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

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

NAIC Group Code 3548 (Current Period) 3548 (Prior Period) NAIC Company Code 24767 Employer's ID Number 41-0406690

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

INCORPORATED/ORGANIZED, APRIL 20, 1925 COMMENCED BUSINESS, APRIL 22, 1925

Statutory Home Office: **385 Washington Street, St. Paul, MN 55102**
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	# MARIA OLIVO	Executive Vice President, Investor Relations & Communications
2. JAY STEVEN BENET	Vice Chairman & Chief Financial Officer	# KATHLEEN LYNCH PRESTON	Executive Vice President, Enterprise Development
3. CHARLES JOSEPH CLARKE	Vice Chairman	DOREEN SPADORCIA	Executive Vice President, Claim
4. WILLIAM HERBERT HEYMAN	Vice Chairman & Chief Investment Officer	KENNETH FRANKLIN SPENCE, III	Executive Vice President & General Counsel
5. # JOHN JOSEPH ALBANO	Executive Vice President, Business Insurance	BRUCE ALLEN BACKBERG	Senior Vice President & Corporate Secretary
6. ANDY FRANCIS BESSETTE	Executive Vice President & Chief Administrative Officer	# DOUGLAS KEITH BELL **	Senior Vice President, Accounting Standards
7. # WILLIAM PATRICK HANNON *	Executive Vice President, Enterprise Risk Management and Business Conduct Officer	# JOHN PATRICK CLIFFORD, JR.	Senior Vice President, Human Resources
8. # JOSEPH PATRICK LACHER, JR	Executive Vice President, Personal Insurance	WADE THOMAS OVERGAARD	Senior Vice President & Chief Corporate Actuary
9. # SAMUEL GERSTEN LISS	Executive Vice President, Strategic Development and Financial & Professional & International Insurance	DOUGLAS KENNETH RUSSELL	Senior Vice President, Treasurer & Corporate Controller
		SCOTT WILLIAM RYNDA	Senior Vice President, Tax Administration

DIRECTORS

JAY STEVEN BENET
ANDY FRANCIS BESSETTE
WILLIAM HERBERT HEYMAN
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
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)	12,822,307,157	0	12,822,307,157	12,643,301,553
2. Stocks (Schedule D):				
2.1 Preferred stocks	51,160,824	0	51,160,824	28,466,478
2.2 Common stocks	3,164,920,518	2,874,780	3,162,045,738	2,935,448,652
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
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)	101,851,228	0	101,851,228	103,735,730
4.2 Properties held for the production of income (less $.....0 encumbrances)	615,445,283	0	615,445,283	572,606,745
4.3 Properties held for sale (less $.....0 encumbrances)	0	0	0	0
5. Cash ($.....15,677,679, Sch. E-Part 1), cash equivalents ($.....25,472,096, Sch. E-Part 2) and short-term investments ($.....473,125,101, Sch. DA)	514,274,875	0	514,274,875	545,302,469
6. Contract loans (including $.....0 premium notes)	0	0	0	0
7. Other invested assets (Schedule BA)	938,002,444	4,502,342	933,500,102	864,592,771
8. Receivables for securities	947,254	0	947,254	19,792,491
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	18,208,909,583	7,377,122	18,201,532,462	17,713,246,889
11. Title plants less $.....0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	174,855,426	0	174,855,426	164,447,984
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection	328,400,193	30,975,612	297,424,581	277,058,021
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....21,848,345 earned but unbilled premiums)	1,009,474,845	8,345,798	1,001,129,046	975,122,963
13.3 Accrued retrospective premiums	35,335,380	1,883,664	33,451,716	49,985,801
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,178,299	0	1,178,299	1,385,399
14.2 Funds held by or deposited with reinsured companies	84,604,424	0	84,604,424	108,806,631
14.3 Other amounts receivable under reinsurance contracts	0	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	39,588,950
16.2 Net deferred tax asset	694,023,150	438,990,956	255,032,194	366,694,642
17. Guaranty funds receivable or on deposit	11,584,276	0	11,584,276	13,541,608
18. Electronic data processing equipment and software	669,422	0	669,422	2,658,042
19. Furniture and equipment, including health care delivery assets ($.....0)	16,709,651	16,709,651	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	171,319,467	60,787,513	110,531,954	187,920,894
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	20,737,064,116	565,070,315	20,171,993,801	19,900,457,826
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. TOTALS (Lines 24 and 25)	20,737,064,116	565,070,315	20,171,993,801	19,900,457,826
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	32,410,755	0	32,410,755	16,131,711
2302. Suspense, undistributed payments	29,749,665	0	29,749,665	85,118,987
2303. Ceded deposit asset	23,046,935	0	23,046,935	27,060,291
2398. Summary of remaining write-ins for Line 23 from overflow page	86,112,112	60,787,513	25,324,599	59,609,905
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	171,319,467	60,787,513	110,531,954	187,920,894

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 34, Column 8)	8,162,526,178	8,399,417,898
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	40,503,853	20,817,526
3.	Loss adjustment expenses (Part 2A, Line 34, Column 9)	1,851,897,924	1,865,968,230
4.	Commissions payable, contingent commissions and other similar charges	157,039,021	149,281,104
5.	Other expenses (excluding taxes, licenses and fees)	129,580,371	88,290,790
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	116,046,849	131,500,649
7.1	Current federal and foreign income taxes (including $.....14,623,894 on realized capital gains (losses))	99,235,922	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 $.....900,002,930 and including warranty reserves of $.....0)	2,105,017,678	2,039,240,515
10.	Advance premiums	499,942	600,467
11.	Dividends declared and unpaid:		
	11.1 Stockholders	0	0
	11.2 Policyholders	5,669,104	6,601,084
12.	Ceded reinsurance premiums payable (net of ceding commissions)	100,353,354	101,964,245
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	221,250	222,762
14.	Amounts withheld or retained by company for account of others	122,426,780	173,575,526
15.	Remittances and items not allocated	58,542,870	37,136,895
16.	Provision for reinsurance (Schedule F, Part 7)	43,856,641	41,199,684
17.	Net adjustments in assets and liabilities due to foreign exchange rates	56,558,848	60,236,399
18.	Drafts outstanding	0	0
19.	Payable to parent, subsidiaries and affiliates	167,455,543	131,618,088
20.	Payable for securities	8,748,208	162,453,976
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	(74,065,389)	(85,527,541)
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	13,152,114,948	13,324,598,297
25.	Protected cell liabilities	0	0
26.	Total liabilities (Lines 24 and 25)	13,152,114,948	13,324,598,297
27.	Aggregate write-ins for special surplus funds	26,637,705	24,332,624
28.	Common capital stock	20,000,000	20,000,000
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	3,538,480,796	3,538,480,796
33.	Unassigned funds (surplus)	3,434,760,352	2,993,046,110
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)	7,019,878,853	6,575,859,529
36.	TOTALS (Page 2, Line 26, Col. 3)	20,171,993,801	19,900,457,826

DETAILS OF WRITE-INS

2301.	Investment real estate liability	13,049,238	11,992,265
2302.	Interest deposit liability	5,851,155	6,437,860
2303.	Retrospective premium reserve	1,374,780	1,374,780
2398.	Summary of remaining write-ins for Line 23 from overflow page	(94,340,562)	(105,332,446)
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	(74,065,389)	(85,527,541)
2701.	Special surplus from retroactive reinsurance	25,637,705	23,332,624
2702.	Guaranty surplus fund	1,000,000	1,000,000
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)	26,637,705	24,332,624
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

	UNDERWRITING INCOME	1 Current Year	2 Prior Year
1.	Premiums earned (Part 1, Line 34, Column 4)	4,572,152,181	4,569,071,106
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 34, Column 7)	2,108,955,145	2,755,241,835
3.	Loss expenses incurred (Part 3, Line 25, Column 1)	569,772,269	633,613,281
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,338,197,865	1,268,930,955
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	4,016,925,279	4,657,786,071
7.	Net income of protected cells	0	0
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	555,226,903	(88,714,965)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	740,178,616	784,298,923
10.	Net realized capital gains (losses) less capital gains tax of $.....19,815,032 (Exhibit of Capital Gains (Losses))	(116,614,592)	93,154,292
11.	Net investment gain (loss) (Lines 9 + 10)	623,564,024	877,453,216
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....(3,582,024) amount charged off $.....4,046,214)	(7,628,238)	(8,754,654)
13.	Finance and service charges not included in premiums	22,570,486	21,736,786
14.	Aggregate write-ins for miscellaneous income	(27,768,532)	(4,693,088)
15.	Total other income (Lines 12 through 14)	(12,826,284)	8,289,043
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,165,964,643	797,027,294
17.	Dividends to policyholders	4,007,798	4,047,167
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)	1,161,956,845	792,980,127
19.	Federal and foreign income taxes incurred	303,576,896	(190,290,108)
20.	Net income (Line 18 minus Line 19) (to Line 22)	858,379,950	983,270,235
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	6,575,859,529	5,508,658,245
22.	Net income (from Line 20)	858,379,950	983,270,235
23.	Net transfers (to) from Protected Cell accounts	0	0
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....1,587,530	888,888,774	(188,222,617)
25.	Change in net unrealized foreign exchange capital gain (loss)	10,899,411	(9,732,444)
26.	Change in net deferred income tax	95,693,998	(286,893,895)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3)	(194,845,595)	430,313,379
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(2,656,958)	139,880,143
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	(1,413,517)
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	0
	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	(780,000,000)	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	(432,340,256)	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	444,019,324	1,067,201,284
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	7,019,878,853	6,575,859,529

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	3,755,114	(29,194,978)
1402.	Change in COLI cash values	770,825	239,164
1403.	Profit and loss, miscellaneous	(13,185,773)	24,281,942
1498.	Summary of remaining write-ins for Line 14 from overflow page	(19,108,698)	(19,216)
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(27,768,532)	(4,693,088)
3701.	Prior period adjustment	(432,340,256)	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)	(432,340,256)	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	4,619,581,168	4,359,214,231
2.	Net investment income	806,332,311	824,925,950
3.	Miscellaneous income	(12,826,284)	8,289,043
4.	Total (Lines 1 through 3)	5,413,087,196	5,192,429,224
5.	Benefit and loss related payments	2,301,751,231	2,695,402,347
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,887,599,015	1,830,944,875
8.	Dividends paid to policyholders	4,939,778	15,413,371
9.	Federal and foreign income taxes paid (recovered) $.....199,394 net of tax on capital gains (losses)	184,567,056	271,407,990
10.	Total (Lines 5 through 9)	4,378,857,080	4,813,168,582
11.	Net cash from operations (Line 4 minus Line 10)	1,034,230,115	379,260,642
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	2,204,584,954	2,274,740,888
	12.2 Stocks	106,560,491	621,942,220
	12.3 Mortgage loans	0	8,780,501
	12.4 Real estate	0	68,339,631
	12.5 Other invested assets	165,552,045	62,177,688
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	2,397,961	(7,170)
	12.7 Miscellaneous proceeds	18,845,238	(12,800,423)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,497,940,689	3,023,173,334
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	2,421,621,844	3,445,771,495
	13.2 Stocks	99,951,964	105,346,136
	13.3 Mortgage loans	0	0
	13.4 Real estate	69,829,927	39,348,599
	13.5 Other invested assets	146,374,255	170,717,153
	13.6 Miscellaneous applications	153,705,768	(127,815,157)
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,891,483,757	3,633,368,226
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)	(393,543,068)	(610,194,892)
	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	0
	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	780,000,000	0
	16.6 Other cash provided (applied)	108,285,359	409,404,528
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(671,714,641)	409,404,528
	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)	(31,027,594)	178,470,278
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	545,302,469	366,832,191
	19.2 End of year (Line 18 plus Line 19.1)	514,274,875	545,302,469

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

20.0001	Securities moved from Bond to Stock on Schedule D	10,294,244	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	189,741,165	74,471,871	84,882,233	179,330,804
2. Allied lines	124,627,488	48,961,112	54,669,701	118,918,899
3. Farmowners multiple peril	27,374,208	12,144,593	12,981,052	26,537,749
4. Homeowners multiple peril	637,479,903	307,688,776	338,931,543	606,237,136
5. Commercial multiple peril	782,569,014	359,898,292	365,259,591	777,207,715
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	93,038,071	32,105,234	35,345,005	89,798,301
9. Inland marine	209,607,635	83,032,517	92,853,995	199,786,157
10. Financial guaranty	0	0	0	0
11.1 Medical malpractice - occurrence	360,980	(94)	8,654	352,233
11.2 Medical malpractice - claims-made	124,281	423,196	378,893	168,585
12. Earthquake	23,073,069	9,779,227	11,101,518	21,750,778
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	543,618,245	163,488,974	203,296,557	503,810,662
17.1 Other liability - occurrence	469,189,298	190,401,505	185,018,027	474,572,776
17.2 Other liability - claims-made	197,935,452	110,942,718	109,374,858	199,503,313
18.1 Products liability - occurrence	86,641,894	41,138,427	34,902,527	92,877,794
18.2 Products liability - claims-made	5,149,283	2,177,739	2,191,202	5,135,819
19.1, 19.2 Private passenger auto liability	445,581,576	159,523,947	163,922,667	441,182,855
19.3, 19.4 Commercial auto liability	355,245,742	167,544,476	162,293,177	360,497,041
21. Auto physical damage	371,761,838	141,418,171	144,482,999	368,697,010
22. Aircraft (all perils)	55,130	145,060	145,060	55,130
23. Fidelity	21,233,676	12,804,754	14,050,755	19,987,675
24. Surety	11,673,652	21,045,682	5,624,650	27,094,684
26. Burglary and theft	1,798,986	1,646,697	1,388,448	2,057,234
27. Boiler and machinery	47,137,395	20,778,234	21,569,686	46,345,943
28. Credit	67,341	104,470	51,748	120,063
29. International	(2,010,883)	429,932	213,616	(1,794,568)
30. Reinsurance - nonproportional assumed property	1,701,991	102,070	202,799	1,601,263
31. Reinsurance - nonproportional assumed liability	10,044,638	4,757,256	4,246,252	10,555,643
32. Reinsurance - nonproportional assumed financial lines	(213,152)	95,053	118,412	(236,511)
33. Aggregate write-ins for other lines of business	0	0	0	0
34. TOTALS	4,654,607,916	1,967,049,890	2,049,505,625	4,572,152,181

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	82,547,961	3,254,174	(919,902)	0	84,882,233
2.	Allied lines	53,332,115	1,411,415	(73,829)	0	54,669,701
3.	Farmowners multiple peril	13,080,966	(99,914)	0	0	12,981,052
4.	Homeowners multiple peril	338,931,543	0	0	0	338,931,543
5.	Commercial multiple peril	368,069,734	(100,371)	(2,698,658)	(11,114)	365,259,591
6.	Mortgage guaranty	0	0	0	0	0
8.	Ocean marine	36,992,023	685,194	(2,332,212)	0	35,345,005
9.	Inland marine	74,763,438	20,457,171	(2,366,614)	0	92,853,995
10.	Financial guaranty	0	0	0	0	0
11.1	Medical malpractice - occurrence	8,654	0	0	0	8,654
11.2	Medical malpractice - claims-made	1,686	0	(10)	377,217	378,893
12.	Earthquake	10,546,905	554,613	0	0	11,101,518
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	235,785,185	92,002	(3,696,222)	(28,884,410)	203,296,557
17.1	Other liability - occurrence	192,434,321	1,525,149	(4,361,971)	(4,579,472)	185,018,027
17.2	Other liability - claims-made	88,776,555	21,087,001	(488,698)	0	109,374,858
18.1	Products liability - occurrence	32,104,375	3,541,853	(403,922)	(339,780)	34,902,527
18.2	Products liability - claims-made	2,164,074	28,188	(1,060)	0	2,191,202
19.1, 19.2	Private passenger auto liability	163,922,667	0	0	(0)	163,922,667
19.3, 19.4	Commercial auto liability	162,881,027	501,602	(874,111)	(215,341)	162,293,177
21.	Auto physical damage	144,377,627	163,514	(47,334)	(10,808)	144,482,999
22.	Aircraft (all perils)	145,060	0	0	0	145,060
23.	Fidelity	7,439,929	6,610,827	0	0	14,050,755
24.	Surety	(296,322)	9,504,776	(3,583,804)	0	5,624,650
26.	Burglary and theft	727,997	660,451	0	0	1,388,448
27.	Boiler and machinery	21,068,600	501,086	0	0	21,569,686
28.	Credit	51,748	0	0	0	51,748
29.	International	213,616	0	0	0	213,616
30.	Reinsurance - nonproportional assumed property	202,799	0	0	0	202,799
31.	Reinsurance - nonproportional assumed liability	3,970,436	275,816	0	0	4,246,252
32.	Reinsurance - nonproportional assumed financial lines	117,932	479	0	0	118,412
33.	Aggregate write-ins for other lines of business	0	0	0	0	0
34.	TOTALS	2,034,362,650	70,655,028	(21,848,345)	(33,663,709)	2,049,505,625
35.	Accrued retrospective premiums based on experience					33,663,709
36.	Earned but unbilled premiums					21,848,345
37.	Balance (sum of Lines 34 through 36)					2,105,017,679

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	182,084,819	152,547,642	4,124,151	137,044,817	11,970,630	189,741,165
2. Allied lines	59,254,918	122,422,537	7,276,587	64,273,352	53,202	124,627,488
3. Farmowners multiple peril	0	27,374,208	0	0	0	27,374,208
4. Homeowners multiple peril	2,203,386	637,479,903	217,449	2,420,835	0	637,479,903
5. Commercial multiple peril	25,878,326	781,979,054	(64,761)	25,223,398	206	782,569,014
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	236,004,925	75,745,768	412,829	218,147,410	978,042	93,038,071
9. Inland marine	94,386,319	194,092,405	519,411	76,678,676	2,711,825	209,607,635
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	1,273,925	360,980	0	1,273,925	0	360,980
11.2 Medical malpractice - claims-made	0	124,281	(58)	(58)	0	124,281
12. Earthquake	5,728,588	17,415,684	0	18,404	52,799	23,073,069
13. Group accident and health	0	0	200,426	200,426	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	472,148	(71,978)	(129,329)	270,841	0	0
16. Workers' compensation	105,864,314	543,669,522	18,101,859	124,017,317	132	543,618,245
17.1 Other liability - occurrence	677,861,030	450,412,143	765,804	659,759,169	90,510	469,189,298
17.2 Other liability - claims-made	338,927,147	187,497,559	2,131,628	330,485,299	135,582	197,935,452
18.1 Products liability - occurrence	126,373,667	28,564,604	2,774,202	63,954,531	7,116,049	86,641,894
18.2 Products liability - claims-made	15,840,019	3,948,906	(40,933)	14,563,709	35,000	5,149,283
19.1, 19.2 Private passenger auto liability	29,665	445,581,576	0	29,665	0	445,581,576
19.3, 19.4 Commercial auto liability	197,011,644	321,595,990	(56,568,402)	105,594,135	1,199,356	355,245,742
21. Auto physical damage	51,193,490	361,987,241	(2,505,445)	38,435,331	478,117	371,761,838
22. Aircraft (all perils)	0	55,130	(2,056)	(2,056)	0	55,130
23. Fidelity	37,558,763	20,247,012	44,702	36,615,758	1,043	21,233,676
24. Surety	26,815,141	11,603,883	1,033,331	27,778,702	0	11,673,652
26. Burglary and theft	5,539,784	1,508,633	2,290	5,251,505	217	1,798,986
27. Boiler and machinery	9,861,145	45,406,574	108,435	8,226,773	11,987	47,137,395
28. Credit	0	67,341	254,471	254,471	0	67,341
29. International	0	(9,977,691)	502,559	(7,464,249)	0	(2,010,883)
30. Reinsurance - nonproportional assumed property	XXX	1,521,728	4,291,248	4,110,985	0	1,701,991
31. Reinsurance - nonproportional assumed liability	XXX	12,664,850	33,326,639	35,946,829	21	10,044,638
32. Reinsurance - nonproportional assumed financial lines	XXX	(216,246)	(942,936)	(946,030)	0	(213,152)
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	2,200,163,162	4,435,609,238	15,834,103	1,972,163,870	24,834,717	4,654,607,916

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	64,733,111	74,868,982	54,097,599	85,504,493	106,676,766	86,541,299	105,639,960	58.9
2.	Allied lines	54,329,501	82,772,330	57,147,987	79,953,845	72,656,841	129,601,721	23,008,965	19.3
3.	Farmowners multiple peril	0	10,028,922	538	10,028,384	7,241,966	8,800,228	8,470,122	31.9
4.	Homeowners multiple peril	1,180,893	258,970,436	1,177,092	258,974,237	151,354,380	214,568,653	195,759,963	32.3
5.	Commercial multiple peril	34,204,783	366,267,141	42,974,413	357,497,510	781,177,979	882,106,062	256,569,428	33.0
6.	Mortgage guaranty	0	0	0	0	0	0	0	0.0
8.	Ocean marine	127,385,889	39,703,144	125,241,131	41,847,901	46,833,435	53,159,258	35,522,078	39.6
9.	Inland marine	81,611,490	65,524,157	78,923,408	68,212,239	88,839,890	100,235,843	56,816,286	28.4
10.	Financial guaranty	0	0	0	0	0	0	0	0.0
11.1	Medical malpractice - occurrence	33,458,279	10,707,701	33,458,279	10,707,701	50,480,642	55,312,499	5,875,844	1,668.2
11.2	Medical malpractice - claims-made	175,181,257	47,025,983	180,219,471	41,987,769	85,284,767	121,771,698	5,500,839	3,263.0
12.	Earthquake	(5,059)	(87,525)	(5,059)	(87,525)	891,495	9,147,735	(8,343,765)	(38.4)
13.	Group accident and health	0	2,403,044	2,403,044	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	7,753	471,044	478,798	0	(0)	0	(0)	0.0
16.	Workers' compensation	172,656,263	268,703,623	190,669,955	250,689,931	2,351,845,365	2,255,633,047	346,902,250	68.9
17.1	Other liability - occurrence	264,689,127	276,667,492	303,533,526	237,823,093	1,765,974,745	1,621,152,863	382,644,975	80.6
17.2	Other liability - claims-made	95,266,067	114,053,846	99,826,356	109,493,558	389,281,953	372,532,159	126,243,352	63.3
18.1	Products liability - occurrence	86,858,012	41,599,800	65,386,716	63,071,096	555,755,512	686,091,440	(67,264,833)	(72.4)
18.2	Products liability - claims-made	718,016	263,571	701,542	280,045	14,574,695	13,836,562	1,018,178	19.8
19.1, 19.2	Private passenger auto liability	797,127	233,148,206	797,127	233,148,206	396,210,419	395,413,528	233,945,097	53.0
19.3, 19.4	Commercial auto liability	185,096,317	153,188,276	161,078,312	177,206,281	493,554,061	522,268,886	148,491,455	41.2
21.	Auto physical damage	24,004,229	182,229,016	21,041,759	185,191,486	37,636,511	39,698,470	183,129,527	49.7
22.	Aircraft (all perils)	0	248,685	34,690	213,995	8,014,755	6,932,463	1,296,287	2,351.3
23.	Fidelity	15,058,955	12,879,067	18,627,858	9,310,163	22,017,372	21,303,735	10,023,801	50.1
24.	Surety	65,542,701	36,900,887	69,042,007	33,401,581	112,074,694	134,957,056	10,519,219	38.8
26.	Burglary and theft	651,630	282,680	632,765	301,546	2,562,032	2,199,480	664,099	32.3
27.	Boiler and machinery	1,273,906	8,729,119	1,232,949	8,770,076	14,891,073	20,696,164	2,964,985	6.4
28.	Credit	0	1,341,430	1,062,953	278,476	3,287,816	3,468,592	97,700	81.4
29.	International	0	23,489,881	18,591,139	4,898,741	25,375,592	34,981,715	(4,707,381)	262.3
30.	Reinsurance - nonproportional assumed property	XXX	26,489,282	19,561,512	6,927,770	56,200,717	69,909,703	(6,781,216)	(423.5)
31.	Reinsurance - nonproportional assumed liability	XXX	306,704,498	236,366,381	70,338,116	511,784,559	525,607,165	56,515,510	535.4
32.	Reinsurance - nonproportional assumed financial lines	XXX	(594,406)	(457,040)	(137,366)	10,046,505	9,820,386	88,754	(37.5)
33.	Aggregate write-ins for other lines of business	0	13,515	0	13,515	(358)	1,669,490	(1,656,333)	0.0
34.	TOTALS	1,484,700,249	2,644,993,825	1,783,847,208	2,345,846,866	8,162,526,178	8,399,417,898	2,108,955,145	46.1
	DETAILS OF WRITE-INS								
3301.	Auto warranty	0	13,515	0	13,515	(358)	1,669,490	(1,656,333)	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	13,515	0	13,515	(358)	1,669,490	(1,656,333)	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	72,718,702	87,920,527	71,380,750	89,258,478	6,800,508	111,753,213	101,135,433	106,676,766	12,109,244
2.	Allied lines	24,196,639	33,407,038	25,079,139	32,524,538	24,966,340	47,272,584	32,106,622	72,656,841	12,214,041
3.	Farmowners multiple peril	0	3,149,715	9,353	3,140,362	0	4,113,266	11,662	7,241,966	3,648,056
4.	Homeowners multiple peril	820,212	61,179,220	879,456	61,119,976	622,061	112,069,190	22,456,847	151,354,380	26,248,446
5.	Commercial multiple peril	37,780,807	323,290,877	42,562,332	318,509,351	32,908,349	474,510,485	44,750,207	781,177,979	284,956,979
6.	Mortgage guaranty	0	0	0	0	0	0	0	0	0
8.	Ocean marine	106,094,676	37,569,576	110,341,254	33,322,999	71,872,334	16,644,377	75,006,275	46,833,435	10,340,139
9.	Inland marine	110,652,271	43,315,959	107,177,228	46,791,001	22,758,289	42,225,540	22,934,941	88,839,890	14,960,807
10.	Financial guaranty	0	0	0	0	(111)	(0)	(111)	0	0
11.1	Medical malpractice - occurrence	171,853,415	53,143,047	172,353,416	52,643,046	(27,832,236)	(2,372,258)	(28,042,091)	50,480,642	7,094,668
11.2	Medical malpractice - claims-made	299,530,578	101,642,153	312,679,696	88,493,035	(47,204,620)	71,072	(43,925,279)	85,284,767	8,501,963
12.	Earthquake	2,272	(154,126)	2,272	(154,126)	1,512,601	268,803	735,784	891,495	1,891,277
13.	Group accident and health	0	5,093,107	5,093,107	0	0	759,598	759,598	(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	102,550	1,843,500	1,946,050	0	143,681	9,874,711	10,018,392	(a) (0)	0
16.	Workers' compensation	798,083,092	1,409,242,752	910,813,953	1,296,511,892	344,522,758	1,165,317,180	454,506,465	2,351,845,365	283,180,775
17.1	Other liability - occurrence	524,189,771	462,376,952	611,298,425	375,268,298	1,089,131,897	1,603,687,282	1,302,112,732	1,765,974,745	547,905,804
17.2	Other liability - claims-made	142,453,463	156,236,978	159,294,988	139,395,453	218,813,763	265,937,702	234,864,965	389,281,953	95,600,000
18.1	Products liability - occurrence	221,505,711	87,569,907	134,527,463	174,548,155	355,336,403	333,454,616	307,583,661	555,755,512	322,111,400
18.2	Products liability - claims-made	8,790,494	3,091,538	8,161,948	3,720,084	17,554,095	10,935,612	17,635,096	14,574,695	8,736,114
19.1, 19.2	Private passenger auto liability	763,687	218,755,862	763,687	218,755,862	949,142	177,454,557	949,142	396,210,419	84,707,958
19.3, 19.4	Commercial auto liability	221,644,031	227,443,909	200,794,626	248,293,314	226,592,764	218,564,426	199,896,444	493,554,061	77,544,724
21.	Auto physical damage	3,999,076	20,639,597	12,837,627	11,801,045	24,432,391	20,204,062	18,800,988	37,636,511	12,555,302
22.	Aircraft (all perils)	57,392,197	68,367,911	122,379,857	3,380,251	1,048,253	20,037,850	16,451,599	8,014,755	917,374
23.	Fidelity	31,411,356	13,300,214	31,721,119	12,990,451	13,852,586	11,114,720	15,940,384	22,017,372	3,638,102
24.	Surety	188,661,491	118,730,524	208,952,968	98,439,048	(18,325,858)	9,735,904	(22,225,600)	112,074,694	17,727,269
26.	Burglary and theft	432,106	144,084	441,616	134,574	5,802,065	2,331,903	5,706,509	2,562,032	338,287
27.	Boiler and machinery	8,873,384	7,736,680	9,050,290	7,559,773	5,844,462	7,794,976	6,308,137	14,891,073	2,711,545
28.	Credit	0	11,379,525	8,882,821	2,496,704	0	3,788,980	2,997,869	3,287,816	32,861
29.	International	0	29,366,754	23,020,425	6,346,329	1,903	90,051,737	71,024,376	25,375,592	45,529
30.	Reinsurance - nonproportional assumed property	XXX	98,751,756	77,081,939	21,669,817	XXX	113,440,861	78,909,961	56,200,717	4,277,787
31.	Reinsurance - nonproportional assumed liability	XXX	1,081,467,473	787,420,817	294,046,657	XXX	1,270,449,119	1,052,711,217	511,784,559	7,858,824
32.	Reinsurance - nonproportional assumed financial lines	XXX	17,264,832	13,804,614	3,460,218	XXX	31,592,667	25,006,380	10,046,505	42,651
33.	Aggregate write-ins for other lines of business	0	(358)	0	(358)	0	0	0	(358)	0
34.	TOTALS	3,031,951,980	4,783,267,482	4,170,753,235	3,644,466,227	2,372,103,820	6,173,084,733	4,027,128,603	8,162,526,178	1,851,897,924
	DETAILS OF WRITE-INS									
3301.	Auto warranty	0	(358)	0	(358)	0	0	0	(358)	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	(358)	0	(358)	0	0	0	(358)	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	285,738,390	0	0	285,738,390
1.2 Reinsurance assumed	270,841,805	0	0	270,841,805
1.3 Reinsurance ceded	256,547,409	0	0	256,547,409
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	300,032,786	0	0	300,032,786
2. Commission and brokerage:				
2.1 Direct, excluding contingent	0	273,843,053	0	273,843,053
2.2 Reinsurance assumed, excluding contingent	0	580,202,550	0	580,202,550
2.3 Reinsurance ceded, excluding contingent	0	244,313,813	0	244,313,813
2.4 Contingent - direct	0	26,944,381	0	26,944,381
2.5 Contingent - reinsurance assumed	0	90,121,747	0	90,121,747
2.6 Contingent - reinsurance ceded	0	22,023,139	0	22,023,139
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	704,774,779	0	704,774,779
3. Allowances to managers and agents	0	203,602	0	203,602
4. Advertising	11,556	21,589,711	2,182	21,603,449
5. Boards, bureaus and associations	1,381,230	21,800,079	4,754	23,186,062
6. Surveys and underwriting reports	4,394	14,365,778	716	14,370,888
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	165,530,588	261,839,728	18,253,893	445,624,208
8.2 Payroll taxes	11,196,458	16,406,222	484,319	28,086,999
9. Employee relations and welfare	23,349,811	39,548,692	775,864	63,674,366
10. Insurance	16,279,865	6,109,396	110,329	22,499,590
11. Directors' fees	0	26,439	0	26,439
12. Travel and travel items	11,295,181	18,919,386	269,848	30,484,415
13. Rent and rent items	7,493,535	29,265,564	506,215	37,265,314
14. Equipment	2,313,358	8,627,502	405,249	11,346,108
15. Cost or depreciation of EDP equipment and software	1,897,154	24,196,054	1,242,800	27,336,008
16. Printing and stationery	1,327,561	4,368,133	136,509	5,832,204
17. Postage, telephone and telegraph, exchange and express	2,355,387	15,890,719	377,816	18,623,922
18. Legal and auditing	7,647,755	23,477,419	249,151	31,374,325
19. Totals (Lines 3 to 18)	252,083,833	506,634,423	22,819,643	781,537,900
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....3,838,324	0	115,690,220	0	115,690,220
20.2 Insurance department licenses and fees	0	10,109,258	0	10,109,258
20.3 Gross guaranty association assessments	0	5,535,600	0	5,535,600
20.4 All other (excluding federal and foreign income and real estate)	0	5,437,826	0	5,437,826
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	136,772,904	0	136,772,904
21. Real estate expenses	0	0	40,979,183	40,979,183
22. Real estate taxes	0	0	15,747,302	15,747,302
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	17,655,649	(9,984,240)	1,562,414	9,233,823
25. Total expenses incurred	569,772,268	1,338,197,865	81,108,543	(a) 1,989,078,676
26. Less unpaid expenses - current year	1,851,897,923	399,306,362	3,359,879	2,254,564,164
27. Add unpaid expenses - prior year	1,865,968,230	366,822,271	2,250,272	2,235,040,773
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)	583,842,575	1,305,713,774	79,998,935	1,969,555,284
DETAILS OF WRITE-INS				
2401. Miscellaneous expenses	21,089,578	63,475,810	1,562,414	86,127,802
2402. Service reimbursements	(3,433,929)	(36,553,975)	0	(39,987,904)
2403. Costs of computer software developed for internal use	0	(36,906,075)	0	(36,906,075)
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)	17,655,649	(9,984,240)	1,562,414	9,233,823

(a) Includes management fees of $.....0 to affiliates and $.....4,386 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 86,973,985	86,470,395
1.1	Bonds exempt from U.S. tax	(a) 252,592,835	258,481,656
1.2	Other bonds (unaffiliated)	(a) 257,702,354	258,718,631
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 1,830,637	1,952,867
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	3,679,496	3,595,994
2.21	Common stocks of affiliates	47,700,000	47,700,000
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 119,504,281	119,504,281
5.	Contract loans	0	0
6.	Cash, cash equivalents and short-term investments	(e) 28,826,045	28,193,712
7.	Derivative instruments	(f) 0	0
8.	Other invested assets	41,233,898	45,833,437
9.	Aggregate write-ins for investment income	28,012	28,012
10.	Total gross investment income	840,071,543	850,478,984
11.	Investment expenses		(g) 81,108,544
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 315,934
14.	Depreciation on real estate and other invested assets		(i) 28,875,890
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		110,300,368
17.	Net investment income (Line 10 minus Line 16)		740,178,616
	DETAILS OF WRITE-INS		
0901.	Miscellaneous income	(906,032)	(906,032)
0902.	Lending of security fees	934,044	934,044
0903.		0	0
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)	28,012	28,012
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 $.....13,656,346 accrual of discount less $.....63,897,761 amortization of premium and less $.....13,665,355 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....30,758 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 $.....10,666,155 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....3,131,010 accrual of discount less $.....1,074,467 amortization of premium and less $.....4,129,984 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 $.....28,875,890 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	(3,902,992)	0	0	(3,902,992)
1.1	Bonds exempt from U.S. tax	950,705	0	142,765	1,093,470
1.2	Other bonds (unaffiliated)	(4,774,056)	7,856,355	11,937,352	15,019,652
1.3	Bonds of affiliates	0	0	0	0
2.1	Preferred stocks (unaffiliated)	24,551	0	(6,006,793)	(5,982,242)
2.11	Preferred stocks of affiliates	0	0	0	0
2.2	Common stocks (unaffiliated)	16,211,761	(100,000)	(1,263,285)	14,848,476
2.21	Common stocks of affiliates	0	0	249,908,506	249,908,506
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	(84,871)	2,482,831	2,079,609	4,477,570
7.	Derivative instruments	0	0	0	0
8.	Other invested assets	355,159	(116,679,757)	209,084,102	92,759,504
9.	Aggregate write-ins for capital gains (losses)	0	860,753	435,493,458	436,354,211
10.	Total capital gains (losses)	8,780,257	(105,579,817)	901,375,715	804,576,155
	DETAILS OF WRITE-INS				
0901.	Foreign exchange	0	366,440	3,157,388	3,523,828
0902.	Recoverable on bonds written down	0	494,313	0	494,313
0903.	Correction of error (SPVC & Satellites)	0	0	432,340,256	432,340,256
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	(4,186)	(4,186)
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	860,753	435,493,458	436,354,211

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	2,874,780	0	(2,874,780)
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)	4,502,342	0	(4,502,342)
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)	7,377,122	0	(7,377,122)
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	30,975,612	40,874,826	9,899,214
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	8,345,798	9,650,860	1,305,062
13.3 Accrued retrospective premiums	1,883,664	2,467,615	583,950
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	438,990,956	233,222,040	(205,768,916)
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	16,709,651	22,692,391	5,982,740
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	60,787,513	61,316,989	529,476
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	565,070,315	370,224,720	(194,845,595)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. TOTALS (Lines 24 and 25)	565,070,315	370,224,720	(194,845,595)

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. Other assets nonadmitted	45,071,376	55,718,193	10,646,817
2302. Amounts receivable under high deductible policies	15,716,136	5,598,796	(10,117,340)
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)	60,787,513	61,316,989	529,476

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. St. Paul Fire and Marine Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Minnesota. The State of Minnesota requires that insurance companies domiciled in Minnesota 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 Minnesota Department of Commerce. 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) generally are stated at NAIC fair value, while NAIC Class 3-6 are stated at the lower of cost or NAIC fair value.

Real estate is stated at depreciated cost, 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.

Canadian dollar denominated assets, liabilities, revenues and expenses of the Company's Canadian operations are included in the financial statements at the Canadian currency amounts. The net assets of the Canadian operations are translated at the year-end exchange rate and the adjustment into U.S. dollars is reflected as a separate asset or liability in the Company's balance sheet. The change in this liability is charged or credited directly to unassigned surplus.

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

During the fourth quarter of 2006, an error related to the accounting for certain Schedule BA investments was detected. The Company had incorrectly allocated distributions received from certain investees to the undistributed accumulated earnings and the cost basis of its investment in the respective investee. The effect of this incorrect allocation resulted in the undistributed accumulated earnings of the investment to be overstated and the cost basis to be understated. Since the undistributed accumulated earnings were overstated, investment income in excess of the undistributed accumulated earnings was recognized. The overstatement of investment income was offset by the understatement of the change in net unrealized capital gains, which resulted in no impact to unassigned funds (surplus). The understatement of the cost basis was offset by the overstatement of the undistributed accumulated earnings, which resulted in no net impact on the carrying value of the Schedule BA investments and total assets. The Company also corrected certain discrepancies between its subsidiary investments ledger and the underlying source support for Schedule BA as part of this correction.

In accordance with SSAP No. 3: *Accounting Changes and Corrections of Errors*, the impact from the cumulative 2005 and prior error related to the overstatement of investment income has been reported in the current period as an adjustment to surplus in the amount of $432.3 million, with an offsetting amount of $432.3 to change in net unrealized capital gains. An adjustment of $64.3 million was also made to Schedule BA to correct the cost basis (Actual Cost) of the investment as of December 31, 2005. As indicated in the table below, the carrying value of the investment did not change as a result of this adjustment.

The adjustment to correct the portion of the error related to 2006 was reported as a reduction to investment income in the amount of $87.5 million, with an offsetting amount of $87.5 million to change in net unrealized capital gains. An adjustment of $44.9 million was also made to Schedule BA to correct the cost basis (Actual Cost) of the investment for errors resulting during 2006. As indicated in the table below, the carrying value of the investment did not change as a result of this adjustment.

The following table summarizes the pro forma impact of the correction of the error on the Company's total assets, surplus and net income for 2006 and 2005. There was no impact on total liabilities.

NOTES TO FINANCIAL STATEMENTS

Impact of Correction of Error (in millions)

	2006	Pro Forma 2005
Corrections:		
Cost basis of investment	$(44.9)	$ 64.3
Undistributed accumulated earnings	44.9	(64.3)
Total impact on carrying value of investment (assets)	--	--
Net investment income earned (net income)	(87.5)	(123.5)
Change in net unrealized capital gains	87.5	432.3
Aggregate write-in for gains and losses in surplus*	--	(308.8)
Total impact on unassigned funds (surplus)	--	--
Total impact on net income	(87.5)	(123.5)

* Correction of 2004 and prior investment income

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method:

1. On July 31, 1996, the Company purchased 100% of Northbrook Holdings Inc. and its three wholly owned insurance subsidiaries.

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

3. The purchase of Northbrook Holdings Inc. resulted in goodwill in the amount of $163.7 million which exceeded 10% of the Company's policyholders' surplus by $70.2 million. This excess was charged to policyholders' surplus as an unrealized loss.

4. The Company recorded $5.6 million of goodwill amortization in 2006. At December 31, 2006, the Company's goodwill related to the purchase of Northbrook Holdings Inc. was fully amortized.

B. Statutory Merger:

Not applicable.

C. Impairment Loss:

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

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):

As of December 31, 2006 the Company has four remaining years of unexpired tax credits. The required holding period for our LIHTC investments is 5 years following the year in which the last tax credits are utilized.

Each LIHTC investment project reports and certifies annually to their respective state allocating agency, while such agencies periodically conduct their own inspections and on-site reviews. Investment projects with certain involvement by the US Department of Housing and Urban Development (HUD) are reviewed periodically by HUD and scored. The Company is not aware of any negative project reviews which have resulted in a "Watchlist" or similar risk rating and assumes each project is in satisfactory compliance.

Current LIHTC investments do not exceed 10% of the Company's total net admitted assets.

NOTES TO FINANCIAL STATEMENTS

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. The Company recognized other-than-temporary impairments totaling $116.8 million on seven affiliated joint ventures and limited liability companies. There was no net impact to surplus because these impairments, which were accounted for as realized losses, were offset by the reversal of the previously recorded unrealized losses related to these impaired investments. See Note 10 Part J, for more details about the facts and circumstances leading to the impairments and how fair value was determined.

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	$ 840,116,220	$ 847,532,839
Total of deferred tax liabilities	(146,093,070)	(247,616,157)
Net deferred tax asset (liability)	694,023,150	599,916,682
Deferred tax asset nonadmitted	(438,990,956)	(233,222,040)
Net admitted deferred tax asset (liability)	$ 255,032,194	$ 366,694,642
(Increase) decrease in nonadmitted asset	$ (205,768,916)	$ 332,288,751

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	$ 287,474,913	$ (221,914,415)
Foreign	16,101,983	31,624,307
	303,576,896	(190,290,108)
Federal income taxes on net capital gains	19,815,032	317,456,949
Federal and foreign income taxes incurred	$ 323,391,928	$ 127,166,841

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	$ 361,235,264	$ 380,806,656
Unearned premium reserves	147,344,200	142,390,719
Net operating loss	35,990,240	37,815,192
Alternative minimum tax adjustment	0	96,298,199
Nonadmitted assets	43,121,603	47,950,939
Investments	160,816,840	54,186,458
Other	91,608,073	88,084,676
Total deferred tax assets	840,116,220	847,532,839
Nonadmitted deferred tax assets	(438,990,956)	(233,222,040)
Admitted deferred tax assets	401,125,264	614,310,799
Deferred tax liabilities:		
Investments	111,705,181	212,225,294
Other	34,387,889	35,390,863
Total deferred tax liabilities	146,093,070	247,616,157
Net admitted tax asset	$ 255,032,194	$ 366,694,642

Deferred income taxes do not include any benefit from investment tax credits.

Deferred income taxes include a benefit of $35,990,240 from net operating losses.

There are no adjustments to a deferred tax asset or deferred tax liability for enacted changes in tax laws or rates or a change in the tax status of the reporting entity.

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

	December 31, 2006	December 31, 2005	Change
Total deferred tax assets	$ 840,116,220	$ 847,532,839	$ (7,416,619)
Total deferred tax liabilities	(146,093,070)	(247,616,157)	101,523,087
Net deferred tax asset (liability)	$ 694,023,150	$ 599,916,682	94,106,468
Tax effect of unrealized gains (losses)			1,587,530
Change in net deferred income taxes			$ 95,693,998

NOTES TO FINANCIAL STATEMENTS

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)	$1,181,771,877
Taxes at statutory rate	$ 413,620,157
Increase (decrease) attributable to:	
Nontaxable investment income	(94,110,257)
Tax reserve adjustment	31,340,112
Prior period book adjustment	(151,319,090)
Other	28,167,007
Total statutory income taxes	$ 227,697,929
Federal and foreign taxes incurred	$ 323,391,928
Change in net deferred taxes	(95,693,998)
Total statutory income taxes	$ 227,697,929
Effective tax rate	19.3%

E. 1. The Company has net operating loss carryforwards of $102,829,257 that expire during the year 2017 through 2018.

2. The Company has $242,600,518 and $294,202,423 of federal income tax from the current and 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. The Company paid dividends of $780 million to its parent company, STA in 2006.

Effective October 1, 2006, St. Paul Specialty Underwriting, Inc., a directly owned non insurance subsidiary of the Company merged with and into the Company. As a result, Athena Assurance Company, St. Paul Medical Liability Insurance Company and St. Paul Surplus Lines Insurance Company became direct subsidiaries of the Company.

In June 2006, the Company made a capital contribution of $12 million to its subsidiary, Chandler AZ Properties, LLC.

In May 2006, the Company made a capital contribution of $2.85 million to its subsidiary, MMedica Insurance Company, Ltd.

On January 1, 2006, The Travelers Indemnity Company (Indemnity) eliminated its Canadian branch by implementing an assumption/novation reinsurance agreement, whereby all insurance liabilities in Indemnity's Canadian branch were transferred to and assumed by St. Paul Fire and Marine Insruance Company's Canadian branch. All required regulatory approvals have been obtained by Indemnity, including a release of licenses from the Canadian Taxing Authority.

The Company contributed capital of $42.4 million to Unionamerica Holdings Ltd (UHL) in December 2005. In exchange, UHL issued 946,428,571 shares with a par value of $0.0448 to the Company.

In October 2005, the Company made a capital contribution of $1,454,369 to its subsidiary, United States Fidelity and Guaranty Company (USFG).

In August 2005, the Company received long-term bonds and related accrued interest from Discover Property & Casualty Insurance Company and Fidelity and Guaranty Insurance Company in the amount of $76,441,395 and $11,375,899, respectively, in settlement of outstanding receivables.

The Company contributed capital to St. Paul Risk Management International Ltd. in the amount of $843,885 in August 2005.

In March 2005, the Company's parent STA implemented a program to sell substantially all of its interest in Nuveen investments, Inc. (Nuveen). As part of this program, the Company sold all of its 12.3 million shares of Nuveen on April 12, 2005 for total proceeds of $404.8 million and recognized realized gains of $391.5 million related to this transaction.

On January 1, 2005 the Company sold its wholly owned Canadian insurance subsidiary, St. Paul Guarantee, to its affiliate, Travelers Casualty and Surety Company (TCS), for $135.0 million. In conjunction with this sale a formal filing was made with and approved by the Office of the Superintendent of Financial Institutions in Canada in order to amalgamate St. Paul Guarantee and Travelers Casualty and Surety Company of Canada, a subsidiary of TCS. The effective date of the amalgamation was January 1, 2005 and St. Paul Guarantee was the surviving company.

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, including the Company. 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.

NOTES TO FINANCIAL STATEMENTS

D. At December 31, 2006 and 2005, the Company had $167,455,543 and $131,618,088 payable to affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the STAMMLP or cash. Any items open at the end of the month are settled in the following month.

E. Guarantees or undertakings, including the company and any affiliates:

1. Effective July 7, 2006, an affiliate of the Company assumed a construction loan and the Company has guaranteed payment of the construction loan and provided indemnification to the lender in the event of environmental liabilities for which the lender is held responsible. The maximum for the construction loan was $9.4 million and the environmental guarantee is not limited.

2. Effective March 31, 2006, an affiliate of the Company, a real estate development joint venture in which the Company is invested, entered into a construction loan and the Company entered into performance and payment guarantees with the construction lender. The maximum obligation for the guarantees was $55 million.

3. The Company guarantees the timely payment of Discover Reinsurance Company's, a downstream subsidiary, obligations with respect to all insurance policies and reinsurance policies issued by Discover Reinsurance Company during the term of the agreement. During December 2004, the guarantee was amended to provide an unlimited amount of obligation. The parties have agreed that the maximum obligation will be evaluated at the end of each calendar year. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.

4. In a guaranty agreement dated August 31, 2000, the Company guarantees the timely payment of all obligations of St. Paul (Bermuda) Ltd., with respect to policies of insurance issued to clients of Marsh USA Inc. up to a maximum of $50.0 million.

5. In a guaranty agreement dated July 1, 2000, the Company guarantees the payment of USFG's obligations under insurance and reinsurance contracts issued by USFG on or after the date of the agreement. The company may terminate this guaranty at any time upon 90 days prior notice or other specified circumstances.

6. Effective September 30, 1997, the Company entered into an unconditional guaranty that St. Paul Medical Liability Insurance Company, a downstream subsidiary, would maintain required capital and surplus, each in the amount of $2.5 million, as a condition of becoming licensed in the State of Maine.

7. Effective May 15, 1996, the Company provided a guaranty of the performance by its wholly-owned subsidiary, Seaboard, a New York domiciled insurance company, of all Seaboard's financial obligations arising out of its insurance or reinsurance contracts. The guaranty may be amended at any time upon three months' prior notice.

8. Effective December 15, 1993, the Company has guaranteed the performance by St. Paul Travelers Insurance Company Limited (St. Paul Limited), an affiliate incorporated in England, of all St. Paul Limited's obligations arising out of its insurance or reinsurance contracts. During November 2006, these guarantees were amended whereby the Company may terminate them at any time upon twelve months prior notice.

9. Effective October 1, 1993, the Company guaranteed the performance by St. Paul Reinsurance Company Limited (St. Paul Re Ltd.), an affiliate incorporated in England, of all St. Paul Re Ltd.'s obligations arising out of its insurance or reinsurance contracts. The company may terminate this guaranty at any time upon six months prior notice.

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]
Surety Agreement	St. Paul Fire and Marine Insurance Company	Seaboard Surety Company, St. Paul Mercury Insurance Company, St. Paul Guardian Insurance Company
Management Agreement	St. Paul Fire and Marine Insurance Company	St. Paul Re, 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 STA, a publicly traded insurance holding company, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. The Company owns 100% of USFG, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries its investment in USFG at USFG's statutory equity. The statement value of USFG assets and liabilities as of December 31, 2006 were $4.4 billion and $2.2 billion, respectively. USFG's net income was $187.0 million for the year ended December 31, 2006.

J. During the fourth quarter of 2006, an error related to the accounting for certain affiliated joint ventures and limited liability companies was detected as discussed in Note 2, *Accounting Changes and Corrections of Errors.* Based on this correction and an analysis of the prevailing facts and circumstances, the Company could not forecast a recovery of the carrying value (audited GAAP equity, which approximates fair value) of certain of these investments up to or beyond their revised cost bases. As a result, the Company recognized other-than-temporary impairments totaling $116.8 million on seven affiliated joint ventures and limited liability companies. These impairments were accounted for as realized losses when the cost bases of these investments were written down to carrying value. There was no net impact to surplus because these realized losses were offset by the reversal of the unrealized losses previously recorded on the impaired investments.

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.

NOTES TO FINANCIAL STATEMENTS

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

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 $6,577,296 and $5,034,079 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 $3,860,538 and $4,435,932 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 $16,559,083 and $14,288,062 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 200,000 shares of common capital stock authorized, issued and outstanding with a par value of $100 per share.

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 Minnesota insurance companies to shareholders without prior approval of the Minnesota Commissioner of Commerce 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 $858,379,000.

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 $726,991,158.

14. CONTINGENCIES

A. Contingent Commitments:

At December 31, 2006, the Company had commitments to fund investments of $236,826,670.

B. Assessments:

The Company has accrued liabilities of $69.2 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of $2.9 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.

NOTES TO FINANCIAL STATEMENTS

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, office equipment and automobiles. The office space leases are for various periods of time. The other leases generally do not exceed five years. Total rental expense under operating leases for the Company for 2006 and 2005 was $30,518,269 and $35,310,584, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

   There are numerous leases with renewal terms, none of which are material to the Company.

2. Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled $132,336,615 at December 31, 2006. Future minimum rental payments for each of the five succeeding years are as follows:

Year	Operating Leases
2007	$ 18,779,842
2008	15,128,901
2009	9,539,476
2010	5,815,435
2011	4,091,400

   At December 31, 2006, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled $3,429,362.

3. Sale-Leaseback Transactions:

   Not applicable.

B. Lessor's Business Activities:

The Company maintains investments in commercial real estate. The land is carried at cost and the buildings at cost less accumulated depreciation and related encumbrances. The buildings are depreciated on a straight-line basis over a period of up to 39 years. The accumulated depreciation on real estate held for the production of income was $237,945,734 and $210,870,792 as of December 31, 2006 and 2005, respectively. On December 31, 2006, the Company has minimum annual lease payments receivable under noncancelable leasing arrangements as follows:

Year	Operating Leases
2007	$ 95,940,554
2008	83,846,722
2009	67,125,947
2010	51,875,942
2011	34,194,505
2012 and later years	47,766,680

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, limited liability companies, and venture capital entities. The off-balance-sheet risks of these financial instruments were $236,826,670 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 26.36%.

NOTES TO FINANCIAL STATEMENTS

(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 26.36% participation in the STA Pool		$ 230.4

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.

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	$ 1,263	$ 637	$ 146	$ 185	$ 624
Part 1B	468	138	155	173	78,828
Part 1C	2,254	1,778	168	1,031	6,283
Part 1D	62,166	70,805	55,728	60,203	741,410
Part 1E	10,908	8,179	5,723	5,748	90,435
Part 1F - Section 1	837	805	200	315	3,586
Part 1F - Section 2	4,812	1,542	1,628	644	4,103
Part 1G	999	951	658	202	1,849
Part 1H - Section 1	31,999	19,273	31,114	74,416	738,701
Part 1H - Section 2	5,131	2,527	4,537	3,374	6,003
Part 1M	0	0	3	41	592
Part 1N	588	489	862	31	1,823
Part 1O	6,339	9,822	65,602	2,879	173,915
Part 1P	286	37	27	0	111
Part 1R - Section 1	11,382	12,894	7,876	6,649	403,227
Part 1R - Section 2	637	286	491	157	1,883

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	$ (1,122)	$ (520)	$ (663)
Workers' Compensation	0	(660)	(2,682)	(2,584)
Commercial Multiple Peril	0	(11,504)	0	0
Medical Malpractice - CM	0	(14,103)	(3,095)	0
Special Liability	0	(399)	0	(22)
Other Liability - Occ	(145)	(31,084)	(6)	(4,078)
Other Liability - CM	0	(6,319)	(191)	(3,751)
Special Property	0	0	0	(163)
Other	0	0	0	(26)
Reinsurance A	0	0	0	(1,204)
Reinsurance B	0	0	0	(10,303)

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. Hybrid Securities:

At December 31, 2006 the Company held hybrid securities that are reported in Schedule D, Part 2, Section 1 as follows:

CUSIP	Issuer/Description	Type	Carrying Value
055960AA6	BNP Paribas Capital Trust 144A	Perpetual	$ 5,589,150
055967AA1	BOI Capital Funding II 144A	Perpetual	1,953,220
06738CAF6	Barclays PLC - GBP	Perpetual	2,159,980
233048AA5	DBS Bank LTD Singapore Notes	Redeemable	1,938,220
236363AA5	Danske Perpetual PFD	Perpetual	2,009,420
248204AA7	Den Danske Bank A/S	Redeemable	5,046,800
337363AE5	First Union INST CAP I PFD	Redeemable	75,922
90262WAA1	UBS Preferred Funding Trust II	Perpetual	7,483,840

92978AAA0	Wachovia Capital Trust III	Non Redeemable	1,960,000
93934WAA3	Washington Mutual PREF Fund 144A	Non Redeemable	2,965,500
Total			$31,182,052

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

NOTES TO FINANCIAL STATEMENTS

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	$ 2,022,612,900	$ 242,071,150	$ 886,720,474	$ 106,124,827	$ 1,135,892,426	$ 135,946,323
All Other	40,238,998	4,815,899	13,282,456	1,589,676	26,956,542	3,226,223
Total	$ 2,062,851,898	$ 246,887,049	$ 900,002,930	$ 107,714,503	$ 1,162,848,968	$ 139,172,546

Direct Unearned Premium Reserve $ 942,168,710

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to $111,028,927 at December 31, 2006. This balance represents the Company's 26.36% pro rata share of the net amount of the STA Pool (see Note 26):

Direct Business	$ 35,020,858
Add: Reinsurance Assumed	110,229,291
Less: Reinsurance Ceded	34,221,222
Net	$111,028,927

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

Retroactive Reinsurance:

1.

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	$ 2,477,840	$132,398,659
(2) Adjustments - Prior Year(s)	(790,800)	6,452,615
(3) Adjustments - Current Year	0	2,652,897
(4) Current Total	$ 1,687,040	$141,504,171
b. Consideration Paid or Received:		
(1) Initial Consideration	$ 2,755,961	$117,828,872
(2) Adjustments - Prior Year(s)	0	(376,157)
(3) Adjustments - Current Year	0	0
(4) Current Total	$ 2,755,961	$117,452,715
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	$ 991,629	$ 24,616,067
(2) Current Year	17,111	19,628,564
(3) Current Total	$ 1,008,740	$ 44,244,631
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	$ 278,121	$ 14,569,787
(2) Adjustments - Prior Year(s)	790,800	6,828,772
(3) Adjustments - Current Year	0	2,652,897
(4) Current Year Restricted Surplus	$ 1,068,921	$ 24,568,785
(5) Cumulative Total Transferred to Unassigned Funds	$ 0	$ (517,329)

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

Company	Assumed	Ceded
Munich Reinsurance America, Inc. (10227)	$ 1,687,040	$ -
Commercial Risk Re-Insurance Co. (27955)	-	3,084,120
General Reinsurance Corporation (22039)	-	79,080,000
nSpire Re Limited (AA-1784124)	-	19,293,150
Platinum Underwriters Reinsurance Inc. (10357)	-	34,127,083
Various	-	5,919,818
Total	$ 1,687,040	$141,504,171

f. Paid Loss/LAE Recoverable:

Company	Paid Loss/LAE Recoverables	Amount Over 90 Days Past Due	Collateral Held
Platinum Underwriters Reinsurance Inc. (10357)	$ 501,356	$ 0	$ 0
Various	2,065,052	527,843	116,888
Total	$ 2,566,408	$ 527,843	$ 116,888

NOTES TO FINANCIAL STATEMENTS

Reinsurance Accounted for as a Deposit:

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on January 1, 2001. This is a whole account stoploss covering all business allocated to the reinsured's marine hull and marine excess of loss account.

Year	Deposits Received	Interest Income/ (Expense)	Cash Payments	Deposit (Liability)/ Asset Balance
1999	$ 254,300	$ (1,290,000)		$ (1,544,300)
2000				(1,544,300)
2001				(1,544,300)
2002		(128,000)		(1,672,300)
2003				(1,672,300)
2004				(1,672,300)
2005			$ 326,376	(1,345,924)
2006			494,769	(851,155)

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on April 1, 2000. This is an assumed excess of loss reinsurance contract covering Section A non marine whole account, Section B whole account.

Year	Deposits Received	Interest Income/ (Expense)	Cash Payments	Deposit (Liability)/ Asset Balance
2000	$ 2,123,000			$ (2,123,000)
2001				(2,123,000)
2002				(2,123,000)
2003		$ (2,877,000)		(5,000,000)
2004				(5,000,000)
2005				(5,000,000)
2006				(5,000,000)

The Company entered into an assumed reinsurance contract agreement ultimately determined to be of a deposit type nature on January 1, 2002. This is assumed excess of loss reinsurance covering casualty business written in the cedants European offices.

Year	Deposits Received	Interest Income/ (Expense)	Cash Payments	Deposit (Liability)/ Asset Balance
2001	$ 459,694			$ (459,694)
2002		$ 91,939		(367,755)
2003		91,936		(275,819)
2004		91,936		(183,883)
2005		91,947		(91,936)
2006		91,936		0

The Company entered into several ceded reinsurance arrangements which provided coverage for certain workers' compensation, employers liability and automobile liability policies issued by the Company. Given the contract terms and results of the Company's cash flow analyses, it was subsequently determined that the agreements did not fulfill the risk transfer requirements of SSAP No. 62 so they are now being accounted for as deposits.

Year	Deposits Received	Interest Income/ (Expense)	Cash Payments	Deposit (Liability)/ Asset Balance
2005	$ 873,720	$26,680,680	$ (494,109)	$ 27,060,291
2006	148,015	1,845,526	(6,006,897)	23,046,935

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	$ 35,335,380
2. Unsecured amount	18,836,643
3. Less: Nonadmitted amount (10%)	1,883,664
4. Admitted amount (1) - (3)	$ 33,451,716

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 $60,576,187, 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.

NOTES TO FINANCIAL STATEMENTS

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 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.

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 $859,823,346 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 $1,963,951,934 and the amount billed and outstanding on paid claims was $28,903,794. These amounts represent the Company's proportionate share of the STA Pool (see Note 26).

NOTES TO FINANCIAL STATEMENTS

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

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

Company	Workers' Compensation Case	Workers' Compensation IBNR	Other Liability Case	Other Liability 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 26.36%.

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.

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:	$ 318,149,000	$1,307,137,000	$ 980,817,000	$ 1,075,223,000	$1,165,434,000
b. Incurred losses and LAE:	1,175,542,000	36,866,000	214,654,000	204,932,000	20,506,000
c. Calendar year payments for losses and LAE:	186,554,000	363,186,000	120,248,000	114,721,000	110,588,000
d. Ending reserves:	$1,307,137,000	$ 980,817,000	$1,075,223,000	$ 1,165,434,000	$1,075,352,000

2. Assumed Reinsurance Basis - Asbestos:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 64,592,000	$ 106,046,000	$ 99,915,000	$ 129,818,000	$ 142,706,000
b. Incurred losses and LAE:	50,000,000	2,844,000	37,525,000	34,058,000	33,640,000
c. Calendar year payments for losses and LAE:	8,546,000	8,975,000	7,622,000	21,170,000	24,415,000
d. Ending reserves:	$ 106,046,000	$ 99,915,000	$ 129,818,000	$ 142,706,000	$ 151,931,000

3. Net of Ceded Reinsurance Basis - Asbestos:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 312,475,000	$1,095,853,000	$ 862,158,000	$1,016,930,000	$1,147,548,000
b. Incurred losses and LAE:	941,579,000	28,260,000	239,154,000	235,922,000	43,198,000
c. Calendar year payments for losses and LAE:	158,201,000	261,955,000	84,382,000	105,304,000	123,535,000
d. Ending reserves:	$1,095,853,000	$ 862,158,000	$1,016,930,000	$1,147,548,000	$1,067,211,000

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

1. Direct Basis:	$ 951,179,000
2. Assumed Reinsurance Basis:	$ 81,435,000
3. Net of Ceded Reinsurance Basis:	$ 916,906,000

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

1. Direct Basis:	$ 272,715,000
2. Assumed Reinsurance Basis:	$ 524,000
3. Net of Ceded Reinsurance Basis	$ 251,882,000

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.

1. Direct Basis - Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 231,577,000	$ 164,598,000	$ 114,278,000	$ 139,461,000	$ 89,142,000
b. Incurred losses and LAE:	(3,203,000)	25,273,000	75,574,000	11,368,000	28,783,000
c. Calendar year payments for losses and LAE:	63,776,000	75,593,000	50,391,000	61,687,000	47,104,000
d. Ending reserves:	$ 164,598,000	$ 114,278,000	$ 139,461,000	$ 89,142,000	$ 70,821,000

2. Assumed Reinsurance Basis- Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 37,256,000	$ 36,742,000	$ 35,008,000	$ 39,084,000	$ 36,869,000
b. Incurred losses and LAE:	5,294,000	2,623,000	8,698,000	1,138,000	410,000
c. Calendar year payments for losses and LAE:	5,808,000	4,357,000	4,622,000	3,353,000	2,507,000
d. Ending reserves:	$ 36,742,000	$ 35,008,000	$ 39,084,000	$ 36,869,000	$ 34,772,000

3. Net of Ceded Reinsurance Basis- Environmental:

	2002	2003	2004	2005	2006
a. Beginning reserves:	$ 236,470,000	$ 176,740,000	$ 133,687,000	$ 163,552,000	$ 111,868,000
b. Incurred losses and LAE:	542,000	19,989,000	72,252,000	13,134,000	31,879,000
c. Calendar year payments for losses and LAE:	60,272,000	63,042,000	42,387,000	64,818,000	33,475,000
d. Ending reserves:	$ 176,740,000	$ 133,687,000	$ 163,552,000	$ 111,868,000	$ 110,272,000

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

1. Direct Basis:	$ 59,841,000
2. Assumed Reinsurance Basis:	$ 22,817,000
3. Net of Ceded Reinsurance Basis	$ 88,790,000

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

1. Direct Basis:	$ 22,727,000
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis	$ 22,639,000

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		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	726,610,337	4.0	726,610,337	4.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	37,845,108	0.2	37,845,108	0.2
1.22 Issued by U.S. government sponsored agencies	78,836,157	0.4	78,836,157	0.4
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	638,964,034	3.5	638,964,034	3.5
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	1,466,819,548	8.1	1,466,819,548	8.1
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations	2,543,473,677	14.0	2,543,473,677	14.0
1.43 Revenue and assessment obligations	2,270,887,457	12.5	2,270,887,457	12.5
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	875,315,453	4.8	875,315,453	4.8
1.512 Issued or guaranteed by FNMA and FHLMC	146,662,947	0.8	146,662,947	0.8
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	253,701,628	1.4	253,701,628	1.4
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	505,900,023	2.8	505,900,023	2.8
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	2,269,157,571	12.5	2,269,157,571	12.5
2.2 Unaffiliated foreign securities	1,008,133,217	5.5	1,008,133,217	5.5
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	51,160,824	0.3	51,160,824	0.3
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.0	0	0.0
3.32 Unaffiliated	40,704,216	0.2	40,704,216	0.2
3.4 Other equity securities:				
3.41 Affiliated	3,117,167,622	17.1	3,117,167,622	17.1
3.42 Unaffiliated	4,173,900	0.0	4,173,900	0.0
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	101,851,228	0.6	101,851,228	0.6
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	615,445,283	3.4	615,445,283	3.4
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	947,254	0.0	947,254	0.0
8. Cash, cash equivalents and short-term investments	514,274,875	2.8	514,274,875	2.8
9. Other invested assets	933,500,102	5.1	933,500,102	5.1
10. Total invested assets	18,201,532,460	100.0	18,201,532,460	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? Minnesota

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). 06/29/2004

3.4 By what department or departments? Minnesota

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 See 11.2 below.

11.12 Number of parcels involved 5

11.13 Total book/adjusted carrying value $.....52,551,061

11.2 If yes, provide explanation.
St. Paul Properties, Inc: 3 parcels; total book/adjusted carrying value $ 37,780,182; A residential golf course development in New Orleans, LA, a 254 room hotel in St. Paul and an Industrial Park Development in New Orleans, LA.
100 Light Street: 1 parcel; total book/adjusted carrying value $ 2,535,946; Holds land in Baltimore, MD.
Chandler AZ, LLC: 1 parcel; total book/adjusted carrying value $ 12,234,933; holds a single member LLC that owns and office building in Chandler, AZ.

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 $.....778,813,390

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 $.....0

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	Clarion CRA Securities	259 North Radnor-Chester Rd. Radnor, PA 19087
N/A	Nuveen Asset Management	333 W. Wacker, Chicago, IL 60606

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	13,320,904,352	13,262,974,471	(57,929,881)
26.2 Preferred stocks	51,160,824	51,157,895	(2,929)
26.3 Totals	13,372,065,176	13,314,132,366	(57,932,810)

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? $.....11,666,477

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	5,754,208

29.1 Amount of payments for legal expenses, if any? $.....29,477,347

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	10,185,657

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....435,159

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	$.....4,572,152,181	$.....4,569,071,106
2.3 Premium Ratio (2.1/2.2)	.....0.0	.....0.0
2.4 Reserve Numerator	$.....(0)	$.....0
2.5 Reserve Denominator	$.....12,159,945,634	$.....12,325,444,169
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 $.....35,379,010
3.22 Non-participating policies $.....4,618,868,907

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 [X] No [ ]

11.2 If yes, give full information:
Policies issued by St. Paul Re U.K. are guaranteed by St. Paul Fire and Marine.

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 $.....25,130,268
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $.....6,282,567

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: $.....17,606,044

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 $.....1,723,128,407
12.62 Collateral and other funds $.....263,584,916

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....4,507,560

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)	3,412,101,073	3,943,969,834	4,072,191,446	4,253,009,525	3,787,705,996
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,257,579,055	1,488,695,574	1,070,337,549	1,163,926,261	1,003,505,203
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,842,660,314	2,394,528,745	589,450,634	671,065,917	822,630,036
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	88,620,778	145,194,350	343,789,554	1,003,239,202	430,341,041
5.	Non-proportional reinsurance lines (Lines 30, 31 & 32)	50,645,282	43,611,633	60,459,134	319,166,996	519,036,826
6.	Total (Line 34)	6,651,606,502	8,016,000,136	6,136,228,317	7,410,407,901	6,563,219,102
	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)	2,103,846,752	1,669,278,384	3,064,622,214	3,150,653,527	2,762,970,005
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	920,610,181	973,426,304	744,659,853	791,453,172	695,378,999
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,587,653,720	2,020,308,661	398,805,253	474,550,488	495,026,482
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	30,963,785	(114,752,476)	221,051,035	780,785,864	265,763,604
11.	Non-proportional reinsurance lines (Lines 30, 31 & 32)	11,533,477	1,714,048	51,976,321	76,162,084	352,330,276
12.	Total (Line 34)	4,654,607,916	4,549,974,921	4,481,114,676	5,273,605,135	4,571,469,366
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	555,226,903	(88,714,965)	(994,610,797)	(115,627,259)	(100,527,414)
14.	Net investment gain (loss) (Line 11)	623,564,024	877,453,216	1,186,062,644	1,309,742,838	627,065,640
15.	Total other income (Line 15)	(12,826,284)	8,289,043	61,011,923	(76,177,264)	(17,508,759)
16.	Dividends to policyholders (Line 17)	4,007,798	4,047,167	7,476,931	8,889,804	4,574,703
17.	Federal and foreign income taxes incurred (Line 19)	303,576,896	(190,290,108)	54,518,388	36,956,407	(33,731,806)
18.	Net income (Line 20)	858,379,950	983,270,235	190,468,451	1,072,092,104	538,186,570
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	20,171,993,801	19,900,457,827	19,049,272,602	17,870,633,203	17,196,668,280
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 13.1)	297,424,581	277,058,021	298,847,631	806,553,527	756,497,706
	20.2 Deferred and not yet due (Line 13.2)	1,001,129,046	975,122,963	788,341,168	781,236,980	642,658,622
	20.3 Accrued retrospective premiums (Line 13.3)	33,451,716	49,985,801	258,412	943,421	689,826
21.	Total liabilities excluding protected cell business (Page 3, Line 24)	13,152,114,948	13,324,598,297	13,540,614,357	12,794,906,366	12,270,888,871
22.	Losses (Page 3, Line 1)	8,162,526,178	8,399,417,898	8,496,951,431	6,753,806,224	6,961,296,342
23.	Loss adjustment expenses (Page 3, Line 3)	1,851,897,924	1,865,968,230	1,903,876,611	1,695,956,544	1,706,660,179
24.	Unearned premiums (Page 3, Line 9)	2,105,017,678	2,039,240,515	2,011,739,762	2,499,095,219	1,912,532,028
25.	Capital paid up (Page 3, Lines 28 & 29)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
26.	Surplus as regards policyholders (Page 3, Line 35)	7,019,878,853	6,575,859,529	5,508,658,245	5,075,726,837	4,925,779,409
	Risk-Based Capital Analysis					
27.	Total adjusted capital	7,019,878,853	6,575,859,529	5,508,658,245	5,075,726,837	4,925,779,409
28.	Authorized control level risk-based capital	1,228,604,067	1,219,633,336	1,546,788,634	1,239,411,960	1,314,422,432
	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)	70.4	71.4	69.6	69.9	62.7
30.	Stocks (Lines 2.1 & 2.2)	17.7	16.7	19.0	16.9	23.6
31.	Mortgage loans on real estate (Lines 3.1 & 3.2)	0.0	0.0	0.1	0.0	0.0
32.	Real estate (Lines 4.1, 4.2 & 4.3)	3.9	3.8	4.4	4.6	4.8
33.	Cash, cash equivalents and short-term investments (Line 5)	2.8	3.1	2.2	3.5	3.4
34.	Contract loans (Line 6)	0.0	0.0	0.0	0.0	XXX
35.	Other invested assets (Line 7)	5.1	4.9	4.8	5.0	5.4
36.	Receivable for securities (Line 8)	0.0	0.1	0.0	0.1	0.1
37.	Aggregate write-ins for invested assets (Line 9)	0.0	0.0	(0.1)	(0.0)	(0.0)
38.	Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.1	100.0
	Investments in Parent, Subsidiaries and Affiliates					
39.	Affiliated bonds (Sch. D, Summary, Line 25, Col. 1)	0	0	4,703,464	22,664,215	40,469,582
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)	3,120,042,402	2,867,283,896	3,030,018,163	2,176,272,155	2,903,587,705
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	512,016,498	491,536,980	398,067,531	424,193,059	557,010,539
45.	Total of above lines 39 to 44	3,632,058,900	3,358,820,876	3,432,789,158	2,623,129,429	3,501,067,826
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)	51.7	51.1	62.3	51.7	71.1

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)	888,888,774	.....(188,222,617)	.....(844,120,232)	.....(393,774,681)	.....(387,514,384)
48.	Dividends to stockholders (Line 35)	.....(780,000,000)	0	.....(150,000,000)	.....(775,000,000)	0
49.	Change in surplus as regards policyholders for the year (Line 38)	444,019,324	...1,067,201,284	432,931,408	149,947,428	783,193,016
	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)	...2,160,078,963	..(1,074,515,034)	...2,070,762,530	...2,495,978,855	...2,657,346,754
51.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	630,914,544	447,985,544	404,636,169	548,565,276	416,367,668
52.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	847,992,917	.....(60,017,682)	310,002,660	422,933,269	673,490,322
53.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	158,108,277	168,126,767	352,731,903	305,499,746	337,725,008
54.	Nonproportional reinsurance lines (Lines 30, 31 & 32)	332,599,373	.....(117,378,943)	285,281,372	470,762,665	475,860,271
55.	Total (Line 34)	...4,129,694,074	.....(635,799,348)	...3,423,414,634	...4,243,739,811	...4,560,790,023
	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)	...1,124,407,680	...1,169,690,708	...1,115,526,525	...1,787,276,379	...2,073,374,175
57.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	419,076,085	399,861,778	253,979,294	334,265,381	320,763,063
58.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	677,332,103	43,217,928	175,357,597	201,553,700	245,670,930
59.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	47,902,477	446,955,659	224,602,320	171,469,139	261,496,458
60.	Nonproportional reinsurance lines (Lines 30, 31 & 32)	77,128,520	793,049,295	159,065,644	396,676,422	426,764,811
61.	Total (Line 34)	...2,345,846,866	...2,852,775,368	...1,928,531,380	...2,891,241,021	...3,328,069,437
	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	.....60.3	.....74.3	.....55.4	.....60.7
64.	Loss expenses incurred (Line 3)	.....12.5	.....13.9	.....17.8	.....13.7	.....12.9
65.	Other underwriting expenses incurred (Line 4)	.....29.3	.....27.8	.....27.8	.....33.4	.....28.5
66.	Net underwriting gain (loss) (Line 8)	.....12.1	.....(1.9)	.....(20.0)	.....(2.5)	.....(2.1)
	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)	.....29.0	.....27.7	.....29.6	.....31.2	.....30.0
68.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	.....58.6	.....74.2	.....92.2	.....69.0	.....73.0
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)	.....66.3	.....69.2	.....81.3	.....103.9	.....92.8
	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)	.....(93,482)	146,009	1,229,470	402,728	226,942
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)	.....(1.4)	.....2.7	.....24.2	.....8.2	.....5.5
	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)	297,687	1,008,758	1,974,653	1,036,653	969,372
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)	.....5.4	.....19.9	.....40.1	.....25.0	.....17.6

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	1,733,629,327	1,711,219,863	1,772,927,731	1,681,241,089
Governments	2. Canada	453,021,893	403,309,891	456,697,273	446,720,000
(Including all obligations guaranteed	3. Other Countries	185,941,998	186,495,312	184,922,483	175,792,432
by governments)	4. Totals	2,372,593,219	2,301,025,066	2,414,547,487	2,303,753,522
	5. United States	1,466,819,548	1,479,930,509	1,481,613,452	1,398,990,000
States, Territories and Possessions	6. Canada	303,813,656	277,047,843	304,950,781	299,463,833
(Direct and guaranteed)	7. Other Countries	0	0	0	0
	8. Totals	1,770,633,204	1,756,978,352	1,786,564,233	1,698,453,833
Political Subdivisions of States,	9. United States	2,543,473,677	2,578,659,482	2,549,284,774	2,443,595,000
Territories and Possessions	10. Canada	78,080,585	77,354,555	77,950,767	78,147,000
(Direct and guaranteed)	11. Other Countries	0	0	0	0
	12. Totals	2,621,554,261	2,656,014,037	2,627,235,541	2,521,742,000
Special Revenue and Special Assessment	13. United States	2,415,863,270	2,455,407,576	2,433,242,760	2,330,298,840
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	2,415,863,270	2,455,407,576	2,433,242,760	2,330,298,840
	17. United States	521,174,940	510,607,142	525,788,742	513,321,378
Public Utilities	18. Canada	17,611,432	16,299,298	17,927,611	17,436,181
(Unaffiliated)	19. Other Countries	47,282,496	47,953,094	47,072,036	48,882,000
	20. Totals	586,068,868	574,859,534	590,788,390	579,639,559
Industrial and Miscellaneous and	21. United States	2,493,670,271	2,468,926,393	2,526,304,494	2,480,028,524
Credit Tenant Loans	22. Canada	272,078,577	266,064,885	266,756,292	271,184,523
(Unaffiliated)	23. Other Countries	289,845,487	285,119,929	296,291,892	283,761,253
	24. Totals	3,055,594,335	3,020,111,207	3,089,352,678	3,034,974,300
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. **Total Bonds**	12,822,307,157	12,764,395,772	12,941,731,089	12,468,862,053
PREFERRED STOCKS	27. United States	2,087,520	2,087,520	2,000,000	
Public Utilities	28. Canada	0	0	0	
(Unaffiliated)	29. Other Countries	0	0	0	
	30. Totals	2,087,520	2,087,520	2,000,000	
	31 United States	12,757,032	12,757,032	12,537,543	
Banks, Trust and Insurance Companies	32. Canada	0	0	0	
(Unaffiliated)	33. Other Countries	26,255,330	26,255,330	26,465,834	
	34. Totals	39,012,362	39,012,362	39,003,377	
	35. United States	8,035,762	8,032,834	10,873,637	
Industrial and Miscellaneous	36. Canada	0	0	0	
(Unaffiliated)	37. Other Countries	2,025,180	2,025,180	2,000,000	
	38. Totals	10,060,942	10,058,014	12,873,637	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. **Total Preferred Stocks**	51,160,824	51,157,896	53,877,014	
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	2,334,944	2,334,944	0	
Banks, Trust and Insurance Companies	46. Canada	0	0	0	
(Unaffiliated)	47. Other Countries	0	0	0	
	48. Totals	2,334,944	2,334,944	0	
	49. United States	42,543,173	42,543,173	31,394,476	
Industrial and Miscellaneous	50. Canada	0	0	0	
(Unaffiliated)	51. Other Countries	0	0	0	
	52. Totals	42,543,173	42,543,173	31,394,476	
Parent, Subsidiaries and Affiliates	53. Totals	3,120,042,402	3,120,042,402	3,206,871,608	
	54. **Total Common Stocks**	3,164,920,519	3,164,920,519	3,238,266,084	
	55. **Total Stocks**	3,216,081,342	3,216,078,415	3,292,143,098	
	56. **Total Bonds and Stocks**	16,038,388,499	15,980,474,187	16,233,874,187	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year		15,607,216,684
2. Cost of bonds and stocks acquired, Column 7, Part 3		2,521,573,807
3. Accrual of discount		13,656,346
4. Increase (decrease) by adjustment:		
4.1 Columns 12 - 14, Part 1	48,138	
4.2 Columns 15 - 17, Part 2, Section 1	(6,028,746)	
4.3 Column 15, Part 2, Section 2	257,321,149	
4.4 Columns 11 - 13, Part 4	(4,798,049)	246,542,492
5. Total gain (loss), Column 19, Part 4		19,610,358
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4		2,311,145,446
7. Amortization of premium		63,897,761
8. Foreign exchange adjustment:		
8.1 Column 15, Part 1	6,922,027	
8.2 Column 19, Part 2, Section 1	0	
8.3 Column 16, Part 2, Section 2	0	
8.4 Column 15, Part 4	(2,090,004)	4,832,023
9. Book/adjusted carrying value at end of current period		16,038,388,499
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)		16,038,388,499
12. Total nonadmitted amounts		2,874,780
13. Statement value of bonds and stocks, current year		16,035,513,719

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	251,593	54,470	68,335	4,233	50,203	4,434	1,567	306,994	XXX
2. 1997	4,182,037	785,624	3,396,413	2,583,394	457,162	277,004	31,246	226,647	16,121	87,435	2,582,516	XXX
3. 1998	4,123,508	718,414	3,405,094	3,070,587	650,040	295,656	39,812	217,845	19,051	87,872	2,875,185	XXX
4. 1999	4,064,460	759,537	3,304,923	3,160,284	817,019	309,177	47,971	164,324	22,186	89,335	2,746,609	XXX
5. 2000	4,173,096	924,722	3,248,375	3,002,975	847,166	304,819	43,992	160,629	25,894	102,399	2,551,372	XXX
6. 2001	4,544,454	895,452	3,649,001	3,278,845	925,465	293,610	48,435	174,752	26,711	84,117	2,746,594	XXX
7. 2002	5,059,634	1,107,000	3,952,634	2,232,328	509,842	237,417	25,349	145,588	19,806	79,073	2,060,336	XXX
8. 2003	5,630,358	1,267,991	4,362,367	2,010,892	313,143	182,553	14,674	139,255	14,305	69,868	1,990,579	XXX
9. 2004	5,609,646	1,031,311	4,578,335	1,722,756	245,024	119,702	9,761	155,373	12,483	64,280	1,730,563	XXX
10. 2005	5,296,352	727,280	4,569,071	1,789,772	411,107	70,525	7,348	156,287	9,166	55,460	1,588,963	XXX
11. 2006	5,106,803	534,651	4,572,152	822,370	53,152	24,694	1,232	150,172	2,680	32,342	940,171	XXX
12. Totals	XXX	XXX	XXX	23,925,796	5,283,590	2,183,491	274,052	1,741,074	172,837	753,748	22,119,883	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	1,418,167	442,582	1,673,459	330,549	154,657	12,469	301,250	19,701	133,696	1,978	1,867	2,873,951	XXX
2. 1997	134,568	56,438	85,311	5,065	21,207	12,134	12,834	1,145	11,134	608	798	189,663	XXX
3. 1998	134,254	29,542	98,018	15,373	13,247	2,448	17,554	1,498	7,060	38	1,511	221,231	XXX
4. 1999	187,943	46,130	143,303	42,288	20,697	5,064	21,110	973	10,056	27	2,522	288,627	XXX
5. 2000	297,856	66,054	243,848	65,909	29,370	6,266	24,390	4,730	10,440	24	5,117	462,922	XXX
6. 2001	448,140	175,108	292,485	109,018	41,213	12,211	37,438	9,322	21,009	130	11,330	534,496	XXX
7. 2002	346,376	69,363	312,523	101,639	41,335	2,412	49,745	12,769	23,950	(64)	12,313	587,810	XXX
8. 2003	381,590	55,688	380,383	131,009	50,577	1,849	83,775	21,512	43,865	(176)	27,686	730,308	XXX
9. 2004	438,187	80,531	550,192	132,996	53,145	2,822	146,721	14,128	35,860	(346)	35,363	993,974	XXX
10. 2005	549,804	156,933	975,913	269,795	53,831	3,193	166,922	17,054	44,201	(650)	47,285	1,344,345	XXX
11. 2006	557,117	71,167	1,113,965	147,700	47,951	1,341	210,377	12,399	89,451	(841)	66,750	1,787,096	XXX
12. Totals	4,894,002	1,249,536	5,869,400	1,351,340	527,229	62,210	1,072,117	115,232	430,721	727	212,541	10,014,424	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	2,318,495	555,456
2. 1997	3,352,099	579,920	2,772,179	80.2	73.8	81.6	0	0	26.36	158,376	31,287
3. 1998	3,854,220	757,804	3,096,416	93.5	105.5	90.9	0	0	26.36	187,356	33,876
4. 1999	4,016,894	981,658	3,035,236	98.8	129.2	91.8	0	0	26.36	242,828	45,799
5. 2000	4,074,327	1,060,034	3,014,294	97.6	114.6	92.8	0	0	26.36	409,742	53,180
6. 2001	4,587,490	1,306,400	3,281,090	100.9	145.9	89.9	0	0	26.36	456,499	77,997
7. 2002	3,389,262	741,116	2,648,146	67.0	66.9	67.0	0	0	26.36	487,898	99,913
8. 2003	3,272,890	552,003	2,720,887	58.1	43.5	62.4	0	0	26.36	575,276	155,032
9. 2004	3,221,936	497,399	2,724,537	57.4	48.2	59.5	0	0	26.36	774,851	219,122
10. 2005	3,807,254	873,946	2,933,308	71.9	120.2	64.2	0	0	26.36	1,098,989	245,357
11. 2006	3,016,097	288,830	2,727,267	59.1	54.0	59.6	0	0	26.36	1,452,215	334,880
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	8,162,526	1,851,898

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	7,300,189	7,053,414	6,963,908	6,754,185	6,604,750	7,353,748	7,403,171	7,762,965	8,050,778	8,156,045	105,267	393,080
2. 1997	2,487,317	2,547,138	2,496,471	2,486,147	2,504,314	2,498,807	2,504,052	2,525,162	2,545,772	2,556,595	10,823	31,432
3. 1998	XXX	2,668,151	2,644,707	2,691,556	2,759,020	2,797,032	2,818,694	2,852,652	2,877,190	2,895,761	18,571	43,109
4. 1999	XXX	XXX	2,442,681	2,497,757	2,603,333	2,696,314	2,786,667	2,847,912	2,852,078	2,889,344	37,266	41,431
5. 2000	XXX	XXX	XXX	2,369,217	2,472,853	2,528,861	2,668,937	2,812,816	2,834,241	2,876,585	42,345	63,769
6. 2001	XXX	XXX	XXX	XXX	2,974,868	2,958,828	3,066,527	3,116,783	3,082,360	3,120,763	38,403	3,980
7. 2002	XXX	XXX	XXX	XXX	XXX	2,600,479	2,377,696	2,446,298	2,488,561	2,509,019	20,458	62,721
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2,669,974	2,515,837	2,573,498	2,568,439	(5,059)	52,602
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,959,384	2,681,343	2,564,946	(116,397)	(394,438)
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,002,482	2,757,321	(245,160)	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,505,104	XXX	XXX
12. Totals											(93,482)	297,687

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	1,272,977	2,177,678	2,839,876	3,365,234	3,874,773	4,446,305	4,724,673	5,027,966	5,289,191	XXX	XXX
2. 1997	748,969	1,262,437	1,576,890	1,852,786	2,060,401	2,181,383	2,276,588	2,321,531	2,345,227	2,371,990	XXX	XXX
3. 1998	XXX	870,923	1,435,362	1,842,517	2,129,792	2,340,322	2,490,966	2,574,941	2,623,515	2,676,391	XXX	XXX
4. 1999	XXX	XXX	843,128	1,446,305	1,870,607	2,197,816	2,366,771	2,469,110	2,551,805	2,604,471	XXX	XXX
5. 2000	XXX	XXX	XXX	807,367	1,405,267	1,804,017	2,101,247	2,195,197	2,325,059	2,416,637	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	854,225	1,532,952	1,961,658	2,258,266	2,483,026	2,598,554	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	706,553	1,207,443	1,505,119	1,750,801	1,934,555	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	761,883	1,311,820	1,660,263	1,865,628	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	764,451	1,324,415	1,587,673	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	827,486	1,441,842	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	792,679	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	4,098,904	3,166,570	2,655,619	2,168,727	1,732,693	1,964,801	1,583,230	1,668,685	1,741,991	1,634,916
2. 1997	1,060,438	671,783	419,338	266,749	189,624	135,795	94,657	89,379	87,415	93,831
3. 1998	XXX	1,080,318	582,017	350,100	247,330	176,212	131,478	124,987	119,449	100,764
4. 1999	XXX	XXX	930,643	417,950	192,042	81,845	177,647	147,497	102,834	124,541
5. 2000	XXX	XXX	XXX	904,950	454,377	213,344	259,191	295,154	196,035	201,667
6. 2001	XXX	XXX	XXX	XXX	1,365,669	732,374	510,669	328,126	210,858	217,207
7. 2002	XXX	XXX	XXX	XXX	XXX	1,308,587	608,611	423,750	315,377	255,740
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,340,692	662,541	459,832	324,782
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,613,011	870,642	566,490
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,383,856	871,225
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,179,538

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	25,436,874	26,883,459	86,434	24,092,725	25,027,936	99,875,622	20,519	427,874
2. Alaska AK	YES	8,924,711	8,872,470	21,247	3,669,174	2,884,186	13,604,382	1,275	108,064
3. Arizona AZ	YES	28,512,284	30,413,476	35,570	19,553,574	18,268,781	70,794,931	14,756	642,259
4. Arkansas AR	YES	11,171,000	12,458,959	156,641	5,604,784	(2,181,217)	31,807,456	6,555	206,537
5. California CA	YES	221,707,793	253,870,258	1,446,074	126,846,750	76,467,418	505,974,364	172,709	898,453
6. Colorado CO	YES	38,353,738	43,545,241	24,213	16,099,515	6,177,801	85,222,525	43,245	524,201
7. Connecticut CT	YES	28,022,251	31,226,771	51,616	30,675,900	36,347,231	104,035,811	53,809	115,599
8. Delaware DE	YES	4,156,233	4,909,490	16,324	3,158,180	838,913	11,930,816	1,748	103,422
9. District of Columbia DC	YES	7,170,254	8,351,295	52,954	5,317,788	4,807,322	28,395,751	3,705	48,058
10. Florida FL	YES	107,102,246	108,806,297	461,830	76,931,852	38,621,883	212,984,023	62	1,172,637
11. Georgia GA	YES	42,607,831	47,362,106	74,872	37,014,297	10,470,478	99,481,564	37,635	1,199,365
12. Hawaii HI	YES	2,911,023	3,336,635	40,631	4,493,947	(92,484)	15,129,312	162	101,205
13. Idaho ID	YES	3,783,359	3,910,849	7,299	1,328,907	730,343	8,498,645	4,814	36,759
14. Illinois IL	YES	92,864,572	96,046,073	113,198	139,426,833	82,429,661	440,743,571	38,567	2,128,054
15. Indiana IN	YES	22,673,176	25,315,218	60,031	23,578,405	9,424,558	57,244,069	6,550	253,540
16. Iowa IA	YES	12,011,203	12,972,190	94,417	17,894,624	5,344,361	41,619,946	2,559	127,240
17. Kansas KS	YES	19,999,159	20,533,924	24,531	5,676,643	8,104,263	43,665,330	7,023	106,344
18. Kentucky KY	YES	15,770,246	16,566,831	51,571	13,173,970	6,166,684	45,533,056	8,246	113,267
19. Louisiana LA	YES	62,836,108	65,142,596	132,296	77,658,144	2,708,703	222,240,708	39,630	32,441
20. Maine ME	YES	5,724,456	5,546,034	1,063	3,595,180	1,345,186	13,743,835	4,559	6,899
21. Maryland MD	YES	31,689,035	34,886,493	128,580	24,287,386	32,379,084	78,614,814	19,940	295,423
22. Massachusetts MA	YES	57,829,141	60,642,894	51,373	31,343,415	27,006,039	121,971,833	103,068	330,135
23. Michigan MI	YES	33,855,903	36,803,361	152,004	23,092,181	12,053,930	86,216,102	16,393	330,908
24. Minnesota MN	YES	44,747,980	49,784,213	228,565	28,173,503	13,344,939	149,678,942	18,736	608,075
25. Mississippi MS	YES	21,050,316	23,265,469	149,135	27,448,736	6,924,495	94,091,553	16,588	621,925
26. Missouri MO	YES	25,820,065	26,306,883	15,171	15,434,639	12,540,425	82,250,060	11,543	320,062
27. Montana MT	YES	6,444,297	7,161,990	40,873	6,539,685	(820,440)	29,436,960	10,218	38,622
28. Nebraska NE	YES	2,602,788	3,726,927	48,345	3,922,769	(961,244)	31,067,700	1,141	121,158
29. Nevada NV	YES	10,560,221	11,474,551	40,958	24,983,587	22,466,148	45,212,919	5,706	288,713
30. New Hampshire NH	YES	8,132,188	9,298,166	118,318	4,731,999	4,749,209	28,776,084	10,258	50,677
31. New Jersey NJ	YES	71,848,733	78,316,222	36,505	38,690,516	31,710,146	164,117,608	75,786	1,376,949
32. New Mexico NM	YES	34,858,197	34,087,170	58,263	14,333,050	8,583,120	30,943,757	20,511	68,436
33. New York NY	YES	169,260,258	175,390,940	179,426	100,645,670	83,478,571	494,612,332	238,531	3,591,184
34. North Carolina NC	YES	30,826,058	33,448,166	95,156	24,746,004	4,419,500	78,596,960	23,714	179,575
35. North Dakota ND	YES	7,715,098	7,680,449	32,091	2,059,391	556,736	5,832,449	2,166	78,180
36. Ohio OH	YES	39,886,126	38,915,331	2,066	27,189,235	15,493,848	98,275,013	13,237	706,329
37. Oklahoma OK	YES	20,422,268	21,690,923	101,957	7,593,985	3,397,369	37,562,979	18	219,955
38. Oregon OR	YES	17,090,198	17,797,111	4,758	17,320,091	8,159,643	27,495,250	14,687	134,430
39. Pennsylvania PA	YES	71,994,059	78,685,367	181,941	55,878,357	23,489,987	185,268,570	53,923	1,099,555
40. Rhode Island RI	YES	10,865,610	11,959,026	4,474	7,077,627	5,272,159	23,472,994	22,501	8,456
41. South Carolina SC	YES	13,176,295	15,588,156	37,782	10,183,914	5,431,282	39,183,262	10,106	540,701
42. South Dakota SD	YES	3,775,136	4,404,774	22,575	681,940	3,158,120	13,080,910	1,912	77,156
43. Tennessee TN	YES	15,895,771	18,168,289	85,233	15,780,420	10,327,760	73,777,791	14,355	336,191
44. Texas TX	YES	152,744,260	171,761,131	151,125	136,764,146	29,187,577	424,401,739	128,000	4,642,807
45. Utah UT	YES	17,803,970	18,276,369	16,892	6,622,733	4,122,502	38,800,102	21,400	139,566
46. Vermont VT	YES	1,816,420	2,075,517	3,926	4,025,462	679,967	8,542,225	649	4,914
47. Virginia VA	YES	36,232,591	37,211,556	62,349	16,653,715	12,426,532	71,908,155	30,852	207,579
48. Washington WA	YES	66,561,483	64,993,922	10,171	23,532,309	34,863,819	93,634,913	63,670	242,025
49. West Virginia WV	YES	18,057,616	18,362,010	23,593	22,800,395	12,846,004	34,654,912	9,046	89,313
50. Wisconsin WI	YES	28,750,852	33,536,689	336,702	35,368,792	25,622,637	83,445,209	5,758	390,728
51. Wyoming WY	YES	24,227,642	23,477,407	7,958	2,792,161	7,736,281	18,042,237	15,133	23,036
52. American Samoa AS	NO	0	0	0	0	0	0	0	0
53. Guam GU	YES	1,117	1,638	0	0	12,687	15,803	0	0
54. Puerto Rico PR	YES	1,505,022	3,431,165	0	(172,561)	(2,249,457)	8,835,828	6	0
55. US Virgin Islands VI	YES	555,080	380,996	0	30,379	(236,056)	674,141	4	0
56. Northern Mariana Islands MP	NO	0	0	0	0	0	0	0	0
57. Canada CN	YES	260,067,332	238,721,844	0	74,812,176	108,221,231	391,127,746	0	0
58. Aggregate Other Alien OT	XXX	79,755,516	76,802,636	0	13,541,253	10,325,097	57,910,233	0	0
59. Totals	(a) 54	2,200,163,162	2,314,585,925	5,381,079	1,484,700,248	910,611,657	5,404,055,801	1,447,681	25,514,981
DETAILS OF WRITE-INS									
5801. Other Alien Combined	XXX	79,508,341	76,598,335	0	13,541,253	10,300,069	57,818,315	0	0
5802. Bahama Islands	XXX	247,175	204,301	0	0	25,028	91,918	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	79,755,516	76,802,636	0	13,541,253	10,325,097	57,910,233	0	0

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

FIRE; ALLIED LINES; FARMOWNERS MULTI PERIL; HOMEOWNERS MULTI PERIL; COMMERCIAL MULTI PERIL; EARTHQUAKE; BURGLARY & THEFT; BOILER & MACHINERY-LOCATION OF PROPERTY INSURED; OCEAN MARINE-LOCATION WHERE CONTRACT OF INSURANCE IS NEGOTIATED, EXCEPT BUILDERS RISKS WHICH ARE ALLOCATED ON LOCATIONS OF RISK; INLAND MARINE-ADDRESS OF INSURED OR STATE OF PRINCIPAL EXPOSURE, BRIDGES & TUNNELS-LOCATION OF PROPERTY; FINANCIAL GUARANTY; GROUP ACCIDENT & HEALTH; OTHER ACCIDENT & HEALTH; CREDIT-LOCATION OF INSURED; MEDICAL MALPRACTICE; WORKERS COMPENSATION; OTHER LIABILITY; PRODUCTS LIABILITY-LOCATION OF RISK; AUTO LIABILITY; AUTO PHYSICAL DAMAGE-LOCATION OF PRINCIPAL GARAGE OF INSURED; AIRCRAFT (ALL PERILS)-LOCATION OF AIRPORT FROM WHICH INSURED AIRCRAFT PRINCIPALLY OPERATE; FIDELITY-FORGERY-LOCATION OF INSURED, PUBLIC & FEDERAL OFFICIAL-LOCATION OF OFFICIAL, ALL OTHER FIDELITY-LOCATION OF EMPLOYER; 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