
19.	Payable to parent, subsidiaries and affiliates	943,709	36,715,817
20.	Payable for securities	45,004,386	0
21.	Liability for amounts held under uninsured plans	0	0
22.	Capital notes $.....0 and interest thereon $.....0	0	0
23.	Aggregate write-ins for liabilities	6,428,590	3,582,180
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	2,158,185,287	2,182,846,881
25.	Protected cell liabilities	0	0
26.	Total liabilities (Lines 24 and 25)	2,158,185,287	2,182,846,881
27.	Aggregate write-ins for special surplus funds	4,454,503	4,053,999
28.	Common capital stock	35,214,075	35,214,075
29.	Preferred capital stock	0	0
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes	0	0
32.	Gross paid in and contributed surplus	2,693,087,203	2,693,087,203
33.	Unassigned funds (surplus)	(500,849,328)	(721,755,359)
34.	Less treasury stock, at cost:		
	34.1 .....0.000 shares common (value included in Line 28 $.....0)	0	0
	34.2 .....0.000 shares preferred (value included in Line 29 $.....0)	0	0
35.	Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	2,231,906,453	2,010,599,918
36.	TOTALS (Page 2, Line 26, Col. 3)	4,390,091,740	4,193,446,799

DETAILS OF WRITE-INS

2301.	Investment real estate liability	22,173,501	0
2302.	Retrospective premium reserve	238,865	238,865
2303.	Retroactive reinsurance reserve assumed	117,854	120,826
2398.	Summary of remaining write-ins for Line 23 from overflow page	(16,101,630)	3,222,488
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	6,428,590	3,582,180
2701.	Special surplus from retroactive reinsurance	4,454,503	4,053,999
2702.		0	0
2703.		0	0
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	4,454,503	4,053,999
3001.		0	0
3002.		0	0
3003.		0	0
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 34, Column 4)	753,054,565	750,048,082
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 34, Column 7)	347,377,744	460,276,040
3.	Loss expenses incurred (Part 3, Line 25, Column 1)	92,130,659	103,136,166
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	218,001,007	206,471,085
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	657,509,410	769,883,291
7.	Net income of protected cells	0	0
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	95,545,155	(19,835,209)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	179,446,862	150,734,108
10.	Net realized capital gains (losses) less capital gains tax of $.....3,262,667 (Exhibit of Capital Gains (Losses))	(48,569,551)	67,389,179
11.	Net investment gain (loss) (Lines 9 + 10)	130,877,311	218,123,286
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....(3,745,832) amount charged off $.....(2,420,441))	(1,325,392)	(1,519,813)
13.	Finance and service charges not included in premiums	3,921,579	3,776,725
14.	Aggregate write-ins for miscellaneous income	(2,123,011)	(17,108,393)
15.	Total other income (Lines 12 through 14)	473,176	(14,851,481)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	226,895,642	183,436,597
17.	Dividends to policyholders	696,347	703,188
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)	226,199,295	182,733,409
19.	Federal and foreign income taxes incurred	39,162,930	(14,048,452)
20.	Net income (Line 18 minus Line 19) (to Line 22)	187,036,365	196,781,861
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,010,599,918	1,741,364,927
22.	Net income (from Line 20)	187,036,365	196,781,861
23.	Net transfers (to) from Protected Cell accounts	0	0
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....9,027,923	55,861,736	(85,399,002)
25.	Change in net unrealized foreign exchange capital gain (loss)	3,905,383	(10,736,263)
26.	Change in net deferred income tax	(4,327,192)	(36,316,230)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3)	(20,769,758)	61,770,352
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	149,623,023
29.	Change in surplus notes	0	0
30.	Surplus (contributed to) withdrawn from protected cells	0	0
31.	Cumulative effect of changes in accounting principles	0	(7,943,119)
32.	Capital changes:		
	32.1 Paid in	0	0
	32.2 Transferred from surplus (Stock Dividend)	0	0
	32.3 Transferred to surplus	0	0
33.	Surplus adjustments:		
	33.1 Paid in	0	1,454,369
	33.2 Transferred to capital (Stock Dividend)	0	0
	33.3. Transferred from capital	0	0
34.	Net remittances from or (to) Home Office	0	0
35.	Dividends to stockholders	0	0
36.	Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
37.	Aggregate write-ins for gains and losses in surplus	(400,000)	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	221,306,534	269,234,991
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	2,231,906,453	2,010,599,918

DETAILS OF WRITE-INS

0501.		0	0
0502.		0	0
0503.		0	0
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	Retroactive reinsurance gain/loss	607,937	(17,200,935)
1402.	Profit and loss, miscellaneous	559,369	93,223
1403.	Fines and penalties of regulatory authorities	(3,290,318)	(681)
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(2,123,011)	(17,108,393)
3701.	Prior period adjustment	(400,000)	0
3702.		0	0
3703.		0	0
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	(400,000)	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	759,504,275	666,397,000
2.	Net investment income	177,530,410	147,927,507
3.	Miscellaneous income	473,176	(14,851,481)
4.	Total (Lines 1 through 3)	937,507,861	799,473,026
5.	Benefit and loss related payments	389,043,625	541,273,847
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	309,304,375	435,798,948
8.	Dividends paid to policyholders	858,277	2,667,773
9.	Federal and foreign income taxes paid (recovered) $.....(18,703,216) net of tax on capital gains (losses)	(19,664,673)	(128,603,380)
10.	Total (Lines 5 through 9)	679,541,605	851,137,188
11.	Net cash from operations (Line 4 minus Line 10)	257,966,257	(51,664,162)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	726,519,460	234,548,157
	12.2 Stocks	26,295,868	159,345,539
	12.3 Mortgage loans	37,378,616	828,303
	12.4 Real estate	0	0
	12.5 Other invested assets	140,294,363	8,704,509
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(123,132)	(10,522)
	12.7 Miscellaneous proceeds	46,982,359	(3,964,368)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	977,347,534	399,451,618
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,124,130,168	777,232,810
	13.2 Stocks	165,914,839	61,966,299
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	397,899	256,049
	13.6 Miscellaneous applications	0	132,622,374
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,290,442,905	972,077,532
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(313,095,371)	(572,625,915)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	1,454,369
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(23,054,236)	34,094,477
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(23,054,236)	35,548,846
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(78,183,350)	(588,741,231)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	381,930,734	970,671,965
	19.2 End of year (Line 18 plus Line 19.1)	303,747,384	381,930,734

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

20.0001	Made capital contribution in lieu of receipt of cash for cancellation of intercompany surplus note	130,914,839	0
20.0002	Bonds transferred from USFG of Mississippi	15,362,720	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	23,715,938	10,148,803	11,151,825	22,712,916
2.	Allied lines	20,825,650	8,252,363	9,148,975	19,929,037
3.	Farmowners multiple peril	4,756,217	2,110,100	2,255,433	4,610,884
4.	Homeowners multiple peril	110,760,924	53,460,341	58,888,713	105,332,553
5.	Commercial multiple peril	135,864,344	62,487,649	63,568,968	134,783,025
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	13,162,917	4,685,359	4,946,289	12,901,987
9.	Inland marine	33,730,676	13,777,542	14,705,408	32,802,810
10.	Financial guaranty	0	0	0	0
11.1	Medical malpractice - occurrence	62,720	(16)	1,504	61,200
11.2	Medical malpractice - claims-made	21,594	73,530	65,832	29,291
12.	Earthquake	3,025,942	1,421,624	1,562,493	2,885,072
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	94,391,358	28,376,905	35,293,134	87,475,129
17.1	Other liability - occurrence	76,030,121	33,125,750	30,713,511	78,442,361
17.2	Other liability - claims-made	32,561,973	18,727,026	18,269,813	33,019,186
18.1	Products liability - occurrence	4,777,927	2,410,088	2,060,065	5,127,951
18.2	Products liability - claims-made	686,115	281,672	307,566	660,221
19.1, 19.2	Private passenger auto liability	77,418,954	27,716,983	28,481,252	76,654,684
19.3, 19.4	Commercial auto liability	55,712,185	26,092,804	25,669,360	56,135,629
21.	Auto physical damage	62,894,597	23,945,988	24,271,304	62,569,281
22.	Aircraft (all perils)	1,205	25,204	25,204	1,205
23.	Fidelity	3,483,705	2,188,382	2,398,274	3,273,813
24.	Surety	1,593,555	3,656,647	977,272	4,272,930
26.	Burglary and theft	262,122	269,843	223,812	308,153
27.	Boiler and machinery	7,863,220	3,514,857	3,605,345	7,772,732
28.	Credit	11,700	18,151	8,991	20,861
29.	International	(349,387)	74,700	37,115	(311,803)
30.	Reinsurance - nonproportional assumed property	263,137	(55,566)	(34,373)	241,944
31.	Reinsurance - nonproportional assumed liability	1,293,556	827,178	738,459	1,382,274
32.	Reinsurance - nonproportional assumed financial lines	(36,702)	16,515	20,574	(40,761)
33.	Aggregate write-ins for other lines of business	0	0	0	0
34.	TOTALS	764,786,261	327,630,423	339,362,119	753,054,565

DETAILS OF WRITE-INS

3301.		0	0	0	0
3302.		0	0	0	0
3303.		0	0	0	0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0

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	10,898,930	294,063	(41,168)	0	11,151,825
2.	Allied lines	8,938,372	223,431	(12,828)	0	9,148,975
3.	Farmowners multiple peril	2,272,793	(17,360)	0	0	2,255,433
4.	Homeowners multiple peril	58,888,713	0	0	0	58,888,713
5.	Commercial multiple peril	63,912,416	(19,726)	(321,790)	(1,931)	63,568,968
6.	Mortgage guaranty	0	0	0	0	0
8.	Ocean marine	5,245,781	92,877	(392,369)	0	4,946,289
9.	Inland marine	12,501,047	2,592,657	(388,296)	0	14,705,408
10.	Financial guaranty	0	0	0	0	0
11.1	Medical malpractice - occurrence	1,504	0	0	0	1,504
11.2	Medical malpractice - claims-made	293	0	(2)	65,541	65,832
12.	Earthquake	1,486,633	75,861	0	0	1,562,493
13.	Group accident and health	0	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0	0
15.	Other accident and health	0	0	0	0	0
16.	Workers' compensation	40,938,452	15,400	(642,106)	(5,018,611)	35,293,134
17.1	Other liability - occurrence	32,041,522	225,487	(757,824)	(795,675)	30,713,511
17.2	Other liability - claims-made	14,752,515	3,601,967	(84,670)	0	18,269,813
18.1	Products liability - occurrence	2,129,136	54,695	(64,730)	(59,036)	2,060,065
18.2	Products liability - claims-made	303,661	4,066	(162)	0	307,566
19.1, 19.2	Private passenger auto liability	28,481,252	0	0	(0)	28,481,252
19.3, 19.4	Commercial auto liability	25,749,713	66,425	(109,363)	(37,415)	25,669,360
21.	Auto physical damage	24,260,441	20,966	(8,225)	(1,878)	24,271,304
22.	Aircraft (all perils)	25,204	0	0	0	25,204
23.	Fidelity	1,250,822	1,147,452	0	0	2,398,274
24.	Surety	(51,485)	1,651,437	(622,679)	0	977,272
26.	Burglary and theft	110,000	113,812	0	0	223,812
27.	Boiler and machinery	3,522,329	83,016	0	0	3,605,345
28.	Credit	8,991	0	0	0	8,991
29.	International	37,115	0	0	0	37,115
30.	Reinsurance - nonproportional assumed property	(34,373)	0	0	0	(34,373)
31.	Reinsurance - nonproportional assumed liability	690,537	47,922	0	0	738,459
32.	Reinsurance - nonproportional assumed financial lines	20,491	83	0	0	20,574
33.	Aggregate write-ins for other lines of business	0	0	0	0	0
34.	TOTALS	338,382,804	10,274,532	(3,446,212)	(5,849,006)	339,362,119
35.	Accrued retrospective premiums based on experience					5,849,006
36.	Earned but unbilled premiums					3,446,212
37.	Balance (sum of Lines 34 through 36)					348,657,337

DETAILS OF WRITE-INS

3301.		0	0	0	0	0
3302.		0	0	0	0	0
3303.		0	0	0	0	0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Daily pro rata; pools and associations as submitted

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire	222,808	23,955,967	(22,494)	440,343	0	23,715,938
2.	Allied lines	359,626	21,573,280	0	1,107,256	0	20,825,650
3.	Farmowners multiple peril	0	4,756,217	0	0	0	4,756,217
4.	Homeowners multiple peril	0	110,760,924	0	0	0	110,760,924
5.	Commercial multiple peril	32,576,940	138,583,645	37,621	35,333,862	0	135,864,344
6.	Mortgage guaranty	0	0	0	0	0	0
8.	Ocean marine	0	13,162,917	657	657	0	13,162,917
9.	Inland marine	15,849,746	34,393,975	17,637	16,530,682	0	33,730,676
10.	Financial guaranty	(180)	0	0	(180)	0	0
11.1	Medical malpractice - occurrence	0	62,720	0	0	0	62,720
11.2	Medical malpractice - claims-made	0	21,594	0	0	0	21,594
12.	Earthquake	108,421	3,035,769	(3,456,000)	(3,337,752)	0	3,025,942
13.	Group accident and health	0	0	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0	0	0
15.	Other accident and health	0	0	185	185	0	0
16.	Workers' compensation	159,431,928	181,134,385	300	246,175,255	0	94,391,358
17.1	Other liability - occurrence	18,195,902	78,062,273	(2,231)	20,225,823	0	76,030,121
17.2	Other liability - claims-made	163,038	32,618,548	0	219,613	0	32,561,973
18.1	Products liability - occurrence	1,323,606	5,114,621	0	1,660,300	0	4,777,927
18.2	Products liability - claims-made	0	686,115	0	0	0	686,115
19.1, 19.2	Private passenger auto liability	594	77,419,114	0	754	0	77,418,954
19.3, 19.4	Commercial auto liability	(10,972,664)	59,039,074	(28,356,286)	(36,002,060)	0	55,712,185
21.	Auto physical damage	2,265,269	63,723,635	(2,130,656)	963,651	0	62,894,597
22.	Aircraft (all perils)	0	1,205	15,527	15,527	0	1,205
23.	Fidelity	1,011,296	3,578,417	0	1,106,008	0	3,483,705
24.	Surety	6,830,519	2,363,143	5,869	7,605,976	0	1,593,555
26.	Burglary and theft	189	264,845	0	2,912	0	262,122
27.	Boiler and machinery	976,939	7,996,690	0	1,110,409	0	7,863,220
28.	Credit	0	11,700	996	996	0	11,700
29.	International	0	(349,387)	0	0	0	(349,387)
30.	Reinsurance - nonproportional assumed property	XXX	257,840	16,664	11,367	0	263,137
31.	Reinsurance - nonproportional assumed liability	XXX	1,306,657	1,565,632	1,578,733	0	1,293,556
32.	Reinsurance - nonproportional assumed financial lines	XXX	(36,702)	0	0	0	(36,702)
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
34.	TOTALS	228,343,976	863,499,180	(32,306,579)	294,750,316	0	764,786,261

DETAILS OF WRITE-INS

3301.		0	0	0	0	0	0
3302.		0	0	0	0	0	0
3303.		0	0	0	0	0	0
3398.	Summary of remaining write-ins for Line 33 from overflow page.	0	0	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0

(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 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	7,375,714	11,763,876	9,288,276	9,851,314	12,827,566	10,368,037	12,310,843	54.2
2.	Allied lines	39,593,071	25,565,151	51,281,544	13,876,677	12,325,694	21,558,883	4,643,489	23.3
3.	Farmowners multiple peril	0	1,742,413	0	1,742,413	1,258,278	1,529,023	1,471,668	31.9
4.	Homeowners multiple peril	389,389	117,222,698	72,615,804	44,996,282	26,297,536	37,280,897	34,012,922	32.3
5.	Commercial multiple peril	139,860,131	97,669,944	175,425,581	62,104,493	135,649,903	153,206,196	44,548,200	33.1
6.	Mortgage guaranty	0	0	0	0	0	0	0	0.0
8.	Ocean marine	0	5,974,762	86,787	5,887,974	6,713,515	7,688,488	4,913,001	38.1
9.	Inland marine	6,558,063	12,062,344	7,185,005	11,435,403	13,979,113	16,133,895	9,280,620	28.3
10.	Financial guaranty	2,184	0	2,184	0	0	0	0	0.0
11.1	Medical malpractice - occurrence	0	1,860,443	0	1,860,443	8,734,454	9,573,979	1,020,918	1,668.2
11.2	Medical malpractice - claims-made	0	7,295,730	0	7,295,730	14,589,106	20,929,075	955,760	3,263.0
12.	Earthquake	0	33,734	48,941	(15,207)	(93,487)	1,252,672	(1,361,367)	(47.2)
13.	Group accident and health	0	0	0	0	0	0	0	0.0
14.	Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15.	Other accident and health	2,720	1,779	4,499	0	0	0	0	0.0
16.	Workers' compensation	75,278,313	113,037,197	144,758,610	43,556,900	408,582,973	391,890,377	60,249,496	68.9
17.1	Other liability - occurrence	57,728,338	57,226,830	73,832,913	41,122,256	299,691,660	276,868,522	63,945,394	81.5
17.2	Other liability - claims-made	(339,295)	18,384,780	(269,460)	18,314,945	64,237,460	60,480,134	22,072,270	66.8
18.1	Products liability - occurrence	6,627,902	7,926,409	7,340,975	7,213,336	71,518,851	95,332,840	(16,600,652)	(323.7)
18.2	Products liability - claims-made	0	(44,513)	0	(44,513)	1,696,105	1,599,615	51,977	7.9
19.1, 19.2	Private passenger auto liability	7,131,058	42,726,004	9,348,003	40,509,058	68,840,809	68,702,351	40,647,516	53.0
19.3, 19.4	Commercial auto liability	44,688,569	34,168,893	49,287,288	29,570,174	73,401,458	81,231,512	21,740,120	38.7
21.	Auto physical damage	2,314,379	22,681,953	(6,379,845)	31,376,178	5,199,154	5,739,362	30,835,970	49.3
22.	Aircraft (all perils)	0	600,390	566,161	34,229	1,225,865	1,188,113	71,982	5,975.6
23.	Fidelity	(661,903)	1,589,993	(654,196)	1,582,286	3,729,547	3,603,528	1,708,306	52.2
24.	Surety	81,520,264	26,379,164	102,096,495	5,802,933	18,595,205	23,005,159	1,392,979	32.6
26.	Burglary and theft	(720)	43,403	(5,320)	48,003	428,238	368,358	107,883	35.0
27.	Boiler and machinery	444,183	2,292,627	1,224,522	1,512,289	2,359,713	3,382,446	489,556	6.3
28.	Credit	0	40,325	(8,060)	48,385	571,252	602,661	16,975	81.4
29.	International	0	851,147	0	851,147	4,408,961	6,078,007	(817,899)	262.3
30.	Reinsurance - nonproportional assumed property	XXX	2,413,478	1,127,065	1,286,413	10,023,167	11,630,691	(321,111)	(132.7)
31.	Reinsurance - nonproportional assumed liability	XXX	39,473,478	27,460,197	12,013,280	88,350,796	90,100,785	10,263,291	742.5
32.	Reinsurance - nonproportional assumed financial lines	XXX	(22,770)	0	(22,770)	1,744,077	1,705,886	15,421	(37.8)
33.	Aggregate write-ins for other lines of business	0	2,348	0	2,348	(62)	290,071	(287,785)	0.0
34.	TOTALS	468,512,360	650,964,008	725,663,969	393,812,399	1,356,886,906	1,403,321,562	347,377,744	46.1
	DETAILS OF WRITE-INS								
3301.	Auto warranty	0	2,348	0	2,348	(62)	290,071	(287,785)	0.0
3302.		0	0	0	0	0	0	0	0.0
3303.		0	0	0	0	0	0	0	0.0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	XXX	
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	2,348	0	2,348	(62)	290,071	(287,785)	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Line of Business	Reported Losses 1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Incurred But Not Reported 5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
1.	Fire	3,916,452	11,717,365	6,983,509	8,650,308	896,560	3,431,981	151,283	12,827,566	1,238,683
2.	Allied lines	8,937,741	10,292,777	13,594,439	5,636,080	11,828,143	11,354,036	16,492,564	12,325,694	2,094,381
3.	Farmowners multiple peril	0	545,632	0	545,632	20,982	712,650	20,986	1,258,278	633,843
4.	Homeowners multiple peril	1,751,300	20,281,038	11,412,859	10,619,480	1,897,030	17,942,387	4,161,360	26,297,536	4,560,618
5.	Commercial multiple peril	79,935,481	87,745,182	112,341,570	55,339,093	86,542,136	100,375,414	106,606,740	135,649,903	49,498,823
6.	Mortgage guaranty	0	0	0	0	0	0	0	0	0
8.	Ocean marine	0	6,357,717	1,525,561	4,832,156	1,826	1,881,952	2,420	6,713,515	1,496,815
9.	Inland marine	1,073,107	7,265,012	1,233,068	7,105,052	33,712,109	7,345,949	34,183,998	13,979,113	2,052,363
10.	Financial guaranty	0	0	0	0	24,026	0	24,026	0	0
11.1	Medical malpractice - occurrence	250,000	9,146,630	250,000	9,146,630	249	(412,175)	249	8,734,454	1,217,290
11.2	Medical malpractice - claims-made	0	15,353,356	0	15,353,356	0	(764,250)	0	14,589,106	1,479,019
12.	Earthquake	0	(26,279)	500	(26,779)	259,768	35,137	361,613	(93,487)	295,690
13.	Group accident and health	0	0	0	0	0	0	0	(a) 0	0
14.	Credit accident and health (group and individual)	0	0	0	0	0	0	0	0	0
15.	Other accident and health	69,766	6,509	76,275	0	1,942,779	0	1,942,779	(a) 0	0
16.	Workers' compensation	362,530,337	528,107,491	665,371,355	225,266,473	354,704,005	501,034,770	672,422,276	408,582,973	49,183,223
17.1	Other liability - occurrence	204,535,023	95,275,349	235,407,104	64,403,268	136,942,958	240,160,517	141,815,082	299,691,660	93,044,187
17.2	Other liability - claims-made	218,901	24,120,778	1,813,496	22,526,184	5,459,964	43,151,514	6,900,202	64,237,460	14,910,066
18.1	Products liability - occurrence	9,500,305	17,323,117	12,018,946	14,804,477	14,561,363	59,334,314	17,181,302	71,518,851	44,425,954
18.2	Products liability - claims-made	0	225,280	0	225,280	37,981	1,474,470	41,625	1,696,105	1,046,892
19.1, 19.2	Private passenger auto liability	42,197,180	59,668,750	63,857,514	38,008,416	71,239,185	32,860,300	73,267,092	68,840,809	14,717,848
19.3, 19.4	Commercial auto liability	82,194,782	58,070,567	103,790,250	36,475,098	58,046,384	56,803,913	77,923,938	73,401,458	11,604,903
21.	Auto physical damage	139,919	2,398,023	783,939	1,754,002	8,298,798	12,468,369	17,322,016	5,199,154	1,831,161
22.	Aircraft (all perils)	745,752	5,367,075	5,557,693	555,135	149,641	808,628	287,538	1,225,865	156,454
23.	Fidelity	1,237,950	2,256,520	1,304,219	2,190,252	1,031,075	1,800,837	1,292,617	3,729,547	574,726
24.	Surety	282,454,750	31,500,511	296,852,611	17,102,650	(55,958,734)	9,121,862	(48,329,427)	18,595,205	3,080,099
26.	Burglary and theft	7,353	22,496	7,353	22,496	61,729	501,267	157,254	428,238	56,528
27.	Boiler and machinery	36,201	1,295,956	39,556	1,292,600	3,948,773	2,610,372	5,492,033	2,359,713	447,106
28.	Credit	0	1,017,797	584,000	433,798	0	137,454	0	571,252	5,710
29.	International	0	1,102,663	0	1,102,663	214	3,306,298	214	4,408,961	7,911
30.	Reinsurance - nonproportional assumed property	XXX	20,407,887	15,700,512	4,707,375	XXX	5,315,792	0	10,023,167	740,500
31.	Reinsurance - nonproportional assumed liability	XXX	150,158,511	99,296,528	50,861,983	XXX	37,488,812	0	88,350,796	1,350,618
32.	Reinsurance - nonproportional assumed financial lines	XXX	855,255	254,048	601,206	XXX	1,142,870	0	1,744,077	7,411
33.	Aggregate write-ins for other lines of business	0	(62)	0	(62)	0	0	0	(62)	0
34.	TOTALS	1,081,732,302	1,167,858,902	1,650,056,904	599,534,299	735,648,945	1,151,425,440	1,129,721,777	1,356,886,906	301,758,820
	DETAILS OF WRITE-INS									
3301.	Auto warranty	0	(62)	0	(62)	0	0	0	(62)	0
3302.		0	0	0	0	0	0	0	0	0
3303.		0	0	0	0	0	0	0	0	0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	(62)	0	(62)	0	0	0	(62)	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	51,550,997	0	0	51,550,997
1.2 Reinsurance assumed	94,776,679	0	0	94,776,679
1.3 Reinsurance ceded	98,654,662	0	0	98,654,662
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	47,673,014	0	0	47,673,014
2. Commission and brokerage:				
2.1 Direct, excluding contingent	0	26,266,842	0	26,266,842
2.2 Reinsurance assumed, excluding contingent	0	100,764,424	0	100,764,424
2.3 Reinsurance ceded, excluding contingent	0	27,052,410	0	27,052,410
2.4 Contingent - direct	0	162,429	0	162,429
2.5 Contingent - reinsurance assumed	0	15,571,752	0	15,571,752
2.6 Contingent - reinsurance ceded	0	105,519	0	105,519
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	115,607,517	0	115,607,517
3. Allowances to managers and agents	0	35,381	0	35,381
4. Advertising	1,621	3,431,306	259	3,433,187
5. Boards, bureaus and associations	239,506	3,631,563	469	3,871,538
6. Surveys and underwriting reports	851	2,733,209	59	2,734,119
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	27,808,076	45,335,781	647,555	73,791,412
8.2 Payroll taxes	1,928,654	2,918,771	35,322	4,882,747
9. Employee relations and welfare	4,458,691	5,867,425	59,432	10,385,548
10. Insurance	2,172,518	1,123,207	8,024	3,303,749
11. Directors' fees	0	20	0	20
12. Travel and travel items	2,155,131	3,055,802	16,389	5,227,322
13. Rent and rent items	1,367,672	3,893,670	38,850	5,300,191
14. Equipment	424,255	1,332,802	12,375	1,769,432
15. Cost or depreciation of EDP equipment and software	379,233	4,371,081	124,130	4,874,443
16. Printing and stationery	263,879	753,991	9,301	1,027,170
17. Postage, telephone and telegraph, exchange and express	455,057	2,775,681	45,122	3,275,861
18. Legal and auditing	637,518	2,638,076	14,765	3,290,359
19. Totals (Lines 3 to 18)	42,292,662	83,897,765	1,012,052	127,202,479
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....666,902	0	18,594,957	0	18,594,957
20.2 Insurance department licenses and fees	0	1,705,844	0	1,705,844
20.3 Gross guaranty association assessments	0	961,800	0	961,800
20.4 All other (excluding federal and foreign income and real estate)	0	906,741	0	906,741
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	22,169,342	0	22,169,342
21. Real estate expenses	0	0	(18,058)	(18,058)
22. Real estate taxes	0	0	4	4
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	2,164,983	(3,673,617)	71,235	(1,437,398)
25. Total expenses incurred	92,130,659	218,001,007	1,065,233	(a) 311,196,899
26. Less unpaid expenses - current year	301,758,820	66,952,373	300,122	369,011,314
27. Add unpaid expenses - prior year	306,614,808	61,647,524	496,615	368,758,946
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	96,986,647	212,696,158	1,261,727	310,944,531

DETAILS OF WRITE-INS

2401. Miscellaneous expenses	2,761,622	9,089,928	71,235	11,922,785
2402. Service reimbursements	(596,639)	(6,351,184)	0	(6,947,822)
2403. Costs of computer software developed for internal use	0	(6,412,361)	0	(6,412,361)
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	2,164,983	(3,673,617)	71,235	(1,437,398)

(a) Includes management fees of $.....0 to affiliates and $.....762 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 14,397,409	15,417,614
1.1	Bonds exempt from U.S. tax	(a) 80,044,367	85,433,195
1.2	Other bonds (unaffiliated)	(a) 31,394,414	32,482,453
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	1,383,510	1,383,510
2.21	Common stocks of affiliates	6,581,365	6,581,365
3.	Mortgage loans	(c) 1,328,396	1,328,396
4.	Real estate	(d) 0	0
5.	Contract loans	0	0
6.	Cash, cash equivalents and short-term investments	(e) 12,839,069	13,132,622
7.	Derivative instruments	(f) 0	0
8.	Other invested assets	25,669,086	25,669,086
9.	Aggregate write-ins for investment income	(916,146)	(916,146)
10.	Total gross investment income	172,721,469	180,512,095
11.	Investment expenses		(g) 1,065,233
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		1,065,233
17.	Net investment income (Line 10 minus Line 16)		179,446,862
	DETAILS OF WRITE-INS		
0901.	Mexican warrants	450,000	450,000
0902.	Lending of security fees	131,101	131,101
0903.	Miscellaneous income	(1,497,247)	(1,497,247)
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	(916,146)	(916,146)
1501.			0
1502.			0
1503.			0
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....5,873,035 accrual of discount less $.....11,203,165 amortization of premium and less $.....6,951,500 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 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 $.....1,174 accrual of discount less $.....133,933 amortization of premium and less $.....199,444 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Unrealized Increases (Decreases) by Adjustment	4 Total
1.	U.S. government bonds	(902,070)	0	0	(902,070)
1.1	Bonds exempt from U.S. tax	109,075	0	0	109,075
1.2	Other bonds (unaffiliated)	(787,038)	2,597,997	3,145,210	4,956,169
1.3	Bonds of affiliates	0	0	0	0
2.1	Preferred stocks (unaffiliated)	162,446	(158,768)	(10,732)	(7,055)
2.11	Preferred stocks of affiliates	0	0	0	0
2.2	Common stocks (unaffiliated)	0	(112,741)	24,084,745	23,972,004
2.21	Common stocks of affiliates	0	(46,202,874)	43,557,765	(2,645,109)
3.	Mortgage loans	0	0	0	0
4.	Real estate	0	0	0	0
5.	Contract loans	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	(123,132)	864,536	741,404
7.	Derivative instruments	0	0	0	0
8.	Other invested assets	0	0	(2,744,433)	(2,744,433)
9.	Aggregate write-ins for capital gains (losses)	0	110,221	(102,049)	8,173
10.	Total capital gains (losses)	(1,417,588)	(43,889,297)	68,795,042	23,488,158
	DETAILS OF WRITE-INS				
0901.	Foreign exchange	0	108,965	(102,049)	6,917
0902.	Recoverable on bonds written down	0	1,256	0	1,256
0903.		0	0	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	110,221	(102,049)	8,173

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)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	34,331,555	0	(34,331,555)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	458,344	458,344
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	34,331,555	458,344	(33,873,211)
11. Title plants (for Title insurers only)	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	5,381,954	7,101,923	1,719,970
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,368,636	1,595,389	226,752
13.3 Accrued retrospective premiums	327,283	428,743	101,460
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset	64,320,078	77,121,779	12,801,701
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	0	0	0
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivable from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable	0	0	0
23. Aggregate write-ins for other than invested assets	2,719,211	972,780	(1,746,431)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	108,448,717	87,678,959	(20,769,758)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. TOTALS (Lines 24 and 25)	108,448,717	87,678,959	(20,769,758)

DETAILS OF WRITE-INS

0901.	0	0	0
0902.	0	0	0
0903.	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0
2301. Amounts receivable under high deductible policies	2,719,211	972,780	(1,746,431)
2302.	0	0	0
2303.	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,719,211	972,780	(1,746,431)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. United States Fidelity and Guaranty Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Maryland. The State of Maryland requires that insurance companies domiciled in Maryland prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Maryland Insurance Commissioner. The impact of any permitted accounting practices on statutory surplus was not material.

B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.

C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10, *Income Taxes*. Goodwill is recognized in accordance with SSAP No. 68, *Business Combinations and Goodwill*, and amortized to unrealized capital losses over a period not to exceed 10 years.

Invested assets are valued according to statutory requirements and the bases of valuation adopted by the NAIC.

Short-term investments are stated at amortized cost.

Bonds are generally stated at amortized cost, except bonds that are defined by the NAIC as non-investment grade (NAIC Class 3-6) which are stated at the lower of amortized cost or NAIC fair value. Amortization is calculated using the constant yield method.

Common stocks of non-affiliates are stated at NAIC fair value.

Redeemable preferred stocks (NAIC Class 1 and 2) are generally stated at amortized cost, whereas NAIC Class 3-6 are stated at the lower of cost, amortized cost, or NAIC fair value. Perpetual preferred stocks (NAIC Class 1 and 2) are generally stated at NAIC fair value, while NAIC Class 3-6 are stated at the lower of cost or NAIC fair value.

Mortgage loans are stated at the amount of principal outstanding, adjusted for unamortized premium or discount, net of encumbrances and specific impairments.

Loan-backed and structured securities are amortized using the retrospective method. The effective yield used to determine amortization is calculated based on actual historical and projected future cash flows, which are obtained from a widely-accepted securities data provider.

Investments in subsidiaries and affiliated entities are based on the net worth of the entity, determined in accordance with statutory accounting valuation methods. Dividends received from subsidiaries are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains (losses).

The Company's investments in partnerships, joint ventures and limited liability companies are reported using the equity method of accounting, determined in accordance with statutory accounting valuation methods. Distributions of accumulated earnings received from these investments are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains (losses).

The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.

Property-casualty reserves are established for loss and LAE and include estimates of both reported and unreported claims incurred and related expenses. The reserves are regularly adjusted based upon experience. In determining loss and LAE reserves, the Company continually reviews its overall reserve position, its reserving techniques and its reinsurance. These reserves represent the estimated ultimate cost of all incurred losses and LAE net of reinsurance. Since the reserves are based on estimates, the ultimate liability may be more or less than such reserves. The effects of changes in such estimated reserves are included in net income in the period in which the estimates are changed. Such changes may be material to net income and could occur in a future period. For a discussion of loss and LAE related to asbestos and environmental reserves, see Note 33.

The Company has not modified its accounting policy regarding the capitalization of fixed assets from the prior period.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable.

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method:

1. On December 19, 1996, the Company purchased Afianzadora Insurgents, S.A. de C.V., (Alfianzadora), a property casualty insurance company located in Mexico.

2. The transaction was accounted for as a statutory purchase.

3. The purchase of Afianzadora resulted in goodwill in the amount of $23.9 million.

4. The Company recorded $2.4 million of goodwill amortization in 2006. At December 31, 2006, the Company's goodwill related to the purchase of Afianzadora was fully amortized.

In December 2006, the Company reached an agreement to sell Afianzadora. For further discussion see Note 4.

B. Statutory Merger:

Not applicable.

C. Impairment Loss:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. DISCONTINUED OPERATIONS

In December 2006, the Company entered into an agreement to sell its Mexican insurance subsidiary, Afianzadora for $55.5 million plus interest from September 30, 2006. As a result of the agreement, the Company reduced the cost of Afianzadora to the fair value less cost to sell which resulted in the Company recording an other-than-temporary impairment in net realized capital losses of $46.2 million with no impact to statutory surplus since the previously recorded unrealized capital loss was reversed. The Company expects to complete the transaction during the second quarter of 2007.

The Company reported Afianzadora in Common stocks (parent, subsidiaries and affiliates) at $34.3 million and $42.6 million for 2006 and 2005, respectively. The only activity reported by the Company associated with Afianzadora other than the other-than-temporary impairment loss, was a change in net unrealized capital gains/(losses) of $48.5 million and $(25.8) million for 2006 and 2005, respectively in the Capital and Surplus account.

5. INVESTMENTS

A. Mortgage Loans:

Not applicable.

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities were recalculated using actual and anticipated cash flows, including anticipated prepayments, with the original cost.

For collateralized mortgage obligations and asset-backed securities, the Smith Barney Mortgage Prepayment Model provided by Yield Book® is used to project prepayments whenever it is available. For pass-through certificates and when collateralized mortgage obligations and asset-backed securities are not modeled in Yield Book® or no prepayment model is provided, a consensus forecast from Bloomberg L.P. is used if available, otherwise the average three-month prepayment history is used.

When unit prices published by the Securities Valuation Office were not available, the Company used Bloomberg and Financial Times Interactive Data, as well as broker quotes in determining the fair value of its loan-backed securities.

E. Repurchase Agreements:

Not applicable.

F. Real Estate

Not applicable.

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

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

A. Surplus excludes due and accrued investment income if amounts are over 90 days past due.

B. At December 31, 2006, the Company had no past due accrued investment income.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

A. The components of the net deferred tax asset (liability) recognized in the Company's assets, liabilities, surplus and other funds are as follows:

	December 31, 2006	December 31, 2005
Total of gross deferred tax assets	$ 210,391,089	$ 220,277,705
Total of deferred tax liabilities	(68,326,393)	(64,851,296)
Net deferred tax asset (liability)	142,064,696	155,426,409
Deferred tax asset nonadmitted	(64,320,078)	(77,121,779)
Net admitted deferred tax asset (liability)	$ 77,744,618	$ 78,304,630
(Increase) decrease in nonadmitted asset	$ 12,801,701	$ 66,973,099

B. Deferred tax liabilities not recognized for the following amounts:

Not applicable.

C. The provisions for incurred taxes on earnings are as follows:

	December 31, 2006	December 31, 2005
Federal	$ 39,151,987	$ (14,048,452)
Foreign	10,942	0
	39,162,929	(14,048,452)
Federal income taxes on net capital gains	3,262,667	2,989,289
Federal and foreign income taxes incurred	$ 42,425,596	$ (11,059,163)

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2006	December 31, 2005
Deferred tax assets:		
Claims and claim adjustment expense reserves	$ 55,056,101	$ 52,426,522
Unearned premium reserves	24,380,952	32,404,840
Alternative minimum tax adjustment	0	29,936,702
Basis difference on sale of subsidiary	37,135,746	0
Investments	81,652,833	77,488,807
Other	12,165,457	28,020,834
Total deferred tax assets	210,391,089	220,277,705
Nonadmitted deferred tax assets	(64,320,078)	(77,121,779)
Admitted deferred tax assets	146,071,011	143,155,926
Deferred tax liabilities:		
Investments	66,628,348	60,515,660
Deferred acquisition costs	0	2,851,233
Other	1,698,045	1,484,403
Total deferred tax liabilities	68,326,393	64,851,296
Net admitted tax asset	$ 77,744,618	$ 78,304,630

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

	December 31, 2006	December 31, 2005	Change
Total deferred tax assets	$ 210,391,089	$ 220,277,705	$ (9,886,616)
Total deferred tax liabilities	(68,326,393)	(64,851,296)	(3,475,097)
Net deferred tax asset (liability)	$ 142,064,696	$ 155,426,409	(13,361,713)
Tax effect of unrealized gains (losses)			9,027,923
Change in net deferred income taxes			$ (4,333,790)

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate before income tax. The significant items causing this difference are as follows:

	December 31, 2006
Pretax net income (loss)	$ 229,461,962
Taxes at statutory rate	$ 80,311,687
Increase (decrease) attributable to:	
Nontaxable investment income	(28,432,430)
Basis difference on subsidiary sale	(20,964,740)
Prior period adjustment	12,625,489
Other	3,219,380
Total statutory income taxes	$ 46,759,386
Federal and foreign taxes incurred	$ 42,425,596
Change in net deferred taxes	4,333,790
Total statutory income taxes	$ 46,759,386
Effective tax rate	20.4%

E. 1. The Company has no operating loss or tax credit carryforwards available for tax purposes.

2. The Company has $23,821,164 and $0 of federal income tax from the current or prior tax year respectively, available for recoupment in the event of future losses.

F. 1. The Company is included in a consolidated federal income tax return with its ultimate parent company, The St. Paul Travelers Companies, Inc. (STA). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.

2. The Company is a party to the STA tax allocation agreement, which sets forth the manner in which the total consolidated federal income tax is allocated. Member companies of the STA consolidated return group pay taxes annually on their separate taxable income. Companies with a current federal income tax receivable from STA will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by STA in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

In the event that the consolidated group develops an Alternative Minimum Tax (AMT), each company with an AMT on a separate company basis will be allocated a portion of the consolidated AMT. Settlement of the AMT will be made in the same manner and timing as the regular federal income tax.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A-C. (1) The Company made capital contributions of $30 million and $60 million to its subsidiary, Discover Re Managers, Inc. (Discover Managers), in 2006 and 2005, respectively.

(2) In December 2006, the Company made a capital contribution of $5 million to its subsidiary, Fidelity and Guaranty Insurance Company.

(3) During 2006 and 2005, the Company received a total of $10.5 million and $20.0 million representing a return of capital from its subsidiary, Afianzadora Insurgentes, S.A. de C.V. (Afianzadora), respectively.

(4) Effective July 24, 2006 United States Fidelity and Guaranty Company released Discover Reinsurance Company from future obligations to repay a $130 million Surplus Note plus accrued interest. The Surplus Note Release was approved by the Indiana Department of Insurance and the Maryland Insurance Administration. The release of the Surplus Note allowed Discover Reinsurance Company, an indirect subsidiary of the Company, to retain as surplus and record as a capital contribution the principal sum of $130 million plus accrued interest of $914,839.

(5) Effective January 1, 2006, The Travelers Indemnity Company (Indemnity) and the Company's subsidiary, USF&G Insurance Company of Mississippi (USF&G of Mississippi) entered into an Amendment No. 1 to the Quota Share Reinsurance Agreement (Amendment No. 1) pursuant to which Indemnity reinsures on an assumption reinsurance basis all of the outstanding policy contractual obligations of USF&G of Mississippi. As a result, Indemnity assumes all of the contractual rights, obligations, liabilities and risks of USF&G of Mississippi and shall succeed USF&G of Mississippi as the insurer under the terms and provisions of each of the policies.

Both the Quota Share Reinsurance Agreement and Amendment No. 1 were the subject of Form D filings made to the Connecticut and Mississippi Insurance Departments.

NOTES TO FINANCIAL STATEMENTS

In conjunction with Amendment No. 1, USF&G of Mississippi was dissolved effective January 1, 2006 under Articles of Dissolution filed with and approved by the Mississippi Insurance Department.

(6) In October 2005, the Company received a capital contribution of $1,454,369 from its parent St. Paul Fire and Marine Insurance Company (Fire and Marine). The Company, in turn made a capital contribution to its wholly owned subsidiary USF&G Specialty Insurance Company for this same amount prior to its sale. For further discussion on the sale of USF&G Specialty Insurance Company see Note 21.

Schedule Y - Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification has been satisfied for any transaction requiring such action.

The following are general business arrangements that result in or are used for transactions with affiliates in the normal course of business:

1. The principal banking functions for the property-casualty operations of STA and some or all of its affiliated property-casualty insurance companies are handled by Indemnity. Settlements between the companies are made at least monthly.

2. STA maintains a private short-term investment pool in which affiliated companies may participate. Effective January 1, 2005 the "Pooling Agreement for Travelers Money Market Liquidity" (MMLP) dated August 20, 2002 was amended to include additional STA entities. With this amendment the MMLP was renamed the "Pooling Agreement for St. Paul Travelers Money Market Liquidity" (STAMMLP). This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2006 and 2005, the STAMMLP totaled $4,146,238,219 and $3,775,854,353, respectively.

D. At December 31, 2006 and 2005, the Company had $943,709 and $36,715,817 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the Money Market Pool or cash. Any items open at the end of the month are settled in the following month.

E. The Company has not provided any guarantees for the benefit of an affiliate which would result in a material contingent exposure for the Company or any affiliated insurer's assets to liabilities, to the extent not disclosed in Note 14.

F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

TYPE OF CONTRACT AND DESCRIPTION	SERVICING COMPANY	OTHER PARTY
Service Expense Reimbursement	St. Paul Fire and Marine Insurance Company	The Travelers Indemnity Company
Expense Allocation	St. Paul Fire and Marine Insurance Company	Fire & Marine P&C[1]
Investment Agreement	The St. Paul Travelers Companies, Inc.	United States Fidelity and Guaranty Company
Management Agreement	United States Fidelity and Guaranty Company	St. Paul Re, Inc.
Management Services	United States Fidelity and Guaranty Company	Discovery Managers, Ltd., Discover Reinsurance Company and Discover Re Managers, Inc.

[1] "Fire & Marine P&C" includes St. Paul Fire and Marine Insurance Company and some or all of its insurance subsidiaries.

G. All of the issued and outstanding common stock of the Company is owned by Fire and Marine, an insurance company domiciled in Minnesota. The Company is a member of STA, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. The Company owns 100% of Discover Managers, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in Discover Managers at Discover Managers' GAAP equity adjusted to a statutory basis of $555.4 million.

J. The Company recorded a $46.2 million other-than-temporary impairment loss on the impending sale of its subsidiary, Afianzadora. For further information please see Note 4 Discontinued Operations.

K. Not applicable.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plans:

Not applicable.

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

D. Consolidated/Holding Company Plans:

1. Employee Retirement Plans:

The Company participates in a qualified noncontributory defined benefit pension plan in the form of a cash balance sponsored by STA for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in nonqualified defined benefit pension plans sponsored by STA and by Travelers Property Casualty Corp. (TPC) which covers certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was $1,142,793 and $874,748 for 2006 and 2005, respectively.

2. Postretirement Benefit Plan:

The Company participates in a health care and life insurance benefit plan sponsored by STA for employees of the Company and its property-casualty affiliates that satisfy certain age and service requirements and for certain retirees. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of postretirement benefit expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the postretirement benefit expense was $670,761 and $770,735 for 2006 and 2005, respectively.

3. Deferred Compensation Plans:

The Company participates in a 401(k) savings plan sponsored by STA for substantially all employees of the Company and its property-casualty affiliates. STA, in September 2005, merged the 401(k) savings plan sponsored by TPC with its 401(k) to form one 401(k) savings plan. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was $2,877,109 and $2,482,524 for 2006 and 2005, respectively.

E. Postemployment Benefits and Compensated Absences:

Not applicable.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

The Company has 40,000,000 shares of common capital stock authorized and 14,085,630 shares of common stock issued and outstanding with a par value of $2.50 per share.

The Company has 4,000,000 shares of preferred stock authorized with a par value of $50 per share, none of which is issued and outstanding.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Maryland insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2007 without prior approval is $0.

There are no restrictions on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

The change in the balance of the special surplus funds is a result of retroactive reinsurance activity occurring in 2006. See Note 23F for additional detail.

Unassigned funds or surplus has been increased by cumulative net unrealized gains of $63,596,989.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2006, the Company had commitments to fund investments of $247,580.

B. Assessments:

The Company has accrued liabilities of $12.0 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of $0.5 million at December 31, 2006. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

C. Gain Contingencies:

Not applicable.

D. All Other Contingencies:

The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 27.

In the process of selling business entities to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business entities being sold, covenants and obligations of the Company following the close, and in certain cases obligations arising from undisclosed liabilities, adverse reserve development or certain named litigation. Such indemnification provisions generally survive for periods ranging from the applicable closing date to the expiration of the relevant statutes of limitations, or in some cases agreed upon term limitations.

In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2006, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.

For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

15. LEASES

A. Lessee Leasing Arrangements:

1. At December 31, 2006 and 2005, the Company is a party to various lease agreements for office space and office equipment. The office space and office equipment leases were for various periods of time. Total rental expense under operating leases for the Company for 2006 and 2005 were $13,201 and $44,449, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

2. At December 31, 2006 the Company has remaining minimum rental payments of $4,624 expected to be paid in 2007.

NOTES TO FINANCIAL STATEMENTS

3. Sale-Leaseback Transactions:

   Not applicable.

B. Lessor's Business Activities:

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

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

In the normal course of business, the Company has unfunded commitments to partnerships and limited liability companies. The off-balance-sheet risks of these financial instruments were $247,580 at December 31, 2006.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of Receivables Reported as Sales:

Not applicable.

B. Transfer and Servicing of Financial Assets:

The Company engages in securities lending activities from which it generates net investment income from the lending of certain of its investments to other institutions for short periods of time. Borrowers of these securities provide collateral equal to at least 102% of the market value of the loaned securities plus accrued interest. This collateral is held by a third party custodian, and the Company has the right to access the collateral only in the event that the institution borrowing the Company's securities is in default under the lending agreement. Therefore, the Company does not recognize the receipt of the collateral held by the third party custodian or the obligation to return the collateral. The loaned securities remain a recorded asset of the Company. See Schedule LS for additional information.

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 PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company did not have any direct premiums written through managing general agents (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators.

20. SEPTEMBER 11 EVENTS

Through December 31, 2006, the St. Paul Travelers Reinsurance Pool (STA Pool) has recorded the following charges, before tax, for the estimated ultimate loss for both reported and unreported claims and related LAE and reinstatement premiums associated with the terrorist attack on September 11, 2001. This estimate is based on a variety of actuarial techniques, coverage interpretation and claims estimation methodologies as well as ongoing analysis of both paid and reported claims related to the attack. Since the reserves and related reinsurance recoverables are based on estimates, the ultimate net liability may be more or less than these amounts. The Company's pro rata participation percentage of the STA Pool is 4.58%.

(in millions)	Case + IBNR Reserve	Total Incurred
Gross Loss & LAE	$ 719.2	$ 2,544.7
Ceded Loss & LAE	(446.4)	(1,538.5)
Net Loss & LAE	$ 272.8	$ 1,006.2
Additional & reinstatement premiums		(41.0)
Reduction in reinsurance contingent commission expense		(91.0)
Total STA Pool Net Pretax Cost		$ 874.2
Company's retention from 4.58% participation in the STA Pool		$ 40.0

21. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures:

The Company elected to use rounding in reporting amounts in this statement.

NOTES TO FINANCIAL STATEMENTS

2006 Schedule P:

The 1996 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

	Accident Years				
Schedule P	1996	1995	1994	1993	1992 & Prior
Part 1A	$ 219	$ 111	$ 25	$ 32	$ 108
Part 1B	81	24	27	30	13,696
Part 1C	322	226	18	149	897
Part 1D	10,801	12,302	9,683	10,460	128,807
Part 1E	1,895	1,420	994	998	15,712
Part 1F - Section 1	145	140	35	55	623
Part 1F - Section 2	836	268	283	112	713
Part 1G	122	81	79	17	270
Part 1H - Section 1	5,394	3,104	5,348	12,880	127,256
Part 1H - Section 2	842	412	744	556	989
Part 1M	0	0	1	7	103
Part 1N	113	94	166	6	245
Part 1O	1,000	1,524	11,131	460	29,582
Part 1P	50	6	5	0	19
Part 1R - Section 1	1,898	1,979	1,345	1,139	69,038
Part 1R - Section 2	110	46	84	27	329

The following loss and/or LAE reserves have been ceded under retroactive reinsurance agreements. They are reported here by line of business and accident year to facilitate loss discounting under Internal Revenue Code Section 846 (in thousands):

	1997	2000	2001	2002
Commercial Auto	$ 0	$ (195)	$ (90)	$ (115)
Workers' Compensation	0	(115)	(466)	(449)
Commercial Multiple Peril	0	(1,999)	0	0
Medical Malpractice - CM	0	(2,450)	(538)	0
Special Liability	0	(69)	0	(4)
Other Liability - Occ	(25)	(5,401)	(1)	(709)
Other Liability - CM	0	(1,098)	(33)	(2)
Special Property	0	0	0	(28)
Other	0	0	0	(5)
Reinsurance A	0	0	0	(209)
Reinsurance B	0	0	0	(1,790)

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. Hybrid Securities:

Not applicable.

G. State Transferable Tax Credits:

Not applicable.

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

Not applicable.

22. EVENTS SUBSEQUENT

On February 13, 2007, STA announced that it intends to change its name to The Travelers Companies, Inc. The name change is expected to be completed during the first quarter 2007.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the STA Pool (see Note 26) and/or other reinsurance programs with affiliates and takes credit for reinsurance ceded directly and indirectly to these companies. The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums at December 31, 2006, in connection with reinsurance agreements among affiliated insurers, were as follows:

Reinsurance balances ceded to affiliates and recoverable by The Travelers Indemnity Company (06-0566050):

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	$ 11,552,949,504
Travelers Casualty and Surety Company	06-6033504	9,265,149,945
The Phoenix Insurance Company	06-0303275	2,274,651,288
The Standard Fire Insurance Company	06-6033509	2,204,527,159
United States Fidelity and Guaranty Company	52-0515280	2,007,303,063
Travelers Casualty Insurance Company of America	06-0876835	1,240,320,452
Farmington Casualty Company	06-1067463	674,944,698
The Travelers Indemnity Company of Connecticut	06-0336212	622,351,605
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	622,351,604
The Charter Oak Fire Insurance Company	06-0291290	578,524,027
St. Paul Surplus Lines Insurance Company	41-1230819	398,830,958
The Travelers Indemnity Company of America	58-6020487	350,620,622
St. Paul Protective Insurance Company	36-2542404	262,965,467
Travelers Commercial Insurance Company	06-1286268	214,755,131
Travelers Casualty Company of Connecticut	06-1286266	214,755,131
Travelers Commercial Casualty Company	95-3634110	214,755,131
Travelers Property Casualty Company of America	36-2719165	162,162,038

Travelers Property Casualty Insurance Company	06-1286274	135,865,491
Athena Assurance Company	41-1435765	131,482,733
St. Paul Medical Liability Insurance Company	41-1435766	131,482,733
Travelers Personal Security Insurance Company	06-1286264	122,717,218
Travelers Personal Insurance Company	36-3703200	122,717,218
Travelers Excess and Surplus Lines Company	06-1203698	122,717,218
TravCo Insurance Company	35-1838077	122,717,218
The Travelers Home and Marine Insurance Company	35-1838079	122,717,218
Discover Property & Casualty Insurance Company	36-2999370	65,741,367
Discover Specialty Insurance Company	52-1925132	65,741,367
Total		$ 34,005,817,604

Reinsurance balances assumed by The Travelers Indemnity Company and recoverable by the following affiliated insurers:

Company	F.E.I.N.	Amount
St. Paul Fire and Marine Insurance Company	41-0406690	$ 10,482,685,611
Travelers Property Casualty Company of America	36-2719165	9,532,163,725
Travelers Casualty and Surety Company	06-6033504	5,092,956,949
United States Fidelity and Guaranty Company	52-0515280	3,270,500,020
The Travelers Indemnity Company of Connecticut	06-0336212	2,352,389,203
The Travelers Indemnity Company of America	58-6020487	2,230,264,164
The Standard Fire Insurance Company	06-6033509	1,912,108,762
The Charter Oak Fire Insurance Company	06-0291290	1,699,728,193
The Phoenix Insurance Company	06-0303275	1,356,977,782
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	920,303,475
Discover Property & Casualty Insurance Company	36-2999370	825,755,400
St. Paul Surplus Lines Insurance Company	41-1230819	751,600,443
Travelers Casualty Insurance Company of America	06-0876835	436,846,768
Farmington Casualty Company	06-1067463	347,193,158
Travelers Property Casualty Insurance Company	06-1286274	280,840,528
The Travelers Home and Marine Insurance Company	35-1838079	224,281,672
TravCo Insurance Company	35-1838077	200,100,302
St. Paul Protective Insurance Company	36-2542404	180,729,934
Travelers Commercial Casualty Company	95-3634110	167,473,466
Travelers Personal Insurance Company	36-3703200	149,413,064
Travelers Commercial Insurance Company	06-1286268	107,256,450
Travelers Excess and Surplus Lines Company	06-1203698	104,265,928
Travelers Casualty Company of Connecticut	06-1286266	93,549,747
Athena Assurance Company	41-1435765	79,002,604
Travelers Personal Security Insurance Company	06-1286264	71,439,864
Discover Specialty Insurance Company	52-1925132	45,651,847
St. Paul Medical Liability Insurance Company	41-1435766	39,346,544
Total		$ 42,954,825,603

2. Unaffiliated Company Recoverables:

   The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums recoverable from any unaffiliated reinsurer at December 31, 2006, that exceeded 3% of the Company's surplus as regards policyholders, were as follows:

   NONE

   Additional detail on reinsurance recoverable balances by reinsurer is shown in Schedule F - Part 3.

B. Reinsurance Recoverable in Dispute:

   Not applicable.

C. Reinsurance Assumed and Ceded:

1.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	$ 379,461,128	$ 45,414,815	$ 107,695,535	$ 12,889,259	$ 271,765,593	$ 32,525,556
All Other	(1,304,500)	(156,126)	0	0	(1,304,500)	(156,126)
Total	$ 378,156,628	$ 45,258,689	$ 107,695,535	$ 12,889,259	$ 270,461,093	$ 32,369,430

Direct Unearned Premium Reserve $ 78,196,243

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to $18,306,814 at December 31, 2006. This balance represents the Company's 4.58% pro rata share of the net amount of the STA Pool (see Note 26):

Direct Business	$ 1,584,664
Add: Reinsurance Assumed	29,106,001
Less: Reinsurance Ceded	12,383,851
Net	$ 18,306,814

D. Uncollectible Reinsurance:

   Not applicable.

E. Commutation of Ceded Reinsurance:

   Not applicable.

Retroactive Reinsurance:

1.

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	$ 430,520	$ 22,228,234
(2) Adjustments - Prior Year(s)	(137,400)	606,147
(3) Adjustments - Current Year	0	703,491
(4) Current Total	$ 293,120	$ 23,537,872

NOTES TO FINANCIAL STATEMENTS

b. Consideration Paid or Received:		
(1) Initial Consideration	$ 478,843	$ 19,696,761
(2) Adjustments - Prior Year(s)	0	(65,357)
(3) Adjustments - Current Year	0	0
(4) Current Total	$ 478,843	$ 19,631,404
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	$ 172,294	$ 3,914,095
(2) Current Year	2,973	3,427,401
(3) Current Total	$ 175,267	$ 7,341,496
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	$ 48,323	$ 2,531,473
(2) Adjustments - Prior Year(s)	137,400	671,504
(3) Adjustments - Current Year	0	703,491
(4) Current Year Restricted Surplus	$ 185,723	$ 4,268,780
(5) Cumulative Total Transferred to Unassigned Funds	$ 0	$ (362,312)

e. List the other insurers included in the above transactions:

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	$ 293,120	$ -
Commercial Risk Re-Insurance Co. (27955)	-	535,860
General Reinsurance Corporation (22039)	-	13,740,000
nSpire Re Limited (AA-1784124)	-	3,352,148
Platinum Underwriters Reinsurance Inc. (10357)	-	4,881,307
Various	-	1,028,557
Total	$ 293,120	$ 23,537,872

f. Paid Loss/LAE Recoverable:

Company	Paid Loss/LAE Recoverables	Amount Over 90 Days Past Due	Collateral Held
Platinum Underwriters Reinsurance Inc. (10357)	$ 35,019	$ 0	$ 0
Various	358,799	91,712	20,309
Total	$ 393,818	$ 91,712	$ 20,309

Reinsurance Accounted for as a Deposit:

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. Accrued retrospective premiums (Page 2, Line 13.3) have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts. Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss expense reserves), or collateral as permitted by SSAP No. 66, *Retrospectively Rated Contracts*, has been nonadmitted. The amount shown in Part D below is the Company's proportionate share of the accrued retrospective premiums of the STA Pool (see Note 26).

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

C. See Schedule P - Part 7A.

D. Calculation of nonadmitted retrospective premium:

1. Total accrued retro premium	$ 6,139,455
2. Unsecured amount	3,272,831
3. Less: Nonadmitted amount (10%)	327,283
4. Admitted amount (1) - (3)	$ 5,812,172

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

In 2006, reserves for incurred loss and loss adjustment expenses for claims arising in prior years decreased by $14,301,707, primarily due to homeowners/farmowners, private passenger auto liability, commercial auto liability, workers' compensation, commercial multiple peril, special property and products liability – occurrence, partially offset by an increase in other liability – occurrence, other liability – claims made and reinsurance assumed liability loss and loss adjustment expense provisions.

The decrease in homeowners/farmowners is due to lower than expected additional living expenses related to Hurricane Katrina as well as better than expected non-catastrophe frequency and severity, due in part to changes in the marketplace, such as higher deductibles and fewer small-dollar claims, and continued evidence of a less than expected impact from demand surge. The decrease in private passenger auto liability is primarily driven by better than expected results from changes in claim handling practices as well as initiatives to fight fraud. The decrease in commercial auto liability is attributable to an improving tort environment, claim handling initiatives and improvements in auto safety technology. The decrease in workers' compensation is due to a reduction in adjusting and other loss expense reserves. The decrease in commercial multiple peril is primarily due to an improving tort environment, as well as better than expected results from enhanced risk control, underwriting and claim process initiatives. The decrease in special property is primarily attributable to a smaller than expected impact of demand surge.

The increase in other liability – claims made is due to worse than expected large loss activity and additional information from detailed claim reviews, primarily associated with accident years 2002 and 2003. The increase in reinsurance assumed liability is primarily due to changes in projected loss development driven by an unanticipated slowdown in the claim settlement patterns of the underlying casualty exposures.

The increase in other liability - occurrence and the partially offsetting decrease in products liability – occurrence is primarily due to asbestos and environmental reserve changes including a reallocation between the lines of business.

The remaining changes are generally the result of ongoing analysis of recent loss data and trends. A portion of the change from prior year effects relates to retrospectively rated policies and will not have a material impact on surplus due to accompanying premium adjustments.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company is a participant in the St. Paul Travelers Reinsurance Pool (the STA Pool), an intercompany pooling arrangement. The lead company of the STA Pool is Indemnity. Under the terms of the arrangement, the property-casualty underwriting risks for substantially all lines of business of the intercompany pool participants are reinsured with Indemnity. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by Indemnity is then retroceded to the pool participants based on pool participation percentages. The provision for reinsurance and the write-off of uncollectible reinsurance are reported in the statutory financial statements of Indemnity and are not allocated to the other pool participants.

NOTES TO FINANCIAL STATEMENTS

The names, NAIC company codes and intercompany pool percentages of the companies participating in the STA Pool are as follows:

STA Pool Participant	NAIC Company Code	Pool Participation %
St. Paul Fire and Marine Insurance Company	24767	26.36
The Travelers Indemnity Company	25658	22.41
Travelers Casualty and Surety Company	19038	21.14
The Phoenix Insurance Company	25623	5.19
The Standard Fire Insurance Company	19070	5.03
United States Fidelity and Guaranty Company	25887	4.58
Travelers Casualty Insurance Company of America	19046	2.83
Farmington Casualty Company	41483	1.54
The Automobile Insurance Company of Hartford, Connecticut	19062	1.42
The Travelers Indemnity Company of Connecticut	25682	1.42
The Charter Oak Fire Insurance Company	25615	1.32
St. Paul Surplus Lines Insurance Company	30481	0.91
The Travelers Indemnity Company of America	25666	0.80
St. Paul Protective Insurance Company	19224	0.60
Travelers Casualty Company of Connecticut	36170	0.49
Travelers Commercial Casualty Company	40282	0.49
Travelers Commercial Insurance Company	36137	0.49
Travelers Property Casualty Company of America	25674	0.37
Travelers Property Casualty Insurance Company	36161	0.31
Athena Assurance Company	41769	0.30
St. Paul Medical Liability Insurance Company	41750	0.30
TravCo Insurance Company	28188	0.28
Travelers Excess and Surplus Lines Company	29696	0.28
The Travelers Home and Marine Insurance Company	27998	0.28
Travelers Personal Security Insurance Company	36145	0.28
Travelers Personal Insurance Company	38130	0.28
Discover Property & Casualty Insurance Company	36463	0.15
Discover Specialty Insurance Company	10213	0.15

All of the above STA Pool companies are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have contractual rights of direct recovery from the non-affiliated reinsurers under the terms of such reinsurance agreements.

27. STRUCTURED SETTLEMENTS

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims.

The following life insurance companies held reserves at December 31, 2006, for structured settlement annuities purchased by members of the STA Pool (see Note 26), of which $149,392,675 is attributable to the Company:

Life Insurance Company and Location	Licensed in Company's State of Domicile	Statement Value of Annuities
Fidelity and Guaranty Life Insurance Co, Baltimore, MD	Yes	$752,466,581
MetLife Life and Annuity Company of Connecticut, Hartford, CT	Yes	359,644,692
Symetra Life Insurance Company, Bellevue, WA	Yes	281,520,031
First Colony Life Insurance Company, Lynchburg, VA	Yes	221,771,341
Genworth Life Insurance Company, Wilmington, DE	Yes	205,667,583
All other companies		1,440,778,578

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

As of December 31, 2006, the Company had liabilities of $0 related to premium deficiency reserves. See Note 1 Part C, regarding the consideration of investment income in the calculation of this premium deficiency reserve.

31. HIGH DEDUCTIBLES

At December 31, 2006, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was $341,232,923 and the amount billed and outstanding on paid claims was $5,021,979. These amounts represent the Company's proportionate share of the STA Pool (see Note 26).

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

A. Tabular workers' compensation reserves have been discounted at a maximum rate of 5% using tables appropriate to the state laws under which the benefits are paid, generally the following United States Life Tables:

Non-Fatal Cases:
United States Life Tables Total Population 1969-71 - MI
United States Life Tables Total Population 1979-81 - TX
United States Life Tables Total Population 1999 - FL, NJ & NY
United States Life Tables Total Male or Total Female 1989-91 – CA & MA
United States Life Tables Total Male or Total Female 2000 – MN
United States Life Tables Total Male or Total Female 1999 – all other states

Fatal Cases:
United States Life Tables Total Female 1969-71 – MI *
United States Life Tables Total Female 1979-81 – TX *
United States Life Tables Total Female 1989-91 – CA & MA *
* and the 1979 NCCI Remarriage Table
New York Mandated Mortality & Remarriage Table – NY
United States Life Tables Total Female 2000 – MN **
United States Life Tables Total Female 1999 – all other states **
** and the Railroad Retirement Board Remarriage Table

NOTES TO FINANCIAL STATEMENTS

Other liability reserves relating to excess coverage on workers' compensation life table claims have been discounted on the same basis as workers' compensation reserves.

The December 31, 2006 liabilities of the Company and its affiliates listed below included the following amounts of such discounted liabilities:

Company	Workers' Compensation	Other Liability
St. Paul Fire and Marine Insurance Company	$ 426,354,230	$ 10,476,081
The Travelers Indemnity Company	362,465,793	8,906,264
Travelers Casualty and Surety Company	341,924,447	8,401,536
The Phoenix Insurance Company	83,944,554	2,062,629
The Standard Fire Insurance Company	81,356,668	1,999,041
United States Fidelity and Guaranty Company	74,078,239	1,820,200
Travelers Casualty Insurance Company of America	45,773,235	1,124,709
Farmington Casualty Company	24,908,403	612,032
The Automobile Insurance Company of Hartford, Connecticut	22,967,489	564,342
The Travelers Indemnity Company of Connecticut	22,967,489	564,342
The Charter Oak Fire Insurance Company	21,350,060	524,599
St. Paul Surplus Lines Insurance Company	14,718,602	361,656
The Travelers Indemnity Company of America	12,939,430	317,939
St. Paul Protective Insurance Company	9,704,573	238,454
Travelers Casualty Company of Connecticut	7,925,401	194,738
Travelers Commercial Casualty Company	7,925,401	194,738
Travelers Commercial Insurance Company	7,925,401	194,738
Travelers Property Casualty Company of America	5,984,487	147,047
Travelers Property Casualty Insurance Company	5,014,029	123,201
St. Paul Medical Liability Insurance Company	4,852,286	119,227
Athena Assurance Company	4,852,286	119,227
TravCo Insurance Company	4,528,801	111,279
Travelers Excess and Surplus Lines Company	4,528,801	111,279
The Travelers Home and Marine Insurance Company	4,528,801	111,279
Travelers Personal Security Insurance Company	4,528,801	111,279
Travelers Personal Insurance Company	4,528,801	111,279
Discover Property & Casualty Insurance Company	2,426,143	59,614
Discover Specialty Insurance Company	2,426,143	59,614
Total	$ 1,617,428,794	$ 39,742,363

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2006 was as follows:

	Tabular Discount Included in Schedule P - Part 1			
	Workers' Compensation		Other Liability	
Company	Case	IBNR	Case	IBNR
St. Paul Fire and Marine Insurance Company	$135,691,527	$ 93,995,800	$ 4,436,388	$ 1,758,212
The Travelers Indemnity Company	115,358,388	79,910,699	3,771,603	1,494,747
Travelers Casualty and Surety Company	108,820,898	75,382,069	3,557,862	1,410,038
The Phoenix Insurance Company	26,716,200	18,506,762	873,477	346,173
The Standard Fire Insurance Company	25,892,579	17,936,226	846,549	335,501
United States Fidelity and Guaranty Company	23,576,145	16,331,593	770,814	305,486
Travelers Casualty Insurance Company of America	14,567,793	10,091,356	476,289	188,761
Farmington Casualty Company	7,927,350	5,491,409	259,182	102,718
The Automobile Insurance Company of Hartford, CT	7,309,635	5,063,507	238,986	94,714
The Travelers Indemnity Company of Connecticut	7,309,635	5,063,507	238,986	94,714
The Charter Oak Fire Insurance Company	6,794,872	4,706,922	222,156	88,044
St. Paul Surplus Lines Insurance Company	4,684,343	3,244,924	153,153	60,697
The Travelers Indemnity Company of America	4,118,104	2,852,680	134,640	53,360
St. Paul Protective Insurance Company	3,088,578	2,139,510	100,980	40,020
Travelers Casualty Company of Connecticut	2,522,339	1,747,267	82,467	32,683
Travelers Commercial Casualty Company	2,522,339	1,747,267	82,467	32,683
Travelers Commercial Insurance Company	2,522,339	1,747,267	82,467	32,683
Travelers Property Casualty Company of America	1,904,623	1,319,365	62,271	24,679
Travelers Property Casualty Insurance Company	1,595,765	1,105,414	52,173	20,677
St. Paul Medical Liability Insurance Company	1,544,289	1,069,755	50,490	20,010
Athena Assurance Company	1,544,289	1,069,755	50,490	20,010
TravCo Insurance Company	1,441,336	998,438	47,124	18,676
Travelers Excess and Surplus Lines Company	1,441,336	998,438	47,124	18,676
The Travelers Home and Marine Insurance Company	1,441,336	998,438	47,124	18,676
Travelers Personal Security Insurance Company	1,441,336	998,438	47,124	18,676
Travelers Personal Insurance Company	1,441,336	998,438	47,124	18,676
Discover Property & Casualty Insurance Company	772,145	534,878	25,245	10,005
Discover Specialty Insurance Company	772,145	534,878	25,245	10,005
Total	$514,763,000	$356,585,000	$16,830,000	$ 6,670,000

B. Non-tabular reserves have not been discounted.

C. No changes in the rates or other key assumptions used to discount prior accident year reserves have been made.

33. ASBESTOS/ENVIRONMENTAL RESERVES

The following represents the Company's allocable share of the pooled property-casualty business of the St Paul Travelers Insurance Pool (the STA Pool), based on its pro rata participation percentage of 4.58%.

A. Does the company have on the books or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes (X) No ( )

Exposure for asbestos losses arises from liability coverage written many years ago. The exposures include bodily injury and property damage losses.

With respect to reserving procedures, the Special Liability Group staff members are in daily contact with each other on pending asbestos claim activities and anticipated development. The Company also conducts an annual in-depth review of the asbestos exposures with representatives of the claim, legal, reinsurance, finance and actuarial areas to specifically review pending asbestos claims, other relevant facts and applicable law. In addition, management reviews asbestos exposures on a quarterly basis. Based on these annual and quarterly reviews, asbestos reserves are established for the Company's future exposure. Beginning in 2007 the Company will supplement the existing annual in-depth and quarterly asbestos review processes with additional aggregate quarterly reserve analyses. These additional analyses will enhance the Company's ability to detect and respond to emerging trends on a quarterly basis.

NOTES TO FINANCIAL STATEMENTS

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder annually on a policyholder-by-policyholder basis. In the course of this review, the Company considers, among other factors: available insurance coverage, including the role of any umbrella or excess insurance the Company has issued to the policyholder; limits and deductibles; an analysis of each policyholder's potential liability; the jurisdictions involved; past and anticipated future claim activity and loss development on pending claims; past settlement values of similar claims; allocated claim adjustment expense; potential role of other insurance; the role, if any, of non-asbestos claims or potential non-asbestos claims in any resolution process; and 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. For those policyholders for which an estimate of the gross ultimate exposure for indemnity and related claim adjustment expense is determined, the Company calculates, by each policy year, a ceded reinsurance projection based on any applicable facultative and treaty reinsurance, past ceded experience and reinsurance collections. Conventional actuarial methods are not utilized to establish asbestos reserves. The Company's evaluations have not resulted in any data from which a meaningful average asbestos defense or indemnity payment may be determined.

The Company also compares its historical gross and net loss and expense paid experience, year-by-year, to assess any emerging trends, fluctuations, or characteristics suggested by the aggregate paid activity.

1. Direct Basis - Asbestos:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 55,278,000	$ 227,113,000	$ 170,415,000	$ 186,818,000	$ 202,492,000
b. Incurred losses and LAE:	204,248,000	6,405,000	37,296,000	35,607,000	3,563,000
c. Calendar year payments for losses and LAE:	32,413,000	63,103,000	20,893,000	19,933,000	19,215,000
d. Ending reserves:	$ 227,113,000	$ 170,415,000	$ 186,818,000	$ 202,492,000	$ 186,840,000

2. Assumed Reinsurance Basis - Asbestos:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 11,223,000	$ 18,425,000	$ 17,360,000	$ 22,556,000	$ 24,795,000
b. Incurred losses and LAE:	8,687,000	494,000	6,520,000	5,917,000	5,845,000
c. Calendar year payments for losses and LAE:	1,485,000	1,559,000	1,324,000	3,678,000	4,242,000
d. Ending reserves:	$ 18,425,000	$ 17,360,000	$ 22,556,000	$ 24,795,000	$ 26,398,000

3. Net of Ceded Reinsurance Basis - Asbestos:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 54,292,000	$ 190,402,000	$ 149,798,000	$ 176,690,000	$ 199,384,000
b. Incurred losses and LAE:	163,597,000	4,910,000	41,553,000	40,990,000	7,506,000
c. Calendar year payments for losses and LAE:	27,487,000	45,514,000	14,661,000	18,296,000	21,464,000
d. Ending reserves:	$ 190,402,000	$ 149,798,000	$ 176,690,000	$ 199,384,000	$ 185,426,000

B. Ending loss and LAE reserves for unreported claims included in Part A above:

1. Direct Basis:	$ 165,265,000
2. Assumed Reinsurance Basis:	$ 14,149,000
3. Net of Ceded Reinsurance Basis:	$ 159,311,000

C. Ending LAE reserves for reported and unreported claims included in Part A above:

1. Direct Basis:	$ 47,384,000
2. Assumed Reinsurance Basis:	$ 91,000
3. Net of Ceded Reinsurance Basis	$ 43,764,000

D. Does the company have on the books or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ( )

Exposure for environmental losses arises from liability coverage written many years ago. The exposures include bodily injury and property damage losses.

The Company's reserves for environmental claims are not established on a claim-by-claim basis. The Company carries an aggregate bulk reserve for all of the Company's environmental claims that are in dispute, until the dispute is resolved. This bulk reserve is established and adjusted based upon the aggregate volume of in-process environmental claims and the Company's experience in resolving those claims and includes unresolved and incurred but not reported environmental claims for which the Company has not received any specific claims as well as for the anticipated cost of coverage litigation disputes relating to these claims. Case reserves are established solely for resolved claims.

The resolution of environmental exposures by the Company generally occurs by settlement on a policyholder-by-policyholder basis as opposed to a claim-by-claim basis. Generally, the Company strives to extinguish any obligations it may have under any policy issued to the policyholder for past, present and future environmental liabilities and extinguish any pending coverage litigation dispute with the policyholder. This form of settlement is commonly referred to as a "buy-back" of policies for future environmental liability. In addition, many of the agreements have also extinguished any insurance obligation which the Company may have for other claims, including but not limited to asbestos and other cumulative injury claims. The Company and its policyholders may also agree to settlements which extinguish any future liability arising from known specified sites or claims. Provisions of these agreements also include appropriate indemnities and hold harmless provisions to protect the Company. The Company's general purpose in executing these agreements is to reduce the Company's potential environmental exposure and eliminate the risks presented by coverage litigation with the policyholder and related costs.

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the allegations of environmental harm at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims, in any resolution process; and the applicable law in each jurisdiction. Conventional actuarial techniques are not used to estimate these reserves.

Historically, the Company's experience has indicated that policyholders with potentially significant environmental exposures may often have asbestos or other general liability exposures or claims pending with the Company. Due to this experience and the fact that settlement agreements with policyholders may extinguish the Company's obligations for all claims, the Company evaluates and considers the environmental reserves in conjunction with the asbestos and other general liability reserves.

The Company also compares its historical direct and net loss and expense paid experience year-by-year, to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid activity.

NOTES TO FINANCIAL STATEMENTS

1. Direct Basis - Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 40,236,000	$ 28,599,000	$ 19,856,000	$ 24,231,000	$ 15,488,000
b. Incurred losses and LAE:	(556,000)	4,391,000	13,130,000	1,975,000	5,001,000
c. Calendar year payments for losses and LAE:	11,081,000	13,134,000	8,755,000	10,718,000	8,184,000
d. Ending reserves:	$ 28,599,000	$ 19,856,000	$ 24,231,000	$ 15,488,000	$ 12,305,000

2. Assumed Reinsurance Basis- Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 6,473,000	$ 6,384,000	$ 6,083,000	$ 6,791,000	$ 6,406,000
b. Incurred losses and LAE:	920,000	456,000	1,511,000	198,000	72,000
c. Calendar year payments for losses and LAE:	1,009,000	757,000	803,000	583,000	436,000
d. Ending reserves:	$ 6,384,000	$ 6,083,000	$ 6,791,000	$ 6,406,000	$ 6,042,000

3. Net of Ceded Reinsurance Basis- Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 41,086,000	$ 30,708,000	$ 23,228,000	$ 28,417,000	$ 19,437,000
b. Incurred losses and LAE:	94,000	3,473,000	12,554,000	2,282,000	5,539,000
c. Calendar year payments for losses and LAE:	10,472,000	10,953,000	7,365,000	11,262,000	5,816,000
d. Ending reserves:	$ 30,708,000	$ 23,228,000	$ 28,417,000	$ 19,437,000	$ 19,160,000

E. Ending loss and LAE reserves for unreported claims included in Part D above:

1. Direct Basis:	$ 10,397,000
2. Assumed Reinsurance Basis:	$ 3,964,000
3. Net of Ceded Reinsurance Basis	$ 15,427,000

F. Ending LAE reserves for reported and unreported claims included in Part D above:

1. Direct Basis:	$ 3,949,000
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis	$ 3,933,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2006 are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase or decrease in asbestos and environmental claims beyond that which is anticipated, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of some disputes pertaining to the amount of available coverage for asbestos and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company and future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims. In addition, the Company's asbestos-related claims and claim adjustment expense experience has been impacted by the exhaustion or unavailability due to insolvency of other insurance sources potentially available to policyholders along with the insolvency or bankruptcy of other defendants, although the Company has noted a recent decrease in the number and volatility of asbestos-related bankruptcies. It is also not possible to predict changes in the legal and legislative environment and their impact on the future development of asbestos and environmental claims. This development will be affected by future court decisions and interpretations, as well as changes in applicable legislation, including legislation related to asbestos reform. It is also difficult to predict the ultimate outcome of large coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos reserves, which includes an annual ground-up review of asbestos policyholders, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the current asbestos and environmental reserves. In addition, the Company's estimate of ultimate claims and claim adjustment expenses may change. These additional liabilities or increases in estimates could result in income statement charges that could be material to the Company's operating results in future periods.

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	Admitted Assets as Reported in the Annual Statement 4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	197,700,364	4.9	197,700,364	4.9
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	1,565,885	0.0	1,565,885	0.0
1.22 Issued by U.S. government sponsored agencies	0	0.0	0	0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	37,873,968	0.9	37,873,968	0.9
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	484,649,430	12.1	484,649,430	12.1
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations	786,025,584	19.6	786,025,584	19.6
1.43 Revenue and assessment obligations	765,985,411	19.1	765,985,411	19.1
1.44 Industrial development and similar obligations	0	0.0	0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	118,977,132	3.0	118,977,132	3.0
1.512 Issued or guaranteed by FNMA and FHLMC	26,241,198	0.7	26,241,198	0.7
1.513 All other	0	0.0	0	0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	17,344,978	0.4	17,344,978	0.4
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.0	0	0.0
1.523 All other	58,413,701	1.5	58,413,701	1.5
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	413,810,938	10.3	413,810,938	10.3
2.2 Unaffiliated foreign securities	71,642,733	1.8	71,642,733	1.8
2.3 Affiliated securities	0	0.0	0	0.0
3. Equity interests:				
3.1 Investments in mutual funds	0	0.0	0	0.0
3.2 Preferred stocks:				
3.21 Affiliated	0	0.0	0	0.0
3.22 Unaffiliated	0	0.0	0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.0	0	0.0
3.32 Unaffiliated	5,998	0.0	5,998	0.0
3.4 Other equity securities:				
3.41 Affiliated	606,331,689	15.2	606,331,689	15.2
3.42 Unaffiliated	82,861,794	2.1	82,861,794	2.1
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.0	0	0.0
3.52 Unaffiliated	0	0.0	0	0.0
4. Mortgage loans:				
4.1 Construction and land development	0	0.0	0	0.0
4.2 Agricultural	0	0.0	0	0.0
4.3 Single family residential properties	0	0.0	0	0.0
4.4 Multifamily residential properties	0	0.0	0	0.0
4.5 Commercial loans	0	0.0	0	0.0
4.6 Mezzanine real estate loans	0	0.0	0	0.0
5. Real estate investments:				
5.1 Property occupied by company	0	0.0	0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	0	0.0	0	0.0
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)	0	0.0	0	0.0
6. Contract loans	0	0.0	0	0.0
7. Receivables for securities	12,745	0.0	12,745	0.0
8. Cash, cash equivalents and short-term investments	303,747,384	7.6	303,747,384	7.6
9. Other invested assets	28,124,474	0.7	28,124,474	0.7
10. Total invested assets	4,001,315,405	100.0	4,001,315,405	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

1.3 State regulating? Maryland

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

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002

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. 12/31/2002

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). 09/29/2004

3.4 By what department or departments? Maryland

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 a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

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

4.12 renewals? Yes [ ] No [X]

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

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

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile
	00000	

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

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. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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 location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main St., Hartford, CT 06103

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Wade T. Overgaard, F.C.A.S. & M.A.A.A. (Senior Vice President and Chief Corporate Actuary) The St. Paul Travelers Companies, Inc.
One Tower Square, Hartford, CT 06183

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

11.11 Name of real estate holding company Laurel Village Fidelity Realty, Inc.

11.12 Number of parcels involved 8

11.13 Total book/adjusted carrying value $.....0

11.2 If yes, provide explanation.
Holds a 727 unit apartment in Downtown Minneapolis

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

BOARD OF DIRECTORS

13. 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 [ ]

14. 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 [ ]

15. 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

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

16.11 To directors or other officers $.....0

16.12 To stockholders not officers $.....0

16.13 Trustees, supreme or grand (Fraternal only) $.....0

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

16.21 To directors or other officers $.....0

16.22 To stockholders not officers $.....0

16.23 Trustees, supreme or grand (Fraternal only) $.....0

17.1 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]

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

17.21 Rented from others $.....0

17.22 Borrowed from others $.....0

17.23 Leased from others $.....0

17.24 Other $.....0

18.1 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]

18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment $.....0

18.22 Amount paid as expenses $.....0

18.23 Other amounts paid $.....0

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

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

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 3-Special Deposits? Yes [X] No [ ]

20.2 If no, give full and complete information relating thereto.

21.1 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, except as shown on Schedule E-Part 3-Special Deposits, 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 17.1) Yes [X] No [ ]

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

21.21 Loaned to others $.....121,073,086

21.22 Subject to repurchase agreements $.....0

21.23 Subject to reverse repurchase agreements $.....0

21.24 Subject to dollar repurchase agreements $.....0

21.25 Subject to reverse dollar repurchase agreements $.....0

21.26 Pledged as collateral $.....110,599,183

21.27 Placed under option agreements $.....0

21.28 Letter stock or securities restricted as to sale $.....0

21.29 Other $.....0

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

24.01 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
Citibank, N.A.	Citibank Center Tampa, Tampa, FL 33610
JP Morgan Chase	3 Chase Metrotech Center, Brooklyn, NY 11245
The Bank of New York	One Wall Street, New York, NY 10286

24.02 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)
N/A		

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [ ] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A		

25.1 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]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
		0
25.2999. TOTAL		0

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

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

26. 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 (+)
26.1 Bonds	3,281,990,608	3,316,453,691	34,463,083
26.2 Preferred stocks	0	0	0
26.3 Totals	3,281,990,608	3,316,453,691	34,463,083

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

Fair values of bonds and preferred stocks are based on prices published in the NAIC Valuation of Securities.
If this unit price is not available the fair value is based upon quoted market prices or dealer quotes, or, if quoted prices are not available, based on valuation determined, in good faith, by The St. Paul Travelers Companies, Inc.

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

27.2 If no, list exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $.....2,027,028

28.2 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	999,783

29.1 Amount of payments for legal expenses, if any? $.....5,121,633

29.2 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
Simpson, Thatcher & Bartlett	1,769,739

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....75,608

30.2 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

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
1.2 If yes, indicate premium earned on U.S. business only. $.....0
1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $.....0
1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $.....0
1.5 Indicate total incurred claims on all Medicare Supplement insurance. $.....0
1.6 Individual policies:
Most current three years:
1.61 Total premium earned $.....0
1.62 Total incurred claims $.....0
1.63 Number of covered lives 0
All years prior to most current three years:
1.64 Total premium earned $.....0
1.65 Total incurred claims $.....0
1.66 Number of covered lives 0
1.7 Group policies:
Most current three years:
1.71 Total premium earned $.....0
1.72 Total incurred claims $.....0
1.73 Number of covered lives 0
All years prior to most current three years:
1.74 Total premium earned $.....0
1.75 Total incurred claims $.....0
1.76 Number of covered lives 0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$.....0	$.....0
2.2 Premium Denominator	$.....753,054,565	$.....750,048,082
2.3 Premium Ratio (2.1/2.2)	.....0.0	.....0.0
2.4 Reserve Numerator	$.....0	$.....0
2.5 Reserve Denominator	$.....2,007,381,942	$.....2,049,507,790
2.6 Reserve Ratio (2.4/2.5)	.....0.0	.....0.0

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No [ ]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating $.....6,209,585
3.22 Non-participating policies $.....758,576,676

4. For Mutual Reporting Entities and Reciprocal Exchanges only:
4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]
4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....0.0 %
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 [ ]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]
5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes [ ] No [ ]
5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
In order to manage its risk, the Company monitors the concentration of insured employees on a location basis. Although the Company currently has no workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages quarterly and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.
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 uses Risk Link, a product developed by Risk Management Solutions, Inc., to estimate its Probable Maximum Loss (PML). Property exposures are modeled using Risk Link to determine locations of concentration including California, Florida, New Madrid, the Northeast, the Gulf States and the Mid Atlantic States. For terrorism risk, the Company uses RMS-PTM, a product developed by Risk Management Solutions, Inc. Conventional attack PML's are examined for combined property and workers' compensation exposures to be contained inside aggregate corporate guidelines. Buildings with large exposures have a site engineering analysis preformed.
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 property insurance loss?
The Company purchases both excess of loss and pro rata reinsurance to protect itself from an excessive catastrophe loss.
6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 13

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information:

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement (i) it recorded a positive or negative underwriting result greater than 3% 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 3% 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) An unconditional or unilateral right by either party to commute the reinsurance contract 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), excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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 affiliate 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? 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 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information:

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

12.11 Unpaid losses $.....4,366,336
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $.....1,091,584

12.2 Of the amount on Line 13.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds: $.....3,059,017

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 [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From .....0.0 %
12.42 To .....0.0 %

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 [X] No [ ]

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

12.61 Letters of credit $.....3,313,135,027
12.62 Collateral and other funds $.....202,143,717

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....783,180

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

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount. 1

GENERAL INTERROGATORIES (continued)

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

Per the Company's Reinsurance Allocation Agreement and 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 [X]

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

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

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

15.2 If yes, give full information:

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

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

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

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [ ] No [X]

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 $ 0

17.12 Unfunded portion of Interrogatory 17.11 $ 0

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $ 0

17.14 Case reserves portion of Interrogatory 17.11 $ 0

17.15 Incurred but not reported portion of Interrogatory 17.11 $ 0

17.16 Unearned premium portion of Interrogatory 17.11 $ 0

17.17 Contingent commission portion of Interrogatory 17.11 $ 0

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

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 $ 0

17.19 Unfunded portion of Interrogatory 17.18 $ 0

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 $ 0

17.21 Case reserves portion of Interrogatory 17.18 $ 0

17.22 Incurred but not reported portion of Interrogatory 17.18 $ 0

17.23 Unearned premium portion of Interrogatory 17.18 $ 0

17.24 Contingent commission portion of Interrogatory 17.18 $ 0

FIVE-YEAR HISTORICAL DATA

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

		1 2006	2 2005	3 2004	4 2003	5 2002
	Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	573,942,630	902,306,905	629,867,950	616,382,434	685,115,031
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	160,162,017	267,499,420	249,252,869	314,931,219	315,571,797
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	308,869,282	472,653,998	350,333,940	363,533,313	243,539,728
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	13,452,558	56,715,134	85,878,630	132,164,275	192,808,673
5.	Non-proportional reinsurance lines (Lines 30, 31 & 32)	3,110,090	2,937,013	310,044	(1,490,993)	(52,815,914)
6.	Total (Line 34)	1,059,536,577	1,702,112,470	1,315,643,433	1,425,520,248	1,384,219,315
	Net Premiums Written (Page 8, Part 1B, Col. 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	341,662,946	394,605,383	196,218,552	220,845,365	203,945,510
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	144,454,925	137,992,900	126,990,144	146,545,866	154,809,136
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	272,408,826	226,516,866	302,065,022	324,696,435	194,460,399
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	4,739,573	(18,115,892)	(720,176)	103,667,663	164,824,622
11.	Non-proportional reinsurance lines (Lines 30, 31 & 32)	1,519,991	2,826,104	630,542	(1,560,508)	(50,076,371)
12.	Total (Line 34)	764,786,261	743,825,360	625,184,084	794,194,821	667,963,296
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	95,545,155	(19,835,209)	(1,125,007,594)	(98,917,615)	(395,162,789)
14.	Net investment gain (loss) (Line 11)	130,877,311	218,123,286	278,777,534	170,373,242	306,422,806
15.	Total other income (Line 15)	473,176	(14,851,481)	28,720,231	880,786	1,761,474
16.	Dividends to policyholders (Line 17)	696,347	703,188	1,327,310	(1,954,197)	2,401,786
17.	Federal and foreign income taxes incurred (Line 19)	39,162,930	(14,048,452)	(323,065,556)	61,576,247	(67,758,094)
18.	Net income (Line 20)	187,036,365	196,781,861	(495,771,583)	12,714,363	(21,622,201)
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	4,390,091,740	4,193,446,799	4,842,602,931	4,383,010,994	4,978,741,812
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 13.1)	44,873,994	43,448,578	60,776,133	62,108,029	76,856,198
	20.2 Deferred and not yet due (Line 13.2)	173,503,675	168,503,941	91,742,239	141,352,552	138,410,930
	20.3 Accrued retrospective premiums (Line 13.3)	5,812,172	8,684,938	0	0	450,000
21.	Total liabilities excluding protected cell business (Page 3, Line 24)	2,158,185,287	2,182,846,881	3,101,238,004	3,350,965,505	3,180,296,759
22.	Losses (Page 3, Line 1)	1,356,886,906	1,403,321,562	1,883,728,476	1,455,108,730	2,056,244,796
23.	Loss adjustment expenses (Page 3, Line 3)	301,758,820	306,614,808	412,055,739	342,136,382	355,842,876
24.	Unearned premiums (Page 3, Line 9)	348,657,336	339,359,001	336,497,441	397,310,947	350,823,159
25.	Capital paid up (Page 3, Lines 28 & 29)	35,214,075	35,214,075	35,214,075	43,678,608	70,579,288
26.	Surplus as regards policyholders (Page 3, Line 35)	2,231,906,453	2,010,599,918	1,741,364,927	1,032,045,489	1,798,445,053
	Risk-Based Capital Analysis					
27.	Total adjusted capital	2,231,906,453	2,010,599,918	1,741,364,927	1,032,045,489	1,798,445,053
28.	Authorized control level risk-based capital	277,047,980	287,776,058	362,157,546	238,844,644	326,932,473
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29.	Bonds (Line 1)	74.5	69.1	52.3	66.2	70.7
30.	Stocks (Lines 2.1 & 2.2)	17.2	15.1	17.3	19.1	11.0
31.	Mortgage loans on real estate (Lines 3.1 & 3.2)	0.0	1.0	1.0	2.1	1.7
32.	Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	2.0
33.	Cash, cash equivalents and short-term investments (Line 5)	7.6	10.2	24.8	3.2	11.4
34.	Contract loans (Line 6)	0.0	0.0	0.0	0.0	XXX
35.	Other invested assets (Line 7)	0.7	4.5	4.7	9.4	3.2
36.	Receivable for securities (Line 8)	0.0	0.1	0.0	0.0	0.0
37.	Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	(0.0)
38.	Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
39.	Affiliated bonds (Sch. D, Summary, Line 25, Col. 1)	0	0	0	0	0
40.	Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)	0	0	0	0	0
41.	Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)	640,663,244	503,309,036	640,576,573	458,221,479	469,076,039
42.	Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
43.	Affiliated mortgage loans on real estate	0	0	0	0	0
44.	All other affiliated	20,000,000	161,083,871	167,617,095	240,207,500	0
45.	Total of above lines 39 to 44	660,663,244	664,392,907	808,193,668	698,428,979	469,076,039
46.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)	29.6	33.0	46.4	67.7	26.1

FIVE-YEAR HISTORICAL DATA

(Continued)

		1 2006	2 2005	3 2004	4 2003	5 2002
	Capital and Surplus Accounts (Page 4)					
47.	Net unrealized capital gains (losses) (Line 24)	55,861,736	(85,399,002)	(139,382,525)	47,660,183	16,105,358
48.	Dividends to stockholders (Line 35)	0	0	0	(172,708,373)	(7,091,627)
49.	Change in surplus as regards policyholders for the year (Line 38)	221,306,534	269,234,991	709,319,438	(766,399,564)	(61,188,057)
	Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	473,696,656	(215,703,751)	434,445,178	1,254,817,514	760,968,891
51.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	127,990,969	85,250,670	101,002,070	114,549,000	90,663,854
52.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	366,196,536	401,728,110	305,163,969	201,792,044	246,679,061
53.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	109,728,020	210,238,818	411,216,982	206,343,908	175,494,434
54.	Nonproportional reinsurance lines (Lines 30, 31 & 32)	41,864,186	(37,879,794)	26,356,549	29,448,476	42,738,820
55.	Total (Line 34)	1,119,476,368	443,634,052	1,278,184,748	1,806,950,942	1,316,545,060
	Net Losses Paid (Page 9, Part 2, Col. 4)					
56.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	189,398,328	359,343,517	137,309,575	668,210,424	446,620,895
57.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	66,572,367	58,065,510	62,359,561	73,775,346	59,996,534
58.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	116,277,681	244,510,162	259,846,694	152,961,257	205,222,898
59.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	8,287,100	252,778,224	351,907,816	132,582,530	116,645,809
60.	Nonproportional reinsurance lines (Lines 30, 31 & 32)	13,276,923	25,985,541	20,648,953	21,160,582	42,145,313
61.	Total (Line 34)	393,812,399	940,682,954	832,072,599	1,048,690,139	870,631,449
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63.	Losses incurred (Line 2)	46.1	61.4	184.6	59.7	138.9
64.	Loss expenses incurred (Line 3)	12.2	13.8	46.0	18.5	(9.3)
65.	Other underwriting expenses incurred (Line 4)	28.9	27.5	37.2	34.9	31.9
66.	Net underwriting gain (loss) (Line 8)	12.7	(2.6)	(167.8)	(13.2)	(61.6)
	Other Percentages					
67.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	28.4	29.8	35.3	32.9	30.4
68.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	58.4	75.1	230.6	78.3	129.7
69.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0)	34.3	37.0	35.9	77.0	37.1
	One Year Loss Development (000 omitted)					
70.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(17,659)	24,044	804,200	115,906	488,260
71.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100)	(0.9)	1.4	77.9	6.4	26.3
	Two Year Loss Development (000 omitted)					
72.	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)	49,234	173,176	523,624	602,385	268,875
73.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	2.8	16.8	29.1	32.4	16.9

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	344,484,579	341,934,124	343,846,061	343,216,873
Governments	2. Canada	3,557,650	3,112,474	3,679,256	3,577,990
(Including all obligations guaranteed	3. Other Countries	34,316,318	34,095,412	32,297,607	34,159,191
by governments)	4. Totals	382,358,547	379,142,010	379,822,924	380,954,054
	5. United States	484,649,430	493,159,791	493,712,052	463,980,000
States, Territories and Possessions	6. Canada	6,643,240	6,318,360	6,639,850	6,500,000
(Direct and guaranteed)	7. Other Countries	0	0	0	0
	8. Totals	491,292,670	499,478,151	500,351,902	470,480,000
Political Subdivisions of States,	9. United States	786,025,584	803,129,452	788,183,340	761,150,000
Territories and Possessions	10. Canada	0	0	0	0
(Direct and guaranteed)	11. Other Countries	0	0	0	0
	12. Totals	786,025,584	803,129,452	788,183,340	761,150,000
Special Revenue and Special Assessment	13. United States	766,548,054	784,189,931	768,853,356	750,860,115
Obligations and all Non-guaranteed Obligations	14. Canada	0	0	0	0
of Agencies and Authorities of Governments	15. Other Countries	0	0	0	0
and their Political Subdivisions	16. Totals	766,548,054	784,189,931	768,853,356	750,860,115
	17. United States	75,730,001	74,697,498	76,315,413	74,174,370
Public Utilities	18. Canada	0	0	0	0
(Unaffiliated)	19. Other Countries	7,875,252	7,834,690	7,852,382	11,500,000
	20. Totals	83,605,253	82,532,188	84,167,795	85,674,370
Industrial and Miscellaneous and	21. United States	413,276,972	410,140,420	416,119,598	407,936,168
Credit Tenant Loans	22. Canada	21,106,799	20,417,690	21,527,067	20,000,000
(Unaffiliated)	23. Other Countries	36,017,443	35,677,619	35,793,786	36,133,695
	24. Totals	470,401,213	466,235,728	473,440,451	464,069,863
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. **Total Bonds**	2,980,231,321	3,014,707,461	2,994,819,768	2,913,188,402
PREFERRED STOCKS	27. United States	0	0	0	
Public Utilities	28. Canada	0	0	0	
(Unaffiliated)	29. Other Countries	0	0	0	
	30. Totals	0	0	0	
	31 United States	0	0	0	
Banks, Trust and Insurance Companies	32. Canada	0	0	0	
(Unaffiliated)	33. Other Countries	0	0	0	
	34. Totals	0	0	0	
	35. United States	0	0	0	
Industrial and Miscellaneous	36. Canada	0	0	0	
(Unaffiliated)	37. Other Countries	0	0	0	
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	41. United States	0	0	0	
Public Utilities	42. Canada	0	0	0	
(Unaffiliated)	43. Other Countries	0	0	0	
	44. Totals	0	0	0	
	45. United States	81,027,667	81,027,667	282,175	
Banks, Trust and Insurance Companies	46. Canada	0	0	0	
(Unaffiliated)	47. Other Countries	0	0	0	
	48. Totals	81,027,667	81,027,667	282,175	
	49. United States	1,840,125	1,840,125	5,114	
Industrial and Miscellaneous	50. Canada	0	0	0	
(Unaffiliated)	51. Other Countries	0	0	0	
	52. Totals	1,840,125	1,840,125	5,114	
Parent, Subsidiaries and Affiliates	53. Totals	640,663,244	640,663,244	717,469,362	
	54. **Total Common Stocks**	723,531,036	723,531,036	717,756,651	
	55. **Total Stocks**	723,531,036	723,531,036	717,756,651	
	56. **Total Bonds and Stocks**	3,703,762,357	3,738,238,497	3,712,576,419	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year		3,146,379,794	
2. Cost of bonds and stocks acquired, Column 7, Part 3		1,290,045,007	
3. Accrual of discount		5,873,035	
4. Increase (decrease) by adjustment:			
4.1 Columns 12 - 14, Part 1	2,315		
4.2 Columns 15 - 17, Part 2, Section 1	0		
4.3 Column 15, Part 2, Section 2	25,921,482		
4.4 Columns 11 - 13, Part 4	(4,764,087)	21,159,710	
5. Total gain (loss), Column 19, Part 4		1,180,410	
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4		752,815,328	
7. Amortization of premium			11,203,165
8. Foreign exchange adjustment:			
8.1 Column 15, Part 1	3,128,020		
8.2 Column 19, Part 2, Section 1	0		
8.3 Column 16, Part 2, Section 2	0		
8.4 Column 15, Part 4	14,875		3,142,895
9. Book/adjusted carrying value at end of current period			3,703,762,357
10. Total valuation allowance			0
11. Subtotal (Lines 9 plus 10)			3,703,762,357
12. Total nonadmitted amounts			34,331,555
13. Statement value of bonds and stocks, current year			3,669,430,802

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
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	44,342	10,321	11,962	867	7,360	710	269	51,766	XXX
2. 1997	701,617	129,460	572,158	436,130	76,315	53,003	11,736	39,233	2,754	14,185	437,561	XXX
3. 1998	699,536	125,505	574,031	537,355	126,812	53,365	10,847	37,801	3,276	14,679	487,586	XXX
4. 1999	674,007	116,952	557,055	548,803	151,228	59,374	15,919	28,672	3,976	15,157	465,726	XXX
5. 2000	702,676	157,386	545,290	520,379	158,315	61,595	18,488	27,866	4,456	17,167	428,581	XXX
6. 2001	755,306	144,536	610,770	614,153	212,904	63,195	22,761	30,413	4,691	13,956	467,404	XXX
7. 2002	826,598	169,215	657,383	452,759	159,793	63,870	29,356	25,172	3,318	12,530	349,333	XXX
8. 2003	915,329	193,020	722,309	391,461	105,593	44,108	16,386	24,178	2,468	11,383	335,300	XXX
9. 2004	926,672	169,836	756,836	350,610	99,664	31,098	12,494	26,986	2,159	10,505	294,376	XXX
10. 2005	1,156,598	406,550	750,048	350,119	118,141	19,649	8,976	27,156	1,563	9,288	268,245	XXX
11. 2006	1,119,559	366,504	753,055	152,972	22,975	5,919	1,942	26,099	471	5,480	159,603	XXX
12. Totals	XXX	XXX	XXX	4,399,083	1,242,062	467,138	149,772	300,937	29,841	124,599	3,745,482	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		
1. Prior	252,241	84,992	300,988	68,861	27,260	2,658	56,335	7,498	19,895	170	319	492,541	XXX
2. 1997	42,164	28,970	40,652	26,934	4,981	3,417	(13)	(2,002)	1,936	107	136	32,292	XXX
3. 1998	48,791	31,932	41,686	27,576	4,127	2,455	2,845	78	1,228	8	257	36,628	XXX
4. 1999	71,943	48,203	39,581	22,396	6,182	3,682	(2,828)	(6,283)	1,749	6	427	48,623	XXX
5. 2000	105,733	67,683	82,285	51,747	9,167	5,647	(2,882)	(6,241)	1,815	6	840	77,278	XXX
6. 2001	139,090	94,585	136,322	105,913	13,586	9,244	2,692	(2,002)	3,652	24	1,886	87,579	XXX
7. 2002	144,466	100,832	76,059	41,769	14,688	9,097	(10,274)	(16,147)	4,163	(10)	2,011	93,560	XXX
8. 2003	120,621	68,481	178,230	139,440	15,139	7,811	14,024	3,892	7,623	(29)	4,502	116,041	XXX
9. 2004	111,723	53,039	212,839	145,128	13,216	5,135	31,515	10,283	6,232	(59)	5,882	161,999	XXX
10. 2005	123,153	59,100	320,735	203,993	12,910	5,149	39,649	16,009	7,681	(112)	7,773	219,988	XXX
11. 2006	109,406	31,979	332,719	170,989	10,114	3,148	45,484	15,127	15,490	(147)	10,976	292,116	XXX
12. Totals	1,269,330	669,796	1,762,098	1,004,745	131,367	57,443	176,547	20,212	71,463	(36)	35,010	1,658,646	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	399,376	93,165
2. 1997	618,085	148,232	469,854	88.1	114.5	82.1	0	0	4.58	26,912	5,381
3. 1998	727,198	202,984	524,214	104.0	161.7	91.3	0	0	4.58	30,969	5,659
4. 1999	753,475	239,126	514,349	111.8	204.5	92.3	0	0	4.58	40,926	7,698
5. 2000	805,958	300,099	505,859	114.7	190.7	92.8	0	0	4.58	68,589	8,689
6. 2001	1,003,104	448,120	554,983	132.8	310.0	90.9	0	0	4.58	74,915	12,664
7. 2002	770,901	328,009	442,893	93.3	193.8	67.4	0	0	4.58	77,924	15,636
8. 2003	795,384	344,042	451,341	86.9	178.2	62.5	0	0	4.58	90,930	25,111
9. 2004	784,220	327,844	456,376	84.6	193.0	60.3	0	0	4.58	126,396	35,603
10. 2005	901,053	412,819	488,233	77.9	101.5	65.1	0	0	4.58	180,795	39,194
11. 2006	698,202	246,483	451,719	62.4	67.3	60.0	0	0	4.58	239,157	52,959
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,356,887	301,759

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
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	One Year	Two Year
1. Prior	1,252,861	1,212,548	1,189,221	1,153,384	1,154,397	1,261,081	1,270,504	1,332,059	1,382,549	1,399,845	17,296	67,786
2. 1997	418,784	425,323	420,091	418,295	423,038	422,431	424,254	427,847	431,047	432,496	1,449	4,649
3. 1998	XXX	443,934	445,033	453,164	466,198	472,964	477,125	483,095	487,051	489,366	2,315	6,271
4. 1999	XXX	XXX	410,497	419,806	439,042	455,971	471,704	482,336	483,222	489,000	5,779	6,664
5. 2000	XXX	XXX	XXX	393,782	409,951	422,535	446,736	471,089	474,893	481,932	7,040	10,844
6. 2001	XXX	XXX	XXX	XXX	495,714	497,603	516,502	526,266	520,176	527,127	6,950	861
7. 2002	XXX	XXX	XXX	XXX	XXX	435,702	396,699	408,343	414,830	418,720	3,890	10,376
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	442,751	418,382	425,685	424,854	(831)	6,472
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	493,336	447,343	428,647	(18,696)	(64,689)
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	500,474	457,624	(42,850)	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	413,168	XXX	XXX
12. Totals											(17,659)	49,234

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
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	000	214,736	369,187	482,156	572,244	660,776	759,613	807,984	860,261	905,377	XXX	XXX
2. 1997	125,822	210,834	264,762	312,318	347,901	368,921	385,361	393,106	396,932	401,082	XXX	XXX
3. 1998	XXX	147,602	241,677	311,516	360,690	397,269	422,259	436,422	444,472	453,061	XXX	XXX
4. 1999	XXX	XXX	143,674	245,178	317,710	374,562	402,436	418,876	432,498	441,029	XXX	XXX
5. 2000	XXX	XXX	XXX	135,593	234,328	303,610	353,458	368,689	390,240	405,171	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	144,176	262,104	334,834	385,344	422,889	441,683	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	122,762	206,237	256,330	297,778	327,479	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	128,434	220,126	279,087	313,590	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	130,737	224,852	269,549	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	140,387	242,651	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	133,974	XXX	XXX

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
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	705,672	552,316	456,762	373,051	298,531	339,826	274,212	288,550	301,628	282,781
2. 1997	179,797	110,424	70,011	43,680	31,234	22,706	16,255	15,375	15,026	16,036
3. 1998	XXX	177,513	98,012	58,019	41,108	29,234	22,154	21,085	20,518	17,235
4. 1999	XXX	XXX	156,171	69,260	31,787	13,079	30,285	25,141	17,653	21,230
5. 2000	XXX	XXX	XXX	151,879	75,881	34,770	43,394	49,412	33,170	34,605
6. 2001	XXX	XXX	XXX	XXX	227,848	121,106	84,775	53,547	34,258	36,081
7. 2002	XXX	XXX	XXX	XXX	XXX	217,130	98,937	68,434	49,869	41,532
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	224,025	109,669	73,059	51,205
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	266,481	142,393	91,845
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	231,295	143,030
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	194,744

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (YES or NO)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	YES	2,184,544	2,254,515	0	4,817,370	3,513,671	37,413,211	1,645	0
2. Alaska AK	YES	1,768,939	1,481,938	0	365,148	78,827	2,713,490	250	0
3. Arizona AZ	YES	2,419,672	3,515,658	0	2,751,944	(3,482,401)	12,750,850	1,257	0
4. Arkansas AR	YES	1,067,110	1,394,855	0	1,446,754	1,309,684	12,015,487	593	0
5. California CA	YES	111,004,120	124,326,544	0	62,243,435	77,795,754	382,082,827	86,839	0
6. Colorado CO	YES	2,385,542	3,024,175	0	2,862,501	5,567,159	22,185,016	2,529	0
7. Connecticut CT	YES	2,658,552	3,822,337	0	7,815,136	4,867,164	12,238,192	4,653	0
8. Delaware DE	YES	148,301	220,280	0	239,616	926,093	2,966,427	63	0
9. District of Columbia DC	YES	547,528	776,563	0	(478,722)	(1,515,649)	3,784,607	250	0
10. Florida FL	YES	11,287,974	14,473,433	0	51,618,557	46,028,039	129,423,327	6	0
11. Georgia GA	YES	3,442,952	4,547,170	0	5,748,391	(808,485)	26,339,553	2,883	0
12. Hawaii HI	YES	1,201,088	1,654,235	0	416,229	165,204	2,977,906	61	0
13. Idaho ID	YES	413,003	479,616	0	779,620	283,185	2,164,595	520	0
14. Illinois IL	YES	8,219,085	8,375,699	0	11,094,027	9,491,263	61,253,245	3,368	0
15. Indiana IN	YES	4,663,577	5,289,873	0	5,724,132	7,284,735	24,952,270	1,274	0
16. Iowa IA	YES	1,508,447	1,676,580	0	845,722	(899,255)	12,344,067	317	0
17. Kansas KS	YES	1,749,464	1,527,808	0	868,892	1,838,194	8,502,723	611	0
18. Kentucky KY	YES	1,660,485	2,362,742	0	8,123,712	2,537,091	26,689,717	863	0
19. Louisiana LA	YES	4,425,365	4,667,930	0	91,534,662	48,894,911	45,786,204	2,743	0
20. Maine ME	YES	681,806	760,246	0	839,476	1,523,477	5,384,931	514	0
21. Maryland MD	YES	1,989,188	2,941,313	0	3,796,323	1,785,257	15,378,463	1,038	0
22. Massachusetts MA	YES	3,016,854	4,806,038	0	30,501,368	14,881,970	44,412,403	4,601	0
23. Michigan MI	YES	13,027,976	13,984,769	0	7,153,125	(1,034,447)	66,192,583	6,399	0
24. Minnesota MN	YES	2,042,916	2,877,614	0	1,110,059	(447,937)	19,081,799	875	0
25. Mississippi MS	YES	1,818,685	3,412,487	0	35,451,175	7,252,564	46,294,642	1,262	0
26. Missouri MO	YES	3,751,728	4,224,985	0	2,487,268	4,462,604	19,360,656	1,618	0
27. Montana MT	YES	425,034	869,215	0	4,031,087	2,460,535	9,781,945	695	0
28. Nebraska NE	YES	337,658	613,089	0	913,282	1,094,282	6,055,819	155	0
29. Nevada NV	YES	1,933,580	2,207,932	0	3,658,436	3,857,966	12,401,566	1,058	0
30. New Hampshire NH	YES	734,105	1,189,785	0	139,924	1,057,158	3,135,382	887	0
31. New Jersey NJ	YES	2,832,349	5,384,787	0	11,021,140	(16,606,672)	68,745,860	2,931	0
32. New Mexico NM	YES	1,379,850	1,625,906	0	1,865,544	(10,044,961)	18,121,858	740	0
33. New York NY	YES	(11,621,097)	1,604,797	0	37,295,856	(107,569,754)	96,383,682	0	0
34. North Carolina NC	YES	2,414,448	3,797,198	0	4,996,784	776,442	23,775,663	1,775	0
35. North Dakota ND	YES	114,741	230,096	0	(4,723)	97,419	1,020,729	28	0
36. Ohio OH	YES	1,914,449	2,072,095	0	876,248	(1,329,990)	12,784,123	583	0
37. Oklahoma OK	YES	748,656	1,367,154	0	5,945,321	3,639,069	25,158,855	1	0
38. Oregon OR	YES	885,699	1,208,857	0	812,996	830,331	9,970,172	796	0
39. Pennsylvania PA	YES	7,421,793	7,399,143	0	1,953,681	50,586,247	137,345,314	5,561	0
40. Rhode Island RI	YES	532,776	797,607	0	2,602,190	1,827,180	4,237,844	1,067	0
41. South Carolina SC	YES	925,548	1,502,599	0	9,199,121	2,735,175	18,824,487	685	0
42. South Dakota SD	YES	461,507	452,568	0	230,113	482,592	3,094,142	238	0
43. Tennessee TN	YES	4,065,758	4,561,159	0	1,834,963	1,848,999	31,142,831	3,519	0
44. Texas TX	YES	9,409,347	10,428,504	0	13,441,275	7,090,044	63,597,437	7,847	0
45. Utah UT	YES	1,214,785	1,665,372	0	2,517,358	2,677,156	8,402,769	1,363	0
46. Vermont VT	YES	2,974,489	2,739,883	0	844,873	299,310	5,959,366	1,069	0
47. Virginia VA	YES	2,605,601	3,545,660	0	8,693,466	6,215,277	39,886,533	2,034	0
48. Washington WA	YES	1,796,121	2,196,738	0	1,329,546	(1,022,458)	10,355,506	1,659	0
49. West Virginia WV	YES	487,591	1,323,476	0	260,860	1,309,281	6,954,092	216	0
50. Wisconsin WI	YES	4,926,242	5,380,133	0	3,293,205	4,745,606	22,940,089	1,026	0
51. Wyoming WY	YES	117,702	218,829	0	375,802	(199,495)	1,298,414	43	0
52. American Samoa AS	NO	0	0	0	0	0	0	0	0
53. Guam GU	NO	(168)	(168)	0	0	1,382	0	0	0
54. Puerto Rico PR	YES	239,922	665,989	0	10,157,216	1,645,644	39,666,498	0	0
55. US Virgin Islands VI	YES	(33,691)	(33,265)	0	940	24,130	48,196	0	0
56. Northern Mariana Islands MP	YES	0	0	0	0	0	0	0	0
57. Canada CN	NO	0	0	0	0	(18,333)	(6,781)	0	0
58. Aggregate Other Alien OT	XXX	14,277	17,228	0	69,936	(44,968,528)	91,609,665	0	0
59. Totals	(a) 54	228,343,976	283,911,771	0	468,512,360	145,839,703	1,817,381,247	163,006	0
DETAILS OF WRITE-INS									
5801. Other Alien Combined	XXX	14,277	17,228	0	69,936	(44,968,528)	91,609,665	0	0
5802.	XXX	0	0	0	0	0	0	0	0
5803.	XXX	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	14,277	17,228	0	69,936	(44,968,528)	91,609,665	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

1. FIRE; 2. ALLIED LINES; 3. FARMOWNERS MULTIPLE PERIL; 4. HOMEOWNERS MULTIPLE PERIL; 5. COMMERCIAL MULTIPLE PERIL; 12. EARTHQUAKE; 26. BURGLARY AND THEFT; 27. BOILER AND MACHINERY-LOCATION OF PROPERTY INSURED; 8. OCEAN MARINE-LOCATION WHERE CONTRACT OF INSURANCE IS NEGOTIATED, EXCEPT BUILDERS RISKS WHICH ARE ALLOCATED ON LOCATIONS OF RISK; 9. INLAND MARINE-ADDRESS OF INSURED OR STATE OF PRINCIPAL EXPOSURE, BRIDGES AND TUNNELS-LOCATION OF PROPERTY; 10. FINANCIAL GUARANTY; 13. GROUP ACCIDENT AND HEALTH; 15. OTHER ACCIDENT AND HEALTH; 28. CREDIT-LOCATION OF INSURED; 11. MEDICAL MALPRACTICE; 16. WORKERS COMPENSATION; 17. OTHER LIABILITY; 18 PRODUCTS LIABILITY-LOCATION OF RISK; 19. AUTO LIABILITY; 21. AUTO PHYSICAL DAMAGE-LOCATION OF PRINCIPAL GARAGE OF INSURED; 22. AIRCRAFT (ALL PERILS)-LOCATION OF AIRPORT FROM WHICH INSURED AIRCRAFT PRINCIPALLY OPERATE; 23. FIDELITY-FORGERY-LOCATION OF INSURED, PUBLIC AND FEDERAL OFFICIAL-LOCATION OF OFFICIAL, ALL OTHER FIDELITY-LOCATION OF EMPLOYER; 24. SURETY-CONSTRUCTION CONTRACT-LOCATION OF WORK, SUPPLY CONTRACTS-LOCATION OF CONTRACTOR, JUDICIAL-LOCATION OF COURT, LICENSE-LOCATION OF OBLIGEE; ALL OTHER-LOCATION OF PRINCIPAL.

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

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

PART 1 - ORGANIZATIONAL CHART

The St. Paul Travelers Companies, Inc.	Minnesota	41-0518860
… St. Paul Fire and Marine Insurance Company (24767) *	Minnesota	41-0406690
… … St. Paul Mercury Insurance Company (24791) *	Minnesota	41-0881659
… … St. Paul Guardian Insurance Company (24775) *	Minnesota	41-0963301
… … St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276
… … Seaboard Surety Company (22535)*	New York	13-5379820
… … St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819
… … Athena Assurance Company (41769) *	Minnesota	41-1435765
… … St. Paul Medical Liability Insurance Company (41750) *	Minnesota	41-1435766
… … Northbrook Holdings, Inc.	Delaware	51-0375653
… … … Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370
… … … St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404
… … Discover Specialty Insurance Company (10213) *	Illinois	52-1925132
… … St. Paul Venture Capital VI, LLC (99%)	Delaware	41-1985249
… … Unionamerica Holdings, Ltd.	United Kingdom	
… … … Unionamerica Acquisition Company, Ltd.	United Kingdom	
… … … … Unionamerica Insurance Company, Ltd. *	United Kingdom	
… … … … Unionamerica Combined Investment Co., Ltd.	United Kingdom	
… … … … … Jago Dedicated, Ltd. (88.9%)	United Kingdom	
… … … … … … Jago Capital Limited	United Kingdom	
… … … … … … … Lloyds Syndicate 205 *	United Kingdom	
… … MMedica Insurance Company, Ltd. *	Ireland	
… … Captiva, Ltd. (81.1%) *	Bermuda	98-0170615
… … United States Fidelity and Guaranty Company (25887) *	Maryland	52-0515280
… … … Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768
… … … Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525
… … … Afianzadora Insurgentes, S.A. De C.V. (99.9%) *	Mexico	
… … … Discover Re Managers, Inc.	Delaware	06-1288492
… … … … Discover Reinsurance Company (44440) *	Indiana	06-1313745
… … … … Discovery Managers, Ltd.	Connecticut	06-1273933
… … Chandler AZ Properties, LLC	Delaware	41-0406690
… Mountain Ridge Insurance Company (10950) *	Vermont	52-1957776
… St. Paul Bermuda Holdings, Inc.	Delaware	41-1835264
… … St. Paul (Bermuda), Ltd. *	Bermuda	98-0162036
… … St. Paul Re (Bermuda), Ltd. *	Bermuda	98-0114704
… St. Paul Reinsurance Company Limited *	United Kingdom	
… St. Paul Travelers Insurance Company Limited *	United Kingdom	
… F&G U.K. Underwriters Limited	United Kingdom	
… … Lloyds Syndicate 5000 (40%) *	United Kingdom	
… … Lloyds Syndicate 183 (40%) *	United Kingdom	
… … Lloyds Syndicate 314 (40%) *	United Kingdom	
… … Lloyds Syndicate 1411 (40%) *	United Kingdom	
… Aprilgrange Limited	United Kingdom	
… … Lloyds Syndicate 5000 (60%) *	United Kingdom	
… … Lloyds Syndicate 183 (60%) *	United Kingdom	
… … Lloyds Syndicate 314 (60%) *	United Kingdom	
… … Lloyds Syndicate 1411 (60%) *	United Kingdom	
… Travelers Property Casualty Corp.	Connecticut	06-1008174
… … Travelers Insurance Group Holdings Inc.	Delaware	06-1445591
… … … TPC Investments Inc.	Connecticut	06-1534005
… … … … TPC UK Investments LLC	United Kingdom	
… … … The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509
… … … … The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755
… … … … Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264
… … … … Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274
… … … … Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200
… … … Travelers (Bermuda) Limited *	Bermuda	98-0190863
… … … Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504
… … … … Farmington Casualty Company (41483) *	Connecticut	06-1067463
… … … … St. Paul Guarantee Insurance Company *	Canada	
… … … … … Coronation Insurance Company, Ltd. *	Canada	
… … … … TCS European Investments Inc.	Connecticut	06-1549972
… … … … Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
… … … … Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
… … … … Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
… … … … Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
… … … … Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
… … … … Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
… … … … Travelers PC Fund Investments, Inc.	Connecticut	06-1514468
… … … The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
… … … … The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
… … … … First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
… … … … First Trenton Indemnity Company (29930) *	New Jersey	22-3129711
… … … … … Travelers Auto Insurance Co. of New Jersey (10785) *	New Jersey	22-3499393
… … … … Atlantic Insurance Company (22209) *	Texas	75-6013587
… … … … Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
… … … … Select Insurance Company (22233) *	Texas	75-6013697
… … … … Gulf Insurance Holdings U.K. Ltd.	United Kingdom	
… … … … … Gulf Underwriting Holdings Limited	United Kingdom	
… … … … … … Gulf Underwriting Limited *	United Kingdom	
… … … … … … St. Paul Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
… … … … The Northland Company	Minnesota	41-0588627
… … … … … Commercial Guaranty Casualty Insurance Company (21296) *	Indiana	35-0293730
… … … … … … Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
… … … … … Jupiter Holdings, Inc.	Minnesota	41-1769846
… … … … … … American Equity Insurance Company (43117) *	Arizona	86-0703220
… … … … … … … American Equity Specialty Insurance Company (10819) *	California	86-0868106
… … … … … … Mendota Insurance Company (33650) *	Minnesota	41-1639286
… … … … … … … Mendakota Insurance Company (22454) *	Minnesota	31-1160863
… … … … … … Northland Insurance Company (24015) *	Minnesota	41-6009967
… … … … … … … Northfield Insurance Company (27987) *	Iowa	41-0983992
… … … … … … … Northland Casualty Company (24031) *	Minnesota	94-6051964
… … … … Travelers Indemnity UK Investments, LLC	Connecticut	06-1591454
… … … … The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
… … … … … The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
… … … … … The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
… … … … … Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
… … … … … Constitution State Services, LLC	Connecticut	06-1501229
… … … … The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
… … … … TINDY RE Investments, Inc.	Connecticut	06-1575463
… … … … TINDY Foreign, Inc.	Connecticut	20-4403403
… … … … TravCo Insurance Company (28188) *	Connecticut	35-1838077

Notes:

* Denotes affiliated insurer

Unless otherwise stated, subsidiaries listed above are 100% owned by respective parent

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

PART 1 - ORGANIZATIONAL CHART

… … … … Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
… … … … The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
… … … … The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
… … … … The Travelers Marine Corporation	California	94-0338230

Notes:
* Denotes affiliated insurer
Unless otherwise stated, subsidiaries listed above are 100% owned by respective parent