



# COMBINED ANNUAL STATEMENT

For the Year Ended December 31, 2006  
of the Condition and Affairs of the

## Continental Casualty Company

and its affiliated property and casualty insurers

This annual statement contains combined data for the property and casualty insurance companies listed above, compiled in accordance with the NAIC instructions for the completion of annual statements.

NAIC Group Code.....0218    NAIC Combined Company Code..... 00218

Mail Address                                    333 South Wabash Avenue Chicago IL 60604  
*(Street and Number)                    (City or Town, State and Zip Code)*

Statutory Statement Contact            Shelley Engel  
*(Name)*

312-822-2000  
*(Area Code) (Telephone Number)*

NAMES OF COMPANIES INCLUDED IN THIS STATEMENT

American Casualty Company of Reading, Pennsylvania	20427	PA
Columbia Casualty Company	31127	IL
Continental Casualty Company	20443	IL
Continental Insurance Company of Puerto Rico	12440	PR
Galway Insurance Company	10201	CA
National Fire Insurance Company of Hartford	20478	IL
The Continental Insurance Company	35289	PA
The Continental Insurance Company of New Jersey	42625	NJ
Transcontinental Insurance Company	20486	NY
Transportation Insurance Company	20494	IL
Valley Forge Insurance Company	20508	PA

**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).....	27,969,433,504	0	27,969,433,504	26,841,734,976
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,640,473,596	0	1,640,473,596	499,903,113
2.2 Common stocks.....	1,769,336,459	0	1,769,336,459	1,351,399,147
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).....	14,693,842	0	14,693,842	1,853,179
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	2,500	0	2,500	1,794,062
4.3 Properties held for sale (less \$.....0 encumbrances).....	8,685,034	0	8,685,034	0
5. Cash (\$....74,525,678, Sch. E-Part 1), cash equivalents (\$....491,475,203, Sch. E-Part 2) and short-term investments (\$....1,257,158,644, Sch. DA).....	1,823,159,525	0	1,823,159,525	2,410,549,290
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	1,814,152,574	0	1,814,152,574	1,418,597,359
8. Receivables for securities.....	203,967,487	0	203,967,487	343,566,405
9. Aggregate write-ins for invested assets.....	1,500,883	0	1,500,883	(57,939)
10. Subtotals, cash and invested assets (Lines 1 to 9).....	35,245,405,404	0	35,245,405,404	32,869,339,592
11. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	232,388,584	0	232,388,584	232,767,467
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	591,609,506	110,771,727	480,837,779	381,159,816
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....86,032,574 earned but unbilled premiums).....	584,823,271	15,162,202	569,661,069	687,620,354
13.3 Accrued retrospective premiums.....	284,378,004	17,458,700	266,919,304	269,350,144
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	667,143,274	0	667,143,274	576,300,654
14.2 Funds held by or deposited with reinsured companies.....	88,703,444	0	88,703,444	112,599,943
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	34,316,932
16.2 Net deferred tax asset.....	2,375,909,288	1,693,462,000	682,447,288	679,188,807
17. Guaranty funds receivable or on deposit.....	62,296,872	0	62,296,872	76,840,426
18. Electronic data processing equipment and software.....	65,317,222	40,514,071	24,803,151	19,338,987
19. Furniture and equipment, including health care delivery assets (\$.....0).....	7,932,595	7,932,595	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.....	19,563,877	3,965,566	15,598,311	8,312,563
22. Health care (\$.....0) and other amounts receivable.....	18,469,936	1,709,962	16,759,974	14,658,823
23. Aggregate write-ins for other than invested assets.....	323,801,687	216,063,112	107,738,575	183,576,607
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	40,567,742,965	2,107,039,935	38,460,703,030	36,145,371,115
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	40,567,742,965	2,107,039,935	38,460,703,030	36,145,371,115

**DETAILS OF WRITE-INS**

0901. Combined write-ins for Assets Line 9.....	1,500,883	0	1,500,883	(57,939)
0902.....				
0903.....				
0998. Summary of remaining write-ins for Line 9 from overflow page.....				
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	1,500,883	0	1,500,883	(57,939)
2301. Combined write-ins for Assets Line 23.....	323,801,687	216,063,112	107,738,575	183,576,607
2302.....				
2303.....				
2398. Summary of remaining write-ins for Line 23 from overflow page.....				
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	323,801,687	216,063,112	107,738,575	183,576,607

The prior year Net Admitted Asset amounts have been restated to include the impacts of the merger transactions that occurred on December 31, 2006. See Note 3B - "Statutory Mergers" for further details.

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	17,485,921,235	16,558,242,663
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6).....	71,890,295	104,234,000
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	2,783,604,397	2,722,186,809
4. Commissions payable, contingent commissions and other similar charges.....	143,576,564	126,167,993
5. Other expenses (excluding taxes, licenses and fees).....	301,788,901	256,375,421
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	238,993,581	201,094,957
7.1 Current federal and foreign income taxes (including \$.....90,473,356 on realized capital gains (losses)).....	101,411,181	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 \$.....328,203,126 and including warranty reserves of \$.....0).....	7,449,901,906	6,722,774,919
10. Advance premiums.....	2,783,217	3,033,447
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	13,215,174
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	438,951,380	437,625,164
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	155,226,364	1,119,485,127
14. Amounts withheld or retained by company for account of others.....	357,998,395	523,531,132
15. Remittances and items not allocated.....	137,903,085	(10,167,461)
16. Provision for reinsurance (Schedule F, Part 7).....	476,314,565	443,529,632
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	10,523,751	5,613,754
20. Payable for securities.....	239,471,451	107,014,175
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.....	8,481,999	77,929,604
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	30,404,742,260	29,411,886,509
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	30,404,742,260	29,411,886,509
27. Aggregate write-ins for special surplus funds.....	(7,843,190)	3,943,314
28. Common capital stock.....	39,282,790	39,282,790
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.....	5,341,559,969	5,341,559,966
33. Unassigned funds (surplus).....	2,682,961,201	1,348,698,537
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 38).....	8,055,960,771	6,733,484,606
36. TOTALS (Page 2, Line 26, Col. 3).....	38,460,703,030	36,145,371,115

**DETAILS OF WRITE-INS**

2301. Combined write-ins for Liabilities Line 23.....	8,481,999	77,929,604
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	8,481,999	77,929,604
2701. Combined write-ins for Liabilities Line 27.....	(7,843,190)	3,943,314
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(7,843,190)	3,943,314
3001. ....	0	0
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

The prior year Liabilities, Surplus, and Other Fund amounts have been restated to include the impacts of the merger transactions that occurred on December 31, 2006. See Note 3B - "Statutory Mergers" for further details.

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4).....	6,082,989,856	6,213,758,558
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	3,623,850,568	4,356,361,534
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	1,300,581,174	1,495,769,035
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,959,757,654	1,953,706,619
5. Aggregate write-ins for underwriting deductions.....	(53,272,871)	19,838,835
6. Total underwriting deductions (Lines 2 through 5).....	6,830,916,525	7,825,676,021
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(747,926,669)	(1,611,917,463)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,787,507,627	2,146,304,012
10. Net realized capital gains (losses) less capital gains tax of \$....44,495,367 (Exhibit of Capital Gains (Losses)).....	(50,467,189)	(11,917,025)
11. Net investment gain (loss) (Lines 9 + 10).....	1,737,040,438	2,134,386,987
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....8,311,272 amount charged off \$....110,909,974).....	(102,598,702)	(114,101,930)
13. Finance and service charges not included in premiums.....	4,374,382	2,355,391
14. Aggregate write-ins for miscellaneous income.....	(28,971,384)	17,333,338
15. Total other income (Lines 12 through 14).....	(127,195,704)	(94,413,201)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	861,918,065	428,056,324
17. Dividends to policyholders.....	12,754,691	32,264,374
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).....	849,163,374	395,791,950
19. Federal and foreign income taxes incurred.....	214,163,382	(99,655,975)
20. Net income (Line 18 minus Line 19) (to Line 22).....	634,999,992	495,447,924
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	6,733,484,606	6,815,290,686
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20).....	634,999,992	495,447,924
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(100,479,598).....	540,883,694	(492,417,837)
25. Change in net unrealized foreign exchange capital gain (loss).....	13,253,988	(9,727,272)
26. Change in net deferred income tax.....	(18,250,268)	197,149,302
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	162,048,747	(69,356,569)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(32,784,933)	25,816,838
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	0
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.....	(93,428,998)	(137,775,314)
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.....	115,753,941	(90,943,155)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,322,476,164	(81,806,080)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	8,055,960,771	6,733,484,606
<b>DETAILS OF WRITE-INS</b>		
0501. Combined write-ins for Statement of Income Line 5.....	(53,272,871)	19,838,835
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	(53,272,871)	19,838,835
1401. Combined write-ins for Statement of Income Line 14.....	(28,971,384)	17,333,338
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....		
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(28,971,384)	17,333,338
3701. Combined write-ins for Statement of Income Line 37.....	115,753,941	(90,943,155)
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	115,753,941	(90,943,155)

The prior year Statement of Income and Capital and Surplus Account amounts have been restated to include the impacts of the merger transactions that occurred on December 31, 2006. See Note 3B - "Statutory Mergers" for further details.

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	6,834,568,587	7,185,127,912
2. Net investment income.....	1,753,296,804	2,164,253,696
3. Miscellaneous income.....	(127,195,770)	(94,413,200)
4. Total (Lines 1 through 3).....	8,460,669,621	9,254,968,409
5. Benefit and loss related payments.....	2,794,976,911	1,847,143,186
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	1,343,366	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	3,030,383,972	3,279,872,023
8. Dividends paid to policyholders.....	12,754,691	32,264,374
9. Federal and foreign income taxes paid (recovered) \$.....(70,070,024) net of tax on capital gains (losses).....	122,930,637	84,825,012
10. Total (Lines 5 through 9).....	5,962,389,576	5,244,104,596
11. Net cash from operations (Line 4 minus Line 10).....	2,498,280,045	4,010,863,813
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	45,123,697,505	58,220,966,062
12.2 Stocks.....	325,914,172	525,743,170
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	8,709,786	43,395,321
12.5 Other invested assets.....	82,140,036	172,075,514
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(3,181,363)	(472,132)
12.7 Miscellaneous proceeds.....	410,017,682	214,496,130
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	45,947,297,819	59,176,204,065
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	46,116,978,657	60,532,888,844
13.2 Stocks.....	1,566,798,930	568,518,130
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	28,227,092	12,199,239
13.5 Other invested assets.....	305,679,174	69,203,621
13.6 Miscellaneous applications.....	135,352,965	455,908,264
13.7 Total investments acquired (Lines 13.1 to 13.6).....	48,153,036,817	61,638,718,098
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).....	(2,205,738,998)	(2,462,514,033)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
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.....	106,644,172	124,560,140
16.6 Other cash provided (applied).....	(773,286,642)	(1,561,737,913)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(879,930,813)	(1,686,298,052)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(587,389,765)	(137,948,271)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,410,549,290	2,548,497,561
19.2 End of year (Line 18 plus Line 19.1).....	1,823,159,525	2,410,549,290
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 Non cash invested assets exchanged for non cash invested assets.....	1,398,652,790	832,290,930

The prior year Cash Flow has been restated to include the impacts of the merger transactions that occurred on December 31, 2006. See Note 3B - "Statutory Mergers" for further details.

**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.....	5,781,496	(776,466)	(1,358,265)	6,363,295
2.	Allied lines.....	346,780,364	95,841,053	147,973,457	294,647,960
3.	Farmowners multiple peril.....	0	0	0	0
4.	Homeowners multiple peril.....	(87)	0	0	(87)
5.	Commercial multiple peril.....	1,120,236,203	537,366,428	548,954,396	1,108,648,235
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	262,124,659	97,270,811	97,721,320	261,674,150
9.	Inland marine.....	96,423,704	39,715,079	46,811,034	89,327,749
10.	Financial guaranty.....	0	42,080	42,080	0
11.1	Medical malpractice - occurrence.....	125,320,416	48,469,620	53,594,761	120,195,275
11.2	Medical malpractice - claims-made.....	323,653,283	146,478,819	165,203,656	304,928,446
12.	Earthquake.....	32,727	(1,321,447)	(1,323,255)	34,535
13.	Group accident and health.....	118,423,918	843,589,473	996,934,242	(34,920,851)
14.	Credit accident and health (group and individual).....	0	0	0	0
15.	Other accident and health.....	507,512,105	3,262,579,484	3,761,354,487	8,737,102
16.	Workers' compensation.....	989,331,402	(69,046,830)	(23,864,809)	944,149,381
17.1	Other liability - occurrence.....	502,979,471	230,094,891	204,968,190	528,106,172
17.2	Other liability - claims-made.....	1,430,513,278	604,706,836	651,008,391	1,384,211,723
18.1	Products liability - occurrence.....	34,727,953	16,028,928	12,929,966	37,826,915
18.2	Products liability - claims-made.....	108,920,927	41,596,002	51,123,582	99,393,347
19.1, 19.2	Private passenger auto liability.....	(418,242)	(94,484)	(70,916)	(441,810)
19.3, 19.4	Commercial auto liability.....	608,046,874	247,512,995	226,531,530	629,028,339
21.	Auto physical damage.....	109,980,001	47,408,153	42,935,092	114,453,062
22.	Aircraft (all perils).....	511,982	0	0	511,982
23.	Fidelity.....	21,019,886	14,702,116	17,196,726	18,525,276
24.	Surety.....	1,523,367	4,079,058	1,688,084	3,914,341
26.	Burglary and theft.....	1,221,094	160,987	740,796	641,285
27.	Boiler and machinery.....	82,075,686	36,650,255	36,538,313	82,187,628
28.	Credit.....	8,368	(21,710)	(22,205)	8,863
29.	International.....	0	0	0	0
30.	Reinsurance - nonproportional assumed property.....	(975,418)	0	0	(975,418)
31.	Reinsurance - nonproportional assumed liability.....	439,306	0	0	439,306
32.	Reinsurance - nonproportional assumed financial lines.....	481,163	0	0	481,163
33.	Aggregate write-ins for other lines of business.....	14,918,635	192,858,244	127,913,246	79,863,633
34.	<b>TOTALS.....</b>	<b>6,811,594,521</b>	<b>6,435,890,376</b>	<b>7,165,523,901</b>	<b>6,081,960,996</b>

**DETAILS OF WRITE-INS**

3301.	Combined write-ins for U&I Part 1 Line 33.....	14,918,635	192,858,244	127,913,246	79,863,633
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page.....				
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	14,918,635	192,858,244	127,913,246	79,863,633

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

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.....	(1,362,126)	3,888	0	(27)	(1,358,265)
2.	Allied lines.....	144,387,040	3,586,226	0	190	147,973,456
3.	Farmowners multiple peril.....	0	0	0	0	0
4.	Homeowners multiple peril.....	0	0	0	0	0
5.	Commercial multiple peril.....	547,455,175	1,498,901	0	321	548,954,397
6.	Mortgage guaranty.....	0	0	0	0	0
8.	Ocean marine.....	98,119,563	(398,242)	0	0	97,721,321
9.	Inland marine.....	45,829,131	981,838	0	65	46,811,034
10.	Financial guaranty.....	42,080	0	0	0	42,080
11.1	Medical malpractice - occurrence.....	52,773,282	(60,854)	0	882,333	53,594,761
11.2	Medical malpractice - claims-made.....	154,946,527	8,510,129	0	1,747,000	165,203,656
12.	Earthquake.....	(1,323,088)	(167)	0	0	(1,323,255)
13.	Group accident and health.....	8,924,598	603,347	0	987,406,297	996,934,242
14.	Credit accident and health (group and individual).....	0	0	0	0	0
15.	Other accident and health.....	128,212,010	35,583,627	0	3,597,558,851	3,761,354,488
16.	Workers' compensation.....	198,848,764	19,928,368	0	(242,641,941)	(23,864,809)
17.1	Other liability - occurrence.....	226,983,707	699,763	0	(22,715,280)	204,968,190
17.2	Other liability - claims-made.....	639,968,044	4,919,844	0	6,120,502	651,008,390
18.1	Products liability - occurrence.....	12,678,269	116,059	0	135,638	12,929,966
18.2	Products liability - claims-made.....	50,513,327	610,126	0	129	51,123,582
19.1, 19.2	Private passenger auto liability.....	(71,754)	45	0	793	(70,917)
19.3, 19.4	Commercial auto liability.....	253,175,072	1,183,197	0	(27,826,740)	226,531,529
21.	Auto physical damage.....	42,111,016	905,022	0	(80,946)	42,935,092
22.	Aircraft (all perils).....	0	0	0	0	0
23.	Fidelity.....	17,148,662	47,990	0	74	17,196,726
24.	Surety.....	(792,341)	2,480,425	0	0	1,688,084
26.	Burglary and theft.....	733,492	7,420	0	(116)	740,797
27.	Boiler and machinery.....	36,073,470	464,840	0	3	36,538,313
28.	Credit.....	(21,264)	(941)	0	0	(22,205)
29.	International.....	0	0	0	0	0
30.	Reinsurance - nonproportional assumed property.....	0	0	0	0	0
31.	Reinsurance - nonproportional assumed liability.....	0	0	0	0	0
32.	Reinsurance - nonproportional assumed financial lines.....	0	0	0	0	0
33.	Aggregate write-ins for other lines of business.....	2,807,025	125,106,221	0	0	127,913,246
34.	TOTALS.....	2,658,159,683	206,777,075	0	4,300,587,143	7,165,523,901
35.	Accrued retrospective premiums based on experience.....					284,378,004
36.	Earned but unbilled premiums.....					0
37.	Balance (sum of Lines 34 through 36).....					7,449,901,906

**DETAILS OF WRITE-INS**

3301.	Combined write-ins for U&I Part 1A Line 33.....	2,807,025	125,106,221	0	0	127,913,246
3302.	.....					
3303.	.....					
3398.	.....					
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	2,807,025	125,106,221	0	0	127,913,246

(a) State here basis of computation used in each case: Daily pro rata

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	5,556,160	175,595	396,260	(158,248)	504,767	5,781,496
2. Allied lines.....	365,257,724	(739)	19,435	29,527	18,466,530	346,780,364
3. Farmowners multiple peril.....	0	0	0	0	0	0
4. Homeowners multiple peril.....	4,048,396	0	425,153	0	4,473,636	(87)
5. Commercial multiple peril.....	1,245,192,812	2,992,814	6,637,154	397,878	134,188,700	1,120,236,203
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	281,855,076	0	(461,921)	1,980,259	17,288,237	262,124,659
9. Inland marine.....	1,073,886,292	0	52,485,083	1,024,391,141	5,556,530	96,423,704
10. Financial guaranty.....	89,960	0	20,103	0	110,063	0
11.1 Medical malpractice - occurrence.....	125,300,519	0	1	0	(19,895)	125,320,416
11.2 Medical malpractice - claims-made.....	452,905,155	0	25,136,935	0	154,388,805	323,653,283
12. Earthquake.....	31,286	0	1,172	0	(269)	32,727
13. Group accident and health.....	231,507,430	0	2,079,947	0	115,163,460	118,423,918
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	461,427,612	0	53,042,358	0	6,957,865	507,512,105
16. Workers' compensation.....	1,067,789,182	802,218	(4,714,091)	(24,862,372)	99,408,278	989,331,402
17.1 Other liability - occurrence.....	814,412,636	88,821	(2,578,054)	194,927,743	114,016,189	502,979,471
17.2 Other liability - claims-made.....	1,637,439,288	1,171,865	2,448,058	36,000	210,509,932	1,430,513,278
18.1 Products liability - occurrence.....	34,698,474	674,315	1,013,032	(2,565)	1,660,435	34,727,953
18.2 Products liability - claims-made.....	131,476,065	0	0	43,208	22,511,929	108,920,927
19.1, 19.2 Private passenger auto liability.....	(33,209)	10,790	(3,047,060)	(1,787,037)	(864,199)	(418,242)
19.3, 19.4 Commercial auto liability.....	654,458,992	226,424	17,387,547	(2,896,651)	66,922,741	608,046,874
21. Auto physical damage.....	109,074,637	2,823	1,300,897	9,979	388,377	109,980,001
22. Aircraft (all perils).....	(33,567)	0	616,226	62,566	8,111	511,982
23. Fidelity.....	36,743,057	0	35,390	13,386	15,745,175	21,019,886
24. Surety.....	113,725,195	1,510,057	928,896	114,249,445	391,337	1,523,367
26. Burglary and theft.....	1,315,324	(15)	4	(11)	94,230	1,221,094
27. Boiler and machinery.....	85,106,359	0	9,528	0	3,040,202	82,075,686
28. Credit.....	11,433,935	0	352	352	11,425,567	8,368
29. International.....	0	0	0	0	0	0
30. Reinsurance - nonproportional assumed property.....	XXX	0	1,135,150	0	2,110,569	(975,418)
31. Reinsurance - nonproportional assumed liability.....	XXX	0	377,371	0	(61,935)	439,306
32. Reinsurance - nonproportional assumed financial lines.....	XXX	0	481,163	0	0	481,163
33. Aggregate write-ins for other lines of business.....	20,609,461	0	0	552,843	5,137,983	14,918,635
34. TOTALS.....	8,965,274,253	7,654,970	155,176,090	1,306,987,443	1,009,523,349	6,811,594,521

**DETAILS OF WRITE-INS**

3301. Combined write-ins for U&I Part 1B Line 33.....	20,609,461	0	0	552,843	5,137,983	14,918,635
3302. ....						
3303. ....						
3398. Summary of remaining write-ins for Line 33 from overflow page.....						
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	20,609,461	0	0	552,843	5,137,983	14,918,635

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

If yes: 1. The amount of such installment premiums \$.....953,689,265.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....934,753,364.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	10,145,486	4,476,921	96,485,352	(81,862,945)	34,539,708	(56,751,260)	9,428,023	148.2
2. Allied lines.....	297,489,655	2,617,139	140,689,305	159,417,490	335,822,086	425,367,193	69,872,383	23.7
3. Farmowners multiple peril.....	71,718	366	0	72,084	908,008	983,688	(3,596)	0.0
4. Homeowners multiple peril.....	35,274,276	262,644	33,551,276	1,985,645	13,307,329	14,790,813	502,161	(577,197.1)
5. Commercial multiple peril.....	893,716,251	(479,604)	169,993,145	723,243,503	1,804,682,402	1,929,269,910	598,655,995	54.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	183,190,336	4,090,412	74,304,454	112,976,294	316,311,077	273,053,184	156,234,187	59.7
9. Inland marine.....	522,654,849	74,739	481,921,393	40,808,195	40,923,278	35,293,353	46,438,120	52.0
10. Financial guaranty.....	839,245	(1,951)	(4,004,831)	4,842,125	11,431,459	10,075,188	6,198,396	0.0
11.1 Medical malpractice - occurrence.....	43,761,439	870,177	14,393,624	30,237,992	221,344,161	210,648,777	40,933,376	34.1
11.2 Medical malpractice - claims-made.....	158,550,850	1,297,505	90,750,004	69,098,351	675,622,736	633,788,984	110,932,103	36.4
12. Earthquake.....	(104)	16,905	(22,500)	39,301	253,728	289,893	3,136	9.1
13. Group accident and health.....	238,471,928	43,937,424	244,394,598	38,014,754	217,749,410	215,922,112	39,842,053	(114.1)
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	219,625,460	8,903,588	649,044	227,880,004	737,367,605	662,634,405	302,613,204	3,463.5
16. Workers' compensation.....	800,564,034	59,201,194	442,458,013	417,307,215	4,220,988,889	3,954,321,498	683,974,607	72.4
17.1 Other liability - occurrence.....	643,471,127	115,384,615	603,502,998	155,352,744	3,820,570,243	3,857,695,010	118,227,977	22.4
17.2 Other liability - claims-made.....	600,995,947	6,672,470	244,361,518	363,306,899	2,166,563,605	1,830,889,458	698,981,046	50.5
18.1 Products liability - occurrence.....	39,929,272	253,690	13,232,830	26,950,132	188,123,171	151,283,763	63,789,540	168.6
18.2 Products liability - claims-made.....	5,709,397	0	11,126,377	(5,416,981)	119,627,095	98,490,823	15,719,292	15.8
19.1, 19.2 Private passenger auto liability.....	200,157,877	2,122,974	183,318,757	18,962,094	125,459,506	127,051,511	17,370,088	(3,931.6)
19.3, 19.4 Commercial auto liability.....	434,598,477	25,891,185	66,573,149	393,916,513	1,185,906,238	1,187,756,231	392,066,520	62.3
21. Auto physical damage.....	57,785,025	1,028,761	(455,305)	59,269,091	23,070,914	20,158,808	62,181,197	54.3
22. Aircraft (all perils).....	22,214,120	28,248,917	39,571,519	10,891,518	58,325,414	69,656,767	(439,834)	(85.9)
23. Fidelity.....	17,677,651	629,360	1,560,023	16,746,988	84,593,921	89,132,396	12,208,513	65.9
24. Surety.....	44,777,412	(133,818)	47,179,857	(2,536,263)	97,624,629	89,656,615	5,431,751	138.8
26. Burglary and theft.....	(0)	(2,240)	(3,448)	1,208	299,973	91,443	209,738	32.7
27. Boiler and machinery.....	23,889,053	7,748	508,007	23,388,794	48,246,573	37,207,788	34,427,579	41.9
28. Credit.....	6,848,482	(401)	7,252,022	(403,941)	3,501,948	4,534,634	(1,436,627)	(16,208.4)
29. International.....	0	0	0	0	0	0	0	0.0
30. Reinsurance - nonproportional assumed property.....	XXX	26,297,330	162,410,477	(136,113,147)	103,128,706	11,837,763	(44,822,204)	4,595.2
31. Reinsurance - nonproportional assumed liability.....	XXX	169,440,582	193,207,899	(23,767,317)	788,574,639	621,833,860	142,973,463	32,545.3
32. Reinsurance - nonproportional assumed financial lines.....	XXX	3,902,184	2,552,000	1,350,184	18,755,427	24,111,278	(4,005,666)	(832.5)
33. Aggregate write-ins for other lines of business.....	61,926,211	0	9,297,890	52,628,321	22,297,358	27,166,782	47,758,897	59.8
34. TOTALS.....	5,564,335,473	505,010,818	3,370,759,445	2,698,586,847	17,485,921,235	16,558,242,663	3,626,265,418	59.6

**DETAILS OF WRITE-INS**

3301. Combined write-ins for U&I Part 2 Line 33.....	61,926,211	0	9,297,890	52,628,321	22,297,358	27,166,782	47,758,897	59.8
3302. ....								
3303. ....								
3398. Summary of remaining write-ins for Line 33 from overflow page.....								
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	61,926,211	0	9,297,890	52,628,321	22,297,358	27,166,782	47,758,897	59.8

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	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)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	2,823,866	36,086,875	22,993,537	15,917,204	179,501,647	7,548,889	168,428,032	34,539,708	1,165,198
2. Allied lines.....	270,019,207	1,969,547	122,307,989	149,680,765	212,235,125	4,283,126	30,376,930	335,822,086	9,885,905
3. Farmowners multiple peril.....	69,445	3,644	0	73,089	723,454	111,464	0	908,007	534,893
4. Homeowners multiple peril.....	32,549,798	315,306	21,339,634	11,525,470	40,820,502	1,745,212	40,783,855	13,307,329	299,826
5. Commercial multiple peril.....	906,421,261	8,745,690	46,154,066	869,012,885	979,704,447	9,059,876	53,094,806	1,804,682,402	747,136,867
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	180,846,219	12,735,042	64,411,196	129,170,065	298,216,205	7,555,765	118,630,959	316,311,076	27,615,610
9. Inland marine.....	38,200,831	264,374	22,979,495	15,485,710	155,745,637	128,954	130,437,022	40,923,279	4,761,045
10. Financial guaranty.....	5,372,757	2	3	5,372,756	6,058,703	0	0	11,431,459	2,768,489
11.1 Medical malpractice - occurrence.....	157,038,436	2,317,552	38,636,583	120,719,405	98,377,351	1,954,230	(293,175)	221,344,161	55,905,260
11.2 Medical malpractice - claims-made.....	300,575,473	2,097,311	52,692,435	249,980,349	748,782,783	0	323,140,397	675,622,735	106,184,051
12. Earthquake.....	0	43,634	0	43,634	209,475	199,006	198,387	253,728	20,452
13. Group accident and health.....	821,636,457	5,620,129	759,228,820	68,027,766	50,389,422	432,843,854	333,511,632	(a) 217,749,410	16,424,797
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	598,788,343	22,887,251	1,272,646	620,402,948	101,648,923	15,424,799	109,065	(a) 737,367,605	14,366,941
16. Workers' compensation.....	3,089,417,404	443,450,957	671,833,728	2,861,034,633	1,615,036,363	306,003,117	561,085,224	4,220,988,889	554,226,930
17.1 Other liability - occurrence.....	2,070,912,338	269,831,163	835,912,044	1,504,831,457	3,471,537,620	166,045,518	1,321,844,351	3,820,570,244	431,615,061
17.2 Other liability - claims-made.....	1,118,506,737	9,351,815	197,636,067	930,222,485	1,580,607,786	5,750,635	350,017,303	2,166,563,603	521,977,273
18.1 Products liability - occurrence.....	135,903,886	1,029,835	63,016,970	73,916,751	159,745,868	2,000	45,541,448	188,123,171	50,425,151
18.2 Products liability - claims-made.....	32,450,188	0	31,046,087	1,404,101	185,012,776	2,000	66,791,782	119,627,095	37,649,405
19.1, 19.2 Private passenger auto liability.....	260,544,036	7,871,143	171,649,096	96,766,083	84,154,931	9,240,551	64,702,060	125,459,505	3,335,155
19.3, 19.4 Commercial auto liability.....	688,883,710	32,257,596	62,431,821	658,709,485	596,725,495	57,301,182	126,829,924	1,185,906,238	159,201,862
21. Auto physical damage.....	13,450,966	2,244,955	1,280,326	14,415,595	39,894,362	3,179,072	34,418,114	23,070,915	6,282,349
22. Aircraft (all perils).....	179,323,007	28,422,317	186,146,221	21,599,103	65,439,378	8,796,707	37,509,774	58,325,414	5,702,870
23. Fidelity.....	19,389,566	647,512	6,675,989	13,361,089	104,088,071	1,453,521	34,308,761	84,593,920	16,620,084
24. Surety.....	259,243,636	3,279,525	236,470,454	26,052,707	65,196,428	64,859,922	58,484,427	97,624,630	125,998
26. Burglary and theft.....	0	46,255	42,593	3,662	310,668	17,672	32,032	299,970	95,084
27. Boiler and machinery.....	18,204,496	4,353	261,267	17,947,582	30,498,727	32,322	232,058	48,246,573	2,645,194
28. Credit.....	2,682,189	44,295	3,007,967	(281,483)	32,100,298	33	28,316,900	3,501,948	368,870
29. International.....	0	0	0	0	0	0	0	0	0
30. Reinsurance - nonproportional assumed property.....	XXX	53,011,241	6,265,502	46,745,739	XXX	56,782,810	399,842	103,128,707	540,638
31. Reinsurance - nonproportional assumed liability.....	XXX	599,046,836	123,053,183	475,993,653	XXX	339,748,561	27,167,573	788,574,641	3,902,965
32. Reinsurance - nonproportional assumed financial lines.....	XXX	13,313,057	0	13,313,057	XXX	5,442,371	0	18,755,428	129,562
33. Aggregate write-ins for other lines of business.....	358	0	0	358	23,416,061	0	1,119,061	22,297,358	1,690,614
34. TOTALS.....	11,203,254,611	1,556,939,212	3,748,745,719	9,011,448,104	10,926,178,506	1,505,513,169	3,957,218,544	17,485,921,235	2,783,604,397
<b>DETAILS OF WRITE-INS</b>									
3301. Combined write-ins for U&I Part 2A Line 33.....	358	0	0	358	23,416,061	0	1,119,061	22,297,358	1,690,614
3302. ....									
3303. ....									
3398. Summary of remaining write-ins for Line 33 from overflow page.....									
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	358	0	0	358	23,416,061	0	1,119,061	22,297,358	1,690,614

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	1,010,870,875	0	0	1,010,870,875
1.2 Reinsurance assumed.....	15,334,862	0	0	15,334,862
1.3 Reinsurance ceded.....	129,030,387	0	0	129,030,387
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	897,175,351	0	0	897,175,351
2. Commission and brokerage:				
2.1 Direct excluding contingent.....	0	1,226,100,279	0	1,226,100,279
2.2 Reinsurance assumed excluding contingent.....	0	21,421,819	0	21,421,819
2.3 Reinsurance ceded excluding contingent.....	0	456,150,394	0	456,150,394
2.4 Contingent - direct.....	0	87,268,956	0	87,268,956
2.5 Contingent - reinsurance assumed.....	0	(4,217,846)	0	(4,217,846)
2.6 Contingent - reinsurance ceded.....	0	40,092	0	40,092
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	874,382,722	0	874,382,722
3. Allowances to managers and agents.....	94,414	730,157	380	824,951
4. Advertising.....	1,015,116	4,798,090	16	5,813,222
5. Boards, bureaus and associations.....	0	23,880,667	0	23,880,667
6. Surveys and underwriting reports.....	12,400,777	11,108,289	6,287	23,515,353
7. Audit of assureds' records.....	0	1,133,243	0	1,133,243
8. Salary and related items:				
8.1 Salaries.....	292,972,258	654,138,058	3,450,805	950,561,122
8.2 Payroll taxes.....	13,369,120	18,533,462	214,273	32,116,855
9. Employee relations and welfare.....	2,864,466	7,400,492	3,002	10,267,960
10. Insurance.....	(188,595)	(439,374)	2,563	(625,407)
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	9,306,389	27,217,487	3,200	36,527,076
13. Rent and rent items.....	14,704,638	27,661,247	8,595	42,374,480
14. Equipment.....	22,089,042	42,969,314	696,920	65,755,276
15. Cost or depreciation of EDP equipment and software.....	0	0	0	0
16. Printing and stationery.....	3,798,370	6,133,532	1,641	9,933,542
17. Postage, telephone and telegraph, exchange and express.....	5,399,009	11,875,165	3,784	17,277,957
18. Legal and auditing.....	29,671,166	14,877,638	26,050	44,574,854
19. Totals (Lines 3 to 18).....	407,496,168	852,017,466	4,417,515	1,263,931,149
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....6,412,288.....	0	222,032,384	0	222,032,384
20.2. Insurance department licenses and fees.....	0	13,289,061	0	13,289,061
20.3. Gross guaranty association assessments.....	0	5,024,133	0	5,024,133
20.4. All other (excluding federal and foreign income and real estate).....	0	5,798,884	0	5,798,884
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	246,144,462	0	246,144,462
21. Real estate expenses.....	0	0	2,328,437	2,328,437
22. Real estate taxes.....	0	0	682,934	682,934
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	(3,487,723)	(12,786,996)	24,009,240	7,734,521
25. Total expenses incurred.....	1,301,183,797	1,959,757,654	31,438,127	(a).....3,292,379,577
26. Less unpaid expenses - current year.....	2,783,604,397	684,359,046	0	3,467,963,443
27. Add unpaid expenses - prior year.....	2,722,186,809	583,638,371	0	3,305,825,180
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).....	1,239,766,209	1,859,036,979	31,438,127	3,130,241,315

**DETAILS OF WRITE-INS**

2401. Combined write-ins for U&I Part 3 Line 33.....	(3,487,723)	(12,786,996)	24,009,240	7,734,521
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page.....				
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	(3,487,723)	(12,786,996)	24,009,240	7,734,521

(a) Includes management fees of \$.....3,540,000 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....63,024,301	.....79,949,587
1.1 Bonds exempt from U.S. tax.....	(a).....247,184,688	.....201,667,503
1.2 Other bonds (unaffiliated).....	(a).....1,159,411,632	.....1,173,039,291
1.3 Bonds of affiliates.....	(a).....779,763	.....727,860
2.1 Preferred stocks (unaffiliated).....	(b).....33,018,351	.....44,730,180
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....6,763,511	.....6,485,975
2.21 Common stocks of affiliates.....	.....3,000,000	.....3,000,000
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....1,498,162	.....1,498,162
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....206,147,264	.....206,635,635
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....93,189,122	.....93,189,121
9. Aggregate write-ins for investment income.....	.....9,104,532	.....9,093,731
10. Total gross investment income.....	.....1,823,121,324	.....1,820,017,044
11. Investment expenses.....		(g).....31,438,127
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....152,382
15. Aggregate write-ins for deductions from investment income.....		.....918,908
16. Total deductions (Lines 11 through 15).....		.....32,509,418
17. Net investment income (Line 10 minus Line 16).....		.....1,787,507,627

**DETAILS OF WRITE-INS**

0901. Combined write-ins for Net Investment income Line 9.....	9,104,532	9,093,731
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page.....		
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	9,104,532	9,093,731
1501. Combined write-ins for Net Investment income Line 15.....		918,908
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		918,908

- (a) Includes \$.....78,513,931 accrual of discount less \$.....41,083,622 amortization of premium and less \$.....191,559,885 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....9,375,106 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....172,358,376 accrual of discount less \$.....183,340 amortization of premium and less \$.....43,407,735 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 \$.....152,382 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.....	120,310,424	(48,219,380)	(3,035,663)	69,055,381
1.1 Bonds exempt from U.S. tax.....	80,688,289	(11,865,850)	0	68,822,438
1.2 Other bonds (unaffiliated).....	6,826,267	(83,723,017)	36,032,750	(40,864,000)
1.3 Bonds of affiliates.....	0	0	0	0
2.1 Preferred stocks (unaffiliated).....	(1,411,409)	(1,326,392)	(2,615,205)	(5,353,006)
2.11 Preferred stocks of affiliates.....	0	0	0	0
2.2 Common stocks (unaffiliated).....	23,218,559	(3,228,477)	84,712,358	104,702,440
2.21 Common stocks of affiliates.....	(167,251,382)	0	382,377,803	215,126,421
3. Mortgage loans.....	0	0	0	0
4. Real estate.....	(83,454)	0	0	(83,454)
5. Contract loans.....	0	0	0	0
6. Cash, cash equivalents and short-term investments.....	(3,189,442)	8,079	(573,282)	(3,754,646)
7. Derivative instruments.....	5,404,362	34,514,042	(22,070,895)	17,847,509
8. Other invested assets.....	0	(1,127,405)	173,279,551	172,152,146
9. Aggregate write-ins for capital gains (losses).....	353,239	(364,479)	(97,120,840)	(97,132,081)
10. Total capital gains (losses).....	64,865,452	(115,332,882)	550,986,579	500,519,149

**DETAILS OF WRITE-INS**

0901. Combined write-ins for Capital Gains (Losses) Line 9.....	353,239	(364,479)	(97,120,840)	(97,132,081)
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page.....				
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	353,239	(364,479)	(97,120,840)	(97,132,081)

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## NOTES TO FINANCIAL STATEMENTS

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### PROPERTY

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## NOTES TO FINANCIAL STATEMENTS

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### Note 1 - Summary of Significant Accounting Policies

#### *A. Accounting Practices*

The accompanying financial statements of Continental Casualty Company ("Company" or "CCC") and certain of its affiliated property and casualty insurers (collectively, "Combined Companies") have been prepared in conformity with accounting practices prescribed or permitted by their respective states of domicile ("states") and the National Association of Insurance Commissioners ("NAIC"). In the opinion of management, these financial statements include all adjustments (consisting of normal recurring accruals) that are necessary for the fair presentation of the statutory financial position, results of operations and cash flows.

The states require their domiciled insurance companies to prepare statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual ("NAIC SAP"), subject to any deviations prescribed or permitted by the states.

CCC follows a permitted accounting practice, which differs from NAIC SAP, relating to the accounting for the uncollectible reinsurance reserve in excess of the provision for reinsurance as calculated in Schedule F. The permitted practice allows CCC to record this additional reserve amount through operations as an "Aggregate write-in for underwriting deductions" rather than through the accounts previously utilized to establish the reinsurance recoverable. This reserve amount is reported as a liability included on the "Liabilities, Surplus and Other Funds" exhibit as "Aggregate write-ins for liabilities", entitled "Additional allowance for uncollectible reinsurance recoverable" and amounted to \$0 and \$53.6 million at December 31, 2006 and December 31, 2005, respectively. There is no impact to statutory surplus or income as a result of following this permitted accounting practice rather than following the NAIC SAP guidance set forth in Statement of Statutory Accounting Principles No. 62 – *Property and Casualty Reinsurance* ("SSAP No. 62").

Effective December 31, 2006, twelve companies merged, either directly or indirectly, with and into The Continental Insurance Company ("CIC"), and one company merged directly with and into CCC. In conformity with SSAP No. 3 – *Accounting Changes and Corrections of Errors*, the 2005 amounts presented in the accompanying financial statements and supporting schedules have been restated as if the merger had occurred as of January 1, 2005. Please refer to Note 3B – *Statutory Mergers* for additional details regarding this merger transaction.

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

The preparation of financial statements in conformity with the statutory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the financial statement date, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ significantly from those estimates.

#### *C. Accounting Policies*

##### Insurance Related Accounting Policies

Premiums are earned ratably over the duration of the policies after provision for estimated adjustments on retrospectively rated policies and deductions for ceded insurance. The reserve for unearned premiums on these contracts represents the portion of premiums written relating to the unexpired terms of the coverage. Premiums received in advance of the effective date of the contract are carried as a liability until the policy effective date, at which point written premiums and unearned premium reserves are recorded.

Loss and loss adjustment expense ("LAE") reserves, except reserves for structured settlements, workers' compensation lifetime claims and accident and health disability claims, are not discounted and are based on (a) case basis estimates for losses reported on direct business, adjusted in the aggregate for ultimate loss expectations, (b) estimates of unreported losses, (c) estimates of losses on assumed insurance, (d) estimates of future expenses to be incurred in settlement of claims and (e) estimates of claim recoveries, including reinsurance.

Structured settlements have been negotiated for certain property-casualty insurance claims. Structured settlements are agreements to provide fixed periodic payments to claimants. Certain structured settlements are funded by annuities purchased from life insurance companies, including affiliates (see Note 27). Obligations for structured settlements, not funded by annuities, are included in loss and LAE reserves and are carried at present values determined using interest rates ranging from 4.58% to 7.50% (see Note 32).

Workers' compensation lifetime claim reserves and accident and health disability claim reserves are calculated using mortality and morbidity assumptions based on CCC's and industry experience and are discounted at interest rates allowable by regulators, which range from 3.50% to 6.00% (see Note 32).

The Combined Companies' participation in involuntary risk pools ("residual markets") is mandatory and generally a function of their proportionate share of the voluntary market, by line of insurance, in each state in which they do business. The Combined Companies' participation in mandatory residual markets requires them to record premiums, losses and expenses in the same manner as they would record similar, voluntary business that is written by the Combined Companies. In addition to their proportional share of losses and expenses incurred by the residual market facility, the Combined Companies are responsible for their share of any otherwise unrecoverable obligations of other residual market facility participants. Expenses and accruals related to these unrecoverable obligations are recorded when it is probable that a loss has occurred and can be reasonably estimated.

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## NOTES TO FINANCIAL STATEMENTS

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Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for any ceding allowances received or receivable.

Direct charges to unassigned surplus principally include changes in net unrealized capital gains and losses, changes in non-admitted assets, changes in the provision for reinsurance, changes in deferred taxes, dividends to stockholders, and foreign currency translation adjustments.

Certain assets are designated as "non-admitted assets" and are charged directly to unassigned surplus in the statutory accounts. Among those assets subject to non-admitted penalties are receivable balances that are greater than ninety days past due including agents' receivables, receivables from parent, subsidiaries and affiliates and direct bill receivables related to premiums that have been earned. Other assets that are either wholly or partially subject to non-admitted penalties include certain deposits, a portion of uncollateralized accrued retrospective premium receivables and earned but unbilled premium receivables, non-electronic data processing related equipment, furniture and fixtures, miscellaneous assets and deferred tax assets.

### Investment Related Accounting Policies

#### *1 & 2. Basis of valuation of bonds and short-term investments*

U.S. dollar denominated bonds with NAIC designations 1 and 2, except for U.S. Treasury Inflation Protected Securities ("TIPS"), are stated at amortized cost. Based on guidance from the Emerging Accounting Issues Working Group INT 01-25, TIPS are stated at amortized cost including the effects of inflation adjustments. Foreign currency denominated securities with NAIC designations 1 and 2 are recorded at amortized cost based on the U.S. dollar equivalent values using exchange rates at the balance sheet date. Bonds with NAIC designations 3 through 6 are stated at the lower of fair value or amortized cost.

Bonds, except for bonds containing call provisions, are amortized to their maturity dates using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to the call or maturity date, whichever produces the lowest asset value (yield-to-worst method).

Short-term investments with ratings equivalent NAIC designations 1 and 2 are stated at amortized cost. Short-term investments with NAIC designations 3 through 6 are stated at the lower of fair value or amortized cost. Short-term investments use the straight-line method for amortization.

Unrealized gains and losses resulting from differences between book value and carrying value, including TIPS inflation adjustments and changes in the balance sheet values of foreign currency denominated securities due to fluctuations in foreign currency exchange rates, are credited or charged to unassigned surplus, net of the effects of income taxes.

#### *3. Basis of valuation of common stocks*

Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. Unrealized gains and losses resulting from differences between book value and carrying value, including changes in the balance sheet values of foreign currency denominated securities due to fluctuations in foreign currency exchange rates, are credited or charged to unassigned surplus, net of the effects of income taxes.

#### *4. Basis of valuation of preferred stocks*

Redeemable preferred stocks with NAIC designations 1 and 2 are stated at book value. Non-redeemable preferred stocks with NAIC designations 1 and 2 are stated at fair value. Preferred stocks with NAIC designations of 3 through 6 are stated at the lower of book value or fair value. Unrealized gains and losses resulting from differences between book value and carrying value, including changes in the balance sheet values of foreign currency denominated securities due to fluctuations in foreign currency exchange rates, are credited or charged to unassigned surplus, net of the effects of income taxes.

#### *5. Basis of valuation of mortgage loans*

No disclosures required.

#### *6. Basis of valuation of loan-backed securities*

Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value, and the securities are revalued with new prepayment assumptions using either the retrospective or prospective adjustment methodologies. Fixed rate loan-backed securities are revalued using the retrospective adjustment methodology. Variable rate loan-backed securities are revalued using the prospective adjustment methodology. Unrealized gains and losses resulting from loan-backed securities that are carried at fair value are credited or charged to unassigned surplus, net of the effects of income taxes.

#### *7. Basis of valuation of investments in subsidiaries, controlled and affiliated entities*

The Combined Companies own various investments in subsidiaries, controlled or affiliated ("SCA") entities which are valued in accordance with SSAP No. 88 – *Investment in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 46 ("SSAP No. 88")*, using the appropriate method below.

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## NOTES TO FINANCIAL STATEMENTS

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3ii A – U.S. insurance subsidiaries are stated at statutory equity value.

3ii B – Non-insurance subsidiaries that have insignificant on-going operations other than to hold assets that are primarily for the direct or indirect benefit of the Combined Companies are recorded based on the U.S. audited GAAP equity of the SCA's financial statement adjusted to a statutory basis of accounting.

3ii C – Non-insurance SCA entities with significant on-going operations are reported on a GAAP equity basis.

3ii D - Foreign insurance SCA entities are reported on the U.S. audited GAAP equity of SCA's financial statement adjusted to a statutory basis of accounting.

3ii E - Foreign non-insurance SCA entities are reported on the U.S. audited GAAP equity of SCA's financial statement adjusted to a statutory basis of accounting.

3i – The market valuation method is used to value the Combined Companies' investment in CNA Surety Company ("CNA Surety"), whose common stock trades on the New York Stock Exchange ("NYSE"). The market value of the investment in CNA Surety is discounted based on the ownership percentage of total common stock owned to total common stock outstanding calculated at the CNA Financial Corporation ("CNAF") holding company level.

Gains or losses resulting from differences between the carrying value and book value of SCA entities are reported as charges to unassigned surplus.

### 8. Basis of valuation of joint ventures, partnerships, LLCs (Limited Liability Companies)

The Combined Companies utilize the equity method of accounting for investments in joint ventures, limited partnerships and limited liability companies as prescribed in SSAP No. 48 – *Joint Ventures, Partnerships and Limited Liability Companies ("SSAP No. 48")*. In all cases where the ownership percentage is greater than 10%, the Combined Companies lack control as stipulated in paragraphs 9 and 10 of SSAP No. 48.

### 9. Basis of valuation of derivatives

The Combined Companies record derivatives according to the standards within SSAP No. 86 – *Accounting for Derivative Instruments and Hedging Activities ("SSAP No. 86")*. In most circumstances, fair value accounting is followed. The determination between the use of hedge accounting and fair value accounting may be made for each individual instrument. Under fair value accounting, futures, swaps, options, caps, floors and forwards are recorded at fair value with the resulting gain/loss recorded as unrealized. The derivatives are valued monthly and the reported value represents the amount the Combined Companies would expect to pay or receive upon termination of the instrument.

### Other Accounting Policies

#### 10. Premium deficiency reserve

No disclosures required.

#### 11. Method of establishing loss and LAE reserves and asbestos and environmental reserves

The Combined Companies' loss and LAE reserves represent the estimated amounts necessary to settle all outstanding claims, including claims that are incurred but not reported ("IBNR") as of the reporting date. The Combined Companies' reserve projections are based primarily on detailed analysis of the facts in each case and the Combined Companies' experience with similar cases and various historical development patterns. Consideration is given to such historical patterns as field reserving trends and claims settlement practices, loss payments, pending levels of unpaid losses and product mix, as well as court decisions, economic conditions and public attitudes.

Establishing loss and LAE reserves, including loss and LAE reserves for catastrophic events that have occurred, is an estimation process. Many factors can ultimately affect the final settlement of a claim and, therefore, the necessary reserve. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all affect ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement amount can be. Accordingly, short-tail claims, such as property damage claims, tend to be more reasonably estimable than long-tail claims, such as workers' compensation, general liability and professional liability claims. Adjustments to prior year reserve estimates, if necessary, are reflected in the results of operations in the period that the need for such adjustments is determined.

The Combined Companies' have actual and potential exposures related to asbestos, pollution and other mass tort ("APMT") claims. Establishing reserves for APMT loss and LAE is subject to uncertainties that are greater than those presented by other claims. Traditional actuarial methods and techniques employed to estimate the ultimate cost of claims for more traditional property and casualty exposures are less precise in estimating loss and LAE reserves for APMT, particularly in an environment of emerging or potential claims and coverage issues that arise from industry practices and legal, judicial, and social conditions. Therefore, these traditional actuarial methods and techniques are necessarily supplemented with additional estimating techniques and methodologies, many of which involve significant judgments that are required of management. Accordingly, a high degree of uncertainty remains for the Combined Companies' ultimate liability for APMT loss and LAE.

## NOTES TO FINANCIAL STATEMENTS

The Combined Companies perform an annual ground up review of all open APMT claims to evaluate the adequacy of the Company's APMT reserves. In performing its comprehensive ground up analysis, the Combined Companies consider input from their professionals with direct responsibility for the claims, inside and outside counsel with responsibility for representation of the Combined Companies, and their actuarial staff. These professionals review, among many factors, the policyholder's present and future exposures, including such factors as claims volume, trial conditions, settlement demands and defense costs; the policies issued by CCC, including such factors as aggregate or per occurrence limits, whether the policy is primary, umbrella or excess, and the existence of policyholder retentions and/or deductibles; the existence of other insurance; and reinsurance arrangements.

### Note 2 - Accounting Changes and Corrections of Errors

*A. Accounting Changes Other than Codification and Correction of Errors*

No disclosures required.

### Note 3 - Business Combinations and Goodwill

*A. Statutory Purchase Method*

No disclosures required.

*B. Statutory Mergers*

On December 31, 2006 CIC merged with six of its direct subsidiaries: The Fidelity & Casualty Company of New York ("FID"), National-Ben Franklin Insurance Company of Illinois ("NBF"), Kansas City Fire & Marine Insurance Company ("KAS"), Firemen's Insurance Company of Newark, NJ ("FIR"), The Buckeye Union Insurance Company ("BUC"), and Pacific Insurance Company ("PAC"). Each of these separate merger transactions was accounted for as a statutory merger and CIC was the surviving company in each of the mergers.

Details of the results of operations for the previously separate entities for the period ended December 31, 2006 were as follows:

(in millions)

	<u>CIC</u>	<u>BUC</u>	<u>FIR</u>	<u>KAS</u>	<u>NBF</u>	<u>PAC</u>	<u>FID</u>
Net underwriting loss	\$ (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment gain	141	12	23	1	2	3	7
Other expense	(80)	-	-	-	-	-	-
Dividends to policyholders	-	-	-	-	-	-	-
Net income after capital gains tax and before all other federal and foreign income taxes	<u>57</u>	<u>12</u>	<u>23</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>7</u>
Federal and foreign income tax incurred	1	-	2	-	-	-	-
Net Income	<u>\$ 56</u>	<u>\$12</u>	<u>\$21</u>	<u>\$1</u>	<u>\$2</u>	<u>\$3</u>	<u>\$7</u>

Immediately preceding its merger with and into CIC, BUC merged with three of its direct subsidiaries, including: Boston Old Colony Insurance Company ("BOC"), The Mayflower Insurance Company, Ltd. ("MFL") and Niagara Fire Insurance Company ("NIA"). Each of these merger transactions was accounted for as a statutory merger and BUC was the surviving company in each of the mergers.

Details of the results of operations for the previously separate entities for the period ended December 31, 2006 were as follows:

(in millions)

	<u>BUC</u>	<u>BOC</u>	<u>MFL</u>	<u>NIA</u>
Net underwriting gain (loss)	\$ -	\$ -	\$ -	\$ -
Net investment gain	7	1	1	3
Other Income (expense)	-	-	-	-
Dividends to policyholders	-	-	-	-
Net income after capital gains tax and before all other federal and foreign income taxes	<u>7</u>	<u>1</u>	<u>1</u>	<u>3</u>
Federal and foreign income tax incurred	-	-	-	-
Net Income	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3</u>

Immediately preceding its merger with and into CIC, FIR merged with three of its direct subsidiaries, including: Commercial Insurance Company of Newark, NJ ("COM"), The Glens Falls Insurance Company ("GLF") and Continental Reinsurance Corporation ("CRC"). Each of these merger transactions was accounted for as a statutory merger and FIR was the surviving company in each of the mergers.

**NOTES TO FINANCIAL STATEMENTS**

Details of the results of operations for the previously separate entities for the period ended December 31, 2006 were as follows:

(in millions)

	<u>FIR</u>	<u>GFL</u>	<u>COM</u>	<u>CRC</u>
Net underwriting gain (loss)	\$ -	\$ -	\$ -	\$ -
Net investment gain	6	8	4	5
Other Income (expense)	-	-	-	-
Dividends to policyholders	-	-	-	-
Net income after capital gains tax and before all other federal and foreign income taxes	<u>6</u>	<u>8</u>	<u>4</u>	<u>5</u>
Federal and foreign income tax incurred	-	-	-	2
Net Income	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ 3</u>

CIC's investment in these direct and indirect subsidiaries, prior to the mergers, was recorded on the statutory equity method. The impact to CIC's overall surplus position as a result of the merger was an increase of \$0.5 million and a reduction of \$9.5 million at December 31, 2006 and December 31, 2005, respectively. These changes were the result of deferred taxes previously recognized by these direct and indirect subsidiaries that could not be recognized by CIC. No pre-merger adjustments were made directly to the surplus of FID, NBF, KAS, FIR, BUC, PAC, BOC, MFL, NIA, GLF, COM, or CRC as a result of the mergers. Also, as a result of the mergers, all of the assets, property, rights, powers, licenses, interests and liabilities belonging to FID, NBF, KAS, FIR, BUC, PAC, BOC, MFL, NIA, GLF, COM and CRC were transferred to CIC, the ultimate surviving company in the mergers.

CCC's investment in CIC is recorded on the statutory equity method since both companies employ the statutory basis of accounting. Accordingly, CCC's overall surplus position was also increased by \$0.5 million and reduced by \$9.5 million at December 31, 2006 and December 31, 2005, respectively as a result of these mergers.

Also, on December 31, 2006, CCC merged with its direct subsidiary, CNA Casualty of California ("COC"). This merger transaction was accounted for as a statutory merger. As a result of the merger, all of the assets, property, rights, powers, licenses, interests and liabilities belonging to COC were transferred to CCC, the surviving company in the merger. CCC's investment in COC prior to the merger was recorded on the statutory equity method. CCC's overall surplus decreased by \$0 million and \$0.2 million at December 31, 2006 and December 31, 2005, respectively. This decrease arose from deferred taxes previously recognized in COC that could only be partially recognized by CCC. No pre-merger adjustments were made directly to the surplus of COC as a result of the merger.

Details of the results of operations for the previously separate entities for the period ended December 31, 2006 were as follows:

(in millions)

	<u>CCC</u>	<u>COC</u>
Net underwriting loss	\$ (744)	\$ -
Net investment gain	1,522	3
Other expense	(46)	-
Dividends to policyholders	(13)	-
Net income after capital gains tax and before all other federal and foreign income taxes	<u>719</u>	<u>3</u>
Federal and foreign income tax incurred	209	-
Net Income	<u>\$ 510</u>	<u>\$ 3</u>

*C. Impairment Loss*

No disclosures required.

**Note 4 - Discontinued Operations**

*A. Date and Effect on Financial Statements*

No disclosures required.

**Note 5 - Investments**

*A. Mortgage Loans*

No disclosures required.

*B. Troubled Debt Restructuring for Creditors*

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## NOTES TO FINANCIAL STATEMENTS

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Realized capital losses related to investments in restructured debt were \$0 for the year ended December 31, 2006 and \$3,405,049 for the year ended December 31, 2005. The total recorded investment in restructured debt as related to these realized losses was \$0 as of December 31, 2006 and \$21,158,228 as of December 31, 2005. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructuring were \$0 at December 31, 2006 and December 31, 2005. There was no activity in the allowance for credit losses account.

The Company accrues interest on investments in impaired debt to the extent it is deemed collectible (delinquent less than 90 days) and the debt continues to perform under its original or restructured contractual terms. Interest that is delinquent greater than 90 days is non-admitted and reported as a direct charge to surplus. Interest income on non-performing debt is generally recognized on a cash basis.

*C. Reverse Mortgages*

No disclosures required.

*D. Loan-backed Securities*

The Combined Companies have not elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

The Combined Companies primarily use market values provided by a broker in determining the market value of its loan-backed securities.

*E. Repurchase Agreements*

No disclosures required.

*F. Real Estate*

No disclosures required.

*G. Low-Income Housing Tax Credits*

No disclosures required.

### Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

*A. Details for those Greater than 10% of Admitted Assets*

The Combined Companies have no investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets.

*B. Write downs for Impairments*

Alta-Berkeley III Limited Partnership

Investment limited partnership whose primary investments are in privately held businesses in media, information services and healthcare companies in Europe and the U.S.

The investments in this fund are in the process of being liquidated and, as such, recovery in value is not anticipated.

As a result of the \$56,794 impairment, the remaining book value is now zero.

### Note 7 - Investment Income

*A. Accrued Investment Income*

The Combined Companies exclude from surplus all investment income due and accrued with amounts that are over 90 days past due.

*B. Amounts Excluded*

The total amount of investment income due and accrued excluded was \$0.

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## NOTES TO FINANCIAL STATEMENTS

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### Note 8 - Derivative Instruments

#### *A. Risk*

Credit exposure associated with non-performance by the counterparties to derivative instruments is generally limited to the gross fair value of the asset related to the instruments recognized in the balance sheet. The Combined Companies mitigate the risk of non-performance by using multiple counterparties and by monitoring their creditworthiness. The Combined Companies require that all derivative contracts be governed by an International Swaps and Derivatives Association ("ISDA") Master Agreement, depending on the nature of the derivatives transaction and requires collateral under the terms of these agreements from their derivative investment counterparties depending on the amount of the exposure and the credit rating of the counterparty.

The Combined Companies have exposure to economic losses due to interest rate risk arising from changes in the level of, or volatility of, interest rates. The Combined Companies attempt to mitigate their exposure to interest rate risk through portfolio management, which includes rebalancing their existing portfolios of assets and liabilities, as well as changing the characteristics of investments to be purchased or sold in the future. In addition, various derivative financial instruments may be used to modify the interest rate risk exposures of certain assets and liabilities. These strategies may include the use of interest rate swaps, interest rate caps and floors, options, futures, and forwards. These instruments are generally used to lock in interest rates or market value, to shorten or lengthen durations of fixed maturity securities or investment contracts, or to hedge (on an economic basis) interest rate risks associated with investments, variable rate debt and the Combined Companies' liabilities.

The Combined Companies are exposed to equity price risk as a result of their investment in equity securities and equity derivatives. Equity price risk results from changes in the level or volatility of equity prices, which affect the value of equity securities, or instruments which derive their value from such securities. The Combined Companies attempt to mitigate their exposure to such risks by limiting their investment in any one security or index. The Combined Companies may also manage this risk by utilizing instruments such as options, swaps, futures and collars to protect appreciation in securities held.

The Combined Companies have exposure to credit risk arising from the uncertainty associated with a financial instrument obligor's ability to make timely principal and/or interest payments. The Combined Companies attempt to mitigate this risk by limiting credit concentrations, practicing diversification, and frequently monitoring the credit quality of issuers and counterparties. In addition, the Combined Companies may utilize credit derivatives such as credit default swaps to modify the credit risk inherent in certain investments. Credit default swaps involve a transfer of credit risk from one party to another in exchange for periodic payments. The Combined Companies infrequently designate these types of instruments as hedges against specific assets.

Foreign exchange rate risk arises from the possibility that changes in foreign currency exchange rates will impact the value of financial instruments denominated in a foreign currency. The Combined Companies' foreign transactions are primarily denominated in Canadian Dollars, British Pounds and Euros. The Combined Companies manage this risk via asset/liability matching and through the use of foreign currency forwards.

#### *B. Objectives and Accounting*

The Combined Companies enter into derivative instruments for the following objectives:

##### 1. Hedging

Hedging transactions are entered into with the intention of, and can reasonably be expected to reduce (a) the risk of economic loss from a change in the value, yield, price, cash flow or quantity of assets or liabilities which the Combined Companies have acquired or incurred or anticipates acquiring or incurring or (b) the risk of economic loss due to changes in the currency exchange rate or the degree of exposure as to assets or liabilities denominated in a foreign currency which an insurer has acquired or incurred or anticipates acquiring or incurring. The various types of hedging transactions are:

##### Fair Value Hedges

The Combined Companies' hedging activities that may be designated as a fair value hedge for accounting purposes primarily involve hedging interest rate and credit default risks on various assets and liabilities. The Combined Companies periodically enter into interest rate swaps to modify the interest rate exposures of designated invested assets. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair-value hedge shall be valued and reported in a manner that is consistent with the hedged asset or liability. For the year ended December 31, 2006, the Combined Companies recognized no gains or losses from ineffectiveness on derivatives that were designated as a hedge for accounting purposes. All components of each derivative's gain or loss were included in the assessment of hedge effectiveness. Those derivatives not designated as hedges for accounting purposes or that do not qualify for hedge accounting are accounted for at fair value with the changes in fair value recorded as unrealized gains or losses.

##### Cash Flow Hedges

The Combined Companies' hedging activities that may be designated as a cash flow hedge for accounting purposes primarily involve hedging interest rate and credit default risks on various assets and liabilities. Changes in the cash flows of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge shall be recorded consistently with how the changes in cash flow of the hedged asset or liability; firm commitment of forecasted transaction are recorded. The

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## NOTES TO FINANCIAL STATEMENTS

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Combined Companies did not enter into any derivatives that were designated as cash flow hedges for accounting purposes during 2006 or 2005.

### Foreign Currency Hedges

The Combined Companies' hedging activities that may be designated as a foreign currency hedge for accounting purposes primarily involve hedging currency risks on various assets and liabilities. The Combined Companies did not enter into any derivatives that were designated as foreign currency hedges for accounting purposes during 2006 or 2005.

### 2. Income Enhancement

Income enhancement transactions are entered into with the expectation of, and the intention to, provide enhanced income opportunities or to provide additional yield to a particular portfolio segment or instrument. These types of derivative transactions are generally limited to written options. The Combined Companies did not enter into any income enhancement transactions during 2006 or 2005.

### 3. Replication

Replication Synthetic Asset Transactions ("RSAT") are derivative transactions entered into in conjunction with other investments to reproduce the investment characteristics of otherwise permissible investments. A derivative transaction entered into by the Combined Companies as a hedging or income enhancement transaction shall not be considered a replication transaction. The Combined Companies periodically enters into credit default swaps in conjunction with other securities that are filed and designated as RSAT that reproduce the investment characteristics of an otherwise permissible credit exposure. In these types of transactions the derivative is valued at fair value with any changes in fair value recorded in unrealized gain/loss.

### Accounting for Derivative Instruments

The Combined Companies' use of derivatives is limited by statutes and regulations promulgated by the various regulatory bodies to which they are subject, and by their own derivative policy. The derivative policy limits the authorization to initiate derivative transactions to certain personnel. The policy generally prohibits the use of income enhancing derivatives with a maturity greater than 18 months. Derivatives entered into for hedging, regardless of the choice to designate hedge accounting, shall have a maturity that effectively correlates to the underlying hedged asset or liability. The policy prohibits the use of derivatives containing greater than one-to-one leverage with respect to changes in the underlying price, rate or index. The policy also prohibits the use of borrowed funds, including funds obtained through repurchase transactions, to engage in derivative transactions.

The Combined Companies formally document all relationships between hedging instruments and hedged items, as well as their risk-management objective and strategy for undertaking various hedging transactions. The Combined Companies also formally assess (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in fair value or cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative for which hedge accounting has been designated is not (or ceases to be) highly effective, the Combined Companies discontinue hedge accounting prospectively.

### C. *Reporting Policies*

The Combined Companies record derivatives according to the standards within SSAP No. 86. In most circumstances fair value accounting is followed. The determination between the use of hedge accounting and fair value accounting may be made for each individual instrument. Under fair value accounting, futures, swaps, options, caps, floors and forwards are recorded at fair value with the resulting gain/loss recorded as unrealized. The reported value represents the amount the Combined Companies would expect to pay or receive upon termination of the instrument.

### Note 9 - Income Taxes

The Combined Companies, along with their parent company CNAF, are included in the consolidated Federal income tax return of Loews Corporation ("Loews"). CNAF has a policy whereby each of its member companies will pay to, or recover from, CNAF the amount of Federal income taxes it would have incurred, or been entitled to recover, had the member company filed its own separate stand-alone Federal income tax return.

The Loews consolidated Federal income tax returns have been settled with the Internal Revenue Service through 2004. The tax returns for 2002-2004, including related carryback claims for refund, were approved by the Joint Committee on Taxation in the third quarter of 2006. As a result, the Combined Companies have recorded net refund interest of approximately \$4 million, received from CNAF, in the third quarter of 2006. The Combined Companies have also recorded a related federal income tax benefit of approximately \$47 million, which is reflected in the disclosures below. Similarly, in 2005, the tax returns for 1998-2001, including related carryback claims and prior claims for refund, were approved by the Joint Committee on Taxation. As a result, the Combined Companies recorded net refund interest of approximately \$122 million and related federal income tax benefit of approximately \$44 million.

The following income tax disclosure amounts represent a summation of the amounts from each company's applicable annual statement, included in this combined presentation.

## NOTES TO FINANCIAL STATEMENTS

A. *The components of the net deferred tax asset (liability) at December 31, 2006 and December 31, 2005 include the following:*

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
Total gross deferred tax assets	\$ 2,721,531,970	\$ 2,750,451,361
Total deferred tax liabilities	<u>(345,622,682)</u>	<u>(255,812,207)</u>
Net deferred tax asset	2,375,909,287	2,494,639,154
Deferred tax asset non-admitted	<u>(1,693,462,000)</u>	<u>(1,815,450,349)</u>
Net admitted deferred tax asset	<u>\$ 682,447,287</u>	<u>\$ 679,188,806</u>
(Increase) Decrease in deferred tax assets, non-admitted	<u>\$ 121,988,349</u>	<u>\$ (86,567,051)</u>

*Deferred tax liabilities have not been recognized for the following:*

Undistributed earnings of the Combined Companies' direct foreign subsidiary amounted to approximately \$16 million at December 31, 2006. For those earnings that the Combined Companies intend to invest indefinitely, no provision for U.S. Federal and state income taxes has been provided. Upon a distribution of earnings, in the form of dividends or otherwise, the Combined Companies would be subject to both U.S. income taxes and possible withholding taxes payable to the applicable foreign country. Correspondingly, unrecognized foreign tax credits would be available to reduce the U.S. tax liability, if any, to an immaterial amount.

Federal and foreign income taxes incurred consists of the following major components:

	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2005</u>
Current federal income tax	\$ 406,361,087	\$ 70,453,002
Prior year adjustment	(151,462,428)	(77,227,784)
Foreign tax	14,819,877	8,318,919
Other credits	<u>(11,059,785)</u>	<u>0</u>
Federal and foreign income taxes incurred - expense	<u>\$ 258,658,750</u>	<u>\$ 1,544,138</u>

C. *The significant components of the deferred tax assets and deferred tax liabilities at December 31, 2006 and December 31, 2005 are as follows:*

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
<b>Deferred Tax Assets:</b>		
Insurance reserves	\$ 726,942,864	\$ 755,071,218
Invested assets	234,205,708	196,252,074
Unrealized capital losses	1,787,773	12,312,926
Receivables	57,912,380	61,015,397
Property and equipment	47,402,913	43,808,028
Unearned premium reserves	399,638,579	383,995,215
Deferred policy acquisition costs	83,262,565	81,559,357
Net operating loss carryforward	819,176,998	838,091,357
Capital loss carryforward	4,871,468	4,020,781
Bad debt	80,608,119	117,679,177
Other, net	<u>265,722,601</u>	<u>256,645,832</u>
Total deferred tax assets	<u>2,721,531,970</u>	<u>2,750,451,361</u>
Deferred tax assets non-admitted	<u>(1,693,462,000)</u>	<u>(1,815,450,349)</u>
<b>Deferred Tax Liabilities:</b>		
Invested assets	(18,159)	(2,504,274)
Unrealized capital gains	(313,839,742)	(223,885,296)
Other, net	<u>(31,764,782)</u>	<u>(29,422,637)</u>
Total deferred tax liabilities	<u>(345,622,682)</u>	<u>(255,812,207)</u>
Net admitted deferred tax asset	<u>\$ 682,447,287</u>	<u>\$ 679,188,806</u>

## NOTES TO FINANCIAL STATEMENTS

The changes in net deferred income taxes for the years ended December 31, 2006 and December 31, 2005 include the following:

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Change</u>
Total gross deferred tax assets	\$ 2,721,531,970	\$ 2,750,451,363	\$ (28,919,393)
Total deferred tax liabilities	(345,622,682)	(255,812,207)	(89,810,475)
Net deferred tax asset	<u>\$ 2,375,909,287</u>	<u>\$ 2,494,639,156</u>	(118,729,869)
Change in deferred tax on unrealized gains			<u>100,479,598</u>
Change in net deferred income taxes			<u>\$ (18,250,270)</u>

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>Change</u>
Total gross deferred tax assets	\$ 2,750,451,363	\$ 2,534,574,107	\$ 215,877,256
Total deferred tax liabilities	(255,812,207)	(189,762,581)	(66,049,626)
Net deferred tax asset	<u>\$ 2,494,639,156</u>	<u>\$ 2,344,811,526</u>	149,827,630
Change in deferred tax on unrealized gains			52,536,278
Change in deferred tax on special surplus item			(5,214,606)
Change in net deferred income taxes			<u>\$ 197,149,302</u>

D. *The provision for Federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing the difference for the years ended December 31, 2006 and December 31, 2005 are as follows:*

	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2005</u>
Provision computed at statutory rate	\$ 314,019,234	\$ 173,947,223
Tax exempt income deduction	(59,907,192)	(103,261,637)
Dividends received deduction	(8,814,583)	(225,302,362)
Other, net (includes the effect of prior year tax adjustments)	16,791,684	(49,307,307)
Federal income tax	262,089,143	(203,924,083)
Foreign income tax	14,819,877	8,318,919
Total income tax expense (benefit)	276,909,020	(195,605,164)
Change in net deferred income taxes	(18,250,270)	197,149,302
Federal and foreign income taxes incurred - expense	<u>\$ 258,658,750</u>	<u>\$ 1,544,138</u>

At December 31, 2006, the Combined Companies have ordinary loss carryforwards of \$22,576,000 (expiring in 2007); \$1,695,000 (expiring in 2008); \$297,813,000 (expiring in 2009); \$30,756,000 (expiring in 2010); \$108,148,000 (expiring in 2011); \$45,892,000 (expiring in 2012); \$432,399,000 (expiring in 2018); \$302,177,000 (expiring in 2019); \$28,160,000 (expiring in 2020); \$554,536,000 (expiring in 2021); \$49,688,000 (expiring in 2022); \$374,856,000 (expiring in 2023); \$21,628,000 (expiring in 2024) and \$1,459,000 (expiring in 2025) which can be used to offset future taxable income subject to tax. At December 31, 2006, the Combined Companies have capital loss carryforwards of \$10,483,000 (expiring in 2007); \$68,523,000 (expiring in 2008); \$3,626,000 (expiring in 2009) and \$10,000 (expiring in 2011) which can be used to offset future capital gains subject to tax.

At December 31, 2006, the Combined Companies have taxes available for recoupment in the case of future taxable losses of \$2,109,000 from 2005 and \$289,929,000 from 2006. In addition, the Company has capital taxes available for recoupment only in the case of future capital losses of approximately \$55,316,000 from 2004, \$280,000 from 2005 and \$114,090,000 from 2006.

### Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

#### A. *Nature of Relationship*

As of December 31, 2006, the Combined Companies were owned directly or indirectly by The Continental Corporation ("TCC"), which is wholly owned by CNAF. Approximately 89% of CNAF's outstanding common shares are owned by Loews.

## NOTES TO FINANCIAL STATEMENTS

*B. Detail of Transactions*

The Combined Companies paid dividends to TCC in the amount of \$93,428,998 as follows:

Date Paid	Amount
5/16/2006	\$ 17,246,250
5/16/2006	7,500
6/15/2006	22,658,250
6/29/2006	103,259
7/6/2006	3,000
7/17/2006	10,050,000
8/17/2006	2,915,463
9/18/2006	268,888
11/15/2006	17,246,250
12/15/2006	22,658,250
12/15/2006	3,000
12/18/2006	268,888
	<u>\$ 93,428,998</u>

*C. Change in Terms of Intercompany Arrangements*

No disclosures required.

*D. Amounts Due to/from Related Parties*

The Combined Companies have the following amounts receivable from or payable to related parties. Related party balances are generally settled monthly and generally include activity from the previous month. Related party balances that are greater than ninety days overdue are non-admitted and recorded as a direct charge to unassigned surplus. The total amount of related party balances that are non-admitted as of December 31, 2006 is \$3,965,566.

Related Party	Receivable From
Continental Reinsurance Corporation International	\$ 7,217,953
CNA Europe Holdings Limited	4,385,226
101 Morgan Lane Offices, Inc.	3,965,566
CNA ClaimsPlus, Inc.	1,952,534
CNA Financial Corporation	1,245,340
Western National Warranty	283,807
Continental Assurance Company	268,218
Viaticus, Inc.	103,612
Balances less than \$100,000	141,621
Total Intercompany Receivable	<u>\$ 19,563,877</u>

Related Party	Payable To
CNA Insurance Company Limited	\$ 10,523,751
Total Intercompany Payable	<u>\$ 10,523,751</u>

*E. Guarantees or Contingencies for Related Parties*

CCC executed a Deed of Guarantee, effective January 24, 2002, to support the financial strength of its United Kingdom affiliates, CNA Insurance Company Limited ("CICL"), CNA Insurance Company (Europe) Limited ("CIE"), and Maritime Insurance Company Limited (collectively "CNA Europe") to maintain a Standard & Poor's rating at the same level as the rating assigned to CCC. This Deed of Guarantee covers all policies issued by, transferred to or reinsured by CNA Europe prior to the termination of the Guarantee. This Guarantee was filed with and approved by the Illinois Division of Insurance – Department of Financial Regulation ("Illinois Department"). CCC has extended the term of the Deed of Guarantee from December 31, 2007 until December 31, 2009, through a Deed of Amendment No. 1, which was filed with and approved by the Illinois Department.

In connection with the 2002 sale of its subsidiary, CNA Re Management Company Limited ("CNA Re"), CC was obligated to transfer to itself or another affiliate all shares and obligations with respect to a corporate joint venture investment of CNA Re. CNA Europe Holdings Limited ("CEHL"), an affiliate of CCC, has assumed such shares and obligations. Through a letter agreement, approved by the Illinois Department, in consideration for assuming these obligations, CCC agreed to reimburse CEHL for any disbursements that it makes resulting from these obligations and to indemnify CEHL from and against any liability whatsoever that it might incur as a result of assuming these liabilities. The agreement has no termination date and will continue in effect as long as CEHL continues to have obligations related to its shareholding in this corporate joint venture, not expected

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## NOTES TO FINANCIAL STATEMENTS

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to exceed thirteen years. At the time the shares and obligations were transferred from CNA Re to CEHL, CCC received \$1 million from CNA Re. In addition, the CCC has estimated its future reimbursement to CEHL, in excess of the \$1 million received from CNA Re, to be \$9 million, and recorded that amount as a liability at December 31, 2002. Since December 31, 2002 the CCC has made disbursements totaling approximately \$4.1 million, including \$1.1 million in 2006.

Also related to the 2002 sale of CNA Re, CEHL, at the CCC's request, executed a Deed of Substitution of Principal Employer and Amendment and Removal of Trustee, dated October 31, 2002, pursuant to which CEHL became the New Principal Employer of the CNA Re Benefits Scheme (1977) (the "Scheme") replacing CNA Re, which was removed as the Old Principal Employer of the Scheme. Through a letter agreement dated November 3, 2005, in consideration for CEHL assuming the obligations of New Principal Employer of the Scheme, CCC agrees to indemnify CEHL for any disbursements that CEHL makes as New Principal Employer of the Scheme. This agreement did not require prior notice or approval.

Prior to CCC's 2002 sale of CNA Re, CNA Re was part of the CEHL Value Added Tax ("VAT") group. During the time that CNA Re was part of the CEHL VAT group, CEHL submitted VAT returns to the UK taxing authorities on behalf of the CEHL VAT group. Subsequent to the sale of CNA Re, an audit of the CEHL VAT group returns resulted in an assessment of taxes and interest totaling GBP 425,751, all of which relates to representations in the VAT returns pertaining to CNA Re transactions. CEHL, at CCC's request, paid the assessment, and has yet to be reimbursed for the taxes and interest by CNA Re. Through a letter agreement dated January 12, 2006, in consideration for CEHL assuming this obligation, CCC agrees to indemnify CEHL for any part of the GBP 425,751 in assessments and interest that are ultimately not recovered from either CNA Re or the taxing authorities. This agreement did not require prior notice or approval.

CCC has a contingent liability to fund capital up to a maximum of \$350 million to its insurance affiliates formerly comprising The Continental Insurance Company Group ("CIC Group") to enable the CIC Group to maintain capital at a prudent level. The agreement is subject to termination by CCC upon regulatory order or the achievement by the pool of a stand alone rating of A- by the Standard and Poor's Corporation. This agreement was filed with and approved by the Illinois Department.

CCC and its wholly owned subsidiary, Continental Assurance Company ("CAC") are parties to a Corporate Guarantee whereby CCC agrees to cause CAC to have sufficient cash for the timely payment of claims under certain insurance policies or contracts issued by CAC so long as CAC is owned directly or indirectly by CNAF. This Corporate Guarantee was filed with and approved by the Illinois Department.

### *F. Management, Service Contracts, Cost Sharing Arrangements*

The Combined Companies and their affiliates are parties to the CNA Intercompany Expense Agreement, the terms of which describe how the affiliates will determine, apportion and settle certain intercompany expenses and allocations.

CCC and its subsidiary CNA ClaimPlus, Inc., a third-party administrator, are parties to the Master Claim Service Agreement in which CNA ClaimPlus, Inc. agrees to provide claims adjusting and information services for certain policies issued by CCC and its insurance affiliates. This agreement was filed with and approved by the Illinois Department.

CCC and its affiliate Global Resource Managers Limited ("GRM Ltd.") are parties to a Claims Administration and Service Agreement in which GRM Ltd. agrees to provide claims adjusting and information services for certain business reinsured by CCC. This Agreement was approved by the Illinois Department on February 11, 2003. The business reinsured by CCC was transferred from CCC's former affiliate, CX Reinsurance Company Limited (formerly CNA Reinsurance Company Limited) to CICL effective January 1, 2007 in accordance with English law. The Claims Administration and Service Agreement was amended effective January 1, 2007 to confirm that GRM Ltd. would continue to provide claims adjusting and information services to CCC after the transfer. This amendment was filed with and approved by the Illinois Department.

The Services and Indemnity Agreement between CCC and Western Surety Company became effective January 1, 2006 and was approved by the Illinois Department in December 2005. This agreement is related to the Surety Quota Share Treaty between CCC and Western Surety Company, also effective January 1, 2006, through which CCC agrees to cede and Western Surety Company agrees to accept a 100% quota share of CCC's net retained liability on Surety Business written or renewed, by or on behalf of CCC, during the term of this agreement. The purpose of the Services and Indemnity Agreement is to grant Western Surety Company the authority to conduct the day to day underwriting, accounting and claims operations with respect to the assumed surety business relative to the related Surety Quota Share Treaty.

The Restated Administrative Services Agreement between CCC and CNA Surety, effective July 1, 2004, was approved by the Illinois Department on September 28, 2004. Through this agreement the parties purchase and/or have access to certain services provided by each other and agree to compensate each other for these services. The CNA pool of costs includes expenses related to establishing senior staff direction and developing and promoting the corporate identity. The CNA Management Fee is determined according to the same cost structure and according to the same allocation methods as CNA applies to other CNA insurance company affiliates and subsidiaries. Expenses incurred and payments received shall be allocated to CNA Surety in accordance with customary insurance accounting practices consistently applied. The CNA Management Fee shall change each year based on the total CNA pool of costs. The CNA Surety pool of costs includes, but is not limited to, costs incurred to process all CNA producer licenses and appointments and such other services as Surety may perform for CNA. The Surety Management Fee is based upon an agreed pool of costs. The Surety Management Fee is determined according to the same cost structure and according to the same allocation methods as CNA applies to other CNA insurance company affiliates and subsidiaries. Expenses incurred and payments received shall be allocated to CNA in accordance with customary insurance accounting practices consistently applied. The Surety Management Fee shall change each year based on the total Surety pool of costs. The Restated Administrative Services Agreement was amended effective January 1, 2007 to be more specific with regard to the due date for paying the fees associated with this agreement. This involved an immaterial change that did not require regulatory approval.

## NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2006, CCC and its affiliate, Viaticus, Inc, entered into an Administrative Services Agreement pursuant to which CCC has agreed to provide a variety of administrative and advisory services. This agreement was submitted to the Illinois Department for prior notice and was approved December 21, 2005. The Administrative Services Agreement was amended effective January 1, 2007 to be more specific with regard to the due date for paying the fees associated with this agreement and to remove certain extraneous and duplicative language. The amendment was filed with and approved by the Illinois Department.

The Combined Companies and their affiliates are parties to an Investment Facilities and Services Agreement between Loews/CNA Holdings, Inc. and CNAF, effective January 1, 2006, as signatories to individual acknowledgments to the agreement. Through this agreement, Loews/CNA Holdings, Inc. will provide investment facilities and services to CNAF and certain of CNAF's insurance and non-insurance subsidiaries. This agreement was filed with and approved by all applicable domestic state insurance departments. The Investment Facilities and Services Agreement was amended effective January 1, 2007 to be more specific with regard to the due date for paying the fees associated with this agreement. This involved an immaterial change that did not require regulatory approval.

*G. Nature of Relationships that could affect Operations*

All outstanding shares of CCC are owned by TCC.

*H. Amount Deducted for Investment in Upstream Company*

No disclosures required.

*I. Details of Investments in Affiliates*

Subsidiary	Percentage of Ownership	Valuation
101 Morgan Lane Offices, Inc.	100	3ii C
Bellerive Office Park, Inc.	100	3ii C
CNA Aseguradora de Riesgo de Trabajo SA	98	3ii D
CNA ClaimPlus, Inc.	100	3ii C
CNA Europe Holdings Limited	27	3ii E
CNA Insurance Australia Pty., Ltd.	100	3ii D
CNA Investor Services, Inc.	100	3ii C
CNA Motor Transport Underwriters Agency, Inc.	100	3ii C
CNA Real Estate Services, Inc.	100	3ii C
CNA Realty Corporation	100	3ii C
CNA Services, Inc.	100	3ii C
CNA Surety Corporation	61	3i
Continental Assurance Company	100	3ii A
E.G. Company	100	3ii C
First Insurance Company of Hawaii, Ltd.	50	3ii A
Foothill & Mountain Center, Inc.	100	3ii C
Global Resource Managers, Limited	100	3ii C
IDBI Managers, Inc.	100	3ii C
Jackson Park Place II Apartments, Inc.	100	3ii C
Los Lunas Center, Inc.	100	3ii C
New Mexico Medical Offices, Inc.	100	3ii C
North Rock Insurance Company, Limited	100	3ii D

The carrying value of the Combined Companies' investment in CNA Surety Corporation was \$448,716,542 at December 31, 2006. The reported amount was determined based on the NYSE market price as of the balance sheet date, discounted based on CNAF's proportionate share of total outstanding common stock. The market value prior to application of the discount was \$589,640,661.

*J. Write down for impairments of Investments in Subsidiary, Controlled and Affiliated Companies*

No disclosures required.

*K. Investment in a Foreign Insurance Subsidiary Calculation*

No disclosures required.

**Note 11 - Debt**

*A. Capital Notes*

No disclosures required.

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## NOTES TO FINANCIAL STATEMENTS

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*B. All Other Debt*

No disclosures required.

**Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

*A. Defined Benefit Plans*

CNAF sponsors noncontributory pension plans typically covering full-time employees age 21 or over who have completed at least one year of service. In 2000, the CNA Retirement Plan was closed to new participants; instead, retirement benefits are provided to these employees under the CNAF savings plans. While the terms of the pension plans vary, benefits are generally based on years of credited service and the employee's highest 60 consecutive months of compensation. CNAF uses December 31 as the measurement date for the majority of its plans.

In 2000, approximately 60% of CCC's eligible employees elected to forego earning additional benefits in the CNA Retirement Plan, a defined benefit pension plan. These employees maintain an "accrued pension account" within the defined benefit pension plan that is credited with interest annually at the 30-year treasury rate. Instead, employees who elected to discontinue accruing benefits in the defined benefit pension plan receive certain enhanced employer contributions in the CNA Savings and Capital Accumulation Plan discussed below. Employees hired on or after January 1, 2000 are not eligible to participate in the CNA Retirement Plan.

CNAF's funding policy for defined benefit pension plans is to make contributions in accordance with applicable governmental regulatory requirements with consideration of the funded status of the plans. The assets of the plans are invested primarily in mortgage-backed securities, short term investments, equity securities and limited partnerships.

CCC provides certain healthcare and life insurance benefits to eligible retired employees, their covered dependents and their beneficiaries at the direction of CNAF. The funding for these plans is generally to pay covered expenses as they are incurred.

CCC reported pension and postretirement liabilities of \$203,296,497 and \$150,384,670, respectively, at December 31, 2006. A summary of the Company's assets, obligations and assumptions for both retirement plans and postretirement plans at December 31, 2006 and 2005 is as follows:

## NOTES TO FINANCIAL STATEMENTS

	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
1. Change in benefit obligation				
a. Benefit obligation at beginning of year	\$ 2,522,249,465	\$ 178,338,937	\$ 2,421,778,432	\$ 155,844,947
b. Service cost	21,588,011	4,826,091	25,994,927	3,914,814
c. Interest cost	136,395,677	8,218,592	138,794,957	8,840,810
d. Contribution by plan participants	0	7,435,604	0	7,919,553
e. Actuarial (gain) loss	(55,159,686)	(33,547,624)	77,799,017	13,242,914
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(141,934,509)	(18,449,452)	(142,533,793)	(11,424,101)
h. Plan amendments	0	0	0	0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0
	1,780,863	0	415,925	0
j. Benefit obligation at end of year	<u>\$ 2,484,919,821</u>	<u>\$ 146,822,148</u>	<u>\$ 2,522,249,465</u>	<u>\$ 178,338,937</u>
2. Change in plan assets				
a. Fair value of plan assets at beginning of year	\$ 2,000,890,736	\$ 0	\$ 1,937,385,467	\$ 0
b. Actual return on plan assets	216,031,234	0	147,997,909	0
c. Foreign currency exchange rate changes	0	0	0	0
d. Employer contribution	72,784,327	11,013,848	58,041,153	3,504,548
e. Plan participants' contributions	0	7,435,604	0	7,919,553
f. Benefits paid	(141,934,509)	(18,449,452)	(142,533,793)	(11,424,101)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	<u>\$ 2,147,771,788</u>	<u>\$ 0</u>	<u>\$ 2,000,890,736</u>	<u>\$ 0</u>
3. Funded status				
a. Unamortized prior service cost	\$ 936,396	\$ (140,225,216)	\$ 1,039,492	\$ (151,264,985)
b. Unrecognized net (gain) loss	290,072,521	124,518,454	422,135,265	162,674,957
c. Remaining net obligation or net asset at initial date of application	0	12,144,000	0	13,738,000
d. Prepaid assets or accrued liabilities	(337,148,033)	(146,822,148)	(521,358,729)	(178,338,937)
e. Intangible asset	5,436,969	0	4,278,596	0
Prepaid assets or (accrued liabilities)	<u>\$ (40,702,147)</u>	<u>\$ (150,384,910)</u>	<u>\$ (93,905,376)</u>	<u>\$ (153,190,965)</u>
4. Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	<u>\$ 2,351,068,333</u>	<u>\$ 146,822,148</u>	<u>\$ 2,370,831,480</u>	<u>\$ 178,338,937</u>
5. Accumulated Benefit obligation for Non-vested employees				
a. Projected pension obligation	\$ 0	\$ Not Applicable	\$ 0	\$ Not Applicable
b. Accumulated benefit obligation	0	6,881,177	0	11,753,305
Total obligation for Non-vested employees	<u>\$ 0</u>	<u>\$ 6,881,177</u>	<u>\$ 0</u>	<u>\$ 11,753,305</u>
6. Components of net periodic benefit cost				
a. Service cost	\$ 21,588,011	\$ 4,826,091	\$ 25,994,927	\$ 3,914,814
b. Interest cost	136,395,677	8,218,592	138,794,957	8,840,810
c. Expected return on plan assets	(154,814,280)	0	(151,018,637)	0
d. Amortization of unrecognized transition obligation or transition asset	0	1,594,000	0	1,594,000
e. Amount of recognized gains and losses	15,686,104	4,608,879	11,589,107	5,200,170
f. Amount of prior service cost recognized	103,096	(11,039,769)	103,097	(11,039,769)
g. Amount of gain or loss recognized due to a settlement, curtailment, or special termination benefits	0	0	0	0
	2,196,788	0	0	0
h. Total net periodic benefit cost	<u>\$ 21,155,396</u>	<u>\$ 8,207,793</u>	<u>\$ 25,463,451</u>	<u>\$ 8,510,025</u>

### 7. Pension Liability Adjustment

A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported as a surplus charge. At December 31, 2006, the additional minimum liability was decreased to \$151,712,616 from \$257,942,924 at December 31, 2005.

## NOTES TO FINANCIAL STATEMENTS

8. Weighted-Average Assumptions

	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Weighted-average assumptions used to determine net periodic benefit costs as of December 31,				
a. Weighted average discount rate	5.625%	5.500%	5.875%	5.875%
b. Expected long-term rate of return on plan assets	8.000%	N/A	8.000%	N/A
c. Rate of compensation increase	5.830%	N/A	5.830%	N/A

  

	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Weighted-average assumptions used to determine projected benefit obligations as of December 31,				
a. Weighted average discount rate	5.750%	5.625%	5.625%	5.500%
b. Expected long-term rate of return on plan assets	8.000%	N/A	8.000%	N/A
c. Rate of compensation increase	5.830%	N/A	5.830%	N/A

9. Measurement date

See Note 12E.

10. Assumed health care cost trend rate

See Note 12E.

11. Effect of change in assumed health care cost trend rate

See Note 12E.

12. The defined benefit pension plan asset allocation as of December 31, 2006 presented as a percentage of total plan assets were as follows:

Pension Plan Assets	Percentage of Plan Assets	
	December 31,	
Asset Category	2006	2005
Fixed Maturity Securities	50%	24%
Equity Securities	23%	25%
Limited Partnerships	23%	15%
Short term investments	1%	33%
Other	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

CNAF employs a total return approach whereby a mix of equity and fixed maturity securities are used to maximize the long term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of the plan liabilities, plan funded status and corporate financial conditions. The investment portfolio contains a diversified blend of fixed maturity, equity and short-term securities. Alternative investments, including hedge funds, are used judiciously to enhance risk adjusted long term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies and quarterly investment portfolio reviews.

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

**Estimated Future Benefit Payments to Participants**

<u>Years</u>	Pension Benefits	Postretirement Benefits
2007	\$ 147,367,000	\$ 11,578,000
2008	145,348,000	11,804,000
2009	145,665,000	12,167,000
2010	146,625,000	12,576,000
2011	148,582,000	12,988,000
Thereafter	807,560,000	64,555,000

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## NOTES TO FINANCIAL STATEMENTS

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14. In 2007, CCC expects to contribute \$56.3 million to its pension plans and \$12 million to its postretirement healthcare and life insurance benefit plans.
15. Investment contracts with an insurance company, included in plan assets, are issued by CAC, a wholly owned subsidiary of CCC and a party-in-interest.

CCC recorded pension expense of \$21,155,396 and \$25,349,916 in 2006 and 2005, respectively.

*B. Defined Contribution Plans*

CNAF sponsors savings plans, which are generally contributory plans that allow most employees to contribute a maximum of 20% of their eligible compensation, subject to certain limitations prescribed by the Internal Revenue Service. CCC contributes matching amounts to participants, amounting to 70% of the first 6% (35% of the first 6% in the first year of employment) of eligible compensation contributed by the employee. Employees vest in these contributions ratably over five years.

As noted above, during 2000, CCC employees were required to make a choice regarding their continued participation in CNAF's defined benefit pension plan. Employees who elected to forego earning additional benefits in the defined benefit pension plan and all employees hired by CCC on or after January 1, 2000 receive a Company contribution of 3% or 5% of their eligible compensation, depending on their age. In addition, these employees are eligible to receive additional discretionary contributions of up to 2% of eligible compensation and an additional Company match of up to 80% of the first 6% of eligible compensation contributed by the employee. These contributions are made at the discretion of management and are contributed to participant accounts in the first quarter of the year following management's determination of the discretionary amounts. As of December 31, 2006, employees do not vest in these contributions until reaching five years of service. Effective January 1, 2007, employees vest in these contributions ratably over five years, retroactively applied.

CCC recorded savings plan expense of \$43,640,559 and \$21,581,250 in 2006 and 2005, respectively.

*C. Multiemployer Plans*

No disclosures required.

*D. Consolidated/Holding Company Plans*

See Notes 12A, 12B and 12E.

*E. Postemployment Benefits and Compensated Absences*

CNAF sponsors plans that provide certain health care benefits for eligible retirees through age 64, and provides life insurance for all eligible retired persons. CNAF has limited its share of the health care trend rate to a cost-of-living adjustment not to exceed 4% per year.

CCC recorded postretirement benefit expense of \$8,207,570 and \$8,476,672 in 2006 and 2005, respectively.

CNAF has limited its share of the health care trend rate to a cost-of-living adjustment estimated to be 4% per year. The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation was 4% per year in 2006 and 2005. The healthcare cost trend rate assumption has a significant effect on the amount of the benefit obligation and periodic cost reported. An increase in the assumed healthcare cost trend rate of 1% in each year would have no impact on the accumulated postretirement benefit obligation or the aggregate net periodic postretirement benefit cost for 2006 as the cost-of-living adjustment is estimated to be 4% which is the maximum contractual benefit. A decrease in the assumed healthcare cost trend rate of 1% in each year would decrease the accumulated postretirement benefit obligation as of December 31, 2006 by \$10 million and impact aggregate net periodic postretirement benefits for 2006 by \$1 million.

CNAF uses December 31 as the measurement date to determine the benefit obligation of its postretirement benefit plan.

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

*A. Outstanding Shares*

CCC has 8,425,000 shares of \$5.00 par value common stock authorized and 7,856,558 shares issued and outstanding. CCC has no preferred stock outstanding.

*B. Dividend Rate of Preferred Stock*

No disclosures required.

*C. Stockholder Dividend Restrictions*

As an Illinois property and casualty insurer and a member of an insurance holding company system, the maximum amount of dividends which can be paid by CCC to shareholders without prior approval of the Illinois Director of Insurance is the greater of

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## NOTES TO FINANCIAL STATEMENTS

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(a) 10% of the policyholder surplus as of December 31, 2006 or (b) CCC's net income for the 12-month period ended December 31, 2006. All dividends must be paid out of earned surplus, which is unassigned funds excluding unrealized capital gains, and are subject to a 12 consecutive-month restriction.

As of December 31, 2006, CCC is in a positive earned surplus position, thereby enabling CCC to pay approximately \$556 million of dividend payments during 2007 that would not be subject to the Illinois Department's prior approval.

Dividends to shareholders are declared and paid as determined by the Board of Directors.

*D. Policyholder Dividend Restrictions*

The maximum amount of policyholder dividends that can be paid by insurers domiciled in Illinois is subject to restrictions relating to surplus. The amount of direct dividends paid in 2006 was \$17,082,559, none of which required prior approval of the Director of Insurance. The Combined Companies incurred \$12,754,691 in net policyholder dividends in 2006.

*E. Restrictions on Unassigned Funds*

The unassigned surplus funds represent the undistributed interest of the parent. Total unassigned surplus at December 31, 2006 was \$2,682,961,201.

*F. Mutual Surplus Advances*

No disclosures required.

*G. Company Stock Held for Special Purposes*

No disclosures required.

*H. Changes in Special Surplus Funds*

Changes in special surplus funds for the year ended December 31, 2006 were as follows:

*Surplus (increase)/decrease*

Description	Amount
Special surplus fund – retroactive reinsurance development assumed	\$ (291,838)
Special surplus fund – retroactive reinsurance development ceded	12,078,342
Total write ins for special surplus funds	\$ 11,786,504

*I. Changes in Unassigned Funds*

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$1,732,249,642.

*J. Surplus Notes*

No disclosures required.

*K. Impact of Quasi-reorganizations*

No disclosures required.

*L. Date of Quasi-reorganizations*

No disclosures required.

**Note 14 - Contingencies**

*A. Contingent Commitments*

The Combined Companies have entered into a limited number of guaranteed payment contracts, primarily relating to telecommunication and software services, amounting to approximately \$15 million at December 31, 2006. Estimated future minimum payments under these contracts are as follows: \$12 million in 2007 and \$3 million in 2008.

The Combined Companies currently have an agreement in place for services to be rendered in relation to employee benefits, administration and consulting. If the Combined Companies terminate this agreement without cause, or the agreement is terminated due to the Combined Companies' default, prior to the end of any renewal term, the Combined Companies shall pay the greater of fifteen percent of the average monthly fees related to such services for the remainder of the term, or the specified minimum termination fee for the year. The minimum termination fee for the year ending December 31, 2007 is \$7 million.

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## NOTES TO FINANCIAL STATEMENTS

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As of December 31, 2006, the Combined Companies have committed approximately \$78 million to future capital calls from various third-party limited partnership investments (already initially funded) in exchange for an ownership interest in the related partnership. In addition, the Combined Companies have committed \$24 million for two limited partnership subscriptions not yet funded.

The Combined Companies invest in multiple bank loan participations as part of their overall investment strategy and have committed to additional future purchases and sales. The purchase and sale of these investments are recorded on the date that the legal agreements are finalized and cash settlement is made. As of December 31, 2006, the Combined Companies had commitments to purchase \$58 million and sell \$21 million of various bank loan participations. When loan participation purchases are settled and recorded they may contain both funded and unfunded amounts. An unfunded loan represents an obligation by the Combined Companies to provide additional amounts under the terms of the loan participation. The funded portions are reflected on the Balance Sheet, while any unfunded amounts are not recorded until a draw is made under the loan facility. As of December 31, 2006, the Combined Companies had obligations on unfunded bank loan participations in the amount of \$29 million.

The Combined Companies have provided guarantees of the indebtedness of certain of their independent insurance producers. These guarantees expire in 2008. The Combined Companies would be required to remit prompt and complete payment when due, should the primary obligor default. In the event of default on the part of the primary obligor, the Combined Companies have a right to any and all shares of common stock of the primary obligor. The maximum potential amount of future payments that the Combined Companies could be required to pay under these guarantees is approximately \$6 million at December 31, 2006.

In the course of selling business entities and assets to third parties, the Combined Companies have agreed to indemnify purchasers for losses arising out of breaches of representation and warranties with respect to the business entities or assets being sold, including, in certain cases, losses arising from undisclosed liabilities or certain named litigation. Such indemnification provisions generally survive for periods ranging from nine months following the applicable closing date to the expiration of the relevant statutes of limitation. As of December 31, 2006, the aggregate amount of quantifiable indemnification agreements in effect for sales of business entities, assets and third party loans was \$178 million.

In addition, the Combined Companies have agreed to provide indemnification to third party purchasers for certain losses associated with sold business entities or assets that are not limited by a contractual monetary amount. As of December 31, 2006, the Combined Companies had outstanding unlimited indemnifications in connection with the sales of certain of their business entities or assets that included tax liabilities arising prior to a purchaser's ownership of an entity or asset, defects in title at the time of sale, employee claims arising prior to closing and in some cases losses arising from certain litigation and undisclosed liabilities. These indemnification agreements survive until the applicable statutes of limitation expire, or until the agreed upon contract terms expire. As of December 31, 2006, the Combined Companies recorded approximately \$12 million of other liabilities related to these indemnification agreements.

### *B. Guaranty Fund and Other Assessments*

The Combined Companies are subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or, in the case of premium based assessments, at the time the premiums are written, or, in the case of loss based assessments, at the time the losses are incurred.

The Combined Companies have accrued a liability for guaranty fund assessments of \$43,930,821 and a related premium tax benefit asset of \$62,296,872 as of December 31, 2006. These represent management's best estimates based on information received from the states in which the Combined Companies write business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The Combined Companies expect to pay the liability out over the next 3 years and realize the asset over the next 13 years.

### *C. Gain Contingencies*

No disclosures required.

### *D. All Other Contingencies*

No disclosures required.

## Note 15 – Leases

### Operating Leases

#### *A. Lessee Leasing Arrangements*

The Combined Companies lease office space under various non-cancelable operating lease agreements that expire through December 2015. Rental expense for 2006 and 2005 was approximately \$38 million and \$57 million, respectively.

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## NOTES TO FINANCIAL STATEMENTS

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At December 31, 2006, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
2007	\$ 36,156,121
2008	31,822,735
2009	25,390,564
2010	22,241,099
2011	18,388,998
Thereafter	33,777,391
Total	\$ 167,776,908

There are no renewal options.

The Combined Companies are not involved in any material sales - leaseback transactions.

*B. Lessor Leases*

The Combined Companies own or lease numerous sites that are leased or subleased to franchisees. Buildings owned or leased that meet the criteria for operating leases are carried at the gross investment in the lease less unearned income. Unearned income is recognized in such a manner as to produce a constant periodic rate of return on the net investment. The typical lease period is 5 years and some leases contain renewal options. The franchisee is responsible for the payment of property taxes, insurance and maintenance costs related to the leased property.

Future minimum lease payment receivables under non-cancelable leasing arrangements as of December 31, 2006 are as follows:

Year Ending December 31	Operating Leases
2007	\$ 3,584,195
2008	3,054,822
2009	2,548,397
2010	2,536,454
2011	2,570,567
Thereafter	5,565,319
Total	\$ 19,859,754

There are no contingent rentals included in income.

**Leveraged Leases**

No disclosures required.

**Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

*A. Financial Instruments with Off-balance Sheet Risk*

No disclosures required.

*B. Financial Instruments with Concentrations of Credit Risk*

No disclosures required.

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

*A. Transfers of Receivables Reported as Sales*

No disclosures required.

*B. Transfers and Servicing of Financial Assets*

At December 31, 2006, the Combined Companies had Government Securities on loan in the amount of \$3,115,465,370. The Combined Companies require collateral of at least 102% of the fair value of the securities loaned which may consist of cash, cash equivalents, or fixed income securities. The collateral received is not available for the general use of the Combined Companies (restricted).

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## NOTES TO FINANCIAL STATEMENTS

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*C. Wash Sales*

1. In the course of the Combined Companies' portfolio management, securities or other assets are sold and acquired within 30 days of the sale date to enhance the Combined Companies' investment performance.
2. The details by NAIC designation 3 or below of securities or other assets sold between January 1, 2006 and December 31, 2006 and acquired within 30 days of the sale date are:

	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain / (Loss)
Bonds:				
a. NAIC 3	15	\$ 72,902,264	\$ 72,196,948	\$ (640,606)
b. NAIC 4	16	55,473,640	55,191,830	1,038,450
c. NAIC 5	24	55,056,562	56,426,047	1,655,514
d. NAIC 6	6	15,219,209	15,670,296	494,465
Preferred Stock:				
e. NAIC P/RP3	0	0	0	0
f. NAIC P/RP4	0	0	0	0
g. NAIC P/RP5	0	0	0	0
h. NAIC P/RP6	0	0	0	0

**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

*A. Administrative Services Only ("ASO") Plan*

No disclosures required.

*B. Administrative Services Contract ("ASC") Plans*

No disclosures required.

*C. Medicare or Similarly Structured Cost-based Reimbursement Contracts*

No disclosures required.

**Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

*A. Detail if Amount Greater than 5% of Policyholders' Surplus*

No disclosures required.

**Note 20 - September 11 Events**

No disclosures required.

**Note 21 - Other Items**

*A. Extraordinary Items*

No disclosures required.

*B. Troubled Debt Restructuring for Debtors*

No disclosures required.

*C. Other Disclosures*

**Pooling Agreement with Subsidiary CIC and Related Affiliate Company Ownership Changes**

During the fourth quarter of 2003, a 100% pooling reinsurance agreement ("Pooling Agreement") was executed between CCC and its subsidiary, CIC, whereby the net underwriting risks residing in CIC, with the exception of retroactive reinsurance balances, are reinsured by CCC on a funds-held reinsurance basis effective January 1, 2003. CCC also assumes all credit risk associated with external reinsurance and insurance receivables. This Pooling Agreement covers both retrospective and prospective business. The funds held balance accrues interest income at 1.125% per quarter.

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## NOTES TO FINANCIAL STATEMENTS

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The Pooling Agreement provides for the cession of net underwriting risks. For certain external reinsurance that is recorded as retroactive reinsurance in accordance with the statutory guidance provided in SSAP No. 62, the Company continues to record gross loss and LAE reserves, which are offset by an "Aggregate write-in" balance for ceded retroactive reserves. These two balances offset each other, and are, therefore, not separately ceded under the Pooling Agreement.

CCC records in its financial statements the provision for reinsurance attributable to CIC as a result of accounting for the terms, substance and economics of the Pooling Agreement described above by recording CIC's credit risk in CCC. In addition to the provision for reinsurance as calculated in CCC's Schedule F, CCC records an increase to the provision for reinsurance line item on the "Liabilities, Surplus and Other Funds" exhibit for the CIC calculated amount, offset by a charge directly to surplus. As of December 31, 2006 the provision for reinsurance attributable to CIC is \$348 million. This accounting treatment has no impact to CCC's statutory surplus since CCC's investment in CIC includes an offsetting gain in surplus.

This Pooling Agreement is part of a plan that CNA has undertaken to consolidate its U.S. property and casualty risks and capital so that they reside within CCC. The ownership of the CIC Group was also transferred to CCC in the fourth quarter of 2003 in order to properly align the insurance risks with the supporting capital. Both the Pooling Agreement and the ownership changes received the applicable regulatory approvals. In subsequent phases of this plan, CNA has continued its efforts to reduce the number of U.S. property and casualty insurance entities it maintains through affiliate mergers. Another phase of this multi-year plan has been completed with the mergers of thirteen of our U.S. property and casualty insurance entities into other CNA insurance entities. Effective December 31, 2006, twelve companies merged, either directly or indirectly, with and into CIC, and one company merged directly with and into CCC. Refer to the discussion in Note 3B – *Statutory Mergers* for additional details.

### Finite Reinsurance

Reinsurance accounting allows for contractual cash flows to be reflected as premiums and losses, as compared to deposit accounting, which requires cash flows to be reflected as assets and liabilities. To qualify for reinsurance accounting, reinsurance agreements must include risk transfer. To meet risk transfer requirements, a reinsurance contract must include both insurance risk, consisting of underwriting and timing risk, and a reasonable possibility of a significant loss for the assuming entity. Reinsurance contracts that include both significant risk sharing provisions, such as adjustments to premiums or loss coverage based on loss experience, and relatively low policy limits as evidenced by a high proportion of maximum premium assessments to loss limits, may require considerable judgment to determine whether or not risk transfer requirements are met. For such contracts, often referred to as finite products, the Combined Companies assess risk transfer for each contract generally by developing quantitative analyses at contract inception which measure the present value of potential reinsurer losses as compared to the present value of the related premium. In 2003, the Combined Companies discontinued purchases of finite contracts.

Reinsurance contracts that do not effectively transfer the underlying economic risk of loss on policies written by the Combined Companies are recorded using the deposit method of accounting, which requires that premium paid or received by the ceding company or assuming company be accounted for as a deposit asset or liability. The Combined Companies primarily record these deposits as either "Funds held by or deposited with reinsured companies" or "Other Assets" for ceded recoverables and "Funds held by company under reinsurance treaties" or "Other Liabilities" for assumed liabilities.

The Combined Companies' overall reinsurance program has included certain finite property and casualty contracts that were entered into and accounted for on a "funds withheld" basis and which are deemed to be finite reinsurance. Under the funds withheld basis, the Combined Companies recorded the cash remitted to the reinsurer for the reinsurer's margin, or cost of the reinsurance contract, as ceded premiums. The remainder of the premiums ceded under the reinsurance contract not remitted in cash was recorded as funds withheld liabilities. The Combined Companies were required to increase the funds withheld balance at stated interest crediting rates applied to the funds withheld balance or as otherwise specified under the terms of the contract. The funds withheld liability was reduced by any cumulative claim payments made by the Combined Companies in excess of the Combined Companies' retention under the reinsurance contract. If the funds withheld liability was exhausted, interest crediting would cease and additional claim payments would be recoverable from the reinsurer. The funds withheld liability is recorded in "Funds held by company under reinsurance treaties" on Page 3 of the Statutory Annual Statement.

As of December 31, 2006, there was one ceded reinsurance treaty in force that the Combined Companies considered to be finite reinsurance. The remaining treaty provides reinsurance protection for the 1999 accident year on specified portions of the Combined Companies' domestic property and casualty business. The remaining treaty is fully utilized and had no related funds withheld liability at December 31, 2006. In 2003, the Combined Companies discontinued purchases of such contracts.

The following table summarizes the pre-tax impact of these contracts accounted for on a funds withheld basis, including the commuted Aggregate and CCC Covers discussed in further detail above.

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31 (in millions)	<u>Aggregate Cover *</u>	<u>CCC Cover *</u>	<u>All Other</u>	<u>Total</u>
<b>2006</b>				
Ceded earned premium	\$ -	\$ -	\$ (11)	\$ (11)
Ceded loss and LAE	-	-	(113)	(113)
Ceding commissions	-	-	-	-
Interest charges	-	(40)	(19)	(59)
<b>Pretax expense</b>	<b>\$ -</b>	<b>\$ (40)</b>	<b>\$ (143)</b>	<b>\$ (183)</b>
<b>2005</b>				
Ceded earned premium	\$ (17)	\$ -	\$ 48	\$ 31
Ceded loss and LAE	(244)	-	(154)	(398)
Ceding commissions	-	-	(27)	(27)
Interest charges	(57)	(66)	(34)	(157)
<b>Pretax expense</b>	<b>\$ (318)</b>	<b>\$ (66)</b>	<b>\$ (167)</b>	<b>\$ (551)</b>

\*The CCC Cover was a one-year corporate aggregate reinsurance treaty related to the 2001 accident year and was commuted in 2006.

The Aggregate Cover was a corporate aggregate reinsurance treaty related to the 1999 through 2001 accident years and was commuted in 2005.

Interest cost on reinsurance contracts accounted for on a funds withheld basis is incurred during all periods in which a funds withheld liability exists. There were no amounts subject to such interest crediting at December 31, 2006.

### National Contractor

CNA Surety, an affiliate, has provided significant surety bond protection for a large national contractor that undertakes projects for the construction of government and private facilities, a substantial portion of which have been reinsured by CCC.

During 2005, CNA Surety established \$110 million of surety loss reserves in anticipation of future loss payments, \$50 million of which was ceded to CCC under the Pooling Agreements discussed below. Further deterioration of the contractor's operating cash flow could result in higher loss estimates and trigger additional reserve actions. If any such reserve additions were required, CCC would have all further surety bond exposure through the reinsurance arrangements. During the year ended December 31, 2006, CNA Surety paid \$34 million related to surety losses of the contractor.

CNA Surety may provide surety bonds on a limited basis on behalf of the contractor to support its revised restructuring plan, subject to the contractor's compliance with CNA Surety's underwriting standards and ongoing management of CNA Surety's exposure in relation to the contractor. All surety bonds written for the contractor are issued by CCC and its affiliates, other than CNA Surety, and are subject to underlying reinsurance treaties pursuant to which all bonds written on behalf of CNA Surety are 100% reinsured to one of CNA Surety's insurance subsidiaries.

CCC provides reinsurance protection to CNA Surety for losses in excess of an aggregate of \$60 million associated with the contractor. This treaty provides coverage for the life of bonds either in force or written from January 1, 2005 to December 31, 2005. CCC and CNA Surety agreed by addendum to extend this contract for twenty-four months, expiring on December 31, 2007.

CCC and CNA Surety continue to engage in periodic discussions with insurance regulatory authorities regarding the level of surety bonds provided for this contractor and will continue to apprise those authorities of the status of their ongoing exposure to this account.

Indemnification and subrogation rights, including rights to contract proceeds on construction projects in the event of default, reduce CNA Surety's and ultimately CCC's exposure to loss. While CCC believes that the contractor's continuing restructuring efforts may be successful, the contractor's failure to ultimately achieve its extended restructuring plan or perform its contractual obligations under CCC's surety bonds could have a material adverse effect on CCC's net income. If such failures occur, CCC estimates the additional surety loss, net of indemnification and subrogation recoveries, to be approximately \$90 million pretax.

### Other Regulatory Matters

Along with other companies in the industry, the Combined Companies have received subpoenas, interrogatories and inquiries from: (i) California, Connecticut, Delaware, Florida, Hawaii, Illinois, Michigan, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, West Virginia and the Canadian Council of Insurance Regulators concerning investigations into practices including contingent compensation arrangements, fictitious quotes, and tying arrangements; (ii) the Securities and Exchange Commission ("SEC"), the New York State Attorney General, the United States Attorney for the Southern District of New York, the Connecticut Attorney General, the Connecticut Department of Insurance, the Delaware Department of Insurance, the Georgia Office of Insurance and Safety Fire Commissioner and the California Department of Insurance concerning reinsurance products and finite insurance products purchased and sold by the Combined Companies; (iii)

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## NOTES TO FINANCIAL STATEMENTS

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the Massachusetts Attorney General and the Connecticut Attorney General concerning investigations into anti-competitive practices; and (iv) the New York State Attorney General concerning declinations of attorney malpractice insurance. The Combined Companies continue to respond to these subpoenas, interrogatories and inquiries to the extent they are still open.

### Redomestication

The redomestication of certain U.S. property and casualty companies was one of the steps in CNA's multi-year plan to simplify its insurance company structure and achieve associated cost savings. CNA expects to achieve this goal by reducing the number of insurance companies through the affiliated mergers described in the preceding section, with the remaining companies being domiciled among three different states, Illinois, New Jersey and Pennsylvania, in which the companies have their most significant interests. Following are details regarding the redomestication activity during 2006:

- Effective January 1, 2006, COC transferred its state of domicile from California to Illinois.
- Effective January 1, 2006, NFI transferred its state of domicile from Connecticut to Illinois.
- Effective January 1, 2006, CRC transferred its state of domicile from California to South Carolina. CRC subsequently transferred its state of domicile to Pennsylvania, effective October 1, 2006.
- Effective January 1, 2006, COM transferred its state of domicile from New Jersey to South Carolina. COM subsequently transferred its state of domicile to Pennsylvania, effective October 1, 2006.
- Effective January 1, 2006, FIR transferred its state of domicile from New Jersey to South Carolina. FIR subsequently transferred its state of domicile to Pennsylvania, effective October 1, 2006.
- Effective October 1, 2006, FID transferred its state of domicile from South Carolina to Pennsylvania.
- Effective October 1, 2006, CIC transferred its state of domicile from South Carolina to Pennsylvania.
- Effective October 1, 2006, KAS transferred its state of domicile from South Carolina to Pennsylvania.
- Effective October 1, 2006, MFL transferred its state of domicile from South Carolina to Illinois.

### Funds Held Liability

In the third quarter of 2005, NFI established a trust fund for the benefit of an obligee of a surety bond issued by NFI. Pursuant to the 100% quota share reinsurance arrangement with CCC, CCC provided funds to NFI for deposit into the trust fund. NFI has established a funds held liability payable to CCC which, at December 31, 2006, totaled \$33,145,165. As claim payments are disbursed to the obligee out of the trust fund, the funds held liability will be reduced.

### Impairments

The Combined Companies recorded \$150 million in investment impairment losses included in net realized investment losses in the combined statements of operations, for the year ended December 31, 2006. The impairment losses primarily related to securities in the government, communications, consumer cyclical, energy, and financial industry sectors in an unrealized loss position due to interest rates.

#### *D. Uncollectible Premiums Receivable*

No disclosures required.

#### *E. Business Interruption Insurance Recoveries*

No disclosures required.

#### *F. Hybrid Securities*

During 2006, the NAIC held discussions regarding the appropriate reporting/classification of certain securities (hybrid securities) on insurers' Schedule D. These discussions were primarily focused on determining the appropriate charge for Risk-Based Capital ("RBC") for these securities. The discussion will continue into 2007. Short-term reporting guidance on this issue can be found on the NAIC website. In compliance with the short-term guidance, CCC reported certain long-term bonds as preferred stock on Schedule D, Part 2, Section 1 to allow RBC schedules to utilize the preferred stock factors. This does not necessarily indicate that hybrid securities are actually preferred stock.

## NOTES TO FINANCIAL STATEMENTS

The CCC owned the following hybrid securities at December 31, 2006.

CUSIP	ISSUER	DESCRIPTION	BOOK/ADJUSTED CARRYING VALUE
002927AA9	ABBEY NATL CAP	Capital Security or Trust Preferred	\$ 3,022,777
03076CAC0	AMERIPRISE FINANCIAL INC	Capital Security or Trust Preferred	10,000,000
037388AE5	AON CAPITAL TRUST A	Capital Security or Trust Preferred	11,460,850
04622DAA9	ASSURED GUARANTY US HLDG	Capital Security or Trust Preferred	9,980,501
04626KAC5	ASTORIA CAPITAL TRUST I	Capital Security or Trust Preferred	5,682,975
054536AB3	AXA SA	Perpetual/Callable	19,746,800
054536AC1	AXA SA	Perpetual/Callable	19,747,200
06423KAA9	BANC ONE CAP SEC	Capital Security or Trust Preferred	614,250
06605HAA6	BANKAMERICA INST	Capital Security or Trust Preferred	1,664,640
06739FEY3	BARCLAYS BANK PLC	Perpetual/Callable	24,986,305
068056AE0	BARNETT CAP I	Capital Security or Trust Preferred	10,403,000
05567SAA0	BNSF FUNDING TRUST I	Capital Security or Trust Preferred	9,942,600
05563RAA6	BNY CAPTAIL I	Capital Security or Trust Preferred	4,159,400
05568AAA8	BOI CAPITAL FUNDING NO 3	Capital Security or Trust Preferred	2,343,396
11776PAA1	BT CAP TRUST B	Capital Security or Trust Preferred	1,195,191
17303NAA5	CITICORP CAP II	Capital Security or Trust Preferred	150,176
17305GAA8	CITIGROUP CAP II	Capital Security or Trust Preferred	3,187,268
17305HAA6	CITIGRP CAP III	Capital Security or Trust Preferred	6,392,876
218698AA6	CORESTATES CAPTL	Capital Security or Trust Preferred	15,582,000
22237AAB2	COUNTRYWIDE CAP	Capital Security or Trust Preferred	3,000,666
22541AAA5	CRED SUISSE (LON)	Perpetual/Callable	4,616,025
25432NAA2	DIME CAP TRUST	Capital Security or Trust Preferred	17,101,668
25746NAA3	DOMINION CAP TR	Capital Security or Trust Preferred	1,362,209
31945JAA9	FIRST CHIC CAP A	Capital Security or Trust Preferred	11,221,802
318924AA5	FIRST CHIC CAP B	Capital Security or Trust Preferred	623,001
32007YAA9	FIRST EMPIRE CAP TRST I	Capital Security or Trust Preferred	1,981,278
320870AA6	FIRST MIDWEST CAP TR I	Capital Security or Trust Preferred	5,221,984
33716PAA8	FIRST TENNESSEE CAP II	Capital Security or Trust Preferred	14,406,645
33735YAA6	FIRST UNION CAP	Capital Security or Trust Preferred	4,513,256
337357AA5	FIRST UNION CAPI	Capital Security or Trust Preferred	2,122,188
337363AE5	FIRST UNION INST	Capital Security or Trust Preferred	257,970
379308AB5	GLITNIR BANKI HF	Perpetual/Callable	10,000,000
39141GAA0	GREAT WESTRN FIN	Capital Security or Trust Preferred	8,221,682
39538PAC7	GREENPOINT CAP TRUST I	Capital Security or Trust Preferred	3,187,658
42205MAB2	HBOS PLC	Capital Security or Trust Preferred	16,000,000
40427QAA1	HSBC AMER CAP II	Capital Security or Trust Preferred	12,571,417
40427LAA2	HSBC CAP FUNDING	Capital Security or Trust Preferred	1,700,000
45104GAB0	ICICI BANK LIMITED	Perpetual/Callable	10,943,359
44965UAA2	ILFC E-CAPITAL TRUST II	Capital Security or Trust Preferred	16,764,599
44978NAA3	ING CAP FNDG III	Capital Security or Trust Preferred	16,220,498
46627VAA5	JP MORGAN CHASE XVII	Capital Security or Trust Preferred	9,186,310
481227AA4	JPMC CAPITAL XVIII	Capital Security or Trust Preferred	19,978,133
48123CAA2	JPMORGAN CHASE CAPT XX	Capital Security or Trust Preferred	3,978,222
49326QAA4	KEYCORP CAP III	Capital Security or Trust Preferred	2,791,493
482917AA9	KN CAP TRUST III	Capital Security or Trust Preferred	1,912,556
539439AA7	LLOYDS TSB GROUP PLC	Perpetual/Callable	15,000,000
606859AA4	MIZUHO CAP INV 1 LTD	Capital Security or Trust Preferred	12,000,000
62874HAA3	NB CAP TRUST IV	Capital Security or Trust Preferred	6,297,339
628958AB6	NB CAPITAL TR II	Capital Security or Trust Preferred	92,485
69350JAA7	PNC PREFERRED FUNDING TR	Capital Security or Trust Preferred	13,000,000
733186AA8	POPULAR N.A. CAP TRUST I	Capital Security or Trust Preferred	9,723,000
74927PAA7	RBS CAPITAL TRUST II	Capital Security or Trust Preferred	4,993,423
759351AE9	REINSURANCE GRP OF AMER	Capital Security or Trust Preferred	11,326,071
76117HAA0	RESONA PFD GLOBAL SECS	Capital Security or Trust Preferred	10,550,493
82463R207	SHINSEI FINANCE II	Capital Security or Trust Preferred	44,402,679
84604BAA7	SOVEREIGN CAPITAL TR VI	Capital Security or Trust Preferred	13,510,827
86800YAA4	SUNTRUST CAPITAL VIII	Capital Security or Trust Preferred	29,186,490
90262PAA6	UBS PFD FUND TR	Capital Security or Trust Preferred	11,000,000
90264AAA7	UBS PFD FUNDING TR V	Capital Security or Trust Preferred	7,800,000
903312AA4	USB REALTY CORP	Capital Security or Trust Preferred	15,999,360
90330SAA8	USF&G CAP I	Capital Security or Trust Preferred	11,482,884
939318AA9	WASH MUTUAL CAP	Capital Security or Trust Preferred	25,611,215

## NOTES TO FINANCIAL STATEMENTS

CUSIP	ISSUER	DESCRIPTION	BOOK/ADJUSTED CARRYING VALUE
93934VAA5	WASH MUTUAL PFD FDG CAYM	Capital Security or Trust Preferred	30,779,654
93934WAA3	WASH MUTUAL PFD FDG DEL	Capital Security or Trust Preferred	19,662,800
93935JAA1	WASH MUTUAL PFD FDG II	Capital Security or Trust Preferred	7,800,000
989819AA5	ZURICH CAP TRUST	Capital Security or Trust Preferred	5,241,510
Subtotal: Long-term bonds reported as hybrid securities on Schedule D, Part 2, Section 1.			\$ 665,607,054
125581207	CIT GROUP INC	Perpetual/Callable	\$ 25,000,000
125581306	CIT GROUP INC	Perpetual/Callable	21,869,386
337158208	FIRST TENNESSEE BANK	Perpetual/Callable	13,000,000
38144X500	GOLDMAN SACHS GROUP INC	Perpetual/Callable	25,000,000
40429C607	HSBC FINANCE CORPORATION	Capital Security or Trust Preferred	21,631,500
59021V813	MERRILL LYNCH	Perpetual/Callable	30,240,000
59021V839	MERRILL LYNCH	Perpetual/Callable	30,000,000
59156R504	METLIFE INC	Perpetual/Callable	30,000,000
59156R603	METLIFE INC	Perpetual/Callable	60,156,000
652486200	NEWS CORP LTD	Capital Security or Trust Preferred	3,252,000
74251V300	PRINCIAPL FINL GROUP	Perpetual/Callable	10,000,000
75670L104	RED LION HOTELS CAPITAL TRUST	Capital Security or Trust Preferred	814,650
78442P502	SLM CORP	Perpetual/Callable	10,000,000
842400749	SOUTHERN CAL ED	Perpetual/Callable	16,476,126
842400756	SOUTHERN CAL ED	Perpetual/Callable	25,000,000
842400731	SOUTHERN CAL EDISON	Perpetual/Callable	20,000,000
902973155	US BANCORP	Perpetual/Callable	20,000,000
Subtotal: Preferred stocks reported as hybrid securities on Schedule D, Part 2, Section 1.			\$ 362,439,662
Total: Hybrid Securities reported on Schedule D, Part 2, Section 1.			\$ 1,028,046,716

The information in the description column is from Bloomberg.

### Note 22 - Events Subsequent

*A. Description, Impact*

No disclosures required.

### Note 23 - Reinsurance

*A. Unsecured Reinsurance Recoverable*

The Combined Companies have unsecured aggregate recoverables for losses (paid and unpaid, including IBNR), loss adjustment expenses and unearned premiums that exceed 3% of policyholders' surplus with the following reinsurers as of December 31, 2006:

FEIN	Name	Amount
<u>MUNICH RE GROUP NO. 361</u>		
13-4924125	MUNICH REINSURANCE AMERICA, INC.	\$ 893,918,455
52-2048110	AMERICAN ALTERNATIVE INS. CORP.	2,830,264
AA-1560450	TEMPLE INSURANCE COMPANY	379,077
AA-1560600	MUNICH REIN CO OF CAN EMU	317,568
AA-1120011	MUNICH REINSURANCE COMPANY, LTD.	65,538
		\$ <u>897,510,902</u>

## NOTES TO FINANCIAL STATEMENTS

FEIN	Name	Amount
<u>SWISS RE GROUP NO. 181</u>		
13-1675535	SWISS REINSURANCE AMERICA CORPORATION	\$ 609,367,913
06-0839705	SWISS RE LIFE AND HEALTH AMERICA INC.	3,900,321
AA-1120512	SWISS RE SPECIALTY INSURANCE UK LIMITED	1,488,850
AA-1460146	SWISS REINSURANCE CO	512,234
AA-1121405	SR INTERNATIONAL BUSINESS INSURANCE CO. LTD.	365,308
AA-1360240	SWISS RE ITALIA SPA	144,013
13-3440360	NORTH AMERICAN ELITE INSURANCE CO	131,161
AA-1340045	SWISS RE GERMANY AG	72,135
AA-1320297	SOCIETE SUISSE ACCIDENTS	38,370
A0-0000000	SWISS NATIONAL INSURANCE COMPANY, LTD.	13,023
		<u>\$ 616,033,328</u>
<u>ALLSTATE INSURANCE GROUP NO. 8</u>		
36-0719665	ALLSTATE INSURANCE COMPANY	\$ 461,480,879
36-4181960	ALLSTATE NEW JERSEY INSURANCE COMPANY	110,512,374
36-3586255	ALLSTATE FLORIDIAN INSURANCE COMPANY	1,477,629
04-2680300	DEERBROOK INSURANCE COMPANY	25
		<u>\$ 573,470,907</u>
<u>LLOYD'S OF LONDON</u>		
AA-1122000	LLOYDS UNDERWRITERS- LICENSED	\$ 310,626,154
AA-1127241	SYN #1241 SVB SYNDICATE	35,108,302
AA-1127007	SYN #1007 SPRECKLEY VILLERS BURNHOPE	28,439,621
AA-1128001	SYN #2001 - AML AMLIN UNDERWRITINGLTD.	9,539,143
AA-1126033	SYN #33 HISCOX SYNDICATES LTD.	9,289,560
AA-1128020	SYN #2020 WELLINGTON	8,927,360
AA-0000000	SYN #2999 LIMIT UNDERWRITING LTD	7,407,552
AA-1128987	SYN #2987 BRIT	5,955,354
AA-1128003	SYN #2003 CATLIN	5,691,610
AA-1126138	SYN #138 RF BAILEY U/A LTD.	4,928,299
AA-1126006	SYN #4472 LIBERTY SYNDICATE	4,870,369
AA-1126510	SYN #510 RJ KILN & CO. LTD.	3,658,683
AA-1128488	SYN #2488 CHARMAN UNDERWRITIN	3,587,500
AA-1128000	SYN #2000 LLOYD'S SYNDICATE HAR	3,339,861
AA-1127414	SYN# 1414 ASCOT UNDERWRITING LTD	2,298,022
AA-1128791	SYN #2791 LLOYDS - MAP	2,191,960
AA-1127211	SYN #1211 LLOYDS SYNDICATE	1,640,621
AA-1126626	SYN #626 HISCOX	1,308,105
AA-1128623	SYN #2623 BEAZLEY FURLONGE LIMITED	1,279,944
AA-1126570	SYN #570 MH COCKELL AND PARTNE	985,984
AA-1128147	SYN #2147 SPRECKLEY VILLERS BURNHOPE	931,552
AA-1126958	SYN #958 GS CHRISTENSEN & PART	903,822
AA-1126435	SYN #435 D P MANN UNDERWRITIN	897,339
AA-1126205	SYN #205 JAGO MANAGING AGENCY	820,986
AA-1127288	SYN #1688 HIH	790,005
AA-1126727	SYN #727 SA MEACOCK & CO.	769,147
AA-1127221	SYN #1221 NAVIGATORS	761,919
AA-1126557	SYN #557 RJ KILN & CO. LTD.	746,413
00-0000000	JOHN STREET SYNDICATE INC	720,930
AA-1126780	SYN #780 BF CAUDLE AGENCIES	649,253
AA-1127084	SYN #1084 STEWART SYNDICATES	598,698
AA-1126623	SYN #623 BEAZLEY FURLONG	488,177
AA-1126507	SYN #507 CLAREMOUNT UNDERWRI	458,693
AA-1127209	SYN #1209 LLOYDS SYNDICATE	331,049
AA-1126529	SYN #529 STERLING U/A	279,520
AA-1126376	SYN #376 VENTON U/W LTD.	256,112
AA-1127218	SYN #1218 LLOYDS' SYNDICATE	255,275
AA-1126102	SYN #102 GAMMELL KERSHAW	241,943
AA-1126744	SYN #744 BARDER & MARSH LTD.	239,302
AA-1127121	SYN #1121 CROWE SYNDICATE MNG	200,147
AA-1128376	SYN #2376 LLOYDS' SYNDICATE	178,777
AA-1126457	SYN #457 STEWART SYNDICATES	120,703
AA-1127223	SYN #1223 LLOYDS SYNDICATE	118,577
AA-1127206	SYN #1206 LLOYDS' SYNDICATE	112,041

## NOTES TO FINANCIAL STATEMENTS

FEIN	Name	Amount
<u>LLOYD'S OF LONDON (continued)</u>		
AA-1127069	SYN #1069 COTESWORTH & CO. LTD.	81,316
AA-1126609	SYN #609 ATRIUM UNDERWRITING	79,442
AA-1127236	SYN #1236 LLOYD'S SYNDICATE	72,382
AA-1128121	SYN #2121 JOHN HIGHLAND	55,997
AA-1128345	SYN #2345 WDF	53,690
AA-1127900	SYN #1900 LLOYD'S SYNDICATE NEW	53,690
AA-1126991	SYN #991 AE GRANT UNDERWRITIN	50,976
AA-1126178	SYN #178 WREN SYNDICATE MNGT	43,855
AA-1126314	SYN #314 ASHLEY PALMER	35,590
AA-1126535	SYN #535 COTESWORTH & CO. LTD.	26,302
AA-1127207	SYN #1207 LLOYDS' SYNDICATE	14,395
AA-1128027	SYN #2027 LLOYDS' SYNDICATE	14,319
AA-1126994	SYN #994 TOWER MANAGING AGENT	14,124
AA-1127183	SYN #1183 VENTON U/W LTD.	13,653
AA-1126051	SYN #51 WELLINGTON U/W LTD.	12,190
AA-1126055	SYN #55 CARTER ALLEN SYNDICATE	8,124
AA-1126807	SYN #807 RJ KILN & CO. LTD.	6,693
AA-1127027	SYN #1027 COX NEWTON & HARMAN	5,643
AA-1127243	SYN #1243 EUCLIDIAN UNDERWRITING LTD.	5,298
AA-1127173	SYN #1173 COTTRELL & MAGUIRE	4,161
AA-1126250	SYN #250 WREN SYNDICATE MNGT	4,040
AA-1126002	SYN #2 CLAREMOUNT UNDERWRITIN	3,684
AA-1126539	SYN #539 COTESWORTH & CO. LTD.	2,544
AA-1127208	SYN #1208 LLOYDS SYNDICATE	2,307
AA-1126590	SYN #590 LG COX & CO. LTD.	2,032
AA-1126382	SYN #382 HARDY UNDERWRITING	1,769
AA-1128010	SYN #2010 CATHEDRAL UNDERWRITING	1,732
AA-1126506	SYN #506 CLAREMOUNT UNDERWRI	1,631
AA-1127224	SYN #1224 LLOYDS' SYNDICATE	617
		<u>\$ 463,849,720</u>
<u>CNA INSURANCE GROUP NO. 218</u>		
46-0204900	WESTERN SURETY CO.	\$ 264,143,542
AA-3190065	CONTINENTAL REINSURANCE CORP INT'L	99,987,697
AA-9993217	MAIDEN LANE SYNDICATE INC.	3,736,545
AA-9993225	SOUTH PLACE SYNDICATE INC.	2,958,718
AA-1121106	CNA INSURANCE COMPANY LIMITED	1,023,972
AA-1120415	CONTINENTAL INSURANCE CO OF LONDON (U.K.), LTD	28,369
		<u>\$ 371,878,843</u>
AA-9995012	ASSOCIATED ACCIDENT AND HEALTH REINSURANCE UNDERWRITERS	\$ 305,879,827
AA-9995051	WORKERS COMPENSATION REINS BUREAU	\$ 259,968,988

*B. Reinsurance Recoverables in Dispute*

No disclosures required.

*C. Reinsurance Assumed and Ceded*

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
	(1)	(2)	(3)	(4)	(5)	(6)
Affiliate	\$ 3,875,380	\$ 0	\$ 69,249,776	\$ 17,312,444	\$ (65,374,396)	\$ (17,312,444)
All Other	355,160,675	65,908,373	258,953,349	119,992,289	96,207,326	(54,083,917)
Total	<u>\$ 359,036,055</u>	<u>\$ 65,908,373</u>	<u>\$ 328,203,125</u>	<u>\$ 137,304,734</u>	<u>\$ 30,832,930</u>	<u>\$ (71,396,361)</u>

The Combined Companies' total direct unearned premium reserve at December 31, 2006 was \$7,419,068,976.

## NOTES TO FINANCIAL STATEMENTS

	Reinsurance			
	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
Contingent commissions	\$ 116,264,905	\$ 8,064,355	\$ 0	\$ 124,329,260
Sliding scale adjustments	0	0	0	0
Other profit commission arrangements	0	0	0	0
<b>Total</b>	<b>\$ 116,264,905</b>	<b>\$ 8,064,355</b>	<b>\$ 0</b>	<b>\$ 124,329,260</b>

*D. Uncollectible Reinsurance*

The Combined Companies have written off in the current year reinsurance balances due (from the companies listed below) in the amount of \$3,478,475, which is reflected as:

Statement of Income Account	Amount
1. Losses incurred	\$ 3,478,475
2. Loss adjustment expenses incurred	0
3. Premiums earned	0
4. Other	0
<b>Total</b>	<b>\$ 3,478,475</b>

Reinsurer	
Aegon Union Aseguradora	\$ (736)
American Centennial Insurance Company	2,541
American Healthcare Indemnity	(39,203)
American Reinsurance Company	875,000
Anglo Saxon Insurance Company Ltd	(2,706)
Baltica-Skandinavia Reins Co of America	(268)
British National Ins Co Ltd	18,545
Cambridge Mutual Fire Insurance Company	4,147
Candon Syndicate Inc	5,138
Chesapeake Ins Co Ltd	331
Community Reinsurance Corporation	(1,021)
Compagnia Di Assic Di Milano	(321)
Cornhill Insurance Company PLC	319,883
CX Reinsurance Company Ltd.	(338)
Delta American Re Insurance Company	5,179
Deutsche Continental Ruckversicheru	(10,707)
Employers Ins Co Of Wausau, A Mutual Co.	20,561
Evergreen National Indemnity Company	1,247
Fennia & Industrial Re	(10,971)
General Finance Assurances	(61,850)
General Reinsurance Corporation	1,185,236
Hansa Insurance Company Ltd	54,165
Hansa Marine Insurance Company (Uk) Ltd.	(18,745)
Hartford Fire Insurance Company	10,000
KCC New York Syndicate Corporation	9,417
Korean Reinsurance Corporation	110
Lloyds Underwriters	(6,535)
Messoghias Insurance Company	1,675
North American Elite	42,250
North Atlantic Insurance Company, Ltd.	673,894
Northland Insurance	125
Northland Insurance Company	355
Partner Re (SAFR)	357
Pine Top Ins Company of Illinois	1,696
Preservatrice Fonciere T.I.A.R.D.	1,462
Republic Insurance Company	(1,279)
Sai-Societa Assicuratrice	(379)
Sentry Insurance A Mutual Company	167
Stockholm Re (Bermuda) Ltd.	744
United Standard Insurance Company, Ltd.	373,589
Unione Italiana Reins Co of America	25,618
Willis Re	101
<b>Total</b>	<b>\$ 3,478,475</b>

*E. Commutation of Ceded Reinsurance*

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## NOTES TO FINANCIAL STATEMENTS

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The Combined Companies have reported in their operations in the current quarter as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:

Statement of Income Account	Amount
1. Losses incurred	\$ 122,547,603
2. Loss adjustment expenses incurred	0
3. Premiums earned	0
4. Other	0
Total	\$ 122,547,603

### Reinsurer

Agf Marine Aviation Transport (Agf-Mat)  
 Allianz Cornhill International Insurance PLC  
 American Contractors Insurance Company Risk Reinsurance  
 Atlantic Mutual Insurance Company  
 Big Red Insurance Company  
 Caisse Mutuelle D'Assurances Et De Prevoyance  
 Commercial Risk Re-Insurance  
 Commercial Risk Reinsurance Company Ltd  
 Cornhill Insurance Company PLC  
 Cst Insurance, Ltd  
 Dutch Aviation Pool  
 Essenale Insurance Company, Ltd  
 European Reinsurance Company of Zurich  
 Gecko Insurance Company, Ltd  
 General Security Indemnity Company of Arizona  
 General Security National Insurance Company  
 Heddington Insurance Company (UK) Ltd  
 Hillcot U/W Mgmt Ltd.  
 Hudson Reinsurance Company, Ltd.  
 Industrial Mutual Insurance Company  
 La Vittoria Riassicurazioni  
 Lincoln National Life Insurance Company  
 Lombard Continental Insurance Company PLC  
 Magnolia Insurance Company, Ltd.  
 Mercantile & General Reinsurance Company PLC  
 Mitsui Marine & Fire Insurance Company (Europe) Ltd  
 New England Reinsurance Corporation  
 Oslo Reinsurance Company (UK) Ltd  
 Paladin Reinsurance Corporation  
 Polzavarovalna Skupnost Sava  
 Scor Reinsurance Company  
 Scor Societe Commercial De Reassurances  
 Scor Uk Company Ltd  
 Societe De Reassurances Des Assurances Agricole  
 Sovereign Insurance (UK) Ltd  
 Tokio Marine & Fire Insurance Company (UK) Ltd  
 Tokyo Millenium Re Ltd  
 Unione Italiana Reinsurance UK Branch  
 Vittoria Bermuda Insurance & Reinsurance Corporation Ltd  
 Wausau Insurance Company (UK) Ltd

**NOTES TO FINANCIAL STATEMENTS**

*F. Retroactive Reinsurance*

	<b>Western Surety Ceded</b>	<b>Allstate Ceded</b>	<b>Seaworthy Ceded</b>	<b>Seaworthy Assumed</b>
a. Reserves Transferred:				
1 Initial Reserves (Assumed) or Ceded	\$ 80,979,000	\$ 1,023,511,000	\$ -	\$ -
2 Adjustment – Prior Year(s)	(48,632,198)	128,738,467	-	-
3 Adjustment – Current Year	875,817	279,000	3,610	291,838
4 Current Total	<u>\$ 33,222,619</u>	<u>\$ 1,152,528,467</u>	<u>\$ 3,610</u>	<u>\$ 291,838</u>
b. Consideration (Paid) or Received:				
1 Initial Consideration	\$ (80,979,000)	\$ (1,023,511,000)	\$ -	\$ -
2 Adjustment – Prior Years	-	-	-	-
3 Adjustment – Current Year	-	-	-	-
4 Current Total	<u>\$ (80,979,000)</u>	<u>\$ (1,023,511,000)</u>	<u>\$ -</u>	<u>\$ -</u>
c. Paid Losses (Reimbursed) or Recovered:				
1 Prior Years	\$ 23,798,177	\$ 1,099,673,955	\$ -	\$ -
2 Current Year	(1,110,753)	13,236,768	6,764,089	(299,989)
3 Current Total	<u>\$ 22,687,424</u>	<u>\$ 1,112,910,723</u>	<u>\$ 6,764,089</u>	<u>\$ (299,989)</u>
d. Written Premium less Commissions Reimbursed or recovered:				
1 Prior Years	\$ -	\$ -	\$ -	\$ -
2 Current Year	-	-	(7,448,770)	609,672
3 Current Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,448,770)</u>	<u>\$ 609,672</u>
Aggregate write-in contra-liability or (liability) balance	<u>\$ 10,535,195</u>	<u>\$ 39,617,744</u>	<u>\$ 688,291</u>	<u>\$ (17,845)</u>
d. Special Surplus from Retroactive Reinsurance:				
1 Initial Surplus (Gain) or Loss	\$ -	\$ -	\$ -	\$ -
2 Adjustment – Prior Years	48,632,198	(52,575,512)	-	-
3 Adjustment – Current Year	(875,817)	12,957,768	(3,610)	(291,838)
4 Current Year Restricted Surplus	<u>\$ 47,756,381</u>	<u>\$ (39,617,744)</u>	<u>\$ (3,610)</u>	<u>\$ (291,838)</u>
5 Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ (89,399,723)</u>	<u>\$ (309,683)</u>	<u>\$ -</u>

All cedants and reinsurance involved in all transactions included in summary totals above.

<u>Company</u>	<u>Ceded</u>	<u>Assumed</u>
Western Surety Company - 13188	\$ 33,222,619	N/A
Allstate Insurance Company - 19232	\$ 1,152,528,467	N/A
Seaworthy Insurance Company - 37923	\$ 3,610	\$ 291,838

*G. Reinsurance Accounted for as a Deposit*

The Company entered into annual reinsurance agreements determined to be of a deposit type nature during 2005, 2004, and 2003, respectively. Upon inception of each contract, the Company recorded an initial deposit asset of \$14,847,804, \$14,565,216, and \$7,968,532, respectively for each policy year. At the reporting date, the Company had a remaining total deposit balance of \$11,412,477, after cash recoveries of \$921,620 realized in the year reported.

<u>Description</u>	<u>Cash Recoveries</u>	<u>Deposits</u>	<u>Balance</u>
2003 Initial Deposit	\$ -	\$ 7,968,532	\$ 7,968,532
2004 Initial Deposit	-	6,596,684	14,565,216
2004 Cash Recoveries on Policy Year 2003	(250,000)	-	14,315,216
2005 Initial Deposit	-	532,588	14,847,804
2005 Cash Recoveries on Policy Year 2003	(1,414,250)	-	13,433,554
2005 Cash Recoveries on Policy Year 2004	(956,091)	-	12,477,463
2005 Cash Recoveries on Policy Year 2005	(143,366)	-	12,334,097
2006 Cash Recoveries on Policy Year 2003	(323,724)	-	12,010,373
2006 Cash Recoveries on Policy Year 2004	(597,894)	-	11,412,479
2006 Cash Recoveries on Policy Year 2005	(2)	-	11,412,477

**NOTES TO FINANCIAL STATEMENTS**

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

*A. Method Used to Estimate*

Accrued retrospective premiums reported in Line 13.3 of the assets have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospective rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts.

*B. Method Used to Record*

Accrued retrospective premiums are recorded as an adjustment to earned premiums.

*C. Amount and Percent of Net Retrospective Premiums*

See Schedule P – Part 7A

*D. Calculation of Non-admitted Accrued Retrospective Premiums*

Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and LAE reserves), or collateral as permitted by the NAIC Annual Statement Instructions, has been non-admitted.

**For Ten Percent (10%) Method of Determining Non-Admitted**

1. Total accrued retro premium	\$	284,378,004
2. Unsecured amount		174,587,000
3. Less: Non-admitted amount (10%)		17,458,700
4. Less: Non-admitted for any person for whom agent's balances or uncollected premiums are non-admitted		0
5. Admitted amount (1) – (3) – (4)	\$	<u>266,919,304</u>

**Note 25 - Change in Incurred Losses and LAE**

*A. Reasons for Changes in Prior Year Incurred*

The estimated cost of loss and LAE attributable to insured events of prior years increased by \$486.7 million for the year ended 2006 as shown in the chart below. Loss and LAE reserves represent management's estimates of ultimate liabilities based on currently available facts and case law. The Combined Companies regularly review reserves, and any adjustments to the previously established reserves are recognized in the period that the need for such adjustments develops.

Line of business	Amount <i>(in millions)</i>
Workers' compensation	\$ 179.8
Assumed reinsurance	96.7
Other liability-claims made	89.1
Commercial multi-peril	85.2
Product liability-occurrence	57.3
Commercial auto liability	28.2
Special liability	24.9
All other	10.8
Other liability-occurrence	(1.2)
Medical malpractice	(30.7)
Special property	(53.4)
Total	<u>\$ 486.7</u>

Below is the line of business discussion of the primary drivers of the prior year loss and LAE:

*Workers' Compensation*

The adverse prior year reserve development is primarily due to continued claim cost inflation in older accident years, driven by increasing medical inflation and advances in medical care. Additional losses were also recorded related to premium development.

*Other Liability-Claims Made*

The adverse prior year reserve development is primarily due to increased LAE and increased severities in the architects and engineers book of business in accident years 2003 and prior. Previous reviews assumed that incurred severities had increased, at least in part, due to increases in the adequacy of case reserve estimates with relatively minor changes in underlying severity. Subsequent changes in paid and case incurred losses have shown that more of the change was due to underlying increases in verdict and settlement size for these accident years rather than increases in case reserve adequacy,

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## NOTES TO FINANCIAL STATEMENTS

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resulting in higher ultimate losses. One of the primary drivers of these larger verdicts and settlements is the continuing general increase in real estate values. Further adverse development was related to increased severity on large claims from large law firm errors and omissions, and directors & officers coverages.

### *Commercial Multi-Peril*

The adverse prior year reserve development is primarily due to adverse development in various mass tort accounts that were noted in the Combined Companies' most recent ground up review. The adverse development primarily related to defense costs in a small number of accounts arising out of various substances and products. Additional adverse prior year reserve development was due to higher frequency and severity on claims related to package liability on accident years prior to 2004 and the Combined Companies' share of an assessment from various Windstorm Underwriting Pools. This adverse development is partially offset by favorable development on dental property and nursing home liability business where the frequency of large losses has been decreasing.

### *Commercial Auto*

The adverse prior year reserve development is primarily due to increased large claims on middle market Commercial Auto business.

### *Special Liability*

The adverse development shown is due to shifting of reserves between lines of business, as discussed in the final paragraph. For Special Liability, this is related to the re-alignment of the asbestos and pollution bulk reserves to more closely tie to where we expect the actual claims to flow through. This adverse development is partially offset by favorable prior year reserve development due to improved experience for marine business, primarily in accident years 2005 and 2004. The case incurred loss (paid loss plus case reserve estimates for known claims) for these accident years has been less than expected. The expected case incurred loss was primarily based on the loss ratio expected for this business. The lower level of actual case incurred loss is driven by lower claim frequency and indicates a lower ultimate loss. The remainder of the favorable change in marine business is due to reviews of individual cases from older accident years.

### *Other Liability-Occurrence*

Although this line of business has minimal overall change, there were a number of changes within this line by product. On the favorable side, the largest item is due to shifting of reserves between lines of business, as discussed in the final paragraph. For Other Liability – Occurrence, this is primarily related to the re-alignment of the asbestos and pollution bulk reserves to more closely tie to where we expect the actual claims to flow through. The largest adverse change was due to commutation activity that took place in the fourth quarter. Other adverse prior year reserve development was due to increased severities in liability coverages for large account policies.

### *Medical Malpractice*

The favorable prior year reserve development is due to improved severity and frequency in the healthcare professional liability business, primarily in dental, physicians and other healthcare facilities. The improved severity and frequency are due to underwriting changes. These changes have resulted in business that experiences fewer large claims.

### *Special Property*

The favorable prior year reserve development is related to continued improvement in severity and frequency for property coverages, primarily in accident year 2005. This improvement is primarily due to underwriting actions taken by the Combined Companies that has significantly improved the results on this business and favorable outcomes on individual claims.

The remaining changes in prior year reserves not discussed above relate primarily to the shifting of reserves between lines of business due to certain losses on certain exposures that involve multiple lines of business. This is especially evident this year as the asbestos and pollution bulk reserves were re-aligned to more closely tie to where we expect the actual claims to flow through by line of business (this impacted the following lines of business: CMP, Special Liability, Other Liability – Occurrence, Assumed Reinsurance, and Products Liability – Occurrence).

## Note 26 - Intercompany Pooling Arrangements

### *A. Companies, Percentages, Lines of Business, Reinsurance*

CCC and certain of its U.S. affiliates are participants in an intercompany pooling arrangement whereby each participating affiliate ultimately cedes 100% of its business to CCC.

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## NOTES TO FINANCIAL STATEMENTS

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The pooling participants and their percentage participation in the pooled results are as follows:

Name of Company	NAIC Code	Participation Percentage
Continental Casualty Company	20443	100%
National Fire Insurance Company of Hartford	20478	0%
American Casualty Company of Reading, PA	20427	0%
Transcontinental Insurance Company	20486	0%
Columbia Casualty Company	31127	0%
Valley Forge Insurance Company	20508	0%
Transportation Insurance Company	20494	0%
The Continental Insurance Company	35289	0%
The Continental Insurance Company of New Jersey	42625	0%

CCC also has a separate 100% pooling agreement with CIC, whereby CIC cedes net underwriting activity, with the exception of retroactive reinsurance, to CCC on a funds held basis. This is discussed further in Note 21C.

### Note 27 - Structured Settlements

*A. Reserves Related Due to Purchase of Annuities*

The Combined Companies have not purchased annuities for which the Combined Companies are owners and payees.

*B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus*

The Combined Companies have purchased annuities in the amount of \$438,562,421 for which the claimant is payee but for which the Combined Companies are contingently liable. The following is a list of life insurance companies where total value of all annuities equals or exceeds 1% of policyholders' surplus of the Combined Companies:

Life Insurance Company and Location	Loss Reserve Eliminated by Annuities
Pacific Life 700 Newport Center Drive Newport Beach, CA 92660	\$ 106,934,968
Prudential Financial 200 Wood Ave. South Iselin, NJ 08830	91,673,151
Annuities not exceeding 1% of policyholder's surplus	<u>239,954,302</u>
Aggregate amount of annuities due from all life insurers	<u>\$ 438,562,421</u>

### Note 28 - Health Care Receivables

No disclosures required.

### Note 29 - Participating Policies

No disclosures required.

### Note 30 - Premium Deficiency Reserves

No disclosures required.

### Note 31 - High Deductibles

*A. Recoverable Asset and Amount Netted Against Reserves*

As of December 31, 2006, the amount of reserve credit recorded for high deductibles on unpaid losses was \$2,441,857,000. The amounts recoverable as of December 31, 2006 were \$240,244,261. Ten percent of the unsecured recoverable and other amounts deemed uncollectible, or \$82,266,987, was non-admitted.

**NOTES TO FINANCIAL STATEMENTS**

**Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid LAE**

*A. Tabular Expenses*

The Combined Companies discounts on a tabular basis certain liabilities for unpaid losses on structured settlements, workers' compensation lifetime indemnity claims and accident and health disability claims. The Combined Companies do not discount unpaid LAE.

Structured settlements are negotiated agreements to provide periodic installment payments to claimants, which payments are fixed and determinable as to the amount and time of payment. Discount rates range from 4.58% to 7.50%.

**Structured Settlements Valuation Table**

Line of Business	Accident Year	Annuity Table	Valuation Int. Rate	Statement Reserve	Tabular Discount	Ultimate Liability
<b>HOMEOWNERS/FARMOWNERS</b>						
	PRIOR	1983 GRP ANN	Various	\$ 8,759,905	\$ 15,784,300	\$ 24,544,205
	1997	1983 GRP ANN	Various	9,315	2,053	11,368
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	0	0	0
	2000	1983 GRP ANN	Various	0	0	0
	2001	1983 GRP ANN	Various	0	0	0
	2002	1983 GRP ANN	Various	0	0	0
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 8,769,220	\$ 15,786,353	\$ 24,555,573
<b>PRIVATE PASSENGER AUTO LIABILITY/MEDICAL</b>						
	PRIOR	1983 GRP ANN	Various	\$ 55,431,449	\$ 77,853,764	\$ 133,285,213
	1997	1983 GRP ANN	Various	44,787	98,493	143,280
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	45,088	8,162	53,250
	2000	1983 GRP ANN	Various	20,588	9,143	29,731
	2001	1983 GRP ANN	Various	0	0	0
	2002	1983 GRP ANN	Various	0	0	0
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 55,541,912	\$ 77,969,562	\$ 133,511,474
<b>COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL</b>						
	PRIOR	1983 GRP ANN	Various	\$ 185,382,864	\$ 339,704,386	\$ 525,087,250
	1997	1983 GRP ANN	Various	6,529,209	7,195,510	13,724,719
	1998	1983 GRP ANN	Various	8,117,410	9,641,007	17,758,417
	1999	1983 GRP ANN	Various	12,736,579	15,930,755	28,667,334
	2000	1983 GRP ANN	Various	5,212,360	5,116,957	10,329,317
	2001	1983 GRP ANN	Various	4,733,141	4,611,846	9,344,987
	2002	1983 GRP ANN	Various	1,220,188	1,186,140	2,406,328
	2003	1983 GRP ANN	Various	34,741	3,193	37,934
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 223,966,492	\$ 383,389,794	\$ 607,356,286

**NOTES TO FINANCIAL STATEMENTS**

Line of Business	Accident Year	Annuity Table	Valuation Int. Rate	Statement Reserve	Tabular Discount	Ultimate Liability
<b>WORKERS' COMPENSATION</b>						
	PRIOR	1983 GRP ANN	Various	\$ 98,372,003	\$ 78,787,770	\$ 177,159,773
	1997	1983 GRP ANN	Various	6,929,702	5,797,341	12,727,043
	1998	1983 GRP ANN	Various	6,737,328	5,180,092	11,917,420
	1999	1983 GRP ANN	Various	8,624,263	7,677,550	16,301,813
	2000	1983 GRP ANN	Various	5,515,798	7,304,489	12,820,287
	2001	1983 GRP ANN	Various	1,235,467	941,221	2,176,688
	2002	1983 GRP ANN	Various	734,965	292,371	1,027,336
	2003	1983 GRP ANN	Various	248,731	104,518	353,249
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 128,398,257	\$ 106,085,352	\$ 234,483,609
<b>COMMERCIAL MULTI PERIL</b>						
	PRIOR	1983 GRP ANN	Various	\$ 52,329,819	\$ 78,647,824	\$ 130,977,643
	1997	1983 GRP ANN	Various	4,182,147	6,185,972	10,368,119
	1998	1983 GRP ANN	Various	4,781,046	6,784,104	11,565,150
	1999	1983 GRP ANN	Various	2,972,871	3,285,611	6,258,482
	2000	1983 GRP ANN	Various	1,828,137	1,891,464	3,719,601
	2001	1983 GRP ANN	Various	6,423,340	8,121,298	14,544,638
	2002	1983 GRP ANN	Various	291,169	168,805	459,974
	2003	1983 GRP ANN	Various	168,552	270,981	439,533
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 72,977,081	\$ 105,356,059	\$ 178,333,140
<b>MEDICAL MALPRACTICE - OCCURRENCE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 54,518,682	\$ 121,171,084	\$ 175,689,766
	1997	1983 GRP ANN	Various	56,554	69,605	126,159
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	0	0	0
	2000	1983 GRP ANN	Various	137,477	175,477	312,954
	2001	1983 GRP ANN	Various	165,790	39,981	205,771
	2002	1983 GRP ANN	Various	585,046	2,116,969	2,702,015
	2003	1983 GRP ANN	Various	49,409	60,435	109,844
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 55,512,958	\$ 123,633,551	\$ 179,146,509
<b>MEDICAL MALPRACTICE - CLAIMS MADE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 53,546,702	\$ 92,363,513	\$ 145,910,215
	1997	1983 GRP ANN	Various	6,426,359	12,656,852	19,083,211
	1998	1983 GRP ANN	Various	3,986,635	9,106,949	13,093,584
	1999	1983 GRP ANN	Various	944,675	1,497,621	2,442,296
	2000	1983 GRP ANN	Various	4,370,262	2,993,222	7,363,484
	2001	1983 GRP ANN	Various	664,849	687,290	1,352,139
	2002	1983 GRP ANN	Various	273,761	167,655	441,416
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 70,213,243	\$ 119,473,102	\$ 189,686,345

**NOTES TO FINANCIAL STATEMENTS**

Line of Business	Accident Year	Annuity Table	Valuation Int. Rate	Statement Reserve	Tabular Discount	Ultimate Liability
<b>SPECIAL LIABILITY</b>						
	PRIOR	1983 GRP ANN	Various	\$ 11,000	\$ 0	\$ 11,000
	1997	1983 GRP ANN	Various	0	0	0
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	0	0	0
	2000	1983 GRP ANN	Various	0	0	0
	2001	1983 GRP ANN	Various	0	0	0
	2002	1983 GRP ANN	Various	0	0	0
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 11,000	\$ 0	\$ 11,000
<b>OTHER LIABILITY - OCCURRENCE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 125,659,306	\$ 208,799,278	\$ 334,458,584
	1997	1983 GRP ANN	Various	3,495,029	4,869,536	8,364,565
	1998	1983 GRP ANN	Various	1,010,439	2,908,191	3,918,630
	1999	1983 GRP ANN	Various	2,525,472	3,601,074	6,126,546
	2000	1983 GRP ANN	Various	1,551,718	1,445,643	2,997,361
	2001	1983 GRP ANN	Various	354,914	355,179	710,093
	2002	1983 GRP ANN	Various	2,148,522	886,261	3,034,783
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 136,745,400	\$ 222,865,162	\$ 359,610,562
<b>OTHER LIABILITY - CLAIMS MADE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 19,108,741	\$ 30,767,519	\$ 49,876,260
	1997	1983 GRP ANN	Various	0	0	0
	1998	1983 GRP ANN	Various	725,719	512,237	1,237,956
	1999	1983 GRP ANN	Various	1,690,487	1,545,782	3,236,269
	2000	1983 GRP ANN	Various	228,292	113,832	342,124
	2001	1983 GRP ANN	Various	284,473	132,066	416,539
	2002	1983 GRP ANN	Various	0	0	0
	2003	1983 GRP ANN	Various	40,954	16,651	57,605
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 22,078,666	\$ 33,088,087	\$ 55,166,753
<b>AUTO PHYSICAL DAMAGE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 224,819	\$ 76,944	\$ 301,763
	1997	1983 GRP ANN	Various	0	0	0
	1998	1983 GRP ANN	Various	677,029	2,322,281	2,999,310
	1999	1983 GRP ANN	Various	3,843,377	5,001,946	8,845,323
	2000	1983 GRP ANN	Various	688,731	556,174	1,244,905
	2001	1983 GRP ANN	Various	1,041,208	952,810	1,994,018
	2002	1983 GRP ANN	Various	0	0	0
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 6,475,164	\$ 8,910,155	\$ 15,385,319

**NOTES TO FINANCIAL STATEMENTS**

Line of Business	Accident Year	Annuity Table	Valuation Int. Rate	Statement Reserve	Tabular Discount	Ultimate Liability
<b>OTHER</b>						
	PRIOR	1983 GRP ANN	Various	\$ 1,037,136	\$ 569,412	\$ 1,606,548
	1997	1983 GRP ANN	Various	92,882	17,199	110,081
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	0	0	0
	2000	1983 GRP ANN	Various	0	0	0
	2001	1983 GRP ANN	Various	18,834	3,988	22,822
	2002	1983 GRP ANN	Various	139,974	58,230	198,204
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 1,288,826	\$ 648,829	\$ 1,937,655
<b>PRODUCTS LIABILITY - OCCURRENCE</b>						
	PRIOR	1983 GRP ANN	Various	\$ 30,887,764	\$ 52,106,752	\$ 82,994,516
	1997	1983 GRP ANN	Various	266,795	423,122	689,917
	1998	1983 GRP ANN	Various	0	0	0
	1999	1983 GRP ANN	Various	383,753	431,923	815,676
	2000	1983 GRP ANN	Various	0	0	0
	2001	1983 GRP ANN	Various	0	0	0
	2002	1983 GRP ANN	Various	85,650	56,123	141,773
	2003	1983 GRP ANN	Various	0	0	0
	2004	1983 GRP ANN	Various	0	0	0
	2005	1983 GRP ANN	Various	0	0	0
	2006	1983 GRP ANN	Various	0	0	0
			Total	\$ 31,623,962	\$ 53,017,920	\$ 84,641,882
<b>Company Total</b>				<b>\$ 813,602,181</b>	<b>\$ 1,250,223,926</b>	<b>\$ 2,063,826,107</b>

Workers' compensation lifetime claims are discounted using the July 1, 1991 National Council on Compensation Insurance Workers' Compensation Pension Table Guide, at an interest rate of 3.5%. The table below displays the discounted reserves retained by the Company.

**Workers' Compensation Lifetime Claims**

Accident Year	Statement Reserve	Tabular Discount	Non-Tabular Discount	Ultimate Liability
Prior	\$ 271,689,934	\$ 164,776,000	\$ 0	\$ 436,465,934
1997	29,801,572	19,375,000	0	49,176,572
1998	39,086,573	26,128,000	0	65,214,573
1999	30,382,659	20,383,000	0	50,765,659
2000	26,866,367	18,013,000	0	44,879,367
2001	7,585,530	5,798,000	0	13,383,530
2002	16,690,078	13,085,000	0	29,775,078
2003	8,922,810	6,032,000	0	14,954,810
2004	9,211,393	8,693,000	0	17,904,393
2005	4,528,071	3,662,000	0	8,190,071
2006	962,247	796,000	0	1,758,247
<b>TOTAL</b>	<b>\$ 445,727,234</b>	<b>\$ 286,741,000</b>	<b>\$ 0</b>	<b>\$ 732,468,234</b>

Certain accident and health disability claims are discounted during the first two accident years using Combined Companies' experience and thereafter using the 1987 Commissioners' Group Disability Table and the 1985 Commissioners' Individual Disability Table A at interest rates ranging from 3.5% to 6.0%. The December 31, 2006, liabilities were net of \$83,272,692 discount, of which \$72,081,949 related to case reserves and \$11,190,743 related to IBNR.

*B. Non-tabular Discounts*

No disclosures required.

*C. Changes in Discount Assumptions*

No disclosures required.

**NOTES TO FINANCIAL STATEMENTS**

*D. Other Loss, Loss Expenses and Anticipated Salvage/Subrogation Disclosures*

The following table presents supplemental information to Schedule P, Part 1, Column 35, 36 and 23 for accident years prior to 1996 (in \$000).

Line of Business	Accident Year	Unpaid Losses	Unpaid Loss Expense	Anticipated Salvage/Subrogation
<b>HOMEOWNERS/FARMOWNERS</b>				
	PRIOR	\$ 596	\$ 0	\$ 48
	1992	4	0	11
	1993	93	0	9
	1994	116	0	2
	1995	158	0	0
	1996	452	0	23
	Total	\$ 1,419	\$ 0	\$ 93
<b>PRIVATE PASSENGER AUTO LIABILITY/MEDICAL</b>				
	PRIOR	\$ 5,137	\$ 128	\$ 13
	1992	356	32	0
	1993	342	25	10
	1994	291	10	5
	1995	714	81	10
	1996	1,333	77	104
	Total	\$ 8,173	\$ 353	\$ 142
<b>WORKERS' COMPENSATION</b>				
	PRIOR	\$ 29	\$ 1	\$ 0
	1992	0	0	0
	1993	0	0	0
	1994	0	0	1
	1995	2	0	0
	1996	22	0	1
	Total	\$ 53	\$ 1	\$ 2
<b>OTHER LIABILITY - OCCURRENCE</b>				
	PRIOR	\$ 242	\$ 22	\$ 0
	1992	39	4	0
	1993	39	4	0
	1994	39	4	1
	1995	0	0	0
	1996	8	1	1
	Total	\$ 367	\$ 35	\$ 2
<b>COMPANY TOTAL</b>		<b>\$ 10,012</b>	<b>\$ 389</b>	<b>\$ 239</b>

**Note 33 - Asbestos/Environmental Reserves**

The Combined Companies have exposure to asbestos related bodily injury claims and environmental related bodily injury claims resulting from general liability coverage for accident years 1988 and prior, which coincides with the adoption of the Simplified Commercial General Liability coverage form which included an absolute pollution exclusion. In addition, the Combined Companies' exposure to asbestos is further limited by the use of policy aggregates on all policies written in the past several years.

Loss and LAE reserves represent management's estimate of asbestos and environmental-pollution liabilities, which are based on currently available facts, case law, and current estimation methods. Consistent with sound reserving practices, the Combined Companies regularly adjusts its reserve estimates in subsequent reporting periods as new facts and circumstances emerge that indicate the previous estimates need to be modified.

The following tables display experience for direct business, assumed business, and direct-assumed business net of third-party reinsurance ("net of reinsurance"). Note that the assumed amounts below reflect assumptions from outside entities and do not include intercompany activity.

## NOTES TO FINANCIAL STATEMENTS

*A. Asbestos Reserves*

<u>Direct</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 1,531,561,439	\$ 1,661,293,855	\$ 3,156,427,176	\$ 3,037,169,546	\$ 2,818,948,547
Incurred Losses and LAE:	325,894,683	1,724,261,911	156,687,776	(28,956,110)	5,139,160
Calendar Year Payments for Losses and LAE:	196,162,267	229,128,590	275,945,406	189,264,889	353,931,086
Ending Reserves:	<u>\$ 1,661,293,855</u>	<u>\$ 3,156,427,176</u>	<u>\$ 3,037,169,546</u>	<u>\$ 2,818,948,547</u>	<u>\$ 2,470,156,620</u>

<u>Assumed</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 110,074,117	\$ 97,496,566	\$ 190,445,000	\$ 180,861,000	\$ 173,094,500
Incurred Losses and LAE:	8,481,157	100,901,434	2,580	(551,530)	(179,900)
Calendar Year Payments for Losses and LAE:	21,058,708	7,953,000	9,586,580	7,214,970	7,747,287
Ending Reserves:	<u>\$ 97,496,566</u>	<u>\$ 190,445,000</u>	<u>\$ 180,861,000</u>	<u>\$ 173,094,500</u>	<u>\$ 165,167,313</u>

<u>Net of Reinsurance</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 1,267,249,052	\$ 1,246,222,709	\$ 1,766,937,262	\$ 1,685,634,574	\$ 1,553,637,335
Incurred Losses and LAE:	1,110,196	641,238,599	54,271,995	9,843,939	1,141,576
Calendar Year Payments for Losses and LAE:	22,136,539	120,524,046	135,574,684	141,841,178	102,312,613
Ending Reserves:	<u>\$ 1,246,222,709</u>	<u>\$ 1,766,937,262</u>	<u>\$ 1,685,634,574</u>	<u>\$ 1,553,637,335</u>	<u>\$ 1,452,466,297</u>

*B. Asbestos IBNR and Bulk Reserves: Direct, Assumed, and Net*

Direct	\$ 1,718,127,873
Assumed	129,339,153
Net of Reinsurance	1,048,468,615

*C. Asbestos LAE Reserves: Direct, Assumed and Net*

The Combined Companies do not specifically identify reserves for future allocated LAE (including coverage dispute costs). Management's estimate of the necessary reserves for unreported claims is intended to include the future liabilities for these expenses.

*D. Environmental Reserves*

<u>Direct</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 614,935,595	\$ 633,669,895	\$ 511,687,201	\$ 443,374,906	\$ 440,392,860
Incurred Losses and LAE:	130,036,465	(45,457,272)	(5,063,789)	71,884,276	5,800,992
Calendar Year Payments for Losses and LAE:	111,302,165	76,525,422	63,248,506	74,866,323	68,180,041
Ending Reserves:	<u>\$ 633,669,895</u>	<u>\$ 511,687,201</u>	<u>\$ 443,374,906</u>	<u>\$ 440,392,860</u>	<u>\$ 378,013,810</u>

**NOTES TO FINANCIAL STATEMENTS**

<u>Assumed</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 13,309,194	\$ 14,995,680	\$ 55,215,000	\$ 53,258,000	\$ 50,196,944
Incurring Losses and LAE:	8,951,793	42,961,320	(3,444)	(188,609)	(61,680)
Calendar Year Payments for Losses and LAE:	7,265,307	2,742,000	1,953,556	2,872,447	1,572,566
Ending Reserves:	<u>\$ 14,995,680</u>	<u>\$ 55,215,000</u>	<u>\$ 53,258,000</u>	<u>\$ 50,196,944</u>	<u>\$ 48,562,698</u>

<u>Net of Reinsurance</u>	Year ended December 31,				
	2002	2003	2004	2005	2006
Beginning Reserves:	\$ 461,784,895	\$ 378,843,720	\$ 393,988,869	\$ 341,505,024	\$ 335,703,610
Incurring Losses and LAE:	6,049,675	72,516,522	206,540	50,000,321	(99,555)
Calendar Year Payments for Losses and LAE:	88,990,851	57,371,373	52,690,385	55,801,735	50,803,419
Ending Reserves:	<u>\$ 378,843,720</u>	<u>\$ 393,988,869</u>	<u>\$ 341,505,024</u>	<u>\$ 335,703,610</u>	<u>\$ 284,800,636</u>

*E. Environmental IBNR and Bulk Reserves: Direct, Assumed, and Net*

Direct	\$ 311,315,381
Assumed	40,858,393
Net of Reinsurance	223,531,434

*F. Environmental LAE Reserves: Direct, Assumed, and Net*

The Combined Companies do not specifically identify reserves for future allocated LAE (including coverage dispute costs). Management's estimate of the necessary reserves for unreported claims is intended to include the future liabilities for these expenses.

**Note 34 - Subscriber Savings Accounts**

*A. For Reciprocal Only, Surplus Represented by Subscriber Savings Accounts*

No disclosures required.

**Note 35 - Multiple Peril Crop Insurance**

No disclosures required.

**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
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	4,754,334,375	4,798,700,530	4,662,570,144	4,932,808,964
	2. Canada.....	337,084,320	333,798,173	376,945,099	379,329,113
	3. Other Countries.....	472,400	386,639	307,434	303,878
	4. Totals.....	5,091,891,095	5,132,885,342	5,039,822,677	5,312,441,955
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	217,413,389	244,993,254	203,262,557	430,800,000
	6. Canada.....	0	0	0	0
	7. Other Countries.....	0	0	0	0
	8. Totals.....	217,413,389	244,993,254	203,262,557	430,800,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	3,185,000	3,222,551	3,389,413	3,185,000
	10. Canada.....	0	0	0	0
	11. Other Countries.....	0	0	0	0
	12. Totals.....	3,185,000	3,222,551	3,389,413	3,185,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	6,926,272,300	7,059,538,925	6,839,185,990	8,256,550,261
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	6,926,272,300	7,059,538,925	6,839,185,990	8,256,550,261
Public Utilities (unaffiliated)	17. United States.....	499,042,398	565,648,979	497,283,790	659,564,163
	18. Canada.....	4,913,749	8,383,200	4,744,855	9,980,000
	19. Other Countries.....	45,777,461	52,592,167	45,899,759	45,410,000
	20. Totals.....	549,733,607	626,624,346	547,928,404	714,954,163
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	13,640,960,009	13,760,261,080	13,641,242,470	13,831,613,288
	22. Canada.....	288,152,681	308,331,573	286,978,916	303,970,928
	23. Other Countries.....	1,240,560,563	1,273,089,932	1,238,052,831	1,250,384,822
	24. Totals.....	15,169,673,253	15,341,682,585	15,166,274,218	15,385,969,037
Parent, Subsidiaries and Affiliates	25. Totals.....	11,264,860	12,521,800	11,228,761	11,425,000
	26. <b>Total Bonds.....</b>	<b>27,969,433,504</b>	<b>28,421,468,802</b>	<b>27,811,092,020</b>	<b>30,115,325,415</b>
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....	0	0	0	0
	28. Canada.....	0	0	0	0
	29. Other Countries.....	0	0	0	0
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....	0	0	0	0
	32. Canada.....	0	0	0	0
	33. Other Countries.....	0	0	0	0
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....	1,398,899,852	1,439,541,744	1,409,344,249	
	36. Canada.....	0	0	0	
	37. Other Countries.....	241,573,744	244,681,534	241,610,251	
	38. Totals.....	1,640,473,596	1,684,223,278	1,650,954,500	
Parent, Subsidiaries and Affiliates	39. Totals.....	0	0	0	
	40. <b>Total Preferred Stocks.....</b>	<b>1,640,473,596</b>	<b>1,684,223,278</b>	<b>1,650,954,500</b>	
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....	0	0	0	
	42. Canada.....	0	0	0	
	43. Other Countries.....	0	0	0	
	44. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	272,280	272,280	160,000	
	46. Canada.....	0	0	0	
	47. Other Countries.....	0	0	0	
	48. Totals.....	272,280	272,280	160,000	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	305,656,479	305,656,479	154,773,533	
	50. Canada.....	77,964,297	77,964,297	18,815,558	
	51. Other Countries.....	11,778,231	11,778,231	13,735,266	
	52. Totals.....	395,399,007	395,399,007	187,324,357	
Parent, Subsidiaries and Affiliates	53. Totals.....	1,373,665,172	1,373,665,172	951,221,867	
	54. <b>Total Common Stocks.....</b>	<b>1,769,336,459</b>	<b>1,769,336,459</b>	<b>1,138,706,224</b>	
	55. <b>Total Stocks.....</b>	<b>3,409,810,055</b>	<b>3,453,559,737</b>	<b>2,789,660,724</b>	
	56. <b>Total Bonds and Stocks.....</b>	<b>31,379,243,559</b>	<b>31,875,028,539</b>	<b>30,600,752,744</b>	

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Class 1.....	976,272,016	1,499,111,922	3,055,053,889	87,813,966	112,354,347	5,730,606,140	19.3	1,092,802,702	3.7	5,730,606,140	0
1.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4.....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals.....	976,272,016	1,499,111,922	3,055,053,889	87,813,966	112,354,347	5,730,606,140	19.3	1,092,802,702	3.7	5,730,606,140	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1.....	260,293,128	27,655,608	6,642,529	0	0	294,591,265	1.0	574,515,456	2.0	294,591,265	0
2.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4.....	0	0	0	0	0	0	0.0	599,400	0.0	0	0
2.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals.....	260,293,128	27,655,608	6,642,529	0	0	294,591,265	1.0	575,114,856	2.0	294,591,265	0
<b>3. States, Territories and Possessions, etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1.....	110,000	19,893,046	14,731,966	69,964,410	112,713,967	217,413,389	0.7	251,238,120	0.9	217,413,389	0
3.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals.....	110,000	19,893,046	14,731,966	69,964,410	112,713,967	217,413,389	0.7	251,238,120	0.9	217,413,389	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1.....	0	0	0	3,185,000	0	3,185,000	0.0	3,185,000	0.0	3,185,000	0
4.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals.....	0	0	0	3,185,000	0	3,185,000	0.0	3,185,000	0.0	3,185,000	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1.....	16,193,451	78,231,968	397,364,424	2,299,278,490	4,130,512,909	6,921,581,242	23.3	11,344,447,872	38.9	6,916,186,665	5,394,577
5.2 Class 2.....	0	0	123,020	0	0	123,020	0.0	57,824,132	0.2	123,020	0
5.3 Class 3.....	0	0	2,030,000	0	0	2,030,000	0.0	2,215,000	0.0	2,030,000	0
5.4 Class 4.....	0	0	0	0	0	0	0.0	1,920,248	0.0	0	0
5.5 Class 5.....	0	2,279,702	258,300	0	0	2,538,002	0.0	2,886,125	0.0	258,300	2,279,702
5.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals.....	16,193,451	80,511,670	399,775,744	2,299,278,490	4,130,512,909	6,926,272,264	23.3	11,409,293,377	39.1	6,918,597,985	7,674,279

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1.....	1,007,162	4,664,914	22,847,915	565,500	157,077,238	186,162,729	0.6	218,717,803	0.7	148,314,816	37,847,913
6.2 Class 2.....	0	4,318,019	7,890,650	13,144,872	218,094,009	243,447,550	0.8	213,462,083	0.7	239,290,870	4,156,680
6.3 Class 3.....	0	28,428,634	0	0	22,117,318	50,545,952	0.2	72,104,244	0.2	50,545,952	0
6.4 Class 4.....	0	0	6,647,116	8,655,509	44,346,467	59,649,092	0.2	38,447,371	0.1	59,649,092	0
6.5 Class 5.....	0	0	0	0	0	0	0.0	24,085,030	0.1	0	0
6.6 Class 6.....	13,248,194	4,969,201	4,959,084	0	0	23,176,479	0.1	0	0.0	0	23,176,479
6.7 Totals.....	14,255,356	42,380,768	42,344,765	22,365,881	441,635,032	562,981,802	1.9	566,816,531	1.9	497,800,730	65,181,072
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1.....	767,592,555	145,642,162	375,250,102	676,598,037	8,315,796,373	10,280,879,229	34.6	10,237,070,200	35.1	8,680,492,540	1,600,386,689
7.2 Class 2.....	0	460,354,194	1,081,522,006	182,833,509	1,576,528,129	3,301,237,838	11.1	3,187,329,757	10.9	2,172,010,454	1,129,227,384
7.3 Class 3.....	11,717,793	188,463,575	598,250,976	101,056,488	216,615,137	1,116,103,969	3.8	740,592,328	2.5	919,730,496	196,373,473
7.4 Class 4.....	0	252,526,669	584,126,572	29,068,556	36,252,422	901,974,219	3.0	746,826,341	2.6	719,510,864	182,463,355
7.5 Class 5.....	8,134,746	91,135,628	169,708,809	7,640,000	3,150,000	279,769,183	0.9	273,783,769	0.9	228,839,418	50,929,765
7.6 Class 6.....	30,362,856	59,486,339	8	1,938,994	0	91,788,197	0.3	67,586,957	0.2	89,849,203	1,938,994
7.7 Totals.....	817,807,950	1,197,608,567	2,808,858,473	999,135,584	10,148,342,061	15,971,752,635	53.7	15,253,189,352	52.3	12,810,432,975	3,161,319,660
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1.....	0	0	0	0	11,264,858	11,264,858	0.0	11,258,027	0.0	11,264,858	0
9.2 Class 2.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals.....	0	0	0	0	11,264,858	11,264,858	0.0	11,258,027	0.0	11,264,858	0

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1.....	2,021,468,312	1,775,199,620	3,871,890,825	3,137,405,403	12,839,719,692	23,645,683,852	79.6	XXX	XXX	22,002,054,673	1,643,629,179
10.2 Class 2.....	0	464,672,213	1,089,535,676	195,978,381	1,794,622,138	3,544,808,408	11.9	XXX	XXX	2,411,424,344	1,133,384,064
10.3 Class 3.....	11,717,793	216,892,209	600,280,976	101,056,488	238,732,455	1,168,679,921	3.9	XXX	XXX	972,306,448	196,373,473
10.4 Class 4.....	0	252,526,669	590,773,688	37,724,065	80,598,889	961,623,311	3.2	XXX	XXX	779,159,956	182,463,355
10.5 Class 5.....	8,134,746	93,415,330	169,967,109	7,640,000	3,150,000	(c) 282,307,185	0.9	XXX	XXX	229,097,718	53,209,467
10.6 Class 6.....	43,611,050	64,455,540	4,959,092	1,938,994	0	(c) 114,964,676	0.4	XXX	XXX	89,849,203	25,115,473
10.7 Totals.....	2,084,931,901	2,867,161,581	6,327,407,366	3,481,743,331	14,956,823,174	(b) 29,718,067,353	100.0	XXX	XXX	26,483,892,342	3,234,175,011
10.8 Line 10.7 as a % of Col. 6.....	7.0	9.6	21.3	11.7	50.3	100.0	XXX	XXX	XXX	89.1	10.9
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1.....	2,851,916,143	661,575,818	963,336,714	5,307,833,021	13,948,573,482	XXX	XXX	23,733,235,178	81.4	22,790,408,290	942,826,888
11.2 Class 2.....	22,553,942	103,391,273	1,395,469,992	213,169,906	1,724,030,859	XXX	XXX	3,458,615,972	11.9	2,056,160,510	1,402,455,462
11.3 Class 3.....	14,822,145	130,505,559	398,299,038	93,430,348	177,854,482	XXX	XXX	814,911,572	2.8	763,527,875	51,383,697
11.4 Class 4.....	23,347,004	141,405,963	531,509,987	19,755,152	71,775,255	XXX	XXX	787,793,361	2.7	661,875,873	125,917,488
11.5 Class 5.....	0	44,348,925	231,076,664	7,840,852	17,488,483	XXX	XXX	(c) 300,754,924	1.0	188,517,551	112,237,373
11.6 Class 6.....	5,255,798	6,402,266	43,606,438	12,322,455	0	XXX	XXX	(c) 67,586,957	0.2	33,745,445	33,841,512
11.7 Totals.....	2,917,895,032	1,087,629,804	3,563,298,833	5,654,351,734	15,939,722,561	XXX	XXX	(b) 29,162,897,964	100.0	26,494,235,544	2,668,662,420
11.8 Line 11.7 as a % of Col. 8.....	10.0	3.7	12.2	19.4	54.7	XXX	XXX	100.0	XXX	90.8	9.2
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1.....	2,016,331,685	1,734,802,042	3,746,062,067	2,812,334,372	11,692,524,507	22,002,054,673	74.0	22,790,408,290	78.1	22,002,054,673	XXX
12.2 Class 2.....	0	234,806,937	551,070,746	149,032,421	1,476,514,240	2,411,424,344	8.1	2,056,160,510	7.1	2,411,424,344	XXX
12.3 Class 3.....	4,835,873	212,892,209	482,884,910	101,056,488	170,636,968	972,306,448	3.3	763,527,875	2.6	972,306,448	XXX
12.4 Class 4.....	0	230,792,015	440,689,251	31,240,315	76,438,375	779,159,956	2.6	661,875,873	2.3	779,159,956	XXX
12.5 Class 5.....	8,134,746	91,135,628	119,037,344	7,640,000	3,150,000	229,097,718	0.8	188,517,551	0.6	229,097,718	XXX
12.6 Class 6.....	30,362,855	59,486,339	8	0	0	89,849,203	0.3	33,745,445	0.1	89,849,203	XXX
12.7 Totals.....	2,059,665,159	2,563,915,170	5,339,744,326	3,101,303,596	13,419,264,090	26,483,892,342	89.1	26,494,235,544	90.8	26,483,892,342	XXX
12.8 Line 12.7 as a % of Col. 6.....	7.8	9.7	20.2	11.7	50.7	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10.....	6.9	8.6	18.0	10.4	45.2	89.1	XXX	XXX	XXX	89.1	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1.....	5,136,627	40,397,578	125,828,758	325,071,031	1,147,195,185	1,643,629,179	5.5	942,826,888	3.2	XXX	1,643,629,179
13.2 Class 2.....	0	229,865,276	538,464,930	46,945,960	318,107,898	1,133,384,064	3.8	1,402,455,462	4.8	XXX	1,133,384,064
13.3 Class 3.....	6,881,920	4,000,000	117,396,066	0	68,095,487	196,373,473	0.7	51,383,697	0.2	XXX	196,373,473
13.4 Class 4.....	0	21,734,654	150,084,437	6,483,750	4,160,514	182,463,355	0.6	125,917,488	0.4	XXX	182,463,355
13.5 Class 5.....	0	2,279,702	50,929,765	0	0	53,209,467	0.2	112,237,373	0.4	XXX	53,209,467
13.6 Class 6.....	13,248,194	4,969,201	4,959,084	1,938,994	0	25,115,473	0.1	33,841,512	0.1	XXX	25,115,473
13.7 Totals.....	25,266,741	303,246,411	987,663,040	380,439,735	1,537,559,084	3,234,175,011	10.9	2,668,662,420	9.2	XXX	3,234,175,011
13.8 Line 13.7 as a % of Col. 6.....	0.8	9.4	30.5	11.8	47.5	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10.....	0.1	1.0	3.3	1.3	5.2	10.9	XXX	XXX	XXX	XXX	10.9

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- (a) Includes \$.....2,693,994,591 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....574,912,330 current year, \$.....154,820,578 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....258,300 current year, \$.....0 prior year of bonds with 5\* designations and \$.....10 current year, \$.....1 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations.....	976,271,742	1,499,111,922	3,054,973,209	80,077,013	4,527,380	5,614,961,266	18.9	944,722,241	3.2	5,614,961,266	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	274	0	80,680	7,736,953	107,826,967	115,644,874	0.4	148,080,461	0.5	115,644,874	0
1.7 Totals.....	976,272,016	1,499,111,922	3,055,053,889	87,813,966	112,354,347	5,730,606,140	19.3	1,092,802,702	3.7	5,730,606,140	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations.....	260,293,128	27,655,608	6,642,529	0	0	294,591,265	1.0	575,114,856	2.0	294,591,265	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals.....	260,293,128	27,655,608	6,642,529	0	0	294,591,265	1.0	575,114,856	2.0	294,591,265	0
<b>3. States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations.....	110,000	19,893,046	14,731,966	69,964,410	112,713,967	217,413,389	0.7	251,238,120	0.9	217,413,389	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals.....	110,000	19,893,046	14,731,966	69,964,410	112,713,967	217,413,389	0.7	251,238,120	0.9	217,413,389	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations.....	0	0	0	3,185,000	0	3,185,000	0.0	3,185,000	0.0	3,185,000	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals.....	0	0	0	3,185,000	0	3,185,000	0.0	3,185,000	0.0	3,185,000	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations.....	16,191,901	63,441,846	320,885,106	2,101,422,301	1,437,225,625	3,939,166,779	13.3	8,183,928,684	28.1	3,931,492,500	7,674,279
5.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	1,550	12,248,982	931,062	16,536,930	1,605,540,566	1,635,259,090	5.5	1,569,862,131	5.4	1,635,259,090	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined.....	0	4,820,842	77,959,576	181,319,259	1,087,746,718	1,351,846,395	4.5	1,655,502,561	5.7	1,351,846,395	0
5.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals.....	16,193,451	80,511,670	399,775,744	2,299,278,490	4,130,512,909	6,926,272,264	23.3	11,409,293,376	39.1	6,918,597,985	7,674,279

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations.....	14,255,356	42,380,768	42,344,765	22,365,881	441,635,032	562,981,802	1.9	566,816,531	1.9	497,800,730	65,181,072
6.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals.....	14,255,356	42,380,768	42,344,765	22,365,881	441,635,032	562,981,802	1.9	566,816,531	1.9	497,800,730	65,181,072
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations.....	817,807,950	1,019,429,894	1,997,653,951	457,389,353	2,501,985,749	6,794,266,897	22.9	6,983,318,735	23.9	5,430,962,643	1,363,304,254
7.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined.....	0	178,178,673	811,204,522	541,746,231	7,636,821,183	9,167,950,609	30.8	8,269,870,617	28.4	7,369,935,203	1,798,015,406
7.4 Other.....	0	0	0	0	9,535,129	9,535,129	0.0	0	0.0	9,535,129	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals.....	817,807,950	1,197,608,567	2,808,858,473	999,135,584	10,148,342,061	15,971,752,635	53.7	15,253,189,352	52.3	12,810,432,975	3,161,319,660
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations.....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals.....	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations.....	0	0	0	0	11,264,858	11,264,858	0.0	11,258,027	0.0	11,264,858	0
9.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals.....	0	0	0	0	11,264,858	11,264,858	0.0	11,258,027	0.0	11,264,858	0

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations.....	2,084,930,077	2,671,913,084	5,437,231,526	2,734,403,958	4,509,352,611	17,437,831,256	58.7	XXX	XXX	16,001,671,651	1,436,159,605
10.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	1,824	12,248,982	1,011,742	24,273,883	1,713,367,533	1,750,903,964	5.9	XXX	XXX	1,750,903,964	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined.....	0	182,999,515	889,164,098	723,065,490	8,724,567,901	10,519,797,004	35.4	XXX	XXX	8,721,781,598	1,798,015,406
10.4 Other.....	0	0	0	0	9,535,129	9,535,129	0.0	XXX	XXX	9,535,129	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other.....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals.....	2,084,931,901	2,867,161,581	6,327,407,366	3,481,743,331	14,956,823,174	29,718,067,353	100.0	XXX	XXX	26,483,892,342	3,234,175,011
10.8 Line 10.7 as a % of Col. 6.....	7.0	9.6	21.3	11.7	50.3	100.0	XXX	XXX	XXX	89.1	10.9
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations.....	2,917,891,231	978,388,897	2,478,761,464	4,709,616,824	6,434,923,776	XXX	XXX	17,519,582,192	60.1	16,251,129,465	1,268,452,727
11.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	3,784	12,732,409	1,168,412	25,309,534	1,678,728,454	XXX	XXX	1,717,942,593	5.9	1,717,942,593	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined.....	17	96,508,498	1,083,368,957	919,425,376	7,826,070,331	XXX	XXX	9,925,373,179	34.0	8,525,163,486	1,400,209,693
11.4 Other.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other.....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals.....	2,917,895,032	1,087,629,804	3,563,298,833	5,654,351,734	15,939,722,561	XXX	XXX	29,162,897,964	100.0	26,494,235,544	2,668,662,420
11.8 Line 11.7 as a % of Col. 8.....	10.0	3.7	12.2	19.4	54.7	XXX	XXX	100.0	XXX	90.8	9.2
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations.....	2,059,663,336	2,541,838,487	4,897,558,375	2,590,810,408	3,911,801,045	16,001,671,651	53.8	16,251,129,465	55.7	16,001,671,651	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	1,824	12,248,982	1,011,742	24,273,883	1,713,367,533	1,750,903,964	5.9	1,717,942,593	5.9	1,750,903,964	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined.....	0	9,827,701	441,174,209	486,219,305	7,784,560,383	8,721,781,598	29.3	8,525,163,486	29.2	8,721,781,598	XXX
12.4 Other.....	0	0	0	0	9,535,129	9,535,129	0.0	0	0.0	9,535,129	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals.....	2,059,665,160	2,563,915,170	5,339,744,326	3,101,303,596	13,419,264,090	26,483,892,342	89.1	26,494,235,544	90.8	26,483,892,342	XXX
12.8 Line 12.7 as a % of Col. 6.....	7.8	9.7	20.2	11.7	50.7	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10.....	6.9	8.6	18.0	10.4	45.2	89.1	XXX	XXX	XXX	89.1	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations.....	25,266,741	130,074,597	539,673,151	143,593,550	597,551,566	1,436,159,605	4.8	1,268,452,727	4.3	XXX	1,436,159,605
13.2 Single Class Mortgage-Backed/Asset-Backed Securities.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined.....	0	173,171,814	447,989,889	236,846,185	940,007,518	1,798,015,406	6.1	1,400,209,693	4.8	XXX	1,798,015,406
13.4 Other.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other.....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals.....	25,266,741	303,246,411	987,663,040	380,439,735	1,537,559,084	3,234,175,011	10.9	2,668,662,420	9.2	XXX	3,234,175,011
13.8 Line 13.7 as a % of Col. 6.....	7.8	9.4	30.5	11.8	47.5	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10.....	0.1	1.0	3.3	1.3	5.2	10.9	XXX	XXX	XXX	XXX	10.9

**SCHEDULE F-PART 1**

Assumed Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domiciliary Jurisdiction	5 Assumed Premium	Reinsurance On		8 Cols. 6 + 7	9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held by or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	15 Amount of Assets Pledged or Collateral Held in Trust
					6 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE								
<b>Affiliated - U. S. Intercompany Pooling:</b>														
0199999	Affiliated - U. S. Intercompany Pooling			0	0	0	0	0	0	6	0	0	0	0
<b>Affiliated - U.S. Non-Pool:</b>														
0299999	Affiliated - U.S. Non-Pool			1,686	37	7,901	7,938	0	(20)	1,779	0	0	0	0
<b>Affiliated - Other (Non-U. S.):</b>														
0399999	Affiliated - Other (Non-U. S.)			5,968	(2)	12,534	12,532	0	9	2,091	(4)	0	0	0
0499999	Total Affiliates			7,654	35	20,435	20,470	0	(11)	3,875	(4)	0	0	0
0599998	Other U. S. Unaffiliated Insurers for which the total of column 8 is less than \$100,000			64,732	(485)	5,244	4,758	0	166	111,391	385	0	0	0
0599999	Other U. S. Unaffiliated Insurers			104,697	43,021	906,751	949,772	0	6,035	342,323	74,011	84	0	0
<b>Pools and Associations - Mandatory Pools:</b>														
0699998	Pools and Associations for which the total of column 8 is less than \$100,000-Mandatory Pools and Associations			(961)	383	1,452	1,835	0	663	0	0	0	0	0
0699999	Pools and Associations - Mandatory Pools			20,185	21,751	284,616	306,367	0	29,262	0	0	0	0	0
<b>Pools and Associations - Voluntary Pools:</b>														
0799998	Pools and Associations for which the total of column 8 is less than \$100,000-Voluntary Pools and Associations			(341)	57	208	265	0	0	35	1,759	0	0	0
0799999	Pools and Associations - Voluntary Pools			879	2,294	171,729	174,023	0	4	35	1,759	0	0	0
0899999	Total Pools and Associations			21,064	24,045	456,345	480,390	0	29,266	35	1,759	0	0	0
<b>Other Non-U. S. Insurers:</b>														
0999998	Other Non-U. S. Insurers for which the total of column 8 is less than \$100,000			30,239	(928)	4,440	3,512	0	1,844	12,284	1,874	0	0	0
0999999	Other Non-U. S. Insurers			29,416	4,790	173,408	178,198	8,064	3,946	12,803	12,937	953	0	0
9999999	Totals			162,832	71,890	1,556,939	1,628,830	8,064	39,237	359,036	88,703	1,037	0	0

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effected or (Canceled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3  Name of Company	4  Date of Contract	5  Original Premium	6  Reinsurance Premium
<b>Reinsurance Ceded:</b>					
0199999		Total Reinsurance Ceded by Portfolio.....		0	0
<b>Reinsurance Assumed:</b>					
0299999		Total Reinsurance Assumed by Portfolio.....		0	0

**NONE**

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable on										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Col. 15-[16+17]	19 Funds Held By Company Under Reinsurance Treaties	
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers				
<b>Authorized</b>																				
<b>Affiliates-U.S. Intercompany Pooling</b>																				
0199999		Total Authorized Affiliates - U.S. Intercompany Pooling			62	0	0	0	0	0	0	0	0	0	0	0	54	0	(54)	2
<b>Affiliates-U.S. Non-Pool</b>																				
0299999		Total Authorized Affiliates - U.S. Non-Pool			114,249	0	0	178,793	0	58,482	12,993	62,981	0	313,250	15,961	0	297,289	33,145		
<b>Affiliates-Other (Non-U.S.)</b>																				
0399999		Total Authorized Affiliates - Other (Non-U.S.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0499999		Total Authorized Affiliates			114,312	0	0	178,793	0	58,482	12,993	62,981	0	313,250	16,015	0	297,235	33,147		
<b>Other U.S. Unaffiliated Insurers</b>																				
0599998		Total Authorized Other U.S. Unaffiliated Insurers (Under \$100,000)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0599999		Total Authorized Other U.S. Unaffiliated Insurers			614,808	246,134	80,962	2,291,336	0	2,021,312	164,776	172,267	0	4,976,787	204,887	0	4,771,900	18,566		
<b>Pools-Mandatory Pools</b>																				
0699999		Total Authorized Pools - Mandatory Pools			7,310	5,933	407	155,573	0	78,166	564	11	0	240,654	(8,149)	0	248,803	351		
<b>Pools-Voluntary Pools</b>																				
0799999		Total Authorized Pools - Voluntary Pools			8,388	(4,505)	639	209,760	0	504,904	3,450	774	0	715,022	(133)	0	715,156	0		
<b>Other Non-U.S. Insurers</b>																				
0899998		Total Authorized Other Non-U.S. Insurers (Under \$100,000)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0899999		Total Authorized Other Non-U.S. Insurers			37,387	86,913	25,487	169,277	0	318,641	8,820	5,398	0	614,537	12,559	0	601,978	4,664		
0999999		Total Authorized			782,204	334,475	107,495	3,004,739	0	2,981,505	190,603	241,433	0	6,860,250	225,179	0	6,635,071	56,728		
<b>Unauthorized</b>																				
<b>Affiliates-U.S. Intercompany Pooling</b>																				
1099999		Total Unauthorized Affiliates - U.S. Intercompany Pooling			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Affiliates-U.S. Non-Pool</b>																				
1199999		Total Unauthorized Affiliates - U.S. Non-Pool			296	332	25	6	0	58	10	176	0	607	(406)	0	1,013	0		
<b>Affiliates-Other (Non-U.S.)</b>																				
1299999		Total Unauthorized Affiliates - Other (Non-U.S.)			1,192,369	971	816	216,004	0	274,189	492	6,092	0	498,565	183,082	0	315,483	57,169		
1399999		Total Unauthorized Affiliates			1,192,665	1,304	841	216,010	0	274,247	502	6,268	0	499,172	182,677	0	316,496	57,169		
<b>Other U.S. Unaffiliated Insurers</b>																				
1499998		Total Unauthorized Other U.S. Unaffiliated Insurers (Under \$100,000)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1499999		Total Unauthorized Other U.S. Unaffiliated Insurers			15,005	26,662	5,609	34,427	0	57,113	737	4,524	0	129,073	381	0	128,692	209		
<b>Pools-Mandatory Pools</b>																				
1599999		Total Unauthorized Pools - Mandatory Pools			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Pools-Voluntary Pools</b>																				
1699999		Total Unauthorized Pools - Voluntary Pools			511	41,266	6,962	145,934	0	62,088	2,160	0	0	258,410	323	0	258,088	9,140		
<b>Other Non-U.S. Insurers</b>																				
1799998		Total Unauthorized Other Non-U.S. Insurers (Under \$100,000)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1799999		Total Unauthorized Other Non-U.S. Insurers			326,115	121,014	21,516	347,635	0	582,266	16,824	75,978	0	1,165,234	30,392	0	1,134,841	31,981		
1899999		Total Unauthorized			1,534,296	190,246	34,928	744,006	0	975,714	20,224	86,770	0	2,051,889	213,772	0	1,838,116	98,498		
1999999		Total Authorized and Unauthorized			2,316,501	524,720	142,423	3,748,746	0	3,957,219	210,827	328,203	0	8,912,139	438,951	0	8,473,187	155,226		
2099999		Total Protected Cells			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9999999		Totals			2,316,501	524,720	142,423	3,748,746	0	3,957,219	210,827	328,203	0	8,912,139	438,951	0	8,473,187	155,226		

Note A: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
(1) .....	0.0	0
(2) .....	0.0	0
(3) .....	0.0	0
(4) .....	0.0	0
(5) .....	0.0	0

Note B: Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 999 Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated	
(1) MUNICH REINSURANCE AMERICA, INC.....	915,359	30,762	Yes [ ]	No [ X ]
(2) HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY.....	762,722	121,504	Yes [ ]	No [ X ]
(3) SWISS REINSURANCE AMERICA CORPORATION.....	664,083	131,769	Yes [ ]	No [ X ]
(4) ALLSTATE INSURANCE COMPANY.....	493,424	(2,085)	Yes [ ]	No [ X ]
(5) WESTERN SURETY CO.....	313,250	114,249	Yes [ X ]	No [ ]

### SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable on										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Col. 15-[16+17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			

**SCHEDULE F - PART 4**

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						11 Total Due Cols. 5 + 10	12 Percentage Overdue Col. 10 / Col. 11	13 Percentage more than 120 Days Overdue Col. 9 / Col. 11
				6 Current	7 1 to 29 Days	8 30 to 90 Days	9 91 to 120 Days	10 Overdue	10 Total Overdue Cols. 6 + 7 + 8 + 9			
<b>Authorized</b>												
<b>Affiliates-U.S. Intercompany Pooling</b>												
0199999		Total Authorized - Affiliates - U.S. Intercompany Pooling		0	0	(0)	0	0	(0)	0	0.0	0.0
<b>Affiliates-U.S. Non-Pool</b>												
0299999		Total Authorized - Affiliates - U.S. Non-Pool		0	0	0	0	0	0	0	0.0	0.0
<b>Affiliates-Other (Non-U.S.)</b>												
0399999		Total Authorized - Affiliates - Other (Non-U.S.)		0	0	0	0	0	0	0	0.0	0.0
0499999		Total Authorized - Affiliates		0	0	(0)	0	0	(0)	0	0.0	0.0
<b>Other U.S. Unaffiliated Insurers</b>												
0599999		Total Authorized - Other U.S. Unaffiliated Insurers		76,892	58,438	55,416	9,015	127,334	250,203	327,095	76.5	38.9
<b>Pools-Mandatory Pools</b>												
0699999		Total Authorized - Pools - Mandatory Pools		5,972	368	0	0	0	368	6,339	5.8	0.0
<b>Pools-Voluntary Pools</b>												
0799999		Total Authorized - Pools - Voluntary Pools		(4,287)	11	29	(5)	387	421	(3,866)	(10.9)	(10.0)
<b>Other Non-U.S. Insurers</b>												
0899999		Total Authorized - Other Non-U.S. Insurers		24,520	16,424	21,168	(4,315)	54,603	87,881	112,401	78.2	48.6
0999999		Total Authorized		103,097	75,241	76,613	4,695	182,324	338,873	441,970	76.7	41.3
<b>Unauthorized</b>												
<b>Affiliates-U.S. Intercompany Pooling</b>												
1099999		Total Unauthorized - Affiliates - U.S. Intercompany Pooling		0	0	0	0	0	0	0	0.0	0.0
<b>Affiliates-U.S. Non-Pool</b>												
1199999		Total Unauthorized - Affiliates - U.S. Non-Pool		335	0	0	0	22	22	357	6.2	6.2
<b>Affiliates-Other (Non-U.S.)</b>												
1299999		Total Unauthorized - Affiliates - Other (Non-U.S.)		506	478	(79)	0	882	1,281	1,787	71.7	49.4
1399999		Total Unauthorized - Affiliates		841	478	(79)	0	904	1,303	2,145	60.8	42.2
<b>Other U.S. Unaffiliated Insurers</b>												
1499999		Total Unauthorized - Other U.S. Unaffiliated Insurers		3,625	(109)	1,904	(1,620)	28,472	28,646	32,271	88.8	88.2
<b>Pools-Mandatory Pools</b>												
1599999		Total Unauthorized - Pools - Mandatory Pools		0	0	0	0	0	0	0	0.0	0.0
<b>Pools-Voluntary Pools</b>												
1699999		Total Unauthorized - Pools - Voluntary Pools		14,280	8,339	322	118	25,168	33,948	48,228	70.4	52.2
<b>Other Non-U.S. Insurers</b>												
1799999		Total Unauthorized - Other Non-U.S. Insurers		8,286	35,547	38,015	(3,584)	64,267	134,244	142,530	94.2	45.1
1899999		Total Unauthorized		27,033	44,255	40,162	(5,087)	118,812	198,141	225,174	88.0	52.8
1999999		Total Authorized and Unauthorized		130,129	119,496	116,775	(392)	301,135	537,014	667,144	80.5	45.1
2099999		Total Protected Cells		0	0	0	0	0	0	0	0.0	0.0
9999999		Totals		130,129	119,496	116,775	(392)	301,135	537,014	667,144	80.5	45.1

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**SCHEDULE F - PART 5**

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F, Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Columns 6 thru 10 but not in excess of Column 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 12 + 15 + 16
<b>Affiliates-U.S. Intercompany Pooling</b>																
0199999		Total Affiliates - U.S. Intercompany Pooling.....		0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Affiliates-U.S. Non-Pool</b>																
0299999		Total Affiliates - U.S. Non-Pool.....		607	0	0	(406)	0	4,236	607	0	22	4	4	(192)	4
<b>Affiliates-Other Non-U.S. Insurers</b>																
0399999		Total Affiliates - Other Non-U.S. Insurers.....		407,439	57,169	28,459	183,082	0	156,893	364,040	43,399	882	176	176	(321)	43,575
0499999		Total Affiliates.....		408,047	57,169	28,459	182,677	0	161,129	364,648	43,399	904	181	181	(513)	43,580
<b>Other U.S. Unaffiliated Insurers</b>																
0599999		Total Other U.S. Unaffiliated Insurers.....		80,805	209	24,901	381	0	149,115	41,084	39,720	25,277	5,055	2,874	(1,044)	42,616
<b>Pools and Associations-Mandatory</b>																
0699999		Total Pools and Associations - Mandatory.....		0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Pools and Associations-Voluntary</b>																
0799999		Total Pools and Associations - Voluntary.....		204,344	9,140	32	323	0	126,599	136,094	68,250	25,141	5,028	4,092	29	72,357
<b>Other Non-U.S. Insurers</b>																
0899999		Total Other Non-U.S. Insurers.....		1,033,455	31,981	756,950	30,392	0	539,521	892,534	140,921	52,972	10,594	7,180	(8,650)	142,161
0999999		Total Affiliates and Others.....		1,726,650	98,498	810,341	213,772	0	976,364	1,434,360	292,290	104,294	20,859	14,327	(10,177)	300,714
1099999		Total Protected Cells.....		0	0	0	0	0	0	0	0	0	0	0	0	0
9999999		Totals.....		1,726,650	98,498	810,341	213,772	0	976,364	1,434,360	292,290	104,294	20,859	14,327	(10,177)	300,714

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1. Amounts in dispute totalling \$.....11,012 are included in Column 5.
2. Amounts in dispute totalling \$.....9,430 are excluded from Column 13.
3. Column 5 excludes \$.....0 recoverables on ceded IBNR on contracts in force prior to July 1, 1984 and not subsequently renewed.

### SCHEDULE F - PART 6

#### Provision for Overdue Authorized Reinsurance as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable on Paid Losses and LAE more than 90 Days Overdue (a)	Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	Amounts Received Prior 90 Days	Col. 4 divided by (Cols. 5 + 6)	Amounts in Col. 4 for Companies Reporting less than 20% in Col. 7	Amounts in Dispute Excluded from Col. 4 for Companies Reporting less than 20% in Col. 7	20% of Amount in Col. 9	Amount Reported in Col. 8 x 20% + Col. 10
<b>Overdue Authorized Reinsurance</b>										
9999999	Totals		94,554,957	337,660,710	244,243,116	XXX	17,482,785	69,885,514	13,977,103	19,012,900

(a) From Schedule F-Part 4 Columns 8 + 9, total authorized, less \$.....92,463,925 in dispute.  
 (b) From Schedule F-Part 3 Columns 7 + 8, total authorized, less \$.....104,308,903 in dispute.

## SCHEDULE F - PART 7

Provision for Overdue Reinsurance as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable all Items	Funds Held by Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Other Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 5 thru 9 but not in excess of Col. 4	Col. 4 minus Col. 10	Greater of Col. 11 or Schedule F, Part 4 Cols. 8 + 9
<b>Overdue Reinsurance</b>											
9999999	Totals.....		831,721,936	4,242,823	4,007,178	18,613,500	0	24,183,730	49,483,756	782,238,180	782,939,689
											1. Total.....
											782,939,689
											2. Line 1 x .20.....
											156,587,938
											3. Schedule F - Part 6 Col. 11.....
											19,012,900
											4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3).....
											175,600,838
											5. Provision for Unauthorized Reinsurance (Schedule F- Part 5 Col. 17 x 1000).....
											300,713,727
											6. Provision for Reinsurance (sum Lines 4 + 5) (Enter this amount on Page 3, Line 16).....
											476,314,565

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts									
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other	
									9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %
<b>PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS</b>																		
1. Premiums written.....	625,936,023	XXX	118,423,918	XXX	0	XXX	3,655	XXX	0	XXX	507,504,213	XXX	4,186	XXX	0	XXX	51	XXX
2. Premiums earned.....	620,162,603	XXX	111,182,292	XXX	0	XXX	3,655	XXX	0	XXX	508,972,419	XXX	4,186	XXX	0	XXX	51	XXX
3. Incurred claims.....	342,455,258	55.2	39,842,053	35.8	0	0.0	(14,133)	(386.7)	(259)	0.0	302,643,576	59.5	(15,680)	(374.6)	0	0.0	(299)	(586.3)
4. Cost containment expenses.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
5. Incurred claims and cost containment expenses (Lines 3 and 4).....	342,455,258	55.2	39,842,053	35.8	0	0.0	(14,133)	(386.7)	(259)	0.0	302,643,576	59.5	(15,680)	(374.6)	0	0.0	(299)	(586.3)
6. Increase in contract reserves.....	646,346,351	104.2	146,103,143	131.4	(0)	0.0	(17,225)	(471.3)	(0)	0.0	500,284,924	98.3	(24,490)	(585.0)	0	0.0	0	0.0
7. Commissions (a).....	57,040,438	9.2	3,675,001	3.3	0	0.0	(41)	(1.1)	0	0.0	53,365,541	10.5	(63)	(1.5)	0	0.0	0	0.0
8. Other general insurance expenses.....	143,559,470	23.1	22,143,982	19.9	0	0.0	2,920	79.9	(512)	0.0	121,415,013	23.9	(1,352)	(32.3)	0	0.0	(581)	(1,139.2)
9. Taxes, licenses and fees.....	12,471,063	2.0	2,944,129	2.6	0	0.0	(8,599)	(235.3)	0	0.0	9,544,245	1.9	(8,609)	(205.7)	0	0.0	(103)	(202.0)
10. Total other expenses incurred.....	213,070,971	34.4	28,763,112	25.9	0	0.0	(5,720)	(156.5)	(512)	0.0	184,324,799	36.2	(10,024)	(239.5)	0	0.0	(684)	(1,341.2)
11. Aggregate write-ins for deductions.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
12. Gain from underwriting before dividends or refunds.....	(581,709,977)	(93.8)	(103,526,016)	(93.1)	0	0.0	40,733	1,114.4	772	0.0	(478,280,880)	(94.0)	54,380	1,299.1	0	0.0	1,034	2,027.5
13. Dividends or refunds.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
14. Gain from underwriting after dividends or refunds.....	(581,709,977)	(93.8)	(103,526,016)	(93.1)	0	0.0	40,733	1,114.4	772	0.0	(478,280,880)	(94.0)	54,380	1,299.1	0	0.0	1,034	2,027.5
<b>DETAILS OF WRITE-INS</b>																		
1101. ....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1102. ....																		
1103. ....																		
1198. Summary of remaining write-ins for Line 11 from overflow page.....																		
1199. Total (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

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(a) Includes \$.....0 reported as "Contract, membership and other fees retained by agents."

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>PART 2 - RESERVES AND LIABILITIES</b>									
A. Premium Reserves:									
1. Unearned premiums.....	173,323,582	9,527,945	0	0	0	163,795,637	0	0	0
2. Advance premiums.....	0	0	0	0	0	0	0	0	0
3. Reserve for rate credits.....	0	0	0	0	0	0	0	0	0
4. Total premium reserves, current year.....	173,323,582	9,527,945	0	0	0	163,795,637	0	0	0
5. Total premium reserves, prior year.....	167,550,162	2,286,319	0	0	0	165,263,843	0	0	0
6. Increase in total premium reserves.....	5,773,420	7,241,626	0	0	0	(1,468,206)	0	0	0
B. Contract Reserves:									
1. Additional reserves.....	4,584,965,146	987,406,296	0	6,151	0	3,597,540,074	12,625	0	0
2. Reserve for future contingent benefits (deferred maternity and other similar benefits).....	0	0	0	0	0	0	0	0	0
3. Total contract reserves, current year.....	4,584,965,146	987,406,296	0	6,151	0	3,597,540,074	12,625	0	0
4. Total contract reserves, prior year.....	3,938,618,795	841,303,154	0	23,376	0	3,097,255,151	37,115	0	0
5. Increase in contract reserves.....	646,346,351	146,103,143	(0)	(17,225)	(0)	500,284,924	(24,490)	0	0
C. Claim Reserves and Liabilities:									
1. Total current year.....	955,117,016	217,749,410	0	26,716	0	737,310,916	28,164	0	1,810
2. Total prior year.....	878,556,516	215,922,112	0	47,251	259	662,533,412	51,374	0	2,109
3. Increase.....	76,560,499	1,827,298	0	(20,535)	(259)	74,777,505	(23,210)	0	(299)

**PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES**

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1. Claims Paid During the Year:									
1.1 On claims incurred prior to current year.....	242,537,665	36,443,071	0	6,066	0	206,081,046	7,482	0	0
1.2 On claims incurred during current year.....	23,357,108	1,571,684	0	350	0	21,785,026	48	0	0
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year.....	657,217,995	189,310,262	0	18,560	0	467,862,527	24,836	0	1,810
2.2 On claims incurred during current year.....	297,899,020	28,439,148	0	8,155	0	269,448,390	3,327	0	0
3. Test:									
3.1 Lines 1.1 and 2.1.....	899,755,660	225,753,333	0	24,626	0	673,943,573	32,318	0	1,810
3.2 Claim reserves and liabilities, December 31, prior year.....	878,556,516	215,922,112	0	47,251	259	662,533,412	51,374	0	2,109
3.3 Line 3.1 minus Line 3.2.....	21,199,143	9,831,221	0	(22,625)	(259)	11,410,162	(19,056)	0	(299)

**PART 4 - REINSURANCE**

A. Reinsurance Assumed:									
1. Premiums written.....	55,122,305	2,079,947	0	0	0	53,042,358	0	0	0
2. Premiums earned.....	34,465,969	2,076,522	0	0	0	32,389,447	0	0	0
3. Incurred claims.....	184,232,802	168,998,794	0	0	0	15,234,008	0	0	0
4. Commissions.....	4,473,048	507,150	0	0	0	3,965,898	0	0	0
B. Reinsurance Ceded:									
1. Premiums written.....	122,121,325	115,163,460	0	88,794	2,344	6,691,039	174,063	0	1,625
2. Premiums earned.....	116,364,424	109,406,559	0	88,794	2,344	6,691,039	174,063	0	1,625
3. Incurred claims.....	150,408,256	151,076,518	0	(123,555)	(2,716)	(176,960)	(367,755)	0	2,724
4. Commissions.....	62,734,105	62,733,989	0	41	0	13	62	0	0

## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	705,306	340,229	207,181	83,504	148,245	1,946	38,560	635,053	XXX.....
2. 1997.....	10,280,509	927,006	9,353,503	6,856,421	498,358	748,967	44,947	542,485	2,041	305,624	7,602,527	XXX.....
3. 1998.....	10,319,260	1,248,351	9,070,909	8,069,729	897,290	813,597	43,833	674,289	5,350	292,142	8,611,144	XXX.....
4. 1999.....	11,036,651	2,401,410	8,635,241	9,052,553	2,686,895	894,818	135,233	415,630	24,222	282,101	7,516,652	XXX.....
5. 2000.....	11,189,754	3,763,281	7,426,473	8,253,504	3,247,527	803,001	218,215	373,860	76,794	268,415	5,887,827	XXX.....
6. 2001.....	12,834,664	6,326,889	6,507,775	9,319,605	4,885,712	696,570	171,637	536,913	176,206	199,439	5,319,533	XXX.....
7. 2002.....	12,020,701	4,568,532	7,452,169	6,389,898	2,418,888	581,673	120,536	619,624	280,050	141,789	4,771,720	XXX.....
8. 2003.....	11,617,719	5,817,219	5,800,500	4,379,249	2,507,144	482,020	120,405	388,178	78,841	152,225	2,543,057	XXX.....
9. 2004.....	10,899,519	4,254,535	6,644,984	3,412,404	1,544,529	339,607	82,871	398,835	105,147	87,442	2,418,299	XXX.....
10. 2005.....	8,715,385	2,505,973	6,209,412	2,584,274	1,163,619	161,427	23,346	258,867	25,211	59,993	1,792,392	XXX.....
11. 2006.....	8,419,824	2,337,863	6,081,961	1,166,324	626,826	37,143	1,425	190,155	5,635	13,684	759,736	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	60,189,267	20,817,017	5,766,004	1,045,953	4,547,081	781,442	1,841,414	47,857,940	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	4,161,695	1,250,223	3,377,912	1,523,475	0	0	262,491	8,476	161,726	5,124	64,804	5,176,526	XXX.....
2. 1997.....	370,707	85,712	147,688	71,075	0	0	55,543	2,874	9,801	1,049	9,229	423,029	XXX.....
3. 1998.....	536,733	135,453	373,176	131,767	0	0	75,580	3,008	15,892	1,102	16,603	730,051	XXX.....
4. 1999.....	800,120	275,145	502,548	241,301	0	0	116,391	10,651	16,978	1,421	12,513	907,519	XXX.....
5. 2000.....	720,975	236,631	429,951	166,059	0	0	141,863	21,270	21,364	3,796	16,837	886,397	XXX.....
6. 2001.....	1,071,366	545,122	495,268	148,665	0	0	131,987	12,861	28,834	7,542	19,761	1,013,265	XXX.....
7. 2002.....	909,229	281,787	565,856	84,588	0	0	162,596	7,844	36,007	12,076	63,123	1,287,393	XXX.....
8. 2003.....	883,740	256,401	761,130	121,004	0	0	216,801	24,139	50,398	24,118	50,123	1,486,407	XXX.....
9. 2004.....	1,108,210	250,019	991,742	274,108	0	0	306,558	33,477	68,268	24,006	53,324	1,893,168	XXX.....
10. 2005.....	1,341,092	363,613	1,770,130	400,251	0	0	435,327	41,507	51,996	10,787	60,576	2,782,387	XXX.....
11. 2006.....	856,330	68,645	3,016,296	794,929	0	0	532,120	44,722	187,447	514	72,740	3,683,383	XXX.....
12. Totals.....	12,760,197	3,748,751	12,431,697	3,957,222	0	0	2,437,257	210,829	648,711	91,535	439,633	20,269,525	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	4,765,909	410,617
2. 1997.	8,731,612	706,056	8,025,556	84.9	76.2	85.8	0	0	0.00	361,608	61,421
3. 1998.	10,558,997	1,217,802	9,341,195	102.3	97.6	103.0	0	0	0.00	642,689	87,362
4. 1999.	11,799,039	3,374,868	8,424,171	106.9	140.5	97.6	0	0	0.00	786,222	121,297
5. 2000.	10,744,517	3,970,293	6,774,224	96.0	105.5	91.2	0	0	0.00	748,236	138,161
6. 2001.	12,280,543	5,947,746	6,332,798	95.7	94.0	97.3	0	0	0.00	872,847	140,418
7. 2002.	9,264,883	3,205,769	6,059,113	77.1	70.2	81.3	0	0	0.00	1,108,710	178,683
8. 2003.	7,161,516	3,132,052	4,029,464	61.6	53.8	69.5	0	0	0.00	1,267,465	218,942
9. 2004.	6,625,624	2,314,157	4,311,467	60.8	54.4	64.9	0	0	0.00	1,575,825	317,343
10. 2005.	6,603,113	2,028,334	4,574,779	75.8	80.9	73.7	0	0	0.00	2,347,358	435,029
11. 2006.	5,985,815	1,542,696	4,443,119	71.1	66.0	73.1	0	0	0.00	3,009,052	674,331
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	17,485,921	2,783,604

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.....	18,947,977	18,900,729	18,830,724	18,545,391	19,501,957	18,987,265	20,442,322	20,562,230	20,820,749	20,881,603	60,854	319,373
2. 1997....	7,055,529	7,221,920	7,256,298	7,220,525	7,417,396	7,373,600	7,552,893	7,579,653	7,548,161	7,533,424	(14,737)	(46,229)
3. 1998....	XXX	6,854,764	7,512,819	7,580,068	8,045,956	8,127,410	8,465,274	8,583,818	8,693,510	8,720,625	27,115	136,807
4. 1999....	XXX	XXX	6,559,790	6,905,425	7,012,737	7,195,275	7,657,619	7,728,730	7,987,800	8,078,031	90,231	349,301
5. 2000....	XXX	XXX	XXX	5,443,244	5,856,432	5,992,105	5,976,307	6,099,271	6,464,661	6,499,670	35,009	400,399
6. 2001....	XXX	XXX	XXX	XXX	5,515,279	5,564,141	5,553,819	5,571,588	5,978,012	5,976,321	(1,691)	404,733
7. 2002....	XXX	XXX	XXX	XXX	XXX	5,544,530	5,449,463	5,490,892	5,612,652	5,719,656	107,004	228,764
8. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	4,025,527	3,760,171	3,662,879	3,708,404	45,525	(51,767)
9. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,441,079	4,072,877	3,995,626	(77,251)	(445,453)
10. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,399,796	4,322,663	(77,133)	XXX
11. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,099,692	XXX	XXX
12. Totals.....											194,926	1,295,928

### 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	3,600,693	7,539,584	9,491,149	11,279,405	12,312,004	13,166,719	13,819,627	14,110,827	14,599,581	XXX	XXX
2. 1997....	2,127,186	3,831,498	4,945,573	5,632,042	6,259,282	6,594,874	6,795,743	6,939,874	6,981,700	7,062,083	XXX	XXX
3. 1998....	XXX	2,266,917	4,151,655	5,437,969	6,395,987	7,037,242	7,388,503	7,636,064	7,794,211	7,942,204	XXX	XXX
4. 1999....	XXX	XXX	2,307,473	4,162,195	5,576,114	6,478,789	6,835,232	7,108,300	7,014,087	7,125,244	XXX	XXX
5. 2000....	XXX	XXX	XXX	1,698,217	3,726,730	4,576,632	5,037,233	5,553,242	5,446,148	5,590,762	XXX	XXX
6. 2001....	XXX	XXX	XXX	XXX	2,755,978	4,256,667	5,220,280	5,721,854	5,519,178	4,958,826	XXX	XXX
7. 2002....	XXX	XXX	XXX	XXX	XXX	1,870,016	2,715,576	3,408,418	4,034,933	4,432,146	XXX	XXX
8. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	226,149	1,076,573	1,733,276	2,233,720	XXX	XXX
9. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	750,285	1,550,806	2,124,611	XXX	XXX
10. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	625,395	1,558,736	XXX	XXX
11. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	575,216	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.....	7,405,487	5,423,935	3,677,339	2,268,354	2,650,019	1,500,957	2,191,679	1,967,923	2,121,158	2,108,452
2. 1997....	3,408,958	1,920,652	1,099,806	586,508	430,453	190,582	256,721	212,811	165,160	129,282
3. 1998....	XXX	3,067,156	1,699,409	745,719	585,042	246,978	364,499	311,749	330,334	313,981
4. 1999....	XXX	XXX	2,581,078	1,021,655	167,563	83,663	422,611	228,393	307,203	366,987
5. 2000....	XXX	XXX	XXX	2,552,868	1,063,673	476,323	139,284	(17,821)	407,779	384,485
6. 2001....	XXX	XXX	XXX	XXX	1,489,570	66,086	(618,942)	(577,981)	324,194	465,729
7. 2002....	XXX	XXX	XXX	XXX	XXX	2,775,385	1,701,236	1,015,867	693,694	636,020
8. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	2,853,775	1,594,614	983,399	832,788
9. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,745,194	1,436,420	991,269
10. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,870,515	1,764,717
11. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,718,384

**SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	1,890.....	1.....	105.....	2.....	146.....	24.....	20.....	2,114.....	XXX.....
2. 1997.....	509,391.....	53,680.....	455,711.....	301,447.....	20,255.....	17,828.....	1,134.....	37,732.....	292.....	6,028.....	335,325.....	112,534.....
3. 1998.....	463,402.....	26,878.....	436,524.....	355,984.....	5,015.....	19,053.....	(176).....	34,496.....	85.....	5,680.....	404,608.....	116,269.....
4. 1999.....	508,380.....	145,689.....	362,691.....	321,852.....	63,519.....	17,764.....	2,641.....	14,385.....	5,545.....	5,842.....	282,295.....	108,687.....
5. 2000.....	446,409.....	437,230.....	9,179.....	371,489.....	362,136.....	21,834.....	21,364.....	57,891.....	45,568.....	2,038.....	22,147.....	116,538.....
6. 2001.....	636,493.....	627,877.....	8,616.....	357,138.....	352,420.....	23,622.....	23,399.....	66,630.....	65,123.....	3,197.....	6,448.....	101,930.....
7. 2002.....	476,900.....	470,664.....	6,235.....	290,115.....	288,057.....	16,748.....	16,747.....	67,021.....	61,400.....	2,512.....	7,681.....	79,939.....
8. 2003.....	486,766.....	486,966.....	(200).....	282,334.....	280,357.....	18,417.....	18,417.....	(73,267).....	(76,158).....	2,029.....	4,868.....	71,634.....
9. 2004.....	367,979.....	365,857.....	2,122.....	208,421.....	208,421.....	45,901.....	45,901.....	46,705.....	44,937.....	1,555.....	1,768.....	44,866.....
10. 2005.....	101,023.....	100,900.....	123.....	47,236.....	47,241.....	1,697.....	1,697.....	9,982.....	8,833.....	361.....	1,144.....	9,615.....
11. 2006.....	4,484.....	4,485.....	(1).....	87.....	87.....	13.....	13.....	50.....	1.....	0.....	49.....	9.....
12. Totals.....	XXX.....	XXX.....	XXX.....	2,537,993.....	1,627,510.....	182,982.....	131,139.....	261,771.....	155,651.....	29,263.....	1,068,447.....	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	10,306.....	5.....	1,320.....	218.....	0.....	0.....	235.....	6.....	294.....	0.....	292.....	11,926.....	356.....
2. 1997.....	694.....	0.....	347.....	72.....	0.....	0.....	131.....	19.....	0.....	0.....	314.....	1,081.....	15.....
3. 1998.....	439.....	0.....	309.....	2.....	0.....	0.....	128.....	1.....	22.....	0.....	688.....	895.....	21.....
4. 1999.....	192.....	69.....	382.....	0.....	0.....	0.....	50.....	0.....	0.....	0.....	571.....	555.....	26.....
5. 2000.....	733.....	720.....	107.....	22.....	0.....	0.....	3.....	3.....	2.....	2.....	256.....	98.....	51.....
6. 2001.....	2,245.....	2,240.....	108.....	8.....	0.....	0.....	0.....	0.....	411.....	411.....	171.....	105.....	61.....
7. 2002.....	3,886.....	3,884.....	193.....	6.....	0.....	0.....	0.....	0.....	1,634.....	1,634.....	316.....	189.....	149.....
8. 2003.....	6,155.....	6,132.....	1.....	9.....	0.....	0.....	22.....	22.....	2,453.....	2,453.....	239.....	15.....	208.....
9. 2004.....	5,248.....	5,248.....	2,418.....	2,418.....	0.....	0.....	96.....	96.....	2,477.....	2,477.....	240.....	0.....	258.....
10. 2005.....	2,893.....	2,893.....	38,348.....	38,160.....	0.....	0.....	5,475.....	5,475.....	910.....	910.....	240.....	188.....	101.....
11. 2006.....	149.....	149.....	(131).....	(131).....	0.....	0.....	(8).....	(8).....	2.....	2.....	270.....	0.....	3.....
12. Totals.....	32,940.....	21,340.....	43,402.....	40,784.....	0.....	0.....	6,132.....	5,614.....	8,205.....	7,889.....	3,597.....	15,052.....	1,249.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	11,403.....	523.....
2. 1997.....	358,178.....	21,772.....	336,406.....	70.3.....	40.6.....	73.8.....	0.....	0.....	0.00.....	969.....	112.....
3. 1998.....	410,431.....	4,928.....	405,503.....	88.6.....	18.3.....	92.9.....	0.....	0.....	0.00.....	746.....	149.....
4. 1999.....	354,625.....	71,775.....	282,850.....	69.8.....	49.3.....	78.0.....	0.....	0.....	0.00.....	505.....	50.....
5. 2000.....	452,059.....	429,814.....	22,245.....	101.3.....	98.3.....	242.3.....	0.....	0.....	0.00.....	98.....	0.....
6. 2001.....	450,155.....	443,601.....	6,553.....	70.7.....	70.7.....	76.1.....	0.....	0.....	0.00.....	105.....	0.....
7. 2002.....	379,598.....	371,728.....	7,870.....	79.6.....	79.0.....	126.2.....	0.....	0.....	0.00.....	189.....	0.....
8. 2003.....	236,115.....	231,232.....	4,883.....	48.5.....	47.5.....	(2,441.5).....	0.....	0.....	0.00.....	15.....	0.....
9. 2004.....	311,266.....	309,498.....	1,768.....	84.6.....	84.6.....	83.3.....	0.....	0.....	0.00.....	0.....	0.....
10. 2005.....	106,541.....	105,209.....	1,332.....	105.5.....	104.3.....	1,082.9.....	0.....	0.....	0.00.....	188.....	0.....
11. 2006.....	162.....	113.....	49.....	3.6.....	2.5.....	(4,900.0).....	0.....	0.....	0.00.....	0.....	0.....
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	14,218.....	834.....

**SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	13,253	938	473	188	2,617	1,121	810	14,096	XXX.....
2. 1997.....	857,034	101,809	755,225	545,608	45,058	42,837	4,644	75,325	2,917	14,176	611,151	191,820
3. 1998.....	813,311	57,249	756,062	525,001	33,280	41,303	2,446	51,479	7,239	12,918	574,818	192,178
4. 1999.....	850,478	258,831	591,647	603,155	187,704	51,435	14,238	48,812	17,343	12,166	484,117	225,920
5. 2000.....	739,022	733,679	5,343	632,764	634,581	53,841	51,164	47,622	37,064	4,742	11,418	238,497
6. 2001.....	986,089	969,590	16,499	534,175	527,338	40,049	38,623	82,722	78,786	5,077	12,198	195,317
7. 2002.....	710,383	699,072	11,311	501,680	498,172	28,395	28,214	141,927	137,099	8,564	8,517	169,075
8. 2003.....	702,713	695,793	6,920	397,235	395,573	27,805	27,737	100,407	97,006	6,831	5,131	146,658
9. 2004.....	546,613	540,539	6,074	249,959	247,141	13,836	14,053	43,842	40,510	2,622	5,933	104,661
10. 2005.....	170,742	162,976	7,766	59,850	59,574	2,509	2,678	11,601	10,426	307	1,282	31,442
11. 2006.....	(2,972)	(2,530)	(442)	57	57	32	32	388	65	0	323	64
12. Totals.....	XXX.....	XXX.....	XXX.....	4,062,737	2,629,417	302,514	184,017	606,743	429,576	68,213	1,728,983	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	123,329	36,141	17,772	2,384	0	0	994	123	1,617	0	1,180	105,064	880
2. 1997.....	3,325	248	3,482	188	0	0	1,001	568	2	0	511	6,806	125
3. 1998.....	1,376	11	5,914	78	0	0	159	25	0	0	1,065	7,335	129
4. 1999.....	6,456	1,881	4,333	544	0	0	79	21	12	1	1,702	8,433	283
5. 2000.....	5,840	5,819	5,561	5,559	0	0	2,638	2,638	2,168	2,167	0	24	852
6. 2001.....	13,961	13,961	13,006	13,006	0	0	5,308	5,307	5,199	5,199	1,452	1	1,099
7. 2002.....	18,347	18,347	5,629	5,625	0	0	6,721	6,720	8,008	8,006	0	7	1,717
8. 2003.....	37,655	37,653	6,157	6,162	0	0	11,484	11,483	18,659	18,658	0	(1)	3,401
9. 2004.....	48,969	48,640	999	913	0	0	17,890	17,869	19,303	19,268	0	471	4,280
10. 2005.....	24,802	24,602	22,339	21,883	0	0	3,154	3,095	8,811	8,711	0	815	2,174
11. 2006.....	82	77	8,204	8,363	0	0	362	378	6	0	0	(164)	13
12. Totals.....	284,142	187,380	93,396	64,705	0	0	49,790	48,227	63,785	62,010	5,910	128,791	14,953

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	102,576	2,488
2. 1997.....	671,580	53,623	617,957	78.4	52.7	81.8	0	0	0.00	6,371	435
3. 1998.....	625,233	43,080	582,153	76.9	75.2	77.0	0	0	0.00	7,201	134
4. 1999.....	714,282	221,732	492,550	84.0	85.7	83.3	0	0	0.00	8,364	69
5. 2000.....	750,434	738,992	11,442	101.5	100.7	214.1	0	0	0.00	23	1
6. 2001.....	694,419	682,221	12,199	70.4	70.4	73.9	0	0	0.00	0	1
7. 2002.....	710,707	702,182	8,524	100.0	100.4	75.4	0	0	0.00	4	3
8. 2003.....	599,402	594,272	5,130	85.3	85.4	74.1	0	0	0.00	(3)	2
9. 2004.....	394,798	388,394	6,404	72.2	71.9	105.4	0	0	0.00	415	56
10. 2005.....	133,066	130,969	2,097	77.9	80.4	27.0	0	0	0.00	656	159
11. 2006.....	9,131	8,972	159	(307.2)	(354.6)	(36.0)	0	0	0.00	(154)	(10)
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	125,453	3,338

## SCHEDULE P - PART 1C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	21,120	1,779	364	34	785	0	276	20,456	XXX
2. 1997.....	823,521	36,568	786,953	678,087	14,673	46,479	909	41,543	(54)	9,551	750,581	146,768
3. 1998.....	816,682	54,303	762,379	692,886	23,893	51,593	1,248	48,651	0	9,034	767,989	167,343
4. 1999.....	890,329	76,426	813,903	797,619	127,642	55,979	2,812	42,946	0	13,122	766,090	186,423
5. 2000.....	896,544	113,623	782,921	675,173	119,054	53,173	9,343	31,260	189	9,324	631,020	167,728
6. 2001.....	747,540	203,472	544,068	633,225	146,139	51,382	5,451	44,162	2	13,196	577,175	143,476
7. 2002.....	829,622	87,836	741,786	485,633	67,570	40,065	3,164	49,096	22	6,911	504,038	107,223
8. 2003.....	815,023	92,175	722,848	334,308	15,666	25,305	1,374	42,981	11	6,976	385,543	82,178
9. 2004.....	743,887	44,114	699,773	256,417	17,516	17,392	993	20,567	(15)	6,692	275,882	66,305
10. 2005.....	729,636	60,441	669,195	147,533	7,779	8,772	1,372	19,103	(2)	5,567	166,259	57,062
11. 2006.....	694,464	65,435	629,029	49,539	1,905	1,942	264	18,313	1	2,748	67,624	43,261
12. Totals.....	XXX	XXX	XXX	4,771,539	543,616	352,445	26,964	359,407	155	83,396	4,912,657	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	204,753	11,057	12,962	5,934	0	0	874	3	6,083	0	826	207,678	2,540
2. 1997.....	9,869	1	5,013	39	0	0	1,387	0	354	0	624	16,583	166
3. 1998.....	11,843	639	7,840	1,085	0	0	2,353	35	472	0	451	20,749	109
4. 1999.....	24,131	1,114	15,958	6,754	0	0	3,864	532	992	0	269	36,545	195
5. 2000.....	21,390	3,703	24,320	16,669	0	0	3,973	797	1,006	0	1,021	29,520	265
6. 2001.....	26,612	1,625	30,413	21,894	0	0	6,525	1,557	1,785	1	627	40,258	577
7. 2002.....	41,072	3,790	36,974	6,853	0	0	13,130	413	2,410	0	1,390	82,530	666
8. 2003.....	69,297	5,483	44,944	(101)	0	0	14,966	543	2,896	0	845	126,178	1,015
9. 2004.....	107,697	9,982	65,035	13,091	0	0	23,510	1,263	3,967	0	1,169	175,873	1,613
10. 2005.....	118,728	10,367	135,926	23,763	0	0	27,311	1,498	5,129	0	1,208	251,466	2,879
11. 2006.....	76,450	5,367	274,642	30,850	0	0	31,070	2,371	14,156	(1)	1,409	357,731	8,434
12. Totals.....	711,842	53,128	654,027	126,831	0	0	128,963	9,012	39,250	0	9,839	1,345,111	18,459

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	200,724	6,954
2. 1997.....	782,732	15,568	767,164	95.0	42.6	97.5	0	0	0.00	14,842	1,741
3. 1998.....	815,638	26,900	788,738	99.9	49.5	103.5	0	0	0.00	17,959	2,790
4. 1999.....	941,489	138,854	802,635	105.7	181.7	98.6	0	0	0.00	32,221	4,324
5. 2000.....	810,295	149,754	660,540	90.4	131.8	84.4	0	0	0.00	25,338	4,182
6. 2001.....	794,103	176,670	617,433	106.2	86.8	113.5	0	0	0.00	33,506	6,752
7. 2002.....	668,380	81,812	586,568	80.6	93.1	79.1	0	0	0.00	67,403	15,127
8. 2003.....	534,697	22,976	511,721	65.6	24.9	70.8	0	0	0.00	108,859	17,319
9. 2004.....	494,585	42,830	451,755	66.5	97.1	64.6	0	0	0.00	149,659	26,214
10. 2005.....	462,502	44,777	417,725	63.4	74.1	62.4	0	0	0.00	220,524	30,942
11. 2006.....	466,112	40,757	425,355	67.1	62.3	67.6	0	0	0.00	314,875	42,856
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,185,910	159,201

## SCHEDULE P - PART 1D - WORKERS' COMPENSATION

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	181,070	26,814	12,108	(381)	9,898	6	32,252	176,637	XXX
2. 1997.....	1,345,058	(149,127)	1,494,185	1,027,263	6,627	85,421	1,616	74,608	10	63,554	1,179,039	384,612
3. 1998.....	1,730,109	53,503	1,676,606	1,343,305	(17,048)	114,640	2,431	96,282	46	70,497	1,568,799	423,021
4. 1999.....	1,724,095	270,609	1,453,486	1,461,820	430,159	121,617	13,031	84,055	103	70,378	1,224,199	422,789
5. 2000.....	1,396,643	200,129	1,196,514	1,155,530	459,145	108,498	15,926	47,860	78	63,813	836,739	357,695
6. 2001.....	1,006,844	552,736	454,108	960,345	716,283	86,509	16,594	69,483	(2,317)	46,132	385,777	292,424
7. 2002.....	1,464,147	180,338	1,283,809	638,952	48,645	62,925	1,811	85,944	973	35,821	736,392	226,036
8. 2003.....	1,500,434	426,868	1,073,566	509,598	54,610	48,632	2,037	66,745	2,633	20,836	565,695	158,903
9. 2004.....	1,508,937	212,759	1,296,178	361,827	47,036	34,313	1,605	35,372	(6,822)	9,513	389,693	132,318
10. 2005.....	1,176,289	208,129	968,160	231,796	27,204	17,655	519	38,430	(1,318)	2,831	261,476	93,996
11. 2006.....	1,015,439	71,291	944,148	91,977	2,639	6,127	53	40,588	1,230	684	134,770	75,340
12. Totals.....	XXX	XXX	XXX	7,963,483	1,802,113	698,445	55,242	649,266	(5,378)	416,311	7,459,216	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,662,977	290,031	535,679	268,002	0	0	62,297	4,245	52,081	1	41,675	1,750,755	17,681
2. 1997.....	146,286	1,329	25,386	316	0	0	17,749	50	4,869	1	1,192	192,594	2,061
3. 1998.....	210,814	2,782	48,523	1,067	0	0	22,347	157	6,653	1	1,997	284,330	2,681
4. 1999.....	264,106	61,522	48,039	30,489	0	0	26,690	1,006	6,090	0	2,914	251,908	3,639
5. 2000.....	240,915	59,277	43,683	26,327	0	0	35,212	154	6,346	0	1,170	240,398	4,414
6. 2001.....	260,560	171,192	95,047	54,548	0	0	24,258	1,123	6,127	0	152	159,129	5,075
7. 2002.....	166,299	13,981	124,319	18,999	0	0	32,832	565	7,703	1	13,918	297,607	5,152
8. 2003.....	136,927	21,396	151,015	11,095	0	0	32,298	671	8,005	476	14,373	294,607	4,873
9. 2004.....	147,022	21,024	206,752	45,007	0	0	34,763	655	8,177	0	18,586	330,028	5,900
10. 2005.....	151,655	24,617	257,167	28,559	0	0	46,348	1,606	6,510	0	21,263	406,898	7,046
11. 2006.....	146,900	6,276	385,432	76,682	0	0	52,953	5,791	70,418	(3)	24,563	566,957	21,210
12. Totals.....	3,534,461	673,427	1,921,042	561,091	0	0	387,747	16,023	182,979	477	141,803	4,775,211	79,732

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,640,623	110,132
2. 1997.....	1,381,582	9,949	1,371,633	102.7	(6.7)	91.8	0	0	0.00	170,027	22,567
3. 1998.....	1,842,565	(10,564)	1,853,129	106.5	(19.7)	110.5	0	0	0.00	255,488	28,842
4. 1999.....	2,012,417	536,310	1,476,107	116.7	198.2	101.6	0	0	0.00	220,134	31,774
5. 2000.....	1,638,044	560,907	1,077,137	117.3	280.3	90.0	0	0	0.00	198,994	41,404
6. 2001.....	1,502,328	957,423	544,906	149.2	173.2	120.0	0	0	0.00	129,867	29,262
7. 2002.....	1,118,974	84,975	1,033,999	76.4	47.1	80.5	0	0	0.00	257,638	39,969
8. 2003.....	953,220	92,918	860,302	63.5	21.8	80.1	0	0	0.00	255,451	39,156
9. 2004.....	828,226	108,505	719,721	54.9	51.0	55.5	0	0	0.00	287,743	42,285
10. 2005.....	749,561	81,187	668,374	63.7	39.0	69.0	0	0	0.00	355,646	51,252
11. 2006.....	794,395	92,668	701,727	78.2	130.0	74.3	0	0	0.00	449,374	117,583
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	4,220,985	554,226

**SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....80,225	.....18,917	.....30,909	.....36,449	.....13,885	.....1	.....1,491	.....69,652	.....XXX.....
2. 1997.....	.....1,401,001	.....46,419	.....1,354,582	.....845,948	.....6,132	.....163,178	.....258	.....140,524	.....10	.....28,047	.....1,143,251	.....124,888
3. 1998.....	.....1,279,698	.....60,062	.....1,219,636	.....988,016	.....6,155	.....184,814	.....199	.....138,660	.....229	.....33,672	.....1,304,906	.....128,194
4. 1999.....	.....1,387,486	.....113,594	.....1,273,892	.....1,159,320	.....310,027	.....217,547	.....24,884	.....63,167	.....(96)	.....32,981	.....1,105,220	.....129,171
5. 2000.....	.....1,305,790	.....77,302	.....1,228,488	.....949,158	.....250,682	.....175,087	.....17,115	.....57,484	.....16	.....31,461	.....913,915	.....107,635
6. 2001.....	.....1,270,556	.....299,666	.....970,890	.....716,487	.....240,180	.....141,367	.....316	.....68,644	.....(548)	.....23,804	.....686,550	.....86,655
7. 2002.....	.....1,319,332	.....87,145	.....1,232,186	.....537,433	.....6,147	.....99,277	.....1,265	.....65,225	.....318	.....22,664	.....694,205	.....66,519
8. 2003.....	.....1,370,152	.....172,475	.....1,197,677	.....453,567	.....10,601	.....63,675	.....429	.....63,276	.....1,098	.....19,935	.....568,390	.....65,041
9. 2004.....	.....1,344,735	.....80,229	.....1,264,506	.....445,909	.....4,028	.....37,449	.....220	.....55,270	.....(1,871)	.....14,872	.....536,251	.....61,856
10. 2005.....	.....1,243,251	.....65,626	.....1,177,625	.....509,631	.....112,100	.....24,960	.....3,403	.....41,393	.....(1)	.....9,868	.....460,482	.....60,355
11. 2006.....	.....1,243,481	.....134,833	.....1,108,648	.....142,499	.....600	.....4,436	.....26	.....41,420	.....(1)	.....2,451	.....187,730	.....41,811
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....6,828,192	.....965,569	.....1,142,698	.....84,564	.....748,949	.....(845)	.....221,246	.....7,670,552	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	.....108,887	.....2,791	.....177,789	.....45,385	.....0	.....0	.....122,919	.....9	.....8,270	.....2	.....13,830	.....369,678	.....3,137
2. 1997.....	.....14,156	.....0	.....17,757	.....333	.....0	.....0	.....22,792	.....0	.....1,002	.....0	.....2,558	.....55,374	.....476
3. 1998.....	.....27,880	.....4	.....26,661	.....443	.....0	.....0	.....25,340	.....72	.....1,624	.....0	.....4,049	.....80,986	.....555
4. 1999.....	.....45,671	.....55	.....37,260	.....529	.....0	.....0	.....39,654	.....213	.....2,523	.....0	.....821	.....124,311	.....669
5. 2000.....	.....53,485	.....0	.....37,710	.....1	.....0	.....0	.....33,711	.....0	.....3,408	.....1	.....4,980	.....128,312	.....687
6. 2001.....	.....79,132	.....6	.....35,948	.....59	.....0	.....0	.....52,526	.....13	.....3,786	.....0	.....4,753	.....171,314	.....853
7. 2002.....	.....84,894	.....102	.....31,911	.....174	.....0	.....0	.....58,081	.....9	.....3,961	.....0	.....12,333	.....178,562	.....960
8. 2003.....	.....98,504	.....148	.....65,238	.....15	.....0	.....0	.....60,940	.....141	.....5,159	.....0	.....9,041	.....229,537	.....1,743
9. 2004.....	.....133,343	.....688	.....92,158	.....1,359	.....0	.....0	.....72,828	.....359	.....6,171	.....0	.....9,538	.....302,094	.....2,247
10. 2005.....	.....148,418	.....39,481	.....170,895	.....1,767	.....0	.....0	.....81,345	.....191	.....8,559	.....0	.....11,548	.....367,778	.....3,887
11. 2006.....	.....120,776	.....2,857	.....295,439	.....3,029	.....0	.....0	.....102,930	.....403	.....31,021	.....0	.....14,521	.....543,877	.....10,200
12. Totals.....	.....915,146	.....46,132	.....988,766	.....53,094	.....0	.....0	.....673,066	.....1,410	.....75,484	.....3	.....87,972	.....2,551,823	.....25,414

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....238,500	.....131,178
2. 1997.....	.....1,205,358	.....6,733	.....1,198,625	.....86.0	.....14.5	.....88.5	.....0	.....0	.....0.00	.....31,580	.....23,794
3. 1998.....	.....1,392,995	.....7,103	.....1,385,892	.....108.9	.....11.8	.....113.6	.....0	.....0	.....0.00	.....54,094	.....26,892
4. 1999.....	.....1,565,142	.....335,611	.....1,229,531	.....112.8	.....295.4	.....96.5	.....0	.....0	.....0.00	.....82,347	.....41,964
5. 2000.....	.....1,310,042	.....267,815	.....1,042,227	.....100.3	.....346.5	.....84.8	.....0	.....0	.....0.00	.....91,194	.....37,118
6. 2001.....	.....1,097,890	.....240,026	.....857,864	.....86.4	.....80.1	.....88.4	.....0	.....0	.....0.00	.....115,015	.....56,299
7. 2002.....	.....880,782	.....8,015	.....872,767	.....66.8	.....9.2	.....70.8	.....0	.....0	.....0.00	.....116,529	.....62,033
8. 2003.....	.....810,359	.....12,432	.....797,927	.....59.1	.....7.2	.....66.6	.....0	.....0	.....0.00	.....163,579	.....65,958
9. 2004.....	.....843,128	.....4,783	.....838,345	.....62.7	.....6.0	.....66.3	.....0	.....0	.....0.00	.....223,454	.....78,640
10. 2005.....	.....985,201	.....156,941	.....828,260	.....79.2	.....239.1	.....70.3	.....0	.....0	.....0.00	.....278,065	.....89,713
11. 2006.....	.....738,521	.....6,914	.....731,607	.....59.4	.....5.1	.....66.0	.....0	.....0	.....0.00	.....410,329	.....133,548
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,804,686	.....747,137

## SCHEDULE P - PART 1F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	7,409	673	665	189	185	0	(36)	7,397	XXX.....
2. 1997.....	63,529	28,661	34,868	34,031	7,999	10,681	3,030	2,438	0	75	36,121	1,410
3. 1998.....	71,694	36,957	34,737	28,414	8,747	10,994	4,068	2,505	0	345	29,099	1,399
4. 1999.....	68,915	67,080	1,835	28,547	19,948	11,043	3,888	2,037	0	354	17,791	1,601
5. 2000.....	95,053	9,042	86,011	33,725	15,722	13,761	4,285	2,027	0	100	29,507	2,008
6. 2001.....	112,093	38,986	73,107	31,334	13,191	18,408	7,528	4,678	(0)	139	33,700	2,023
7. 2002.....	91,139	41,643	49,496	28,172	10,186	16,217	6,708	4,011	0	1,413	31,506	2,194
8. 2003.....	105,059	44,889	60,170	20,127	7,526	12,602	5,346	2,518	0	0	22,375	2,233
9. 2004.....	105,193	23,441	81,752	4,427	1,127	5,849	1,611	373	0	2	7,911	1,618
10. 2005.....	111,626	120	111,506	1,243	0	1,381	0	1,345	0	0	3,969	1,107
11. 2006.....	120,176	(20)	120,196	100	0	74	0	2,051	0	0	2,225	543
12. Totals.....	XXX.....	XXX.....	XXX.....	217,529	85,119	101,675	36,652	24,168	(0)	2,392	221,601	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	59,817	2,381	2,796	(343)	0	0	624	256	1,620	2	33	62,561	71
2. 1997.....	1,075	154	206	(216)	0	0	540	306	11	0	14	1,588	11
3. 1998.....	3,742	1,650	(1,488)	(830)	0	0	548	59	10	0	7	1,933	35
4. 1999.....	3,717	1,583	(1,274)	(1,134)	0	0	919	403	29	0	4	2,539	59
5. 2000.....	7,746	3,489	0	(1,320)	0	0	1,835	344	260	0	35	7,328	72
6. 2001.....	11,988	4,393	1,645	(671)	0	0	2,360	947	150	0	27	11,474	135
7. 2002.....	21,615	6,346	9,779	790	0	0	1,917	618	336	0	44	25,893	254
8. 2003.....	25,460	14,671	(1,231)	(921)	0	0	8,368	3,633	151	0	40	15,365	469
9. 2004.....	15,438	3,970	16,394	4,317	0	0	13,764	2,233	182	0	38	35,258	498
10. 2005.....	8,456	0	29,265	32	0	0	14,167	3	280	0	39	52,133	420
11. 2006.....	304	0	44,239	2	0	0	15,590	1	1,048	0	46	61,178	318
12. Totals.....	159,358	38,637	100,331	(294)	0	0	60,632	8,803	4,077	2	327	277,250	2,342

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	60,575	1,986
2. 1997.....	48,982	11,273	37,709	77.1	39.3	108.1	0	0	0.00	1,343	245
3. 1998.....	44,725	13,694	31,032	62.4	37.1	89.3	0	0	0.00	1,434	499
4. 1999.....	45,018	24,688	20,330	65.3	36.8	1,107.9	0	0	0.00	1,994	545
5. 2000.....	59,355	22,520	36,835	62.4	249.1	42.8	0	0	0.00	5,577	1,751
6. 2001.....	70,563	25,388	45,174	63.0	65.1	61.8	0	0	0.00	9,911	1,563
7. 2002.....	82,046	24,648	57,399	90.0	59.2	116.0	0	0	0.00	24,258	1,635
8. 2003.....	67,995	30,255	37,740	64.7	67.4	62.7	0	0	0.00	10,479	4,886
9. 2004.....	56,427	13,258	43,169	53.6	56.6	52.8	0	0	0.00	23,545	11,713
10. 2005.....	56,137	35	56,102	50.3	29.2	50.3	0	0	0.00	37,689	14,444
11. 2006.....	63,406	3	63,403	52.8	(15.0)	52.7	0	0	0.00	44,541	16,637
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	221,346	55,904

**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	9,947	1,720	1,713	(29)	390	0	128	10,359	XXX.....
2. 1997.....	342,134	2,558	339,576	349,633	14,906	94,644	1,772	17,620	16	4,935	445,202	9,648
3. 1998.....	279,292	30,940	248,352	266,044	12,238	86,032	940	13,989	(36)	5,564	352,923	9,725
4. 1999.....	240,993	40,238	200,755	224,351	65,165	79,251	6,043	12,167	72	7,643	244,489	9,009
5. 2000.....	179,653	71,660	107,993	204,994	105,477	68,283	16,766	10,784	(19)	6,396	161,837	7,724
6. 2001.....	148,123	89,383	58,740	149,427	79,525	46,275	10,950	13,856	(16)	3,297	119,100	5,706
7. 2002.....	205,024	103,281	101,743	106,957	62,914	35,144	14,976	13,165	2	2,100	77,375	4,033
8. 2003.....	291,993	126,180	165,813	82,976	58,207	37,967	24,426	11,773	62	2,546	50,021	3,542
9. 2004.....	354,125	142,536	211,589	39,970	10,281	21,977	9,644	2,900	(376)	1,653	45,298	3,199
10. 2005.....	412,094	147,284	264,810	23,015	8,258	12,685	4,818	6,709	(136)	1,513	29,469	3,121
11. 2006.....	456,897	151,968	304,929	2,430	1,616	2,461	514	6,317	136	32	8,942	3,111
12. Totals.....	XXX.....	XXX.....	XXX.....	1,459,744	420,306	486,432	90,819	109,670	(294)	35,807	1,545,015	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	63,480	859	6,946	396	0	0	328	169	2,211	1	250	71,540	376
2. 1997.....	12,794	3	634	2,055	0	0	731	808	579	0	103	11,872	73
3. 1998.....	17,598	323	51,329	28,632	0	0	2,716	739	1,398	0	125	43,347	101
4. 1999.....	15,074	938	21,157	2,591	0	0	6,607	4,309	802	0	26	35,802	86
5. 2000.....	17,035	1,985	19,574	2,814	0	0	3,665	98	991	1	97	36,367	140
6. 2001.....	23,641	6,329	26,313	3,610	0	0	5,252	642	1,010	0	97	45,635	245
7. 2002.....	31,321	18,087	23,140	(12,761)	0	0	(1,505)	(6,627)	684	0	133	54,941	311
8. 2003.....	35,418	12,525	47,776	16,733	0	0	3,456	(5,562)	708	0	120	63,662	346
9. 2004.....	33,241	4,937	109,002	67,302	0	0	10,458	(1,226)	964	0	120	82,652	504
10. 2005.....	38,381	6,390	187,002	98,175	0	0	28,923	7,085	1,497	0	120	144,153	821
11. 2006.....	14,692	318	255,909	113,593	0	0	40,361	11,870	6,655	0	144	191,836	1,457
12. Totals.....	302,675	52,694	748,782	323,140	0	0	100,992	12,305	17,499	2	1,335	781,807	4,460

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	69,171	2,369
2. 1997.....	476,634	19,560	457,074	139.3	764.7	134.6	0	0	0.00	11,370	502
3. 1998.....	439,106	42,836	396,270	157.2	138.4	159.6	0	0	0.00	39,972	3,375
4. 1999.....	359,409	79,118	280,291	149.1	196.6	139.6	0	0	0.00	32,702	3,100
5. 2000.....	325,326	127,122	198,204	181.1	177.4	183.5	0	0	0.00	31,810	4,557
6. 2001.....	265,775	101,040	164,735	179.4	113.0	280.4	0	0	0.00	40,015	5,620
7. 2002.....	208,906	76,591	132,316	101.9	74.2	130.0	0	0	0.00	49,135	5,806
8. 2003.....	220,074	106,391	113,683	75.4	84.3	68.6	0	0	0.00	53,936	9,726
9. 2004.....	218,512	90,562	127,950	61.7	63.5	60.5	0	0	0.00	70,004	12,648
10. 2005.....	298,212	124,590	173,622	72.4	84.6	65.6	0	0	0.00	120,818	23,335
11. 2006.....	328,825	128,047	200,778	72.0	84.3	65.8	0	0	0.00	156,690	35,146
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	675,623	106,184

## SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported- Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	46,277	27,740	4,073	2,468	3,826	(1)	475	23,969	XXX
2. 1997.....	410,429	138,209	272,220	269,595	84,061	21,275	8,042	7,983	26	15,872	206,723	XXX
3. 1998.....	431,138	147,224	283,914	300,713	107,088	22,774	9,113	8,424	156	16,054	215,554	XXX
4. 1999.....	404,868	129,729	275,139	334,190	144,196	27,994	11,853	9,256	502	13,124	214,888	XXX
5. 2000.....	446,096	163,626	282,470	364,526	123,262	34,035	15,484	8,534	370	16,468	267,980	XXX
6. 2001.....	520,981	231,995	288,986	306,222	142,400	33,069	17,351	9,027	(432)	12,170	189,000	XXX
7. 2002.....	658,539	312,598	345,941	282,972	117,037	37,025	19,231	17,871	5,666	8,941	195,933	XXX
8. 2003.....	650,709	273,776	376,933	202,115	58,977	18,261	5,272	11,873	3,866	6,292	164,134	XXX
9. 2004.....	437,749	112,701	325,048	189,258	45,028	13,141	2,500	29,402	3,928	11,493	180,345	XXX
10. 2005.....	311,358	(9,237)	320,595	168,156	51,370	11,608	2,333	6,811	(2,728)	10,195	135,600	XXX
11. 2006.....	364,554	20,180	344,374	56,195	2,067	4,025	132	7,092	2,896	804	62,217	XXX
12. Totals....	XXX	XXX	XXX	2,520,218	903,225	227,279	93,779	120,098	14,250	111,888	1,856,342	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	101,797	56,226	212,917	110,996	0	0	3,018	2,853	3,853	2	952	151,508	1,832
2. 1997.....	4,169	1,778	1,864	828	0	0	422	207	235	1	1,972	3,876	2,651
3. 1998.....	3,399	1,602	2,686	1,169	0	0	441	300	121	1	3,163	3,575	89
4. 1999.....	11,115	3,921	3,605	1,904	0	0	902	435	499	1	3,181	9,860	99
5. 2000.....	9,923	4,660	5,059	2,683	0	0	1,103	603	402	0	3,652	8,541	101
6. 2001.....	151,192	140,349	10,909	3,474	0	0	833	291	883	1	2,863	19,702	119
7. 2002.....	35,123	20,081	19,821	8,541	0	0	2,395	64	1,035	0	8,936	29,688	361
8. 2003.....	23,854	9,954	19,562	85	0	0	4,590	59	1,491	1	7,166	39,398	702
9. 2004.....	12,190	1,215	16,905	6,473	0	0	4,157	121	1,126	0	5,651	26,569	275
10. 2005.....	21,504	9,455	28,537	12,331	0	0	6,140	297	1,610	0	6,561	35,708	857
11. 2006.....	45,269	1,580	88,673	7,889	0	0	1,122	78	4,897	(4)	7,854	130,418	2,917
12. Totals....	419,535	250,821	410,538	156,373	0	0	25,123	5,308	16,152	3	51,951	458,843	10,003

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	147,492	4,016
2. 1997.	305,542	94,943	210,599	74.4	68.7	77.4	0	0	0.00	3,427	449
3. 1998.	338,557	119,429	219,129	78.5	81.1	77.2	0	0	0.00	3,314	261
4. 1999.	387,560	162,812	224,748	95.7	125.5	81.7	0	0	0.00	8,895	965
5. 2000.	423,582	147,062	276,521	95.0	89.9	97.9	0	0	0.00	7,639	902
6. 2001.	512,135	303,433	208,702	98.3	130.8	72.2	0	0	0.00	18,278	1,424
7. 2002.	396,241	170,620	225,621	60.2	54.6	65.2	0	0	0.00	26,322	3,366
8. 2003.	281,746	78,214	203,532	43.3	28.6	54.0	0	0	0.00	33,377	6,021
9. 2004.	266,179	59,265	206,914	60.8	52.6	63.7	0	0	0.00	21,407	5,162
10. 2005.	244,366	73,058	171,308	78.5	(790.9)	53.4	0	0	0.00	28,255	7,453
11. 2006.	207,273	14,638	192,635	56.9	72.5	55.9	0	0	0.00	124,473	5,945
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	422,879	35,964

## SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	258,476	205,897	128,879	38,840	102,526	1	4,292	245,143	XXX.....
2. 1997.....	750,266	140,198	610,068	414,617	16,495	92,941	7,245	23,179	79	6,944	506,918	105,684
3. 1998.....	856,314	158,122	698,192	957,219	212,400	90,012	5,306	29,288	(1)	13,593	858,814	188,453
4. 1999.....	943,633	303,193	640,440	992,159	546,913	108,419	27,202	32,267	26	21,015	558,704	272,350
5. 2000.....	988,329	320,104	668,225	674,988	385,753	96,784	36,356	23,194	81	10,977	372,776	119,279
6. 2001.....	1,212,094	665,043	547,051	475,692	241,648	65,508	14,247	27,368	494	6,435	312,179	109,283
7. 2002.....	749,811	178,060	571,752	323,127	52,855	38,468	2,908	32,129	1,708	5,281	336,253	103,160
8. 2003.....	934,115	318,783	615,332	254,438	34,713	27,828	2,128	31,005	2,007	4,491	274,423	91,382
9. 2004.....	1,264,112	553,785	710,327	172,655	30,847	15,502	516	30,325	(531)	1,698	187,650	83,929
10. 2005.....	804,506	143,731	660,775	155,912	61,574	6,311	364	19,914	(656)	965	120,855	72,183
11. 2006.....	929,458	321,488	607,970	241,473	190,045	1,466	107	21,166	652	361	73,301	53,001
12. Totals.....	XXX.....	XXX.....	XXX.....	4,920,757	1,979,140	672,117	135,219	372,360	3,860	76,051	3,847,015	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,178,790	464,867	2,078,579	962,337	0	0	54,218	698	68,977	(9)	3,431	1,952,671	159,339
2. 1997.....	111,089	43,991	26,744	10,376	0	0	8,276	455	999	1	390	92,285	677
3. 1998.....	140,252	59,318	81,536	13,657	0	0	13,038	805	1,983	1	544	163,028	861
4. 1999.....	163,451	67,810	108,053	38,106	0	0	26,995	2,094	2,558	1	786	193,046	1,058
5. 2000.....	157,970	66,963	114,693	46,701	0	0	26,064	900	2,260	0	591	186,423	950
6. 2001.....	168,840	57,605	134,921	36,293	0	0	24,578	935	3,339	0	1,779	236,845	1,011
7. 2002.....	100,714	18,393	136,198	28,128	0	0	26,172	993	2,551	0	4,867	218,121	1,393
8. 2003.....	100,655	20,937	132,159	7,307	0	0	27,372	1,398	2,837	0	3,575	233,381	1,433
9. 2004.....	86,155	8,484	190,307	39,824	0	0	46,799	2,479	3,904	1	4,033	276,377	1,760
10. 2005.....	74,827	9,141	232,377	31,563	0	0	36,814	1,874	4,724	0	4,071	306,164	2,493
11. 2006.....	43,912	4,841	425,430	108,668	0	0	39,979	4,480	25,976	0	4,647	417,308	6,294
12. Totals.....	2,326,655	822,350	3,660,997	1,322,960	0	0	330,305	17,111	120,108	(5)	28,714	4,275,649	177,269

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	1,830,165	122,506
2. 1997.....	677,845	78,643	599,203	90.3	56.1	98.2	0	0	0.00	83,466	8,819
3. 1998.....	1,313,327	291,486	1,021,842	153.4	184.3	146.4	0	0	0.00	148,813	14,215
4. 1999.....	1,433,902	682,152	751,750	152.0	225.0	117.4	0	0	0.00	165,588	27,458
5. 2000.....	1,095,952	536,753	559,199	110.9	167.7	83.7	0	0	0.00	158,999	27,424
6. 2001.....	900,246	351,222	549,024	74.3	52.8	100.4	0	0	0.00	209,863	26,982
7. 2002.....	659,359	104,985	554,374	87.9	59.0	97.0	0	0	0.00	190,391	27,730
8. 2003.....	576,294	68,490	507,804	61.7	21.5	82.5	0	0	0.00	204,570	28,811
9. 2004.....	545,647	81,620	464,027	43.2	14.7	65.3	0	0	0.00	228,154	48,223
10. 2005.....	530,879	103,860	427,019	66.0	72.3	64.6	0	0	0.00	266,500	39,664
11. 2006.....	799,402	308,793	490,609	86.0	96.1	80.7	0	0	0.00	355,833	61,475
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	3,842,342	433,307

## SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	2,044	1,821	1,832	616	1,305	0	42	2,744	XXX
2. 1997.....	619,248	98,691	520,557	463,583	126,535	124,032	3,375	34,227	106	8,799	491,824	14,997
3. 1998.....	614,333	59,478	554,855	473,639	106,850	154,935	12,893	43,518	5	15,543	552,344	15,250
4. 1999.....	686,652	132,509	554,143	557,718	218,776	154,677	19,218	39,435	(16)	8,696	513,851	14,890
5. 2000.....	589,570	145,193	444,377	596,903	265,251	136,018	8,717	35,040	2	9,358	493,991	14,578
6. 2001.....	597,130	160,680	436,450	525,064	375,396	136,450	9,437	50,339	2	8,036	327,019	14,366
7. 2002.....	909,739	203,390	706,349	499,868	150,435	173,543	6,810	43,355	(131)	9,509	559,652	15,744
8. 2003.....	1,287,709	281,569	1,006,140	354,388	58,875	163,019	4,799	47,156	(85)	8,348	500,974	17,567
9. 2004.....	1,520,701	204,875	1,315,826	199,222	14,632	120,266	1,394	18,784	(1,044)	6,223	323,290	17,799
10. 2005.....	1,574,882	211,363	1,363,519	88,121	2,522	61,789	1,218	31,319	(50)	3,392	177,539	16,563
11. 2006.....	1,618,428	234,217	1,384,211	22,850	622	13,977	201	27,106	50	901	63,060	14,828
12. Totals.....	XXX	XXX	XXX	3,783,399	1,321,715	1,240,539	68,679	371,583	(1,160)	78,846	4,006,287	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	39,085	3,367	12,261	3,333	0	0	410	78	1,658	1	357	46,635	1,027
2. 1997.....	5,175	(306)	7,885	13,915	0	0	843	467	429	1	221	255	259
3. 1998.....	20,115	3,579	16,283	15,182	0	0	4,408	67	892	0	190	22,870	300
4. 1999.....	52,447	28,485	48,775	28,752	0	0	4,863	399	1,192	0	501	49,641	235
5. 2000.....	39,759	7,617	30,871	1,332	0	0	7,985	1,840	1,056	0	1,657	68,882	301
6. 2001.....	87,942	34,681	47,068	13,908	0	0	6,904	524	1,611	0	1,143	94,412	488
7. 2002.....	139,152	38,249	68,436	7,235	0	0	16,058	2,871	2,471	0	2,795	177,762	880
8. 2003.....	121,777	20,159	188,107	49,890	0	0	37,862	2,094	3,113	0	2,264	278,716	1,706
9. 2004.....	251,640	33,412	205,940	56,714	0	0	73,012	5,239	4,585	0	1,640	439,812	2,671
10. 2005.....	246,534	18,056	338,363	68,355	0	0	154,734	11,462	6,532	0	2,477	648,290	4,634
11. 2006.....	124,234	10,338	622,369	91,401	0	0	213,795	16,423	19,031	0	3,089	861,267	9,167
12. Totals.....	1,127,860	197,637	1,586,358	350,017	0	0	520,874	41,464	42,570	2	16,334	2,688,542	21,668

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	44,646	1,989
2. 1997.....	636,173	144,094	492,079	102.7	146.0	94.5	0	0	0.00	(549)	804
3. 1998.....	713,791	138,577	575,214	116.2	233.0	103.7	0	0	0.00	17,637	5,233
4. 1999.....	859,106	295,614	563,492	125.1	223.1	101.7	0	0	0.00	43,985	5,656
5. 2000.....	847,632	284,760	562,873	143.8	196.1	126.7	0	0	0.00	61,681	7,201
6. 2001.....	855,379	433,948	421,431	143.2	270.1	96.6	0	0	0.00	86,421	7,991
7. 2002.....	942,883	205,469	737,414	103.6	101.0	104.4	0	0	0.00	162,104	15,658
8. 2003.....	915,422	135,732	779,690	71.1	48.2	77.5	0	0	0.00	239,835	38,881
9. 2004.....	873,449	110,347	763,102	57.4	53.9	58.0	0	0	0.00	367,454	72,358
10. 2005.....	927,392	101,563	825,829	58.9	48.1	60.6	0	0	0.00	498,486	149,804
11. 2006.....	1,043,362	119,035	924,327	64.5	50.8	66.8	0	0	0.00	644,864	216,403
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,166,564	521,978

## SCHEDULE P - PART 11 - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior.....	XXX	XXX	XXX	32,197	99,766	4,207	573	1,543	374	3,263	(62,766)	XXX
2. 2005.....	1,199,411	901,366	298,045	769,676	573,192	7,669	4,012	40,548	1,581	434	239,108	XXX
3. 2006.....	1,435,404	1,044,389	391,015	468,561	410,685	966	10	6,795	77	382	65,550	XXX
4. Totals.....	XXX	XXX	XXX	1,270,434	1,083,643	12,842	4,595	48,886	2,032	4,079	241,892	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21  Direct and Assumed	22  Ceded			
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded					
1. Prior.....	63,065	30,822	36,896	11,185	0	0	1,189	115	2,291	1	13,321	61,318	1,571
2. 2005.....	218,526	116,320	162,359	27,869	0	0	3,369	338	887	0	1,853	240,614	359
3. 2006.....	67,864	21,181	360,925	290,418	0	0	7,044	23	1,625	0	2,098	125,836	444
4. Totals.....	349,455	168,323	560,180	329,472	0	0	11,602	476	4,803	1	17,272	427,768	2,374

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	57,954	3,364
2. 2005.....	1,203,034	723,312	479,722	100.3	80.2	161.0	0	0	0.00	236,696	3,918
3. 2006.....	913,780	722,394	191,386	63.7	69.2	48.9	0	0	0.00	117,190	8,646
4. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	411,840	15,928

## SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported- Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	(2,137)	(787)	1,308	484	887	(53)	2,689	414	XXX.....
2. 2005.....	242,062	109,245	132,817	112,831	48,299	2,783	716	14,943	9,241	17,956	72,301	68,116
3. 2006.....	116,215	1,762	114,453	49,411	639	1,264	16	4,634	15	5,296	54,639	22,548
4. Totals.....	XXX.....	XXX.....	XXX.....	160,105	48,151	5,355	1,216	20,464	9,203	25,941	127,354	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior...	8,974	296	11,550	8,380	0	0	2,141	626	283	(2)	36,345	13,648	930
2. 2005..	348	743	20,785	21,489	0	0	4,408	2,890	106	0	9,932	525	121
3. 2006..	6,373	242	10,741	4,549	0	0	2,867	258	250	0	12,662	15,182	1,924
4. Totals	15,695	1,281	43,076	34,418	0	0	9,416	3,774	639	(2)	58,939	29,355	2,975

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	11,848	1,800
2. 2005	156,204	83,378	72,826	64.5	76.3	54.8	0	0	0.00	(1,099)	1,624
3. 2006	75,540	5,719	69,821	65.0	324.6	61.0	0	0	0.00	12,323	2,859
4. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	23,072	6,283

## SCHEDULE P - PART 1K - FIDELITY/SURETY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported- Direct and Assumed	
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received		11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior.....	XXX	XXX	XXX	20,033	12,369	4,460	4,983	3,813	0	12,745	10,954	XXX
2. 2005.....	154,559	116,476	38,083	67,852	62,332	168	214	3,508	(441)	6,433	9,423	XXX
3. 2006.....	151,490	129,051	22,439	1,538	108	16	54	1,591	440	0	2,543	XXX
4. Totals.....	XXX	XXX	XXX	89,423	74,809	4,644	5,251	8,912	(1)	19,178	22,920	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21  Direct and Assumed	22  Ceded			
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded					
1. Prior.....	221,642	183,092	114,119	49,966	0	0	22,123	12,359	685	1	9,785	113,151	2,811
2. 2005.....	59,866	59,505	73,635	13,254	0	0	7,069	3,855	130	1	1,025	64,085	332
3. 2006.....	1,050	547	47,845	29,572	0	0	2,724	501	733	0	1,163	21,732	216
4. Totals.....	282,558	243,144	235,599	92,792	0	0	31,916	16,715	1,548	2	11,973	198,968	3,359

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	102,703	10,448
2. 2005	212,228	138,720	73,508	137.3	119.1	193.0	0	0	0.00	60,742	3,343
3. 2006	55,497	31,222	24,275	36.6	24.2	108.2	0	0	0.00	18,776	2,956
4. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	182,221	16,747

## SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior.....	XXX	XXX	XXX	356,664	187,031	4	0	20,181	6,592	745	183,226	XXX
2. 2005.....	340,539	235,000	105,539	198,936	102,166	0	0	11,774	516	0	108,028	XXX
3. 2006.....	108,054	134,229	(26,175)	39,115	15,758	0	0	5,662	20	0	28,999	XXX
4. Totals.....	XXX	XXX	XXX	594,715	304,955	4	0	37,617	7,128	745	320,253	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21  Direct and Assumed	22  Ceded			
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded					
1. Prior.....	1,025,353	706,655	482,664	332,681	0	0	34	0	39,946	19,468	0	489,193	101
2. 2005.....	220,880	42,011	19,442	6,154	0	0	0	0	5,272	1,164	0	196,265	0
3. 2006.....	205,946	14,842	130,301	23,101	0	0	0	0	7,060	520	0	304,844	0
4. Totals.....	1,452,179	763,508	632,407	361,936	0	0	34	0	52,278	21,152	0	990,302	101

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	468,681	20,512
2. 2005	456,304	152,011	304,293	134.0	64.7	288.3	0	0	0.00	192,157	4,108
3. 2006	388,084	54,241	333,843	359.2	40.4	(1,275.4)	0	0	0.00	298,304	6,540
4. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	959,142	31,160

## SCHEDULE P - PART 1M - INTERNATIONAL

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1997.....	55	0	55	0	0	0	0	0	0	0	0	XXX
3. 1998.....	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 1999.....	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2000.....	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2001.....	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2002.....	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2003.....	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2004.....	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2005.....	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2006.....	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4. 1999.....	0	0	0	0	0	0	0	0	0	0	0	0	0
5. 2000.....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. 2001.....	0	0	0	0	0	0	0	0	0	0	0	0	0
7. 2002.....	0	0	0	0	0	0	0	0	0	0	0	0	0
8. 2003.....	0	0	0	0	0	0	0	0	0	0	0	0	0
9. 2004.....	0	0	0	0	0	0	0	0	0	0	0	0	0
10. 2005.....	0	0	0	0	0	0	0	0	0	0	0	0	0
11. 2006.....	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals....	0	0	0	0	0	0	0	0	0	0	0	0	0

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2. 1997.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
3. 1998.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
4. 1999.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
5. 2000.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
6. 2001.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
7. 2002.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
8. 2003.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
9. 2004.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
10. 2005.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
11. 2006.	0	0	0	0.0	0.0	0.0	0	0	0.00	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

**SCHEDULE P - PART 1N - REINSURANCE**  
NONPROPORTIONAL ASSUMED PROPERTY (\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	2,244.....	41.....	18.....	0.....	745.....	0.....	0.....	2,966.....	XXX.....
2. 1997.....	115,208.....	46,551.....	68,657.....	22,998.....	3,547.....	186.....	0.....	109.....	0.....	0.....	19,746.....	XXX.....
3. 1998.....	117,726.....	25,624.....	92,102.....	153,010.....	49,191.....	76.....	0.....	369.....	0.....	0.....	104,265.....	XXX.....
4. 1999.....	161,057.....	56,426.....	104,631.....	259,800.....	62,692.....	225.....	0.....	484.....	1.....	0.....	197,817.....	XXX.....
5. 2000.....	209,552.....	117,839.....	91,713.....	86,426.....	28,968.....	10.....	0.....	298.....	0.....	0.....	57,766.....	XXX.....
6. 2001.....	231,753.....	174,244.....	57,509.....	558,622.....	477,577.....	14.....	0.....	1,351.....	0.....	0.....	82,411.....	XXX.....
7. 2002.....	220,321.....	(12,696).....	233,017.....	69,149.....	28,119.....	182.....	0.....	1,521.....	(2).....	0.....	42,735.....	XXX.....
8. 2003.....	172,733.....	45,952.....	126,781.....	85,233.....	0.....	9.....	0.....	1,954.....	(3).....	0.....	87,199.....	XXX.....
9. 2004.....	33,608.....	7,450.....	26,158.....	4,907.....	0.....	10.....	0.....	113.....	0.....	0.....	5,030.....	XXX.....
10. 2005.....	23.....	13,260.....	(13,237).....	19.....	0.....	0.....	0.....	0.....	0.....	0.....	19.....	XXX.....
11. 2006.....	1,135.....	2,111.....	(976).....	0.....	0.....	0.....	0.....	572.....	0.....	0.....	572.....	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	1,242,409.....	650,135.....	731.....	0.....	7,516.....	(4).....	0.....	600,525.....	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	3,754.....	161.....	1,609.....	39.....	0.....	0.....	0.....	0.....	51.....	0.....	0.....	5,214.....	XXX.....
2. 1997.....	411.....	0.....	755.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	1,166.....	XXX.....
3. 1998.....	2,805.....	5,795.....	1,413.....	0.....	0.....	0.....	0.....	0.....	1.....	0.....	0.....	(1,576).....	XXX.....
4. 1999.....	7,840.....	17.....	4,628.....	89.....	0.....	0.....	0.....	0.....	3.....	0.....	0.....	12,365.....	XXX.....
5. 2000.....	5,261.....	49.....	4,914.....	273.....	0.....	0.....	0.....	0.....	1.....	0.....	0.....	9,854.....	XXX.....
6. 2001.....	27,124.....	243.....	25,923.....	0.....	0.....	0.....	0.....	0.....	5.....	0.....	0.....	52,809.....	XXX.....
7. 2002.....	2,948.....	0.....	3,333.....	0.....	0.....	0.....	0.....	0.....	477.....	0.....	0.....	6,758.....	XXX.....
8. 2003.....	2,343.....	0.....	7,293.....	0.....	0.....	0.....	0.....	0.....	2.....	0.....	0.....	9,638.....	XXX.....
9. 2004.....	524.....	0.....	6,891.....	0.....	0.....	0.....	0.....	0.....	1.....	0.....	0.....	7,416.....	XXX.....
10. 2005.....	2.....	0.....	23.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	25.....	XXX.....
11. 2006.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
12. Totals.....	53,012.....	6,265.....	56,782.....	401.....	0.....	0.....	0.....	0.....	541.....	0.....	0.....	103,669.....	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	5,163.....	51.....
2. 1997..	24,459.....	3,547.....	20,912.....	21.2.....	7.6.....	30.5.....	0.....	0.....	0.00.....	1,166.....	0.....
3. 1998..	157,675.....	54,986.....	102,689.....	133.9.....	214.6.....	111.5.....	0.....	0.....	0.00.....	(1,577).....	1.....
4. 1999..	272,980.....	62,799.....	210,182.....	169.5.....	111.3.....	200.9.....	0.....	0.....	0.00.....	12,362.....	3.....
5. 2000..	96,910.....	29,290.....	67,620.....	46.2.....	24.9.....	73.7.....	0.....	0.....	0.00.....	9,853.....	1.....
6. 2001..	613,040.....	477,820.....	135,220.....	264.5.....	274.2.....	235.1.....	0.....	0.....	0.00.....	52,804.....	5.....
7. 2002..	77,610.....	28,117.....	49,493.....	35.2.....	(221.5).....	21.2.....	0.....	0.....	0.00.....	6,281.....	477.....
8. 2003..	96,834.....	(3).....	96,837.....	56.1.....	(0.0).....	76.4.....	0.....	0.....	0.00.....	9,636.....	2.....
9. 2004..	12,446.....	0.....	12,446.....	37.0.....	0.0.....	47.6.....	0.....	0.....	0.00.....	7,415.....	1.....
10. 2005..	44.....	0.....	44.....	191.3.....	0.0.....	(0.3).....	0.....	0.....	0.00.....	25.....	0.....
11. 2006..	572.....	0.....	572.....	50.4.....	0.0.....	(58.6).....	0.....	0.....	0.00.....	0.....	0.....
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	103,128.....	541.....

**SCHEDULE P - PART 10 - REINSURANCE**  
NONPROPORTIONAL ASSUMED LIABILITY (\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	20,249	2,601	4	0	2,790	0	0	20,442	XXX.....
2. 1997.....	231,629	33,579	198,050	198,307	5,039	276	0	719	6	0	194,257	XXX.....
3. 1998.....	157,812	9,949	147,863	238,461	1,308	282	0	919	45	0	238,310	XXX.....
4. 1999.....	343,346	13,899	329,447	400,466	61,148	1,739	0	318	5,634	0	335,741	XXX.....
5. 2000.....	275,671	9,897	265,774	267,774	79,430	309	0	1,778	167	0	190,264	XXX.....
6. 2001.....	198,050	44,837	153,213	171,603	210,142	83	0	2,230	225	0	(36,450)	XXX.....
7. 2002.....	227,664	66,906	160,757	77,222	7,098	62	0	1,140	273	0	71,053	XXX.....
8. 2003.....	255,448	50,558	204,890	46,827	(2)	28	0	982	809	0	47,030	XXX.....
9. 2004.....	37,124	(753)	37,877	6,291	0	0	0	18	3,618	0	2,691	XXX.....
10. 2005.....	4,483	16,593	(12,110)	19	0	0	0	(116)	0	0	(97)	XXX.....
11. 2006.....	378	(62)	440	0	0	0	0	3,377	0	0	3,377	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	1,427,219	366,764	2,784	0	14,155	10,777	0	1,066,617	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	292,393	122,432	151,386	25,638	0	0	0	0	3,253	0	0	298,962	XXX.....
2. 1997.....	12,887	38	10,932	17	0	0	0	0	2	0	0	23,766	XXX.....
3. 1998.....	20,881	10	7,587	3	0	0	0	0	40	0	0	28,495	XXX.....
4. 1999.....	63,454	293	21,133	1,577	0	0	0	0	9	0	0	82,726	XXX.....
5. 2000.....	48,853	1	27,288	0	0	0	0	0	262	0	0	76,402	XXX.....
6. 2001.....	59,518	283	36,345	53	0	0	0	0	7	0	0	95,534	XXX.....
7. 2002.....	59,961	0	42,715	0	0	0	0	0	274	0	0	102,950	XXX.....
8. 2003.....	30,972	(2)	35,469	0	0	0	0	0	3	0	0	66,446	XXX.....
9. 2004.....	9,793	0	5,747	0	0	0	0	0	1	0	0	15,541	XXX.....
10. 2005.....	335	0	1,405	0	0	0	0	0	0	0	0	1,740	XXX.....
11. 2006.....	0	0	(257)	(119)	0	0	0	0	52	0	0	(86)	XXX.....
12. Totals.....	599,047	123,055	339,750	27,169	0	0	0	0	3,903	0	0	792,476	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	295,709	3,253
2. 1997.	223,123	5,100	218,023	96.3	15.2	110.1	0	0	0.00	23,764	2
3. 1998.	268,171	1,366	266,805	169.9	13.7	180.4	0	0	0.00	28,455	40
4. 1999.	487,119	68,652	418,467	141.9	493.9	127.0	0	0	0.00	82,717	9
5. 2000.	346,264	79,598	266,666	125.6	804.3	100.3	0	0	0.00	76,140	262
6. 2001.	269,787	210,703	59,084	136.2	469.9	38.6	0	0	0.00	95,527	7
7. 2002.	181,374	7,371	174,003	79.7	11.0	108.2	0	0	0.00	102,676	274
8. 2003.	114,281	805	113,476	44.7	1.6	55.4	0	0	0.00	66,443	3
9. 2004.	21,850	3,618	18,232	58.9	(480.5)	48.1	0	0	0.00	15,540	1
10. 2005.	1,643	0	1,643	36.6	0	(13.6)	0	0	0.00	1,740	0
11. 2006.	3,172	(119)	3,291	839.2	191.9	748.0	0	0	0.00	(138)	52
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	788,573	3,903

**SCHEDULE P - PART 1P - REINSURANCE**  
NONPROPORTIONAL ASSUMED FINANCIAL LINES (\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	25.....	0.....	0.....	0.....	12.....	0.....	0.....	37.....	XXX.....
2. 1997.....	15.....	257.....	(242).....	4,612.....	0.....	0.....	0.....	7.....	0.....	0.....	4,619.....	XXX.....
3. 1998.....	4,080.....	398.....	3,682.....	2,142.....	0.....	(8).....	(21).....	8.....	0.....	0.....	2,163.....	XXX.....
4. 1999.....	3,820.....	61.....	3,759.....	6,407.....	0.....	0.....	0.....	37.....	0.....	0.....	6,444.....	XXX.....
5. 2000.....	4,958.....	81.....	4,877.....	8,167.....	372.....	0.....	(15).....	1.....	0.....	0.....	7,811.....	XXX.....
6. 2001.....	8,575.....	(184).....	8,759.....	26,916.....	1,377.....	59.....	0.....	202.....	0.....	0.....	25,800.....	XXX.....
7. 2002.....	23,709.....	0.....	23,709.....	19,863.....	802.....	4.....	0.....	254.....	0.....	0.....	19,319.....	XXX.....
8. 2003.....	21,614.....	0.....	21,614.....	9,039.....	0.....	0.....	0.....	86.....	0.....	0.....	9,125.....	XXX.....
9. 2004.....	1,713.....	0.....	1,713.....	1,324.....	0.....	0.....	0.....	15.....	0.....	0.....	1,339.....	XXX.....
10. 2005.....	2,790.....	0.....	2,790.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
11. 2006.....	481.....	0.....	481.....	0.....	0.....	0.....	0.....	90.....	0.....	0.....	90.....	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	78,495.....	2,551.....	55.....	(36).....	712.....	0.....	0.....	76,747.....	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	0.....	0.....	831.....	0.....	0.....	0.....	0.....	0.....	128.....	0.....	0.....	959.....	XXX.....
2. 1997.....	492.....	0.....	98.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	590.....	XXX.....
3. 1998.....	164.....	0.....	117.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	281.....	XXX.....
4. 1999.....	234.....	0.....	34.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	268.....	XXX.....
5. 2000.....	1,266.....	0.....	409.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	1,675.....	XXX.....
6. 2001.....	4,092.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	4,092.....	XXX.....
7. 2002.....	5,329.....	0.....	1,258.....	0.....	0.....	0.....	0.....	0.....	1.....	0.....	0.....	6,588.....	XXX.....
8. 2003.....	1,417.....	0.....	2,072.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	3,489.....	XXX.....
9. 2004.....	321.....	0.....	619.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	940.....	XXX.....
10. 2005.....	0.....	0.....	4.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	4.....	XXX.....
11. 2006.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
12. Totals.....	13,315.....	0.....	5,442.....	0.....	0.....	0.....	0.....	0.....	129.....	0.....	0.....	18,886.....	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	831.....	128.....
2. 1997..	5,209.....	0.....	5,209.....	34,726.6.....	0.0.....	(2,152.5).....	0.....	0.....	0.00.....	590.....	0.....
3. 1998..	2,423.....	(21).....	2,444.....	59.4.....	(5.3).....	66.4.....	0.....	0.....	0.00.....	281.....	0.....
4. 1999..	6,712.....	0.....	6,712.....	175.7.....	0.0.....	178.6.....	0.....	0.....	0.00.....	268.....	0.....
5. 2000..	9,843.....	357.....	9,486.....	198.5.....	440.7.....	194.5.....	0.....	0.....	0.00.....	1,675.....	0.....
6. 2001..	31,269.....	1,377.....	29,892.....	364.7.....	(748.4).....	341.3.....	0.....	0.....	0.00.....	4,092.....	0.....
7. 2002..	26,709.....	802.....	25,907.....	112.7.....	0.0.....	109.3.....	0.....	0.....	0.00.....	6,587.....	1.....
8. 2003..	12,614.....	0.....	12,614.....	58.4.....	0.0.....	58.4.....	0.....	0.....	0.00.....	3,489.....	0.....
9. 2004..	2,279.....	0.....	2,279.....	133.0.....	0.0.....	133.0.....	0.....	0.....	0.00.....	940.....	0.....
10. 2005..	4.....	0.....	4.....	0.1.....	0.0.....	0.1.....	0.....	0.....	0.00.....	4.....	0.....
11. 2006..	90.....	0.....	90.....	18.7.....	0.0.....	18.7.....	0.....	0.....	0.00.....	0.....	0.....
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	18,757.....	129.....

**SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	18,165	10,156	13,410	1,974	5,894	0	739	25,339	XXX.....
2. 1997.....	77,414	1,414	76,000	38,103	1,679	13,284	832	2,109	(44)	434	51,029	10,254
3. 1998.....	58,527	1,551	56,976	32,842	89	13,723	223	2,055	2	1,287	48,306	10,735
4. 1999.....	56,657	3,264	53,393	39,009	4,516	15,865	147	2,175	(2)	994	52,389	11,583
5. 2000.....	35,264	4,113	31,151	17,773	8,713	8,949	668	1,608	1	891	18,948	10,942
6. 2001.....	29,463	7,520	21,943	19,600	3,233	12,584	393	2,218	1	712	30,776	9,256
7. 2002.....	44,371	1,954	42,417	9,388	2,623	8,141	2,136	3,856	7	439	16,620	6,946
8. 2003.....	47,364	3,656	43,708	3,673	67	4,699	180	3,089	(33)	317	11,247	3,373
9. 2004.....	61,366	5,876	55,490	2,562	281	1,874	21	(312)	(628)	381	4,450	1,849
10. 2005.....	34,108	2,251	31,857	1,998	9	280	2	902	(54)	78	3,223	1,149
11. 2006.....	40,553	2,725	37,828	478	(2)	42	3	1,942	53	25	2,408	777
12. Totals.....	XXX.....	XXX.....	XXX.....	183,592	31,363	92,851	6,578	25,536	(697)	6,297	264,734	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	102,297	66,308	91,454	37,707	0	0	13,899	3	3,734	0	535	107,366	1,456
2. 1997.....	5,898	0	1,667	15	0	0	1,507	0	160	0	258	9,217	80
3. 1998.....	1,927	0	1,464	0	0	0	3,016	0	188	0	468	6,595	118
4. 1999.....	6,385	0	2,903	0	0	0	3,993	0	235	0	268	13,516	152
5. 2000.....	2,690	200	5,391	101	0	0	2,026	(164)	482	0	247	10,452	149
6. 2001.....	3,924	1	2,430	100	0	0	659	9	560	0	353	7,463	189
7. 2002.....	5,508	726	5,294	688	0	0	2,192	59	579	0	203	12,100	219
8. 2003.....	3,487	750	10,641	1,116	0	0	2,688	1,200	352	0	181	14,102	116
9. 2004.....	5,454	536	6,400	2,491	0	0	1,334	156	411	(1)	147	10,417	134
10. 2005.....	3,337	32	14,387	1,600	0	0	4,129	95	775	1	167	20,900	111
11. 2006.....	1,592	30	17,717	1,722	0	0	5,309	392	3,946	0	193	26,420	196
12. Totals.....	142,499	68,583	159,748	45,540	0	0	40,752	1,750	11,422	0	3,020	238,548	2,920

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	89,736	17,630
2. 1997.....	62,728	2,482	60,246	81.0	175.5	79.3	0	0	0.00	7,550	1,667
3. 1998.....	55,215	314	54,901	94.3	20.2	96.4	0	0	0.00	3,391	3,204
4. 1999.....	70,565	4,660	65,905	124.5	142.8	123.4	0	0	0.00	9,288	4,228
5. 2000.....	38,919	9,519	29,400	110.4	231.4	94.4	0	0	0.00	7,780	2,672
6. 2001.....	41,975	3,737	38,239	142.5	49.7	174.3	0	0	0.00	6,253	1,210
7. 2002.....	34,959	6,239	28,720	78.8	319.2	67.7	0	0	0.00	9,388	2,712
8. 2003.....	28,629	3,280	25,349	60.4	89.7	58.0	0	0	0.00	12,262	1,840
9. 2004.....	17,723	2,856	14,867	28.9	48.6	26.8	0	0	0.00	8,827	1,590
10. 2005.....	25,808	1,685	24,123	75.7	74.9	75.7	0	0	0.00	16,092	4,808
11. 2006.....	31,026	2,198	28,828	76.5	80.7	76.2	0	0	0.00	17,557	8,863
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	188,124	50,424

**SCHEDULE P - PART 1R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	3,675	10,742	12,322	3,205	1,094	1	0	3,143	XXX.....
2. 1997.....	19,184	2,598	16,586	31,924	23,037	11,540	8,920	2,648	0	8,499	14,155	100
3. 1998.....	19,487	5,156	14,331	905	0	404	0	18	0	18	1,327	96
4. 1999.....	17,441	3,893	13,548	1,101	1,567	813	181	354	0	13	520	129
5. 2000.....	15,671	3,916	11,755	4,977	1,223	3,237	173	771	0	0	7,590	108
6. 2001.....	17,953	6,562	11,391	239	0	1,964	0	518	0	46	2,720	99
7. 2002.....	24,449	6,902	17,547	461	0	2,676	0	747	0	90	3,884	89
8. 2003.....	52,141	14,460	37,681	136	0	1,168	0	1,218	6	98	2,516	113
9. 2004.....	72,807	20,592	52,215	2,271	0	1,946	0	2,256	(43)	1,307	6,516	204
10. 2005.....	101,464	19,929	81,535	452	0	1,160	0	701	0	93	2,313	433
11. 2006.....	121,206	21,812	99,394	14	0	302	0	1,001	0	0	1,317	344
12. Totals.....	XXX.....	XXX.....	XXX.....	46,155	36,569	37,532	12,479	11,327	(36)	10,164	46,002	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	22,343	28,956	2,970	928	0	0	534	0	1,186	0	29	(2,851)	487
2. 1997.....	0	0	23	0	0	0	38	0	3	0	6	64	4
3. 1998.....	5	0	1	0	0	0	17	0	0	0	33	23	9
4. 1999.....	51	0	132	42	0	0	58	1	4	0	64	202	3
5. 2000.....	293	0	58,083	39,547	0	0	18,371	13,175	118	0	64	24,143	12
6. 2001.....	66	0	47	0	0	0	17	0	1	0	63	131	15
7. 2002.....	20	0	3,438	8	0	0	150	1	23	0	92	3,622	25
8. 2003.....	5	0	26,002	13,379	0	0	7,943	4,814	82	0	71	15,839	26
9. 2004.....	7,330	2,090	7,630	2,252	0	0	3,074	1,342	69	0	72	12,419	34
10. 2005.....	1,600	0	37,871	5,297	0	0	11,941	1,743	264	0	72	44,636	203
11. 2006.....	737	0	48,818	5,340	0	0	16,022	1,761	571	0	81	59,047	255
12. Totals.....	32,450	31,046	185,015	66,793	0	0	58,165	22,837	2,321	0	647	157,275	1,073

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
2. 1997.....	46,176	31,957	14,219	240.7	1,230.1	85.7	0	0	0.00	23	41
3. 1998.....	1,350	0	1,350	6.9	0.0	9.4	0	0	0.00	6	17
4. 1999.....	2,513	1,791	722	14.4	46.0	5.3	0	0	0.00	141	61
5. 2000.....	85,851	54,118	31,733	547.8	1,382.0	270.0	0	0	0.00	18,829	5,314
6. 2001.....	2,851	0	2,851	15.9	0.0	25.0	0	0	0.00	113	18
7. 2002.....	7,515	9	7,506	30.7	0.1	42.8	0	0	0.00	3,450	172
8. 2003.....	36,554	18,199	18,355	70.1	125.9	48.7	0	0	0.00	12,628	3,211
9. 2004.....	24,576	5,641	18,935	33.8	27.4	36.3	0	0	0.00	10,618	1,801
10. 2005.....	53,989	7,040	46,949	53.2	35.3	57.6	0	0	0.00	34,174	10,462
11. 2006.....	67,465	7,101	60,364	55.7	32.6	60.7	0	0	0.00	44,215	14,832
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	119,626	37,649

## SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported- Direct and Assumed		
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior.....	.XXX.....	.XXX.....	.XXX.....	.837	(4,005)	.1	(55)	.8	.0	(2,678)	.4,906	.XXX.....
2. 2005.....	.539	.520	.19	(2)	(1)	.0	.0	.0	.0	.0	(1)	.XXX.....
3. 2006.....	.499	.499	.0	.0	.0	.0	.0	.0	.0	.0	.0	.XXX.....
4. Totals.....	.XXX.....	.XXX.....	.XXX.....	.835	(4,006)	.1	(55)	.8	.0	(2,678)	.4,905	.XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21  Direct and Assumed	22  Ceded			
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded					
1. Prior.....	.5,373	.0	.6,059	.0	.0	.1,748	.0	.1,018	(1)	.0	.14,199	.43	
2. 2005.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
3. 2006.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
4. Totals.....	.5,373	.0	.6,059	.0	.0	.1,748	.0	.1,018	(1)	.0	.14,199	.43	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.0	.0	.XXX.....	.11,432	.2,767
2. 2005.....	(2)	(1)	(1)	(0.4)	(0.2)	(5.3)	.0	.0	.00	.0	.0
3. 2006.....	.0	.0	.0	.0.0	.0.0	.0.0	.0	.0	.00	.0	.0
4. Totals.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.XXX.....	.0	.0	.XXX.....	.11,432	.2,767

**SCHEDULE P - PART 2A - HOMEOWNERS/FARMOWNERS**

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.....	146,853	125,278	132,242	110,215	117,169	118,104	118,965	120,416	121,444	122,197	753	1,781
2. 1997.....	272,801	303,581	300,072	289,356	300,965	299,601	298,302	299,154	298,898	298,969	71	(185)
3. 1998.....	XXX	324,714	358,619	356,828	373,561	371,779	369,962	370,592	370,825	371,070	245	478
4. 1999.....	XXX	XXX	267,627	262,353	278,535	276,105	272,601	274,154	273,971	274,011	40	(143)
5. 2000.....	XXX	XXX	XXX	7,776	10,937	9,628	10,029	9,973	10,038	9,922	(116)	(51)
6. 2001.....	XXX	XXX	XXX	XXX	3,262	4,893	5,089	5,022	5,132	5,047	(85)	25
7. 2002.....	XXX	XXX	XXX	XXX	XXX	4,023	2,157	2,062	2,407	2,248	(159)	186
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	838	2,464	2,292	1,992	(300)	(472)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,172	19	0	(19)	(1,172)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	197	183	(14)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											416	447

**SCHEDULE P - PART 2B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior.....	743,666	657,460	665,659	678,762	695,870	681,334	718,271	710,150	710,394	726,016	15,622	15,866
2. 1997.....	522,220	504,542	494,608	527,294	540,207	543,135	540,790	545,735	545,358	545,645	287	(90)
3. 1998.....	XXX	538,893	545,854	558,161	525,240	537,324	534,422	537,383	537,788	537,913	125	530
4. 1999.....	XXX	XXX	430,278	436,520	431,280	472,508	456,981	463,887	462,264	461,078	(1,186)	(2,809)
5. 2000.....	XXX	XXX	XXX	12,101	13,063	13,391	14,027	13,999	1,169	891	(278)	(13,108)
6. 2001.....	XXX	XXX	XXX	XXX	6,229	8,280	8,534	8,460	8,542	8,264	(278)	(196)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	6,318	5,790	3,904	4,020	3,694	(326)	(210)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	4,634	2,981	2,148	1,728	(420)	(1,253)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,253	3,850	3,037	(813)	(1,216)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,242	822	(420)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(170)	XXX	XXX
12. Totals											12,313	(2,486)

**SCHEDULE P - PART 2C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior.....	1,530,812	1,444,716	1,383,149	1,332,015	1,373,015	1,349,248	1,357,487	1,352,366	1,355,654	1,356,684	1,030	4,318
2. 1997.....	659,635	629,096	686,160	706,403	740,203	734,679	729,570	731,065	731,035	732,408	1,373	1,343
3. 1998.....	XXX	621,918	693,863	696,597	756,425	751,652	771,541	749,729	748,241	749,256	1,015	(473)
4. 1999.....	XXX	XXX	665,780	724,947	736,338	728,579	763,086	754,843	775,330	774,628	(702)	19,785
5. 2000.....	XXX	XXX	XXX	564,088	654,165	588,738	582,811	601,011	636,960	633,581	(3,379)	32,570
6. 2001.....	XXX	XXX	XXX	XXX	468,543	537,651	530,774	548,531	593,578	576,102	(17,476)	27,571
7. 2002.....	XXX	XXX	XXX	XXX	XXX	530,851	501,162	525,200	548,003	536,270	(11,733)	11,070
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	474,937	465,493	453,604	465,858	12,254	365
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	414,289	416,677	427,206	10,529	12,917
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	390,931	393,491	2,560	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	392,886	XXX	XXX
12. Totals											(4,529)	109,466

**SCHEDULE P - PART 2D - WORKERS' COMPENSATION**

1. Prior.....	4,821,746	4,718,123	4,728,794	4,749,729	4,515,248	4,293,784	4,430,576	4,601,927	4,733,694	4,790,198	56,504	188,271
2. 1997.....	1,134,226	1,223,108	1,215,851	1,214,275	1,172,425	1,188,688	1,251,256	1,283,996	1,311,150	1,317,338	6,188	33,342
3. 1998.....	XXX	1,262,607	1,313,655	1,400,330	1,446,814	1,490,730	1,650,071	1,701,447	1,756,441	1,781,549	25,108	80,102
4. 1999.....	XXX	XXX	1,049,611	1,093,743	1,099,099	1,139,785	1,247,491	1,298,682	1,381,228	1,414,126	32,898	115,444
5. 2000.....	XXX	XXX	XXX	878,482	881,240	931,361	888,962	919,981	1,034,357	1,048,326	13,969	128,345
6. 2001.....	XXX	XXX	XXX	XXX	447,608	495,760	294,685	355,566	475,402	473,718	(1,684)	118,152
7. 2002.....	XXX	XXX	XXX	XXX	XXX	945,105	966,093	929,059	924,928	954,703	29,775	25,644
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	879,324	886,431	783,315	794,798	11,483	(91,633)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	739,341	721,179	678,043	(43,136)	(61,298)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	597,879	625,778	27,899	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	592,744	XXX	XXX
12. Totals											159,004	536,369

**SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL**

1. Prior.....	2,030,264	2,111,506	2,254,529	2,262,402	2,443,510	2,455,232	2,570,427	2,570,366	2,545,898	2,599,253	53,355	28,887
2. 1997.....	1,048,216	1,025,098	1,010,349	1,008,236	1,033,279	1,021,834	1,090,314	1,062,691	1,061,214	1,063,294	2,080	603
3. 1998.....	XXX	980,327	1,069,335	1,068,863	1,166,367	1,148,409	1,268,598	1,256,738	1,254,849	1,252,621	(2,228)	(4,117)
4. 1999.....	XXX	XXX	988,092	1,005,851	972,323	998,348	1,146,716	1,155,571	1,169,763	1,167,030	(2,733)	11,459
5. 2000.....	XXX	XXX	XXX	824,415	885,147	903,892	877,487	902,456	973,160	983,243	10,083	80,787
6. 2001.....	XXX	XXX	XXX	XXX	742,549	782,361	764,003	737,930	788,163	793,007	4,844	55,077
7. 2002.....	XXX	XXX	XXX	XXX	XXX	883,637	803,819	788,097	804,889	804,068	(821)	15,971
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	803,542	737,702	727,181	730,861	3,680	(6,841)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	862,470	801,271	775,033	(26,238)	(87,437)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	775,956	778,307	2,351	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	659,165	XXX	XXX
12. Totals											44,373	94,389

**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

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.....	499,168	362,931	203,867	186,062	318,066	306,669	315,992	313,349	315,905	315,250	(655)	1,901
2. 1997.....	35,652	30,580	23,072	21,254	31,751	32,104	35,723	36,196	36,276	35,330	(946)	(866)
3. 1998.....	XXX	24,587	19,367	19,329	22,100	26,086	26,347	28,357	30,377	28,517	(1,860)	160
4. 1999.....	XXX	XXX	20,351	15,981	9,793	14,009	15,583	19,258	18,748	18,264	(484)	(994)
5. 2000.....	XXX	XXX	XXX	34,442	26,930	40,327	34,285	34,910	35,067	34,723	(344)	(187)
6. 2001.....	XXX	XXX	XXX	XXX	26,697	16,914	27,752	33,181	41,528	40,386	(1,142)	7,205
7. 2002.....	XXX	XXX	XXX	XXX	XXX	26,578	23,169	38,083	42,631	55,169	12,538	17,086
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	30,072	35,573	38,498	35,131	(3,367)	(442)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,281	42,157	42,614	457	1,333
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,835	54,477	1,642	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	60,304	XXX	XXX
										12. Totals	5,839	25,196

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior.....	821,163	871,564	990,005	933,936	866,783	838,750	825,503	819,687	820,934	824,478	3,544	4,791
2. 1997.....	293,099	358,267	418,990	426,706	447,942	466,492	464,813	454,228	458,188	451,549	(6,639)	(2,679)
3. 1998.....	XXX	248,634	282,588	292,344	352,668	382,988	378,644	389,977	385,673	389,954	4,281	(23)
4. 1999.....	XXX	XXX	155,172	205,098	267,854	266,111	274,687	263,837	278,505	268,892	(9,613)	5,055
5. 2000.....	XXX	XXX	XXX	106,698	121,085	175,614	194,306	188,543	196,087	189,404	(6,683)	861
6. 2001.....	XXX	XXX	XXX	XXX	90,302	101,327	146,897	163,206	157,995	150,540	(7,455)	(12,666)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	86,802	118,809	129,669	136,274	118,636	(17,638)	(11,033)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	108,784	105,524	109,326	101,264	(8,062)	(4,260)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	139,550	122,973	123,710	737	(15,840)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	168,309	165,280	(3,029)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	187,942	XXX	XXX
										12. Totals	(50,557)	(35,794)

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER & MACHINERY)**

1. Prior.....	271,389	249,533	234,736	212,381	229,749	248,363	277,728	281,382	280,679	336,329	55,650	54,947
2. 1997.....	175,756	204,541	202,749	199,284	203,832	206,759	204,664	204,377	203,047	202,409	(638)	(1,968)
3. 1998.....	XXX	163,989	196,323	197,780	210,315	207,280	212,737	213,278	214,681	210,741	(3,940)	(2,537)
4. 1999.....	XXX	XXX	175,696	197,928	204,951	217,113	216,981	222,456	217,993	215,497	(2,496)	(6,959)
5. 2000.....	XXX	XXX	XXX	204,109	241,129	268,495	278,948	276,587	274,696	267,955	(6,741)	(8,632)
6. 2001.....	XXX	XXX	XXX	XXX	186,689	177,505	198,852	200,057	197,287	198,361	1,074	(1,696)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	230,419	207,627	204,793	206,929	212,381	5,452	7,588
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	210,418	192,168	193,863	194,035	172	1,867
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	237,672	186,976	180,314	(6,662)	(57,358)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	178,793	160,159	(18,634)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	183,538	XXX	XXX
										12. Totals	23,237	(14,748)

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

1. Prior.....	4,248,801	4,419,781	4,460,881	4,437,929	5,382,018	5,334,683	6,228,685	6,307,908	6,337,909	6,092,803	(245,106)	(215,105)
2. 1997.....	542,844	510,951	565,547	495,024	525,121	539,303	562,612	594,525	584,401	579,975	(4,426)	(14,550)
3. 1998.....	XXX	611,113	669,776	704,722	894,943	915,130	925,604	996,492	1,006,843	993,479	(13,364)	(3,013)
4. 1999.....	XXX	XXX	473,835	526,240	575,367	613,055	625,921	632,711	678,071	720,553	42,482	87,842
5. 2000.....	XXX	XXX	XXX	442,038	337,042	379,314	421,405	462,515	512,428	535,272	22,844	72,757
6. 2001.....	XXX	XXX	XXX	XXX	440,951	319,805	406,436	388,164	465,505	519,166	53,661	131,002
7. 2002.....	XXX	XXX	XXX	XXX	XXX	423,768	442,380	435,338	473,061	522,288	49,227	86,950
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	489,585	439,902	477,060	475,969	(1,091)	36,067
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	502,323	442,389	429,268	(13,121)	(73,055)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	419,215	401,725	(17,490)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	444,119	XXX	XXX
										12. Totals	(126,384)	108,895

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

1. Prior.....	1,171,838	1,252,779	1,201,113	1,138,741	1,011,069	909,500	882,274	884,670	878,900	875,426	(3,474)	(9,244)
2. 1997.....	452,151	469,549	466,474	514,228	545,761	487,090	472,197	473,920	462,542	457,531	(5,011)	(16,389)
3. 1998.....	XXX	348,033	456,330	461,940	525,196	538,084	520,748	508,864	514,797	531,321	16,524	22,457
4. 1999.....	XXX	XXX	478,832	469,119	474,746	502,714	522,973	489,101	506,106	524,396	18,290	35,295
5. 2000.....	XXX	XXX	XXX	356,646	422,647	434,561	448,925	490,555	519,702	526,892	7,190	36,337
6. 2001.....	XXX	XXX	XXX	XXX	346,922	320,992	352,432	349,771	378,829	369,615	(9,214)	19,844
7. 2002.....	XXX	XXX	XXX	XXX	XXX	531,101	567,226	634,244	662,411	691,457	29,046	57,213
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	705,262	660,645	692,496	729,353	36,857	68,708
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	834,612	733,722	738,689	4,967	(95,923)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	821,368	787,928	(33,440)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	878,240	XXX	XXX
										12. Totals	61,735	118,298

**SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

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.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,799	52,445	30,715	(21,730)	(28,084)
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	475,403	439,868	(35,535)	XXX
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	183,043	XXX	XXX
4. Totals											(57,265)	(28,084)

**SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,259	43,210	40,510	(2,700)	2,251
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,895	67,018	2,123	XXX
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,952	XXX	XXX
4. Totals											(577)	2,251

**SCHEDULE P - PART 2K - FIDELITY/SURETY**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	110,210	124,981	121,038	(3,943)	10,828
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,492	69,430	(2,062)	XXX
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,391	XXX	XXX
4. Totals											(6,005)	10,828

**SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	896,002	921,324	924,826	3,502	28,824
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	313,062	308,014	(5,048)	XXX
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	348,891	XXX	XXX
4. Totals											(1,546)	28,824

**SCHEDULE P - PART 2M - INTERNATIONAL**

1. Prior.....	0	0	19,745	0	0	0	0	0	0	0	0	0
2. 1997.....	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998.....	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999.....	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

## SCHEDULE P - PART 2N - REINSURANCE

### NONPROPORTIONAL ASSUMED PROPERTY

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.....	278,206	440,481	504,121	413,369	483,777	407,303	412,544	402,036	404,353	403,163	(1,190)	1,127
2. 1997.....	44,134	24,926	37,748	21,768	29,341	26,166	41,856	20,797	21,071	20,803	(268)	6
3. 1998.....	XXX	127,998	119,140	76,871	103,854	99,603	107,176	106,665	103,215	102,319	(896)	(4,346)
4. 1999.....	XXX	XXX	79,993	204,062	219,080	211,813	208,953	208,405	213,706	209,696	(4,010)	1,291
5. 2000.....	XXX	XXX	XXX	65,293	109,540	97,289	68,134	68,105	71,148	67,321	(3,827)	(784)
6. 2001.....	XXX	XXX	XXX	XXX	112,508	187,640	165,371	145,712	154,789	133,864	(20,925)	(11,848)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	111,794	88,309	66,309	58,284	47,493	(10,791)	(18,816)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	86,798	107,583	96,699	94,878	(1,821)	(12,705)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,470	13,369	12,332	(1,037)	(6,138)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28	44	16	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
<b>12. Totals</b>											(44,749)	(52,213)

## SCHEDULE P - PART 2O - REINSURANCE

### NONPROPORTIONAL ASSUMED LIABILITY

1. Prior.....	442,127	433,366	404,554	362,435	503,066	498,288	539,900	541,373	651,623	754,968	103,345	213,595
2. 1997.....	195,911	170,622	157,068	147,550	191,708	177,340	192,840	223,508	222,742	217,308	(5,434)	(6,200)
3. 1998.....	XXX	114,394	176,317	181,705	218,199	236,833	249,435	273,448	265,444	265,891	447	(7,557)
4. 1999.....	XXX	XXX	291,223	203,195	234,985	271,696	325,012	352,117	407,074	423,774	16,700	71,657
5. 2000.....	XXX	XXX	XXX	209,047	202,353	248,303	209,687	201,586	256,459	264,793	8,334	63,207
6. 2001.....	XXX	XXX	XXX	XXX	40,725	(40,294)	7,005	14,542	49,734	57,072	7,338	42,530
7. 2002.....	XXX	XXX	XXX	XXX	XXX	165,496	150,746	164,898	163,801	172,862	9,061	7,964
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	178,747	139,849	111,119	113,300	2,181	(26,549)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,299	19,317	21,831	2,514	(468)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,575	1,759	184	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(138)	XXX	XXX
<b>12. Totals</b>											144,670	358,179

## SCHEDULE P - PART 2P - REINSURANCE

### NONPROPORTIONAL ASSUMED FINANCIAL LINES

1. Prior.....	130,347	48,385	20,944	60,911	47,574	40,837	43,131	40,875	38,876	38,876	0	(1,999)
2. 1997.....	3,640	5,488	5,197	5,185	5,392	5,372	5,190	5,268	5,219	5,202	(17)	(66)
3. 1998.....	XXX	310	2,290	13,771	1,869	2,880	2,608	2,420	2,491	2,436	(55)	16
4. 1999.....	XXX	XXX	2,252	19,664	8,061	6,752	6,939	6,690	6,834	6,675	(159)	(15)
5. 2000.....	XXX	XXX	XXX	2,868	23,193	13,427	14,692	10,088	9,750	9,485	(265)	(603)
6. 2001.....	XXX	XXX	XXX	XXX	7,701	33,269	40,835	32,980	30,655	29,690	(965)	(3,290)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	11,257	27,140	30,632	26,439	25,652	(787)	(4,980)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	10,484	15,254	13,799	12,528	(1,271)	(2,726)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,260	2,746	2,264	(482)	1,004
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	4	(1)	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
<b>12. Totals</b>											(4,002)	(12,659)

### SCHEDULE P - PART 2R-SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

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.....	.....523,522	.....497,484	.....514,795	.....578,205	.....582,407	.....603,292	.....782,592	.....694,941	.....701,803	.....740,253	.....38,450	.....45,312	
2. 1997.....	.....68,709	.....70,625	.....61,553	.....56,082	.....61,079	.....55,519	.....60,292	.....60,391	.....59,498	.....58,356	.....(1,142)	.....(2,035)	
3. 1998.....	.....XXX	.....44,799	.....51,038	.....49,802	.....58,675	.....42,654	.....49,736	.....48,187	.....47,126	.....52,661	.....5,535	.....4,474	
4. 1999.....	.....XXX	.....XXX	.....39,727	.....44,670	.....34,045	.....32,978	.....78,549	.....59,293	.....64,227	.....63,925	.....(302)	.....4,632	
5. 2000.....	.....XXX	.....XXX	.....XXX	.....30,384	.....28,979	.....20,828	.....47,923	.....23,265	.....27,202	.....27,311	.....109	.....4,046	
6. 2001.....	.....XXX	.....XXX	.....XXX	.....XXX	.....26,388	.....30,084	.....45,857	.....26,218	.....33,718	.....35,461	.....1,743	.....9,243	
7. 2002.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....18,879	.....30,753	.....20,025	.....23,860	.....24,348	.....488	.....4,323	
8. 2003.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....30,426	.....17,240	.....14,564	.....21,875	.....7,311	.....4,635	
9. 2004.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....29,598	.....12,156	.....14,139	.....1,983	.....(15,459)	
10. 2005.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....20,565	.....22,393	.....1,828	.....XXX	
11. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....22,993	.....XXX	.....XXX	
											12. Totals	.....56,003	.....59,171

### SCHEDULE P - PART 2R-SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior.....	.....28,961	.....42,405	.....56,086	.....63,554	.....68,704	.....61,889	.....22,677	.....12,075	.....35,801	.....17,944	.....(17,857)	.....5,869	
2. 1997.....	.....9,596	.....19,303	.....5,742	.....4,053	.....12,093	.....11,599	.....11,654	.....11,640	.....11,548	.....11,568	.....20	.....(72)	
3. 1998.....	.....XXX	.....6,690	.....4,227	.....1,374	.....3,177	.....1,423	.....1,537	.....1,394	.....1,337	.....1,332	.....(5)	.....(62)	
4. 1999.....	.....XXX	.....XXX	.....5,240	.....5,348	.....5,253	.....1,787	.....1,662	.....(194)	.....(331)	.....364	.....695	.....558	
5. 2000.....	.....XXX	.....XXX	.....XXX	.....4,740	.....5,042	.....5,994	.....18,205	.....22,947	.....31,295	.....30,844	.....(451)	.....7,897	
6. 2001.....	.....XXX	.....XXX	.....XXX	.....XXX	.....4,646	.....7,612	.....8,209	.....2,353	.....2,334	.....2,333	.....(1)	.....(20)	
7. 2002.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....7,215	.....6,126	.....7,406	.....7,006	.....6,736	.....(270)	.....(670)	
8. 2003.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....21,914	.....17,775	.....18,716	.....17,061	.....(1,655)	.....(714)	
9. 2004.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....28,801	.....20,286	.....16,567	.....(3,719)	.....(12,234)	
10. 2005.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....46,045	.....45,984	.....(61)	.....XXX	
11. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....58,792	.....XXX	.....XXX	
											12. Totals	.....(23,304)	.....552

### SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....34,406	.....17,197	.....23,453	.....6,256	.....(10,953)	
2. 2005.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1	.....(1)	.....(2)	.....XXX	
3. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....XXX	.....XXX	
											4. Totals	.....6,254	.....(10,953)

### SCHEDULE P - PART 3A - HOMEOWNERS/FARMOWNERS

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	000.....	39,073	59,735	70,362	78,568	83,559	87,053	89,951	92,789	94,781	.....22	.....5
2. 1997.....	208,818	270,331	284,025	290,319	294,164	296,299	296,742	297,180	297,497	297,886	.....80,749	.....31,770
3. 1998.....	XXX.....	273,571	341,932	354,403	360,650	365,511	367,411	368,686	369,757	370,197	.....86,620	.....29,628
4. 1999.....	XXX.....	XXX.....	221,277	251,401	261,904	268,074	269,532	272,722	273,165	273,456	.....75,981	.....32,680
5. 2000.....	XXX.....	XXX.....	XXX.....	3,795	8,379	9,193	9,554	9,781	9,889	9,824	.....81,301	.....35,186
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	1,616	4,221	4,841	4,919	5,018	4,942	.....70,183	.....31,686
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	744	1,321	1,977	2,146	2,059	.....54,426	.....25,364
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	1	610	2,034	1,977	.....48,597	.....22,829
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	(100)	19	0	.....29,341	.....15,267
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	(5)	.....6,097	.....3,417
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	.....1	.....5

### SCHEDULE P - PART 3B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

1. Prior.....	000.....	235,322	358,856	422,474	466,850	491,513	507,793	522,646	532,115	544,715	.....73	.....30
2. 1997.....	155,982	316,010	429,977	473,814	506,742	523,710	530,762	534,349	536,393	538,743	.....126,054	.....65,641
3. 1998.....	XXX.....	164,553	333,927	405,407	466,123	504,877	520,448	527,405	528,620	530,578	.....134,251	.....57,798
4. 1999.....	XXX.....	XXX.....	179,377	292,490	368,479	412,226	432,310	445,906	449,455	452,648	.....152,054	.....73,583
5. 2000.....	XXX.....	XXX.....	XXX.....	5,753	11,717	12,673	13,822	13,914	1,042	859	.....158,542	.....79,103
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	3,611	6,804	8,180	8,396	8,444	8,263	.....135,013	.....59,205
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	2,208	4,598	3,613	3,886	3,689	.....116,053	.....51,305
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	1,404	2,267	1,927	1,730	.....98,952	.....44,305
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	1,175	2,951	2,601	.....66,350	.....34,031
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	351	107	.....18,896	.....10,372
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	.....25	.....26

### SCHEDULE P - PART 3C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

1. Prior.....	000.....	307,833	488,736	587,543	654,001	712,434	747,102	769,924	795,714	815,385	.....47	.....36
2. 1997.....	135,673	328,797	485,368	590,289	655,239	691,081	695,843	704,038	707,038	708,983	.....95,037	.....51,565
3. 1998.....	XXX.....	138,711	333,325	476,119	588,657	650,069	691,204	704,683	714,480	719,338	.....107,917	.....59,317
4. 1999.....	XXX.....	XXX.....	164,783	362,003	520,185	644,882	725,988	692,102	712,865	723,144	.....119,301	.....66,927
5. 2000.....	XXX.....	XXX.....	XXX.....	148,564	315,674	426,717	510,854	557,805	586,488	599,950	.....104,751	.....62,712
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	120,255	270,317	413,815	492,290	525,424	533,016	.....88,183	.....54,716
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	90,104	202,220	320,378	400,938	454,964	.....65,372	.....41,185
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	66,282	166,699	264,640	342,573	.....49,413	.....31,750
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	58,652	160,660	255,300	.....38,713	.....25,979
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	52,618	147,154	.....31,450	.....22,733
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	49,312	.....17,899	.....16,928

### SCHEDULE P - PART 3D - WORKERS' COMPENSATION

1. Prior.....	000.....	738,093	1,272,062	1,623,156	1,906,438	2,119,602	2,316,401	2,498,588	2,681,214	2,847,959	.....1,236	.....955
2. 1997.....	249,230	569,664	784,051	895,637	953,735	996,992	1,032,028	1,064,173	1,083,006	1,104,440	.....317,138	.....65,413
3. 1998.....	XXX.....	290,380	703,699	975,239	1,135,663	1,242,922	1,314,170	1,382,210	1,430,016	1,472,563	.....346,477	.....73,863
4. 1999.....	XXX.....	XXX.....	332,651	720,990	940,716	1,056,888	1,055,853	1,135,359	1,101,038	1,140,247	.....345,275	.....73,875
5. 2000.....	XXX.....	XXX.....	XXX.....	253,680	590,484	720,250	711,458	804,913	780,163	788,957	.....294,118	.....59,163
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	218,571	477,099	629,729	701,107	543,734	313,977	.....241,904	.....45,445
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	171,449	386,635	517,881	590,528	651,421	.....187,177	.....33,707
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	137,596	325,382	430,744	501,583	.....130,092	.....23,938
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	108,930	264,960	347,499	.....104,585	.....21,833
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	91,285	221,728	.....70,679	.....16,271
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	95,412	.....40,166	.....13,964

### SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL

1. Prior.....	000.....	631,293	1,085,121	1,393,295	1,634,006	1,826,936	1,918,051	2,038,110	2,103,427	2,159,195	.....676	.....1,772
2. 1997.....	305,961	491,115	627,476	748,688	844,336	903,446	942,876	973,779	988,897	1,002,736	.....73,296	.....51,116
3. 1998.....	XXX.....	346,485	571,443	722,009	871,613	988,752	1,061,852	1,119,454	1,144,899	1,166,475	.....76,064	.....51,575
4. 1999.....	XXX.....	XXX.....	403,414	664,805	816,088	970,950	1,039,701	1,108,172	1,010,860	1,041,956	.....75,288	.....53,214
5. 2000.....	XXX.....	XXX.....	XXX.....	352,503	533,192	690,422	808,856	903,506	810,675	856,447	.....61,277	.....45,671
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	291,551	466,419	578,549	693,512	594,032	617,358	.....48,232	.....37,570
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	217,967	353,922	451,401	557,173	629,298	.....35,006	.....30,553
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	209,126	333,700	414,324	506,212	.....30,206	.....33,092
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	201,481	394,146	479,110	.....25,740	.....33,869
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	149,419	419,088	.....23,014	.....33,454
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	146,309	.....12,692	.....18,919

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	000.....	18,838	47,527	57,350	91,415	99,918	108,477	117,232	125,924	133,136	12	31
2. 1997.....	370.....	1,852	5,160	10,761	21,893	28,072	30,014	32,239	33,274	33,683	242	1,157
3. 1998.....	XXX.....	469	1,571	4,047	13,457	19,796	23,311	24,880	25,380	26,594	242	1,122
4. 1999.....	XXX.....	XXX.....	(241)	184	10,121	14,569	6,983	10,452	13,208	15,754	266	1,276
5. 2000.....	XXX.....	XXX.....	XXX.....	33	6,404	13,090	10,372	14,803	25,025	27,480	310	1,626
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	106	2,624	11,988	14,898	22,795	29,022	338	1,550
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	502	3,224	9,008	18,502	27,495	321	1,619
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	438	2,577	10,543	19,857	273	1,491
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	101	1,907	7,538	120	1,000
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	256	2,624	58	629
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	174	18	207

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior.....	000.....	264,624	435,183	533,139	564,918	604,800	621,286	643,064	652,815	662,784	15	21
2. 1997.....	15,882	135,521	227,547	304,041	354,564	393,040	407,500	413,837	421,679	427,599	1,975	7,600
3. 1998.....	XXX.....	16,017	86,652	166,025	231,423	279,567	306,340	320,302	333,224	338,898	1,918	7,706
4. 1999.....	XXX.....	XXX.....	18,564	80,272	168,396	220,158	200,913	225,383	229,302	232,394	1,679	7,244
5. 2000.....	XXX.....	XXX.....	XXX.....	6,808	41,043	98,664	89,318	124,509	148,038	151,034	1,166	6,418
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	4,339	37,678	33,262	64,102	103,409	105,228	737	4,724
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	891	3,289	32,441	54,521	64,211	496	3,226
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	2,174	11,179	29,390	38,310	380	2,816
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	1,768	13,991	42,022	307	2,388
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	2,675	22,624	235	2,065
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	2,761	84	1,570

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

1. Prior.....	000.....	51,288	94,410	113,808	124,751	138,581	145,729	158,185	168,530	188,672	XXX.....	XXX.....
2. 1997.....	69,327	129,265	164,931	179,925	185,806	190,739	195,214	198,298	198,348	198,767	XXX.....	XXX.....
3. 1998.....	XXX.....	72,172	147,625	176,197	187,255	192,150	201,261	204,072	205,991	207,286	XXX.....	XXX.....
4. 1999.....	XXX.....	XXX.....	80,852	154,331	186,737	201,990	209,052	199,679	203,555	206,135	XXX.....	XXX.....
5. 2000.....	XXX.....	XXX.....	XXX.....	81,947	166,226	204,224	223,394	245,985	258,710	259,816	XXX.....	XXX.....
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	75,883	134,451	154,580	172,595	172,063	179,541	XXX.....	XXX.....
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	61,564	124,839	155,244	169,808	183,728	XXX.....	XXX.....
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	73,520	128,568	148,348	156,127	XXX.....	XXX.....
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	116,632	143,308	154,871	XXX.....	XXX.....
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	84,171	126,061	XXX.....	XXX.....
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	58,021	XXX.....	XXX.....

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

1. Prior.....	000.....	594,213	2,368,001	2,865,763	3,254,449	3,480,664	3,731,593	3,948,355	3,857,701	4,000,319	638	1,865
2. 1997.....	98,950	170,373	259,307	281,019	349,117	399,144	448,882	466,473	459,060	483,818	73,774	31,233
3. 1998.....	XXX.....	98,120	195,048	479,379	620,596	718,566	749,638	783,664	807,166	829,525	151,448	36,144
4. 1999.....	XXX.....	XXX.....	125,683	269,165	424,039	536,030	553,851	594,614	538,126	526,463	228,856	42,436
5. 2000.....	XXX.....	XXX.....	XXX.....	61,186	194,666	269,136	348,975	397,501	336,814	349,663	83,706	34,623
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	103,701	156,551	297,607	332,079	319,441	285,305	76,602	31,670
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	99,099	150,489	205,466	275,749	305,832	73,403	28,364
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	95,520	151,854	204,702	245,425	67,415	22,534
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	86,447	122,507	156,794	61,805	20,364
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	68,078	100,285	51,856	17,834
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	52,787	34,469	12,238

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

1. Prior.....	000.....	294,458	481,210	636,207	733,554	756,718	773,077	782,095	798,241	799,680	59	73
2. 1997.....	34,889	125,014	243,185	339,026	417,089	446,990	457,392	469,466	456,423	457,704	3,346	11,392
3. 1998.....	XXX.....	48,425	157,948	238,720	353,399	420,280	467,073	474,370	493,535	508,831	3,208	11,742
4. 1999.....	XXX.....	XXX.....	32,782	150,019	258,490	343,721	390,758	442,083	469,764	474,401	3,126	11,529
5. 2000.....	XXX.....	XXX.....	XXX.....	39,126	120,105	250,759	327,066	414,275	428,893	458,952	3,005	11,272
6. 2001.....	XXX.....	XXX.....	XXX.....	XXX.....	32,421	135,286	215,791	272,498	281,757	276,682	2,839	11,039
7. 2002.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	33,434	142,804	271,992	418,233	516,166	2,868	11,996
8. 2003.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	30,339	189,393	327,701	453,733	2,923	12,938
9. 2004.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	28,732	159,112	303,462	2,278	12,850
10. 2005.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	27,020	146,170	1,416	10,513
11. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	36,004	417	5,244

**SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	35,622	(28,313)	XXX	XXX
2. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	69,929	200,141	XXX	XXX
3. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,832	XXX	XXX

**SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE**

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	18,763	18,237	4	28
2. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,195	66,599	46,956	21,039
3. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,020	12,237	8,387

**SCHEDULE P - PART 3K - FIDELITY/SURETY**

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	1,430	8,571	XXX	XXX
2. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	407	5,474	XXX	XXX
3. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,392	XXX	XXX

**SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	248,870	418,507	XXX	XXX
2. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,270	96,770	XXX	XXX
3. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,357	XXX	XXX

**SCHEDULE P - PART 3M - INTERNATIONAL**

1. Prior....	000	0	0	0	0	0	0	0	0	0	0	XXX	XXX
2. 1997....	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 1998....	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 1999....	XXX	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
5. 2000....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
6. 2001....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
7. 2002....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
8. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
9. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
10. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
11. 2006....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX

**NONE**

## SCHEDULE P - PART 3N - REINSURANCE

### NONPROPORTIONAL ASSUMED PROPERTY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior.....	000	25,810	187,981	211,028	243,734	387,649	389,732	394,469	395,779	398,000	XXX	XXX
2. 1997.....	(2,254)	7,576	9,369	11,309	14,973	17,315	18,165	19,312	19,522	19,637	XXX	XXX
3. 1998.....	XXX	18,334	53,104	61,475	89,054	96,208	98,618	101,109	102,161	103,896	XXX	XXX
4. 1999.....	XXX	XXX	(3,943)	104,789	158,663	176,937	188,262	193,732	199,398	197,334	XXX	XXX
5. 2000.....	XXX	XXX	XXX	(12,840)	46,711	42,843	48,800	51,863	57,197	57,468	XXX	XXX
6. 2001.....	XXX	XXX	XXX	XXX	(44,811)	82,953	219,653	237,853	222,114	81,060	XXX	XXX
7. 2002.....	XXX	XXX	XXX	XXX	XXX	5,989	23,808	32,157	40,745	41,212	XXX	XXX
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	12,246	37,384	84,031	85,242	XXX	XXX
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,412	3,873	4,917	XXX	XXX
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	19	XXX	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

## SCHEDULE P - PART 3O - REINSURANCE

### NONPROPORTIONAL ASSUMED LIABILITY

1. Prior.....	000	94,553	186,379	255,642	326,253	380,604	417,862	428,696	441,607	459,259	XXX	XXX
2. 1997.....	2,957	22,121	55,867	77,387	106,688	144,985	166,806	181,885	187,545	193,544	XXX	XXX
3. 1998.....	XXX	7,616	46,152	78,518	112,646	176,259	194,875	216,944	226,980	237,436	XXX	XXX
4. 1999.....	XXX	XXX	16,112	45,639	97,330	220,208	292,848	331,132	319,856	341,057	XXX	XXX
5. 2000.....	XXX	XXX	XXX	2,342	41,949	90,059	159,362	205,150	179,307	188,653	XXX	XXX
6. 2001.....	XXX	XXX	XXX	XXX	17,020	33,844	61,488	94,751	85,569	(38,455)	XXX	XXX
7. 2002.....	XXX	XXX	XXX	XXX	XXX	460	17,617	36,560	58,690	70,186	XXX	XXX
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	208	7,886	25,110	46,857	XXX	XXX
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	827	2,389	6,291	XXX	XXX
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	19	XXX	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

## SCHEDULE P - PART 3P - REINSURANCE

### NONPROPORTIONAL ASSUMED FINANCIAL LINES

1. Prior.....	000	36,615	37,188	37,540	37,712	37,790	37,826	37,858	38,020	38,045	XXX	XXX
2. 1997.....	2,250	4,117	4,032	4,364	4,457	4,525	4,611	4,681	4,671	4,612	XXX	XXX
3. 1998.....	XXX	58	1,112	1,898	1,971	1,998	2,057	2,098	2,153	2,155	XXX	XXX
4. 1999.....	XXX	XXX	257	3,699	5,465	5,918	6,022	6,153	6,340	6,407	XXX	XXX
5. 2000.....	XXX	XXX	XXX	158	2,619	6,592	7,882	8,149	8,123	7,810	XXX	XXX
6. 2001.....	XXX	XXX	XXX	XXX	1,289	6,147	19,080	21,512	26,287	25,598	XXX	XXX
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1,440	7,452	12,213	17,552	19,065	XXX	XXX
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,014	6,490	8,472	9,039	XXX	XXX
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	718	1,085	1,324	XXX	XXX
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

### SCHEDULE P - PART 3R-SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	.....000.....	.....101,369.....	.....194,590.....	.....276,853.....	.....407,977.....	.....434,098.....	.....509,653.....	.....540,607.....	.....565,069.....	.....584,514.....	.....94.....	.....219.....
2. 1997.....	.....2,305.....	.....7,306.....	.....25,705.....	.....33,005.....	.....37,332.....	.....40,625.....	.....46,463.....	.....47,372.....	.....48,275.....	.....48,876.....	.....3,051.....	.....7,123.....
3. 1998.....	.....XXX.....	.....1,540.....	.....8,035.....	.....14,723.....	.....25,847.....	.....29,312.....	.....32,576.....	.....36,440.....	.....37,608.....	.....46,254.....	.....3,985.....	.....6,632.....
4. 1999.....	.....XXX.....	.....XXX.....	.....3,161.....	.....8,542.....	.....17,473.....	.....23,681.....	.....35,070.....	.....41,668.....	.....48,068.....	.....50,212.....	.....4,196.....	.....7,235.....
5. 2000.....	.....XXX.....	.....XXX.....	.....XXX.....	.....(1,734).....	.....2,921.....	.....5,704.....	.....8,480.....	.....10,942.....	.....16,151.....	.....17,341.....	.....3,899.....	.....6,894.....
6. 2001.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....2,030.....	.....4,516.....	.....6,923.....	.....12,619.....	.....22,913.....	.....28,558.....	.....3,399.....	.....5,668.....
7. 2002.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....1,110.....	.....2,207.....	.....4,389.....	.....9,151.....	.....12,771.....	.....2,190.....	.....4,537.....
8. 2003.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....789.....	.....2,351.....	.....6,137.....	.....8,125.....	.....892.....	.....2,365.....
9. 2004.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....531.....	.....2,203.....	.....4,134.....	.....350.....	.....1,365.....
10. 2005.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....579.....	.....2,267.....	.....209.....	.....829.....
11. 2006.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....519.....	.....140.....	.....441.....

### SCHEDULE P - PART 3R-SECTION 2 - PRODUCTS LIABILITY- CLAIMS-MADE

1. Prior.....	.....000.....	.....9,622.....	.....20,410.....	.....30,137.....	.....41,849.....	.....25,702.....	.....33,324.....	.....22,636.....	.....19,931.....	.....21,981.....	.....17.....	.....5.....
2. 1997.....	.....1,955.....	.....12,707.....	.....6,853.....	.....2,456.....	.....11,397.....	.....11,507.....	.....11,507.....	.....11,507.....	.....11,507.....	.....11,507.....	.....27.....	.....69.....
3. 1998.....	.....XXX.....	.....177.....	.....206.....	.....401.....	.....845.....	.....1,291.....	.....1,295.....	.....1,309.....	.....1,309.....	.....1,309.....	.....11.....	.....76.....
4. 1999.....	.....XXX.....	.....XXX.....	.....81.....	.....264.....	.....578.....	.....2,572.....	.....(248).....	.....(165).....	.....(43).....	.....166.....	.....16.....	.....110.....
5. 2000.....	.....XXX.....	.....XXX.....	.....XXX.....	.....13.....	.....132.....	.....222.....	.....3,039.....	.....5,375.....	.....6,533.....	.....6,819.....	.....10.....	.....86.....
6. 2001.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....27.....	.....1,629.....	.....2,122.....	.....2,209.....	.....2,236.....	.....2,203.....	.....5.....	.....79.....
7. 2002.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....59.....	.....582.....	.....1,073.....	.....2,499.....	.....3,137.....	.....8.....	.....56.....
8. 2003.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....222.....	.....875.....	.....1,224.....	.....1,304.....	.....5.....	.....82.....
9. 2004.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....1,435.....	.....2,962.....	.....4,217.....	.....8.....	.....162.....
10. 2005.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....139.....	.....1,612.....	.....4.....	.....226.....
11. 2006.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....316.....	.....3.....	.....86.....

### SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....000.....	.....5,375.....	.....10,273.....	.....XXX.....	.....XXX.....
2. 2005.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....(1).....	.....(1).....	.....XXX.....	.....XXX.....
3. 2006.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....XXX.....	.....XXX.....

**SCHEDULE P - PART 4A - HOMEOWNERS/FAROWNERS**

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.....	62,076	19,824	25,725	2,224	1,657	1,314	920	1,403	1,736	1,331
2. 1997.....	27,073	19,150	6,750	(6,040)	3,700	1,506	322	931	510	387
3. 1998.....	XXX	17,252	2,235	(6,512)	6,307	2,896	791	813	646	434
4. 1999.....	XXX	XXX	24,942	154	10,441	3,577	578	182	375	432
5. 2000.....	XXX	XXX	XXX	2,659	964	223	192	56	91	85
6. 2001.....	XXX	XXX	XXX	XXX	1,265	215	172	57	111	100
7. 2002.....	XXX	XXX	XXX	XXX	XXX	3,110	681	49	233	187
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	836	1,440	(7)	(8)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,272	.0	.0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	197	188
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

**SCHEDULE P - PART 4B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior.....	228,888	57,501	13,755	16,809	23,485	7,104	15,657	11,248	15,762	16,259
2. 1997.....	189,455	56,917	(7,623)	11,655	8,692	6,046	1,478	5,359	4,534	3,727
3. 1998.....	XXX	189,230	87,667	72,103	12,451	10,344	2,278	5,097	6,149	5,970
4. 1999.....	XXX	XXX	83,729	42,358	14,266	18,466	4,056	7,413	5,468	3,847
5. 2000.....	XXX	XXX	XXX	2,517	656	437	55	54	98	2
6. 2001.....	XXX	XXX	XXX	XXX	498	186	163	53	98	1
7. 2002.....	XXX	XXX	XXX	XXX	XXX	2,284	314	44	134	5
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	2,271	389	103	(4)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,786	305	107
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	656	515
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(175)

**SCHEDULE P - PART 4C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior.....	503,882	256,719	129,865	42,867	54,396	11,410	16,613	7,138	3,999	7,899
2. 1997.....	348,231	127,091	83,282	36,645	34,013	9,976	8,651	6,296	5,227	6,361
3. 1998.....	XXX	323,616	181,994	77,533	60,026	22,219	34,656	12,597	8,568	9,073
4. 1999.....	XXX	XXX	317,949	157,304	29,476	21,511	25,202	(2,975)	11,262	12,536
5. 2000.....	XXX	XXX	XXX	255,840	173,770	39,248	(8,252)	(1,422)	15,363	10,827
6. 2001.....	XXX	XXX	XXX	XXX	200,172	86,143	6,367	(1,749)	26,036	13,487
7. 2002.....	XXX	XXX	XXX	XXX	XXX	316,608	153,161	87,468	65,386	42,838
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	302,996	169,460	88,367	59,468
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	251,057	123,331	74,191
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	257,393	137,976
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	272,491

**SCHEDULE P - PART 4D - WORKERS' COMPENSATION**

1. Prior.....	1,499,319	1,150,296	1,007,824	876,474	522,234	207,321	238,031	269,290	301,161	325,729
2. 1997.....	531,249	346,859	192,417	107,671	34,230	3,737	33,748	38,875	42,596	42,769
3. 1998.....	XXX	595,094	235,586	95,309	33,101	(20,514)	66,401	41,394	60,996	69,646
4. 1999.....	XXX	XXX	337,233	108,753	(22,837)	(47,445)	(2,538)	(28,365)	29,488	43,234
5. 2000.....	XXX	XXX	XXX	334,536	75,125	40,441	(28,565)	(100,734)	52,711	52,414
6. 2001.....	XXX	XXX	XXX	XXX	(86,632)	(204,490)	(481,406)	(453,858)	60,292	63,634
7. 2002.....	XXX	XXX	XXX	XXX	XXX	530,254	361,176	213,058	147,251	137,587
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	526,548	373,879	187,957	171,547
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	456,190	290,745	195,853
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	364,705	273,350
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	355,912

**SCHEDULE P - PART 4E - COMMERCIAL MULTIPLE PERIL**

1. Prior.....	857,020	577,086	486,301	313,721	368,466	262,806	332,788	269,976	231,216	255,314
2. 1997.....	569,231	380,933	244,529	126,695	82,392	43,229	94,652	52,626	44,983	40,216
3. 1998.....	XXX	462,072	321,254	162,302	131,533	36,824	108,032	68,784	57,763	51,486
4. 1999.....	XXX	XXX	368,892	148,632	(60,434)	31,708	128,604	88,218	82,257	76,172
5. 2000.....	XXX	XXX	XXX	310,451	171,279	20,971	(62,026)	4,919	63,795	71,420
6. 2001.....	XXX	XXX	XXX	XXX	258,726	158,781	9,603	(76,648)	88,749	88,402
7. 2002.....	XXX	XXX	XXX	XXX	XXX	521,629	323,926	178,923	101,259	89,809
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	457,227	259,171	158,562	126,022
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	436,006	249,044	163,268
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	430,959	250,282
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	394,937

**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

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.....	119,705	94,585	28,937	4,009	4,748	198	779	913	1,763	3,507
2. 1997.....	33,327	24,619	12,066	7,022	4,599	10	66	285	1,122	656
3. 1998.....	XXX	23,463	15,402	12,428	3,866	1,116	(678)	367	1,556	(169)
4. 1999.....	XXX	XXX	20,232	13,776	(5,331)	(8,086)	(825)	2,133	1,963	376
5. 2000.....	XXX	XXX	XXX	27,363	9,727	17,551	9,471	7,586	3,689	2,811
6. 2001.....	XXX	XXX	XXX	XXX	25,475	6,944	2,986	4,017	1,076	3,729
7. 2002.....	XXX	XXX	XXX	XXX	XXX	25,223	13,160	8,015	1,117	10,288
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	27,495	24,866	16,163	4,425
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,039	34,947	23,608
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	51,489	43,397
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	59,826

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior.....	305,198	189,195	98,716	12,664	51,940	20,142	7,284	3,136	5,801	6,709
2. 1997.....	197,240	108,500	65,504	21,200	16,115	11,040	4,041	3,235	4,621	(1,498)
3. 1998.....	XXX	177,117	97,216	15,505	34,681	28,426	14,633	14,002	14,199	24,674
4. 1999.....	XXX	XXX	79,924	24,110	30,202	(16,593)	33,435	14,233	26,407	20,864
5. 2000.....	XXX	XXX	XXX	71,419	31,995	15,961	42,797	18,272	21,413	20,327
6. 2001.....	XXX	XXX	XXX	XXX	70,950	28,287	58,406	46,720	24,265	27,313
7. 2002.....	XXX	XXX	XXX	XXX	XXX	78,657	78,624	51,070	58,961	41,023
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	89,377	53,719	48,639	40,061
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	118,423	59,946	53,384
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	149,798	110,665
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	170,807

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

1. Prior.....	103,321	66,881	37,596	3,264	8,471	11,234	8,967	10,063	9,061	102,086
2. 1997.....	41,763	19,879	8,341	796	6,208	4,577	2,974	2,709	1,821	1,251
3. 1998.....	XXX	29,669	5,734	2,730	7,437	4,367	5,044	6,027	5,393	1,658
4. 1999.....	XXX	XXX	23,884	4,181	(13,962)	7,674	11,305	8,061	4,877	2,168
5. 2000.....	XXX	XXX	XXX	32,208	6,723	12,492	16,114	8,128	10,405	2,876
6. 2001.....	XXX	XXX	XXX	XXX	65,537	13,106	7,165	2,679	5,443	7,977
7. 2002.....	XXX	XXX	XXX	XXX	XXX	94,491	37,363	18,627	16,860	13,611
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	88,731	30,689	28,117	24,008
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	91,629	23,164	14,468
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,391	22,049
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	81,828

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

1. Prior.....	1,729,778	1,542,485	918,599	424,964	1,170,718	806,773	1,365,682	1,251,376	1,464,050	1,169,762
2. 1997.....	377,636	234,330	197,704	88,203	67,371	44,264	30,317	45,413	41,801	24,189
3. 1998.....	XXX	456,075	353,284	85,157	150,385	90,910	84,987	125,926	104,647	80,112
4. 1999.....	XXX	XXX	269,487	90,935	6,746	(14,495)	69,322	38,537	54,364	94,848
5. 2000.....	XXX	XXX	XXX	313,902	50,770	34,003	20,066	22,562	106,511	93,156
6. 2001.....	XXX	XXX	XXX	XXX	286,315	87,975	36,667	(20,420)	79,246	122,271
7. 2002.....	XXX	XXX	XXX	XXX	XXX	276,466	204,565	117,317	110,726	133,249
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	334,397	206,644	172,724	150,826
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	369,151	236,351	194,803
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	316,867	235,754
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	352,261

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

1. Prior.....	877,326	632,344	454,490	281,984	136,915	44,139	17,236	17,377	3,967	9,260
2. 1997.....	347,974	237,057	120,120	99,358	76,768	7,596	(4,619)	(9,734)	(5,708)	(5,654)
3. 1998.....	XXX	224,982	156,521	108,408	73,319	51,279	6,772	(8,353)	(14,614)	5,442
4. 1999.....	XXX	XXX	357,973	178,792	89,164	42,783	44,472	1,616	(1,444)	24,487
5. 2000.....	XXX	XXX	XXX	245,927	171,982	80,818	34,254	1,469	21,102	35,684
6. 2001.....	XXX	XXX	XXX	XXX	242,591	95,205	44,067	(8,486)	46,844	39,540
7. 2002.....	XXX	XXX	XXX	XXX	XXX	430,571	280,967	187,876	92,480	74,388
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	564,702	271,049	179,232	173,985
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	688,581	343,397	216,999
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	674,461	413,280
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	728,340

**SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

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 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	103,014	52,761	26,785
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	341,394	137,521
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,528

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,202	6,002	4,685
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,041	814
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,801

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66,759	81,973	73,917
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	69,558	63,595
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,496

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	318,796	172,265	150,571
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	107,258	14,306
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	116,819

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior.....	0	0	0	0	0	0	0	0	0	0
2. 1997.....	0	0	0	0	0	0	0	0	0	0
3. 1998.....	XXX	0	0	0	0	0	0	0	0	0
4. 1999.....	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000.....	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**NONE**

## SCHEDULE P - PART 4N - REINSURANCE

### NONPROPORTIONAL ASSUMED PROPERTY

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.....	185,305	91,519	74,727	0	69,407	3,366	11,415	870	1,177	1,570
2. 1997.....	34,695	8,637	20,845	0	3,468	521	17,101	304	856	755
3. 1998.....	XXX	86,875	37,889	0	0	478	1,552	3,038	3,301	1,413
4. 1999.....	XXX	XXX	46,955	9,800	18,889	5,118	4,081	1,553	5,230	4,539
5. 2000.....	XXX	XXX	XXX	55,519	50,590	40,589	10,884	6,884	8,082	4,641
6. 2001.....	XXX	XXX	XXX	XXX	(83,576)	(91,918)	(136,659)	46,726	47,997	25,923
7. 2002.....	XXX	XXX	XXX	XXX	XXX	84,554	46,169	18,680	11,384	3,333
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	57,341	60,784	7,947	7,293
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	15,406	15,406	7,746	6,891
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24	23
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SCHEDULE P - PART 4O - REINSURANCE

### NONPROPORTIONAL ASSUMED LIABILITY

1. Prior.....	237,826	197,428	63,183	32,146	90,549	58,778	40,663	28,334	27,985	125,748
2. 1997.....	174,565	105,081	49,573	15,609	31,852	3,757	4,427	21,147	17,491	10,915
3. 1998.....	XXX	77,870	54,969	28,893	29,646	15,958	17,002	27,115	9,389	7,584
4. 1999.....	XXX	XXX	218,342	46,711	31,355	(26,551)	6,774	17,420	22,352	19,556
5. 2000.....	XXX	XXX	XXX	175,478	122,754	102,490	5,695	(51,556)	26,703	27,288
6. 2001.....	XXX	XXX	XXX	XXX	(2,404)	(141,326)	(128,611)	(157,731)	(103,121)	36,292
7. 2002.....	XXX	XXX	XXX	XXX	XXX	142,313	95,513	66,480	45,489	42,715
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	119,828	65,756	48,791	35,469
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,082	6,059	5,747
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,479	1,405
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(138)

## SCHEDULE P - PART 4P - REINSURANCE

### NONPROPORTIONAL ASSUMED FINANCIAL LINES

1. Prior.....	89,605	2,464	31,565	30,243	2,746	600	3,056	781	856	831
2. 1997.....	448	0	1,073	200	258	62	43	120	119	98
3. 1998.....	XXX	1,080	1,421	11,229	1,131	234	74	102	160	117
4. 1999.....	XXX	XXX	1,711	13,048	1,090	225	80	103	94	34
5. 2000.....	XXX	XXX	XXX	2,036	16,240	4,191	5,047	754	476	409
6. 2001.....	XXX	XXX	XXX	XXX	0	18,342	17,783	5,520	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	7,237	15,502	7,209	1,562	1,258
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	8,193	5,047	2,414	2,072
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	668	619
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	4
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SCHEDULE P - PART 4R-SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

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.....	275,823	180,513	116,660	86,566	55,668	8,769	82,857	44,916	34,907	67,643
2. 1997.....	63,889	52,046	30,811	12,132	12,080	3,197	4,609	4,720	4,410	3,159
3. 1998.....	XXX	38,888	35,500	24,480	22,174	5,599	10,450	5,830	6,647	4,480
4. 1999.....	XXX	XXX	33,526	27,004	10,739	1,552	35,016	6,728	6,668	6,896
5. 2000.....	XXX	XXX	XXX	27,403	20,185	9,176	34,317	7,787	5,254	7,480
6. 2001.....	XXX	XXX	XXX	XXX	22,462	22,290	36,541	5,392	1,623	2,980
7. 2002.....	XXX	XXX	XXX	XXX	XXX	16,166	24,281	8,426	7,590	6,739
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	28,561	11,225	5,971	11,013
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25,459	5,531	5,087
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,299	16,821
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,912

**SCHEDULE P - PART 4R-SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior.....	5,308	10,957	5,599	143	189	68	2,247	8,925	5,167	2,576
2. 1997.....	7,230	1,136	1,680	392	674	92	147	133	41	61
3. 1998.....	XXX	6,443	3,996	368	2,042	107	242	80	23	18
4. 1999.....	XXX	XXX	5,057	4,629	4,282	24	1,569	0	16	147
5. 2000.....	XXX	XXX	XXX	4,691	4,763	5,441	14,963	16,757	24,336	23,732
6. 2001.....	XXX	XXX	XXX	XXX	4,426	5,791	5,947	54	17	64
7. 2002.....	XXX	XXX	XXX	XXX	XXX	7,009	5,091	5,930	4,235	3,579
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	21,482	16,380	17,386	15,752
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,245	15,394	7,110
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,539	42,772
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	57,739

**SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,299	6,742	7,807
2. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	0
3. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	18,771	1,639	543	292	134	77	54	32	23	22
2. 1997.....	69,048	79,776	80,340	80,533	80,637	80,694	80,712	80,737	80,741	80,749
3. 1998.....	XXX	74,373	85,568	86,158	86,365	86,505	86,569	86,594	86,612	86,620
4. 1999.....	XXX	XXX	64,834	74,826	75,443	75,724	75,863	75,925	75,947	75,981
5. 2000.....	XXX	XXX	XXX	63,765	79,660	80,656	80,973	81,139	81,257	81,301
6. 2001.....	XXX	XXX	XXX	XXX	58,206	68,992	69,704	69,958	70,110	70,183
7. 2002.....	XXX	XXX	XXX	XXX	XXX	44,220	53,665	54,181	54,333	54,426
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	41,455	48,032	48,448	48,597
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,505	28,984	29,341
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,577	6,097
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	2,950	1,558	1,034	791	617	553	483	439	367	356
2. 1997.....	7,129	877	490	265	136	78	63	25	22	15
3. 1998.....	XXX	5,862	731	425	250	133	82	55	32	21
4. 1999.....	XXX	XXX	6,839	850	430	263	156	94	64	26
5. 2000.....	XXX	XXX	XXX	7,252	926	577	359	176	88	51
6. 2001.....	XXX	XXX	XXX	XXX	6,793	1,044	508	310	187	61
7. 2002.....	XXX	XXX	XXX	XXX	XXX	6,828	783	397	288	149
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	5,377	660	364	208
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,226	576	258
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	603	101
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	16,241	1,156	372	245	85	86	57	24	11	15
2. 1997.....	103,626	111,872	112,311	112,411	112,458	112,504	112,524	112,528	112,533	112,534
3. 1998.....	XXX	105,493	115,322	115,889	116,038	116,206	116,247	116,258	116,263	116,269
4. 1999.....	XXX	XXX	99,508	107,672	108,128	108,563	108,635	108,676	108,683	108,687
5. 2000.....	XXX	XXX	XXX	98,681	114,634	116,103	116,373	116,434	116,510	116,538
6. 2001.....	XXX	XXX	XXX	XXX	91,050	101,213	101,668	101,834	101,916	101,930
7. 2002.....	XXX	XXX	XXX	XXX	XXX	72,007	79,454	79,788	79,909	79,939
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	66,658	71,298	71,533	71,634
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,068	44,679	44,866
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,351	9,615
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9

## SCHEDULE P - PART 5B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	47,765	11,866	4,089	1,593	763	449	161	170	64	73
2. 1997.....	82,263	117,219	122,736	124,449	125,360	125,773	125,900	125,965	126,011	126,054
3. 1998.....	XXX	89,651	125,639	130,569	132,592	133,589	133,964	134,145	134,206	134,251
4. 1999.....	XXX	XXX	96,076	139,618	146,699	149,820	151,235	151,746	151,934	152,054
5. 2000.....	XXX	XXX	XXX	100,203	144,232	152,707	156,073	157,588	158,203	158,542
6. 2001.....	XXX	XXX	XXX	XXX	88,987	125,144	131,287	133,619	134,533	135,013
7. 2002.....	XXX	XXX	XXX	XXX	XXX	75,416	108,650	113,390	115,040	116,053
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	66,252	93,458	97,369	98,952
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,122	63,558	66,350
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,681	18,896
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	21,676	8,822	4,480	2,715	1,787	1,290	1,074	940	821	880
2. 1997.....	34,725	9,037	3,741	1,936	908	449	290	214	175	125
3. 1998.....	XXX	31,306	8,324	3,913	1,880	934	463	272	203	129
4. 1999.....	XXX	XXX	40,230	10,985	5,002	2,814	1,173	596	349	283
5. 2000.....	XXX	XXX	XXX	39,436	10,404	6,576	3,496	1,688	855	852
6. 2001.....	XXX	XXX	XXX	XXX	30,356	9,453	4,329	2,263	1,111	1,099
7. 2002.....	XXX	XXX	XXX	XXX	XXX	29,181	7,475	3,533	1,875	1,717
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	24,634	6,798	3,264	3,401
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,557	4,912	4,280
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,450	2,174
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13

### SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	32,219	3,627	895	318	128	168	48	98	17	51
2. 1997.....	167,482	189,596	191,043	191,477	191,630	191,781	191,805	191,812	191,819	191,820
3. 1998.....	XXX	165,743	189,308	190,830	191,340	192,090	192,132	192,161	192,170	192,178
4. 1999.....	XXX	XXX	190,095	220,060	223,071	225,448	225,687	225,780	225,822	225,920
5. 2000.....	XXX	XXX	XXX	199,438	231,583	236,286	237,534	237,887	238,000	238,497
6. 2001.....	XXX	XXX	XXX	XXX	168,153	191,774	193,845	194,558	194,690	195,317
7. 2002.....	XXX	XXX	XXX	XXX	XXX	144,968	166,171	167,637	168,039	169,075
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	126,193	143,375	144,483	146,658
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,424	101,631	104,661
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,167	31,442
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64

## SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	24,498	7,042	2,261	1,143	489	295	(13)	45	0	47
2. 1997.....	66,923	88,463	92,551	94,129	94,801	95,309	95,050	94,962	94,993	95,037
3. 1998.....	XXX	71,806	98,304	102,856	104,604	106,412	107,592	107,684	107,750	107,917
4. 1999.....	XXX	XXX	79,535	107,001	113,017	116,375	118,428	118,791	118,991	119,301
5. 2000.....	XXX	XXX	XXX	68,571	94,116	100,027	103,109	103,962	104,304	104,751
6. 2001.....	XXX	XXX	XXX	XXX	57,953	79,788	85,057	86,876	87,588	88,183
7. 2002.....	XXX	XXX	XXX	XXX	XXX	43,047	59,696	63,174	64,586	65,372
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	32,220	45,807	48,343	49,413
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25,433	36,498	38,713
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,282	31,450
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,899

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	12,654	7,080	4,700	3,792	3,242	3,009	2,808	2,655	2,578	2,540
2. 1997.....	21,508	5,629	2,706	1,401	726	402	290	212	183	166
3. 1998.....	XXX	22,134	6,898	3,434	1,723	900	423	210	133	109
4. 1999.....	XXX	XXX	23,840	8,030	3,867	1,884	850	462	260	195
5. 2000.....	XXX	XXX	XXX	21,715	7,262	3,447	1,727	781	410	265
6. 2001.....	XXX	XXX	XXX	XXX	19,641	6,501	3,423	1,666	899	577
7. 2002.....	XXX	XXX	XXX	XXX	XXX	15,461	5,643	2,584	1,277	666
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	13,695	4,340	2,047	1,015
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,220	3,516	1,613
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,070	2,879
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,434

### SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	21,758	3,714	621	816	817	1,628	739	202	2,198	63
2. 1997.....	126,040	142,354	144,723	145,314	145,748	146,311	146,413	146,484	146,590	146,768
3. 1998.....	XXX	133,218	158,596	160,594	161,934	163,910	165,423	165,838	166,566	167,343
4. 1999.....	XXX	XXX	147,239	174,233	178,768	181,444	183,892	184,688	185,396	186,423
5. 2000.....	XXX	XXX	XXX	133,834	157,928	162,698	165,843	166,808	167,044	167,728
6. 2001.....	XXX	XXX	XXX	XXX	115,122	136,975	141,113	142,436	142,775	143,476
7. 2002.....	XXX	XXX	XXX	XXX	XXX	87,683	103,906	105,914	106,568	107,223
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	68,295	80,722	81,835	82,178
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,904	65,402	66,305
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,715	57,062
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	43,261

## SCHEDULE P - PART 5D - WORKERS' COMPENSATION

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	106,759	36,680	25,189	8,119	13,645	11,530	1,708	2,827	2,150	1,236
2. 1997.....	182,314	271,626	293,248	309,286	312,921	314,990	316,016	316,545	316,855	317,138
3. 1998.....	XXX	188,872	315,022	329,779	337,572	341,915	344,421	345,292	346,028	346,477
4. 1999.....	XXX	XXX	202,753	304,777	327,095	336,222	342,025	343,656	344,434	345,275
5. 2000.....	XXX	XXX	XXX	153,159	260,551	280,177	288,280	291,053	292,896	294,118
6. 2001.....	XXX	XXX	XXX	XXX	139,559	217,410	231,809	237,294	240,213	241,904
7. 2002.....	XXX	XXX	XXX	XXX	XXX	108,905	170,552	180,344	184,855	187,177
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	78,306	119,895	126,965	130,092
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	62,652	99,150	104,585
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42,920	70,679
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,166

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	79,980	55,850	45,489	38,919	33,821	25,705	22,817	20,291	18,668	17,681
2. 1997.....	76,840	21,909	12,001	7,857	5,217	3,937	3,181	2,666	2,315	2,061
3. 1998.....	XXX	84,351	26,098	14,995	8,716	6,093	4,606	3,811	3,078	2,681
4. 1999.....	XXX	XXX	87,392	29,152	15,542	10,093	7,073	5,578	4,412	3,639
5. 2000.....	XXX	XXX	XXX	70,800	24,328	13,990	9,806	7,210	5,426	4,414
6. 2001.....	XXX	XXX	XXX	XXX	61,972	22,614	14,492	9,427	6,543	5,075
7. 2002.....	XXX	XXX	XXX	XXX	XXX	54,336	20,051	11,605	7,318	5,152
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	40,899	14,036	7,857	4,873
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,595	10,759	5,900
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,021	7,046
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,210

### SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	75,182	16,800	15,950	4,660	24,169	7,519	9,956	1,200	1,424	1,640
2. 1997.....	311,088	349,159	364,237	379,307	382,026	383,390	384,247	384,428	384,486	384,612
3. 1998.....	XXX	328,491	412,471	415,627	418,595	420,768	422,512	422,794	422,908	423,021
4. 1999.....	XXX	XXX	357,675	404,132	414,075	418,471	421,995	422,414	422,624	422,789
5. 2000.....	XXX	XXX	XXX	273,634	341,795	351,797	356,612	357,150	357,432	357,695
6. 2001.....	XXX	XXX	XXX	XXX	242,987	284,218	291,047	291,892	292,168	292,424
7. 2002.....	XXX	XXX	XXX	XXX	XXX	193,235	224,003	225,335	225,823	226,036
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	140,511	157,674	158,658	158,903
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	116,800	131,601	132,318
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	82,638	93,996
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	75,340

**SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	34,018	10,827	5,919	4,027	2,965	2,236	1,610	1,503	1,027	676
2. 1997.....	49,066	66,359	69,234	70,853	71,847	72,474	72,816	73,070	73,195	73,296
3. 1998.....	XXX	50,712	69,137	72,011	73,564	74,654	75,292	75,683	75,899	76,064
4. 1999.....	XXX	XXX	51,147	67,970	70,977	72,838	73,916	74,631	75,013	75,288
5. 2000.....	XXX	XXX	XXX	40,990	55,268	57,694	59,242	60,266	60,813	61,277
6. 2001.....	XXX	XXX	XXX	XXX	33,333	43,824	45,746	46,970	47,762	48,232
7. 2002.....	XXX	XXX	XXX	XXX	XXX	23,024	31,666	33,322	34,341	35,006
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	19,294	27,570	29,210	30,206
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,818	24,258	25,740
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,079	23,014
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,692

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	28,654	19,366	14,467	11,252	8,942	7,496	6,990	6,021	4,436	3,137
2. 1997.....	17,478	6,450	4,425	2,979	1,916	1,270	946	740	601	476
3. 1998.....	XXX	16,354	6,547	4,416	3,091	1,960	1,364	976	770	555
4. 1999.....	XXX	XXX	17,092	6,805	4,691	3,249	2,237	1,444	1,023	669
5. 2000.....	XXX	XXX	XXX	14,453	5,396	4,053	2,907	2,059	1,409	687
6. 2001.....	XXX	XXX	XXX	XXX	11,112	4,611	4,067	2,893	1,897	853
7. 2002.....	XXX	XXX	XXX	XXX	XXX	10,276	4,059	2,614	1,711	960
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	11,757	4,340	2,698	1,743
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,677	3,858	2,247
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,337	3,887
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,200

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	36,323	10,134	6,166	5,529	4,160	3,766	4,025	3,135	1,892	1,158
2. 1997.....	98,155	117,188	120,692	122,275	123,085	123,590	123,995	124,359	124,637	124,888
3. 1998.....	XXX	98,132	120,269	123,956	125,641	126,506	127,116	127,578	127,931	128,194
4. 1999.....	XXX	XXX	99,835	120,996	124,865	126,763	127,805	128,414	128,851	129,171
5. 2000.....	XXX	XXX	XXX	83,102	101,016	104,352	105,838	106,869	107,338	107,635
6. 2001.....	XXX	XXX	XXX	XXX	68,056	81,533	84,649	85,805	86,342	86,655
7. 2002.....	XXX	XXX	XXX	XXX	XXX	51,885	63,175	65,156	66,107	66,519
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	51,121	62,308	64,144	65,041
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,335	60,354	61,856
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	49,367	60,355
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,811

## SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - OCCURRENCE

### SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	289	214	211	91	57	30	26	12	8	12
2. 1997.....	17	46	96	137	180	202	219	230	236	242
3. 1998.....	XXX	13	62	108	148	179	211	224	232	242
4. 1999.....	XXX	XXX	15	44	110	157	188	217	243	266
5. 2000.....	XXX	XXX	XXX	8	73	142	199	233	279	310
6. 2001.....	XXX	XXX	XXX	XXX	23	87	159	226	287	338
7. 2002.....	XXX	XXX	XXX	XXX	XXX	28	96	177	250	321
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	39	99	185	273
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18	67	120
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16	58
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18

### SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	1,438	1,072	647	433	305	227	165	132	109	71
2. 1997.....	168	307	360	269	170	101	64	40	24	11
3. 1998.....	XXX	186	308	332	294	185	110	78	57	35
4. 1999.....	XXX	XXX	178	304	422	320	228	132	72	59
5. 2000.....	XXX	XXX	XXX	374	438	465	354	209	141	72
6. 2001.....	XXX	XXX	XXX	XXX	319	459	543	398	258	135
7. 2002.....	XXX	XXX	XXX	XXX	XXX	318	544	560	434	254
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	398	510	601	469
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	324	472	498
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	315	420
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	318

### SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	1,137	527	229	140	73	41	34	19	14	5
2. 1997.....	342	737	1,100	1,262	1,337	1,366	1,389	1,401	1,407	1,410
3. 1998.....	XXX	287	695	1,033	1,237	1,305	1,351	1,377	1,388	1,399
4. 1999.....	XXX	XXX	310	752	1,195	1,391	1,509	1,556	1,572	1,601
5. 2000.....	XXX	XXX	XXX	553	1,117	1,531	1,815	1,922	1,980	2,008
6. 2001.....	XXX	XXX	XXX	XXX	516	1,094	1,633	1,867	1,962	2,023
7. 2002.....	XXX	XXX	XXX	XXX	XXX	549	1,314	1,810	2,075	2,194
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	672	1,333	1,904	2,233
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	504	1,106	1,618
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	497	1,107
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	543

## SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - CLAIMS-MADE

### SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	2,052	1,269	675	382	211	123	53	41	48	15
2. 1997.....	351	952	1,362	1,609	1,758	1,861	1,906	1,954	1,965	1,975
3. 1998.....	XXX	286	886	1,309	1,576	1,741	1,836	1,878	1,907	1,918
4. 1999.....	XXX	XXX	379	846	1,237	1,461	1,579	1,644	1,670	1,679
5. 2000.....	XXX	XXX	XXX	194	495	757	982	1,084	1,150	1,166
6. 2001.....	XXX	XXX	XXX	XXX	141	342	503	626	710	737
7. 2002.....	XXX	XXX	XXX	XXX	XXX	102	231	393	452	496
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	111	236	336	380
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	85	199	307
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	119	235
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84

### SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	6,127	3,680	2,386	1,365	988	713	577	505	404	376
2. 1997.....	3,770	2,320	1,482	877	526	335	215	129	100	73
3. 1998.....	XXX	4,165	2,344	1,487	860	499	292	201	146	101
4. 1999.....	XXX	XXX	3,763	1,827	1,092	630	344	183	141	86
5. 2000.....	XXX	XXX	XXX	2,772	1,435	920	565	342	224	140
6. 2001.....	XXX	XXX	XXX	XXX	1,947	1,015	735	522	353	245
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1,409	971	660	478	311
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,302	746	475	346
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,200	775	504
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,295	821
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,457

### SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	2,774	725	419	136	118	38	27	12	7	10
2. 1997.....	6,739	8,607	9,209	9,465	9,572	9,606	9,631	9,640	9,644	9,648
3. 1998.....	XXX	6,947	8,841	9,290	9,552	9,612	9,673	9,701	9,721	9,725
4. 1999.....	XXX	XXX	7,237	8,382	8,734	8,878	8,939	8,976	8,999	9,009
5. 2000.....	XXX	XXX	XXX	5,715	6,814	7,144	7,435	7,496	7,547	7,724
6. 2001.....	XXX	XXX	XXX	XXX	4,359	5,147	5,460	5,605	5,685	5,706
7. 2002.....	XXX	XXX	XXX	XXX	XXX	2,876	3,623	3,879	3,998	4,033
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	2,664	3,295	3,445	3,542
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,324	3,020	3,199
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,466	3,121
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,111

## SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE

### SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	10,219	4,856	3,186	11,808	2,407	1,365	696	936	588	638
2. 1997.....	64,346	69,475	71,152	72,058	73,173	73,538	73,679	73,683	73,744	73,774
3. 1998.....	XXX	126,501	138,644	140,885	143,582	144,153	151,060	151,203	151,312	151,448
4. 1999.....	XXX	XXX	200,032	216,313	220,209	221,459	228,118	228,468	228,674	228,856
5. 2000.....	XXX	XXX	XXX	52,371	72,438	74,596	82,555	83,032	83,402	83,706
6. 2001.....	XXX	XXX	XXX	XXX	52,111	65,893	74,482	75,703	76,285	76,602
7. 2002.....	XXX	XXX	XXX	XXX	XXX	47,941	69,889	71,972	72,915	73,403
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	51,936	65,491	66,777	67,415
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	48,658	60,711	61,805
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,439	51,856
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,469

### SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	193,492	188,473	184,970	166,871	163,969	162,454	161,760	161,007	159,903	159,339
2. 1997.....	7,040	4,081	2,884	2,107	1,485	1,122	933	794	687	677
3. 1998.....	XXX	7,797	4,322	3,116	2,122	1,541	1,198	977	878	861
4. 1999.....	XXX	XXX	10,930	6,464	5,067	4,004	1,721	1,299	1,139	1,058
5. 2000.....	XXX	XXX	XXX	8,750	4,298	3,055	2,276	1,442	1,022	950
6. 2001.....	XXX	XXX	XXX	XXX	8,220	3,857	3,117	1,865	1,284	1,011
7. 2002.....	XXX	XXX	XXX	XXX	XXX	7,687	4,546	2,800	1,913	1,393
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	7,321	3,144	2,128	1,433
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,542	2,731	1,760
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,039	2,493
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,294

### SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	25,019	12,666	7,058	7,503	4,690	3,303	2,999	2,764	2,024	2,870
2. 1997.....	89,511	97,305	99,574	100,675	104,433	104,803	105,267	105,451	105,574	105,684
3. 1998.....	XXX	150,225	166,788	169,705	174,622	175,461	187,408	187,760	188,186	188,453
4. 1999.....	XXX	XXX	231,492	251,884	258,542	260,591	270,988	271,564	271,944	272,350
5. 2000.....	XXX	XXX	XXX	75,314	101,467	104,757	117,756	118,413	118,755	119,279
6. 2001.....	XXX	XXX	XXX	XXX	75,928	93,975	107,272	108,350	108,859	109,283
7. 2002.....	XXX	XXX	XXX	XXX	XXX	69,302	99,463	101,679	102,602	103,160
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	72,295	89,042	90,646	91,382
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	67,754	82,505	83,929
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,939	72,183
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53,001

## SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE

### SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	3,152	2,093	1,276	689	446	194	119	98	71	59
2. 1997.....	395	1,424	2,252	2,718	3,025	3,161	3,240	3,293	3,325	3,346
3. 1998.....	XXX	445	1,451	2,205	2,670	2,912	3,031	3,125	3,171	3,208
4. 1999.....	XXX	XXX	474	1,410	2,179	2,588	2,852	2,997	3,074	3,126
5. 2000.....	XXX	XXX	XXX	447	1,488	2,096	2,505	2,773	2,911	3,005
6. 2001.....	XXX	XXX	XXX	XXX	423	1,331	2,008	2,429	2,676	2,839
7. 2002.....	XXX	XXX	XXX	XXX	XXX	415	1,371	2,119	2,599	2,868
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	452	1,510	2,337	2,923
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	402	1,452	2,278
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	418	1,416
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	417

### SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	12,979	7,474	4,768	3,031	2,233	1,774	1,476	1,277	1,148	1,027
2. 1997.....	8,944	5,362	3,011	1,689	1,014	695	487	375	300	259
3. 1998.....	XXX	8,650	5,391	2,812	1,639	1,008	679	494	374	300
4. 1999.....	XXX	XXX	8,365	5,094	2,739	1,520	938	561	358	235
5. 2000.....	XXX	XXX	XXX	8,059	4,802	2,573	1,451	853	530	301
6. 2001.....	XXX	XXX	XXX	XXX	8,075	4,766	2,588	1,449	898	488
7. 2002.....	XXX	XXX	XXX	XXX	XXX	8,623	5,052	2,711	1,504	880
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	9,586	5,823	3,160	1,706
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,351	5,232	2,671
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,775	4,634
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,167

### SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	3,359	950	269	160	86	51	31	18	8	11
2. 1997.....	12,220	14,491	14,690	14,843	14,927	14,966	14,979	14,990	14,997	14,997
3. 1998.....	XXX	12,161	14,470	14,863	15,092	15,183	15,207	15,231	15,246	15,250
4. 1999.....	XXX	XXX	11,848	14,153	14,579	14,697	14,765	14,851	14,881	14,890
5. 2000.....	XXX	XXX	XXX	11,690	14,105	14,383	14,475	14,524	14,560	14,578
6. 2001.....	XXX	XXX	XXX	XXX	11,467	13,920	14,124	14,252	14,328	14,366
7. 2002.....	XXX	XXX	XXX	XXX	XXX	12,564	15,341	15,583	15,695	15,744
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	14,144	17,149	17,438	17,567
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,473	17,521	17,799
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,059	16,563
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,828

## SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE

### SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	1,228	885	725	525	588	458	328	272	174	94
2. 1997.....	1,777	2,642	3,189	3,296	3,358	3,388	3,015	3,031	3,041	3,051
3. 1998.....	XXX	1,552	2,615	2,772	2,875	2,979	3,897	3,935	3,963	3,985
4. 1999.....	XXX	XXX	1,235	1,931	2,329	2,494	4,003	4,084	4,158	4,196
5. 2000.....	XXX	XXX	XXX	939	1,756	2,002	3,672	3,789	3,857	3,899
6. 2001.....	XXX	XXX	XXX	XXX	925	1,601	3,117	3,239	3,337	3,399
7. 2002.....	XXX	XXX	XXX	XXX	XXX	825	1,880	2,022	2,133	2,190
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	628	776	839	892
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	206	322	350
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	117	209
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	140

### SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	6,440	5,800	5,088	3,391	2,957	2,662	2,327	1,918	1,625	1,456
2. 1997.....	1,240	462	382	271	200	152	117	114	87	80
3. 1998.....	XXX	906	521	496	399	325	216	164	123	118
4. 1999.....	XXX	XXX	1,052	781	618	576	345	247	193	152
5. 2000.....	XXX	XXX	XXX	777	489	491	423	277	185	149
6. 2001.....	XXX	XXX	XXX	XXX	776	465	390	360	285	189
7. 2002.....	XXX	XXX	XXX	XXX	XXX	635	470	359	285	219
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	423	209	162	116
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	369	141	134
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	232	111
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	196

### SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior.....	3,080	1,672	1,090	1,102	1,102	824	811	311	324	153
2. 1997.....	7,451	8,520	9,809	9,945	10,003	10,051	10,137	10,185	10,230	10,254
3. 1998.....	XXX	4,688	7,253	7,608	8,138	8,557	10,517	10,572	10,679	10,735
4. 1999.....	XXX	XXX	4,612	6,367	7,450	8,166	11,172	11,303	11,505	11,583
5. 2000.....	XXX	XXX	XXX	3,371	5,457	6,416	10,657	10,789	10,861	10,942
6. 2001.....	XXX	XXX	XXX	XXX	3,806	5,446	8,786	9,000	9,135	9,256
7. 2002.....	XXX	XXX	XXX	XXX	XXX	3,352	6,453	6,656	6,861	6,946
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	2,715	3,184	3,301	3,373
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,466	1,748	1,849
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	890	1,149
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	777

## SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE

### SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	45	29	64	158	(4)	18	5	6	12	17
2. 1997.....	1	2	15	22	23	23	24	24	27	27
3. 1998.....	XXX	0	1	5	9	11	11	11	11	11
4. 1999.....	XXX	XXX	1	5	9	12	12	14	14	16
5. 2000.....	XXX	XXX	XXX	0	1	3	5	7	8	10
6. 2001.....	XXX	XXX	XXX	XXX	0	2	4	6	5	5
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1	5	6	8	8
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	3	4	3	5
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	4	8
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	4
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3

### SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	1,500	1,443	1,217	636	621	561	538	530	507	487
2. 1997.....	41	41	26	15	14	13	8	8	4	4
3. 1998.....	XXX	53	47	32	13	10	7	8	8	9
4. 1999.....	XXX	XXX	68	48	30	26	12	8	7	3
5. 2000.....	XXX	XXX	XXX	41	38	47	39	31	20	12
6. 2001.....	XXX	XXX	XXX	XXX	43	39	23	34	13	15
7. 2002.....	XXX	XXX	XXX	XXX	XXX	41	38	36	28	25
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	74	45	32	26
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	115	59	34
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	207	203
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	255

### SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	70	55	3	4	1	2	4	2	0	4
2. 1997.....	50	75	91	98	99	100	100	100	100	100
3. 1998.....	XXX	59	84	92	94	94	94	95	95	96
4. 1999.....	XXX	XXX	89	113	119	122	124	127	128	129
5. 2000.....	XXX	XXX	XXX	51	69	84	100	106	108	108
6. 2001.....	XXX	XXX	XXX	XXX	56	73	74	91	92	99
7. 2002.....	XXX	XXX	XXX	XXX	XXX	44	61	73	77	89
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	83	101	105	113
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	131	191	204
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	304	433
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	344

## SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	(5,848)	2,408	3,980	112,012	(13,237)	10,342	(12,786)	(24)	(48)	0	0
2. 1997.....	829,368	829,270	830,330	829,960	818,183	817,365	834,852	818,915	818,939	818,939	0
3. 1998.....	XXX	814,373	853,927	856,628	836,756	836,492	836,534	848,837	848,735	835,684	(13,051)
4. 1999.....	XXX	XXX	845,735	860,034	863,708	851,294	855,240	855,011	855,823	855,169	(654)
5. 2000.....	XXX	XXX	XXX	767,902	775,573	775,786	775,073	774,582	776,785	788,837	12,052
6. 2001.....	XXX	XXX	XXX	XXX	792,762	830,129	828,985	830,667	833,516	835,111	1,595
7. 2002.....	XXX	XXX	XXX	XXX	XXX	800,625	827,958	825,078	828,078	829,900	1,822
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	780,857	802,869	802,768	803,032	264
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	727,452	729,530	728,796	(734)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	718,921	721,440	2,519
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	690,651	690,651
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	694,464
13. Earned Prems.(P-Pt 1)	823,521	816,682	890,329	896,544	747,540	829,622	815,023	743,887	729,636	694,464	XXX

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	17,630	1,867	(148)	733	(560)	(5)	(2)	(24)	(741)	10	10
2. 1997.....	18,937	19,419	19,745	20,323	19,260	19,254	19,286	19,298	19,293	19,293	0
3. 1998.....	XXX	51,954	63,777	61,789	60,442	60,411	60,486	60,489	60,579	60,579	0
4. 1999.....	XXX	XXX	64,425	77,468	119,943	118,731	119,338	119,399	119,153	119,154	1
5. 2000.....	XXX	XXX	XXX	101,257	118,147	118,292	120,917	120,448	119,765	119,795	30
6. 2001.....	XXX	XXX	XXX	XXX	147,078	156,158	171,367	170,857	152,309	152,317	8
7. 2002.....	XXX	XXX	XXX	XXX	XXX	79,864	95,385	94,314	94,906	94,310	(596)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	58,107	60,054	69,717	69,810	93
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	44,166	53,246	51,500	(1,746)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	61,239	70,857	9,618
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,017	58,017
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	65,435
13. Earned Prems.(P-Pt 1)	36,568	54,303	76,426	113,623	203,472	87,836	92,175	44,114	60,441	65,435	XXX

## SCHEDULE P - PART 6D - WORKERS' COMPENSATION

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	(811,177)	344,116	828,260	(194,720)	(237,522)	57,590	(160,063)	(13,389)	(4,730)	(12,407)	(12,407)
2. 1997.....	2,326,914	2,364,005	2,420,952	2,434,150	2,428,439	2,431,147	2,547,486	2,450,747	2,446,634	2,446,727	93
3. 1998.....	XXX	1,223,140	612,037	615,898	549,802	548,011	549,755	688,824	694,010	567,391	(126,619)
4. 1999.....	XXX	XXX	1,480,060	1,569,957	1,531,419	1,531,138	1,532,172	1,535,501	1,542,432	1,554,460	12,028
5. 2000.....	XXX	XXX	XXX	1,491,111	1,479,495	1,484,769	1,478,228	1,477,095	1,491,514	1,621,926	130,412
6. 2001.....	XXX	XXX	XXX	XXX	1,606,303	1,602,885	1,612,453	1,611,009	1,605,182	1,604,540	(642)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1,452,001	1,532,367	1,519,191	1,508,718	1,498,898	(9,820)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,457,986	1,534,511	1,525,792	1,504,710	(21,082)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,415,897	1,494,678	1,481,376	(13,302)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,104,834	1,117,536	12,702
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,044,076	1,044,076
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,015,439
13. Earned Prems.(P-Pt 1)	1,345,058	1,730,109	1,724,095	1,396,643	1,006,844	1,464,147	1,500,434	1,508,937	1,176,289	1,015,439	XXX

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	1,723	41,328	(4,160)	(152)	(29,182)	2,346	1,491	(9,531)	(1,919)	62	62
2. 1997.....	(150,851)	(150,515)	(151,176)	(151,372)	(160,711)	(158,813)	(158,775)	(160,807)	(162,833)	(162,789)	44
3. 1998.....	XXX	11,839	21,228	22,520	18,710	19,850	19,867	20,789	24,269	25,399	1,130
4. 1999.....	XXX	XXX	266,041	235,768	287,308	326,333	348,180	328,999	336,059	335,221	(838)
5. 2000.....	XXX	XXX	XXX	229,458	247,342	264,155	425,264	430,185	409,251	409,528	277
6. 2001.....	XXX	XXX	XXX	XXX	536,182	543,970	654,697	671,455	713,897	707,162	(6,735)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	114,056	143,459	133,596	134,320	129,200	(5,120)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	102,235	143,100	141,402	140,490	(912)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	189,902	225,189	220,734	(4,455)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	145,713	116,044	(29,669)
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	117,507	117,507
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,291
13. Earned Prems.(P-Pt 1)	(149,127)	53,503	270,609	200,129	552,736	180,338	426,868	212,759	208,129	71,291	XXX

## SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL

### SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	9,774	30,623	(352)	(536)	(212)	369	(8)	0	89	(129)	(129)
2. 1997.....	1,391,228	1,407,520	1,404,741	1,404,575	1,403,868	1,403,737	1,403,598	1,403,598	1,403,586	1,403,514	(72)
3. 1998.....	XXX	1,232,774	1,308,593	1,303,933	1,294,189	1,303,983	1,304,075	1,303,989	1,303,977	1,303,905	(72)
4. 1999.....	XXX	XXX	1,314,807	1,355,390	1,358,428	1,360,770	1,360,455	1,360,327	1,360,048	1,359,971	(77)
5. 2000.....	XXX	XXX	XXX	1,270,569	1,289,945	1,288,268	1,288,209	1,288,149	1,288,044	1,287,934	(110)
6. 2001.....	XXX	XXX	XXX	XXX	1,258,776	1,252,346	1,248,077	1,247,685	1,247,541	1,247,338	(203)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1,315,066	1,319,673	1,318,481	1,318,456	1,318,269	(187)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,370,243	1,387,274	1,386,305	1,386,038	(267)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,329,562	1,346,295	1,343,341	(2,954)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,227,975	1,252,136	24,161
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,223,391	1,223,391
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,243,481
13. Earned Prems.(P-Pt 1)	1,401,001	1,279,698	1,387,486	1,305,790	1,270,556	1,319,332	1,370,152	1,344,735	1,243,251	1,243,481	XXX

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	3,978	5,485	(713)	41	63	149	102	215	0	(1)	(1)
2. 1997.....	42,441	48,380	48,679	43,579	44,350	44,343	44,356	44,356	44,356	44,355	(1)
3. 1998.....	XXX	48,638	45,305	42,336	42,948	42,970	42,970	42,967	42,967	42,965	(2)
4. 1999.....	XXX	XXX	117,341	120,562	226,381	235,474	230,879	231,051	230,987	230,984	(3)
5. 2000.....	XXX	XXX	XXX	82,109	143,001	155,253	225,043	219,397	212,748	214,277	1,529
6. 2001.....	XXX	XXX	XXX	XXX	131,510	128,117	154,701	170,345	166,903	167,376	473
7. 2002.....	XXX	XXX	XXX	XXX	XXX	69,030	72,410	71,421	71,394	71,446	52
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	77,201	76,372	76,045	76,060	15
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,665	71,543	71,520	(23)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	76,257	73,396	(2,861)
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	135,655	135,655
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	134,833
13. Earned Prems.(P-Pt 1)	46,419	60,062	113,594	77,302	299,666	87,145	172,475	80,229	65,626	134,833	XXX

## SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE

### SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	102,422	14,369	13,398	193,247	(1,746)	(1,897)	(16,460)	666	(2,041)	(2,909)	(2,909)
2. 1997.....	647,844	671,212	697,692	644,715	635,630	636,767	648,633	637,550	645,209	645,209	0
3. 1998.....	XXX	818,577	850,595	863,586	865,498	853,074	846,826	864,365	868,370	877,567	9,197
4. 1999.....	XXX	XXX	871,906	880,810	702,386	689,255	689,442	700,455	713,191	713,849	658
5. 2000.....	XXX	XXX	XXX	826,164	910,769	918,234	929,239	908,775	901,083	915,167	14,084
6. 2001.....	XXX	XXX	XXX	XXX	1,306,141	1,319,904	1,324,185	1,326,372	1,326,667	1,329,317	2,650
7. 2002.....	XXX	XXX	XXX	XXX	XXX	762,095	780,991	785,978	786,165	788,275	2,110
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	910,587	920,097	924,729	939,943	15,214
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,249,757	1,264,071	1,274,050	9,979
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	770,411	814,927	44,516
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	833,959	833,959
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	929,458
13. Earned Prems.(P-Pt 1)	750,266	856,314	943,633	988,329	1,212,094	749,811	934,115	1,264,112	804,506	929,458	XXX

### SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	62,866	10,750	(4,244)	3,199	(1,327)	330	(1,696)	433	(1,589)	(2,605)	(2,605)
2. 1997.....	77,334	115,876	121,531	121,531	146,207	148,775	146,342	150,172	154,002	154,002	0
3. 1998.....	XXX	108,830	122,895	122,002	(51,167)	(58,351)	(67,640)	(63,301)	(58,197)	(48,056)	10,141
4. 1999.....	XXX	XXX	287,717	311,918	395,669	393,680	407,963	423,329	434,742	434,722	(20)
5. 2000.....	XXX	XXX	XXX	293,597	542,476	554,433	625,636	601,398	592,817	592,661	(156)
6. 2001.....	XXX	XXX	XXX	XXX	484,362	505,402	547,498	555,806	522,355	532,679	10,324
7. 2002.....	XXX	XXX	XXX	XXX	XXX	152,677	167,018	168,567	174,209	174,626	417
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	190,277	196,667	191,050	190,323	(727)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	537,808	535,468	532,940	(2,528)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	169,320	172,441	3,121
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	303,521	303,521
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	321,488
13. Earned Prems.(P-Pt 1)	140,198	158,122	303,193	320,104	665,043	178,060	318,783	553,785	143,731	321,488	XXX

**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	(8,506)	(3,189)	(2,372)	(51,682)	(23,958)	(56)	1,439	0	8,975	(2,100)	(2,100)
2. 1997.....	627,753	628,951	630,033	631,071	632,969	632,895	632,272	632,272	632,728	632,614	(114)
3. 1998.....	XXX	616,314	633,137	631,033	632,631	630,262	630,128	630,527	630,853	630,739	(114)
4. 1999.....	XXX	XXX	671,119	659,773	651,770	674,086	673,318	673,358	673,459	675,118	1,659
5. 2000.....	XXX	XXX	XXX	653,664	645,789	647,650	647,972	648,232	648,210	648,256	46
6. 2001.....	XXX	XXX	XXX	XXX	650,264	660,409	664,266	663,499	663,516	662,651	(865)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	877,946	890,495	894,527	895,205	893,993	(1,212)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,271,067	1,285,592	1,284,527	1,285,093	566
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,502,212	1,509,978	1,510,501	523
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,557,650	1,587,436	29,786
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,590,253	1,590,253
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,618,428
13. Earned Prems.(P-Pt 1)	619,248	614,333	686,652	589,570	597,130	909,739	1,287,709	1,520,701	1,574,882	1,618,428	XXX

**SECTION 2B**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	4,498	2,078	639	(746)	2,893	2,055	0	0	0	1	1
2. 1997.....	94,194	94,784	95,828	96,392	95,905	95,761	95,996	95,996	95,996	95,963	(33)
3. 1998.....	XXX	56,810	63,384	66,646	63,598	62,850	65,287	64,239	64,243	64,209	(34)
4. 1999.....	XXX	XXX	124,252	133,883	133,130	135,237	137,540	135,724	135,454	135,611	157
5. 2000.....	XXX	XXX	XXX	132,482	134,486	132,216	165,996	159,314	161,551	162,436	885
6. 2001.....	XXX	XXX	XXX	XXX	159,627	197,621	207,068	212,969	228,929	229,920	991
7. 2002.....	XXX	XXX	XXX	XXX	XXX	164,397	174,291	178,463	177,987	180,757	2,770
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	223,473	227,884	227,969	232,835	4,866
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199,937	206,649	213,379	6,730
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	187,111	194,295	7,184
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	210,700	210,700
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	234,217
13. Earned Prems.(P-Pt 1)	98,691	59,478	132,509	145,193	160,680	203,390	281,569	204,875	211,363	234,217	XXX

**SCHEDULE P - PART 6M - INTERNATIONAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0
2. 1997.....	55	55	55	55	55	55	55	55	55	55	0
3. 1998.....	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999.....	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Prems.(P-Pt 1)	55	0	0	0	0	0	0	0	0	0	XXX

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0
2. 1997.....	0	0	0	0	0	0	0	0	0	0	0
3. 1998.....	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999.....	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Prems.(P-Pt 1)	0	0	0	0	0	0	0	0	0	0	XXX

**NONE**

## SCHEDULE P - PART 6N - REINSURANCE

### NONPROPORTIONAL ASSUMED PROPERTY SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	(14,877)	(93,041)	(3,328)	(1,037)	(118)	275	0	0	0	0	0	0
2. 1997.....	130,084	122,722	123,221	116,981	115,131	115,121	115,265	115,265	115,265	115,265	115,265	0
3. 1998.....	XXX	218,129	217,385	222,044	226,393	222,882	222,818	224,400	224,400	224,400	224,400	0
4. 1999.....	XXX	XXX	164,630	192,939	222,078	224,912	224,074	224,733	224,659	224,657	224,657	(2)
5. 2000.....	XXX	XXX	XXX	183,861	154,288	158,579	159,411	158,324	158,346	158,955	158,955	609
6. 2001.....	XXX	XXX	XXX	XXX	229,805	241,358	237,306	238,435	239,002	239,240	239,240	238
7. 2002.....	XXX	XXX	XXX	XXX	XXX	204,891	199,174	199,181	198,929	199,123	199,123	194
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	182,428	177,803	177,715	177,772	177,772	57
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,944	35,684	35,723	35,723	39
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	108	108	108	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,135
13. Earned Prems.(P-Pt.1).....	115,208	117,726	161,057	209,552	231,753	220,321	172,733	33,608	23	1,135	XXX	XXX

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	(14,582)	(14,563)	(6,011)	2,023	662	(9,378)	0	0	0	0	0	0
2. 1997.....	61,133	51,140	49,654	43,970	41,687	34,540	34,589	34,589	34,589	34,589	34,589	0
3. 1998.....	XXX	50,180	46,591	49,916	40,272	35,490	35,491	35,282	35,282	35,282	35,282	0
4. 1999.....	XXX	XXX	67,512	96,411	102,251	94,061	93,646	94,005	93,868	93,599	93,599	(269)
5. 2000.....	XXX	XXX	XXX	89,276	104,074	80,693	84,505	86,983	84,277	85,939	85,939	1,662
6. 2001.....	XXX	XXX	XXX	XXX	164,872	176,016	168,232	168,406	173,393	174,107	174,107	714
7. 2002.....	XXX	XXX	XXX	XXX	XXX	29,038	38,592	38,278	46,559	46,563	46,563	4
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	40,734	39,868	42,122	42,122	42,122	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,829	6,410	6,410	6,410	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,111
13. Earned Prems.(P-Pt.1).....	46,551	25,624	56,426	117,839	174,244	(12,696)	45,952	7,450	13,260	2,111	XXX	XXX

## SCHEDULE P - PART 6O - REINSURANCE

### NONPROPORTIONAL ASSUMED LIABILITY SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	59,933	20,506	7,941	2,894	(53,560)	1,899	674	(5,146)	0	0	0	0
2. 1997.....	171,695	157,973	174,732	170,279	172,811	175,390	177,384	174,512	174,512	174,512	174,512	0
3. 1998.....	XXX	151,028	175,631	160,212	196,331	197,719	199,103	203,734	203,734	202,314	202,314	(1,420)
4. 1999.....	XXX	XXX	294,043	311,043	339,751	329,156	328,174	327,899	330,926	330,914	330,914	(12)
5. 2000.....	XXX	XXX	XXX	275,649	249,463	274,906	276,631	278,312	282,148	275,060	275,060	(7,088)
6. 2001.....	XXX	XXX	XXX	XXX	210,438	185,308	184,297	185,667	186,211	188,844	188,844	2,633
7. 2002.....	XXX	XXX	XXX	XXX	XXX	232,102	244,243	247,246	243,160	247,624	247,624	4,464
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	239,523	236,401	235,892	237,598	237,598	1,706
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,853	37,203	37,298	37,298	95
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,321	2,321	2,321	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	378
13. Earned Prems.(P-Pt.1).....	231,629	157,812	343,346	275,671	198,050	227,664	255,448	37,124	4,483	378	XXX	XXX

### SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior.....	21,474	131	106	(5)	(53,384)	131	0	0	0	0	0	0
2. 1997.....	12,104	14,953	14,861	14,861	14,493	14,489	14,499	14,499	14,499	14,499	14,499	0
3. 1998.....	XXX	6,969	20,252	19,624	20,981	20,981	21,005	21,235	21,235	21,235	21,235	0
4. 1999.....	XXX	XXX	602	2,431	36,257	36,228	36,228	36,226	36,335	36,335	36,335	0
5. 2000.....	XXX	XXX	XXX	8,701	12,593	16,116	58,182	56,845	68,639	68,693	68,693	54
6. 2001.....	XXX	XXX	XXX	XXX	59,513	121,220	129,580	129,935	134,625	134,509	134,509	(116)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	1,600	1,600	1,600	1,600	1,600	1,600	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	98	98	98	98	98	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(62)
13. Earned Prems.(P-Pt.1).....	33,579	9,949	13,899	9,897	44,837	66,906	50,558	(753)	16,593	(62)	XXX	XXX

## SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE

### SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	622	386	657	376	(2,389)	7,339	0	0	0	0	0
2. 1997.....	76,793	77,019	76,197	76,089	76,232	77,078	76,678	76,678	76,678	76,678	0
3. 1998.....	XXX	57,915	60,669	60,669	61,412	62,152	63,276	65,766	65,766	65,766	0
4. 1999.....	XXX	XXX	54,068	56,109	57,802	58,096	58,336	58,934	60,182	60,637	455
5. 2000.....	XXX	XXX	XXX	32,955	35,250	35,995	36,416	37,519	37,624	37,740	116
6. 2001.....	XXX	XXX	XXX	XXX	26,978	30,508	29,403	30,121	30,497	30,936	439
7. 2002.....	XXX	XXX	XXX	XXX	XXX	30,876	29,924	31,095	31,259	31,936	677
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	48,036	48,655	47,838	49,297	1,459
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,667	53,584	53,419	(165)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,115	34,836	721
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,851	36,851
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,553
13. Earned Prems.(P-Pt 1)	77,414	58,527	56,657	35,264	29,463	44,371	47,364	61,366	34,108	40,553	XXX

### SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	381	149	0	2	3	(0)	0	0	0	0	0
2. 1997.....	1,032	1,058	1,059	1,063	1,063	1,064	1,064	1,064	1,064	1,064	0
3. 1998.....	XXX	1,376	1,559	1,566	3,566	3,570	3,570	3,570	3,570	3,570	0
4. 1999.....	XXX	XXX	3,080	3,365	2,123	2,287	2,295	2,293	2,331	2,330	(1)
5. 2000.....	XXX	XXX	XXX	3,815	5,804	6,393	6,413	6,413	6,318	6,319	1
6. 2001.....	XXX	XXX	XXX	XXX	4,771	5,468	6,929	7,061	4,569	4,569	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	498	1,372	1,361	1,366	1,367	1
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	1,293	1,106	3,457	3,447	(10)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,944	7,699	7,667	(32)
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	689	655	(34)
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,800	2,800
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,725
13. Earned Prems.(P-Pt 1)	1,414	1,551	3,264	4,113	7,520	1,954	3,656	5,876	2,251	2,725	XXX

## SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE

### SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	1,653	48	16	0	0	0	0	0	0	0	0
2. 1997.....	17,532	18,179	18,201	18,204	18,204	18,204	18,161	18,161	18,161	18,161	0
3. 1998.....	XXX	18,792	19,308	19,393	19,663	19,668	19,677	19,677	19,677	19,677	0
4. 1999.....	XXX	XXX	16,887	17,227	17,355	17,362	17,454	17,452	17,448	17,448	0
5. 2000.....	XXX	XXX	XXX	15,243	15,619	15,621	15,794	15,802	15,802	15,746	(56)
6. 2001.....	XXX	XXX	XXX	XXX	17,178	17,278	17,657	17,669	17,664	17,639	(25)
7. 2002.....	XXX	XXX	XXX	XXX	XXX	24,336	25,538	25,715	25,695	25,710	15
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	50,329	50,996	50,983	51,007	24
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,945	72,534	72,568	34
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100,917	101,775	858
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	120,356	120,356
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	121,206
13. Earned Prems.(P-Pt 1)	19,184	19,487	17,441	15,671	17,953	24,449	52,141	72,807	101,464	121,206	XXX

### SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Premiums Earned Ceded at Year End (\$000 omitted)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior.....	6	1,000	0	0	0	0	0	0	0	0	0
2. 1997.....	2,593	4,765	4,768	4,770	4,770	4,770	5,597	5,597	5,597	5,597	0
3. 1998.....	XXX	1,946	2,681	2,690	2,738	2,738	2,776	2,785	2,785	2,785	0
4. 1999.....	XXX	XXX	3,155	3,613	4,241	4,224	3,881	3,896	3,894	3,894	0
5. 2000.....	XXX	XXX	XXX	3,447	4,629	4,779	4,469	4,486	4,486	8,188	3,702
6. 2001.....	XXX	XXX	XXX	XXX	4,705	4,882	4,925	4,991	4,991	4,991	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	6,592	7,049	7,221	7,221	7,219	(2)
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	13,748	14,448	14,469	14,455	(14)
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,613	19,883	19,929	46
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,640	19,721	81
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,999	17,999
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,812
13. Earned Prems.(P-Pt 1)	2,598	5,156	3,893	3,916	6,562	6,902	14,460	20,592	19,929	21,812	XXX

## SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS

(\$000 Omitted)

### SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/farmowners.....	.0	.0	.0.0	.0	.0	.0.0
2. Private passenger auto liability/medical.....	.0	.0	.0.0	.0	.0	.0.0
3. Commercial auto/truck liability/medical.....	.0	.0	.0.0	.0	.0	.0.0
4. Workers' compensation.....	.0	.0	.0.0	.0	.0	.0.0
5. Commercial multiple peril.....	.0	.0	.0.0	.0	.0	.0.0
6. Medical malpractice - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
7. Medical malpractice - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
8. Special liability.....	.0	.0	.0.0	.0	.0	.0.0
9. Other liability - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
10. Other liability - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
11. Special property.....	.0	.0	.0.0	.0	.0	.0.0
12. Auto physical damage.....	.0	.0	.0.0	.0	.0	.0.0
13. Fidelity/surety.....	.0	.0	.0.0	.0	.0	.0.0
14. Other.....	.0	.0	.0.0	.0	.0	.0.0
15. International.....	.0	.0	.0.0	.0	.0	.0.0
16. Reinsurance - nonproportional assumed property.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX
17. Reinsurance - nonproportional assumed liability.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX
18. Reinsurance - nonproportional assumed financial lines.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX
19. Products liability - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
20. Products liability - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
21. Financial guaranty/mortgage guaranty.....	.0	.0	.0.0	.0	.0	.0.0
22. Totals.....	.0	.0	.0.0	.0	.0	.0.0

NONE

### SECTION 2

Years in Which Policies Were Issued	Incurred 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.....	1,296,731	1,184,177	1,198,653	1,209,974	1,227,028	1,241,430	1,294,656	1,290,378	1,293,663	.0
2. 1997.....	116,359	172,174	158,674	165,202	161,074	161,529	160,791	170,904	167,186	.0
3. 1998.....	XXX	80,431	150,331	152,035	157,529	160,069	161,284	161,549	163,595	.0
4. 1999.....	XXX	XXX	79,972	141,227	148,516	147,639	159,339	164,968	165,297	.0
5. 2000.....	XXX	XXX	XXX	74,438	135,421	135,435	150,409	163,189	155,326	.0
6. 2001.....	XXX	XXX	XXX	XXX	72,304	158,870	139,209	147,143	139,741	.0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	108,363	190,360	176,887	170,253	.0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	116,027	175,689	148,729	.0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	88,900	120,070	.0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	47,930	.0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

### SECTION 3

Years in Which Policies Were Issued	Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses 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.....	383,884	201,459	108,740	82,434	55,186	43,437	40,925	25,809	34,562	.0
2. 1997.....	86,746	105,277	46,921	31,034	19,612	12,779	6,835	12,156	9,947	.0
3. 1998.....	XXX	60,774	60,303	32,126	20,261	10,602	7,801	12,495	10,914	.0
4. 1999.....	XXX	XXX	44,805	51,983	23,502	10,956	10,707	12,693	11,414	.0
5. 2000.....	XXX	XXX	XXX	41,844	48,037	21,273	17,059	24,307	13,068	.0
6. 2001.....	XXX	XXX	XXX	XXX	42,955	73,274	40,627	30,299	18,069	.0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	78,273	95,374	54,531	33,395	.0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	88,398	98,329	55,987	.0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	69,261	69,478	.0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,802	.0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

## SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (continued)

### SECTION 4

Years in Which Policies Were Issued	Net Earned Premiums 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.....	2,362,604	2,572,960	2,386,651	2,380,831	2,166,112	2,235,029	2,154,482	2,069,313	2,082,693	0
2. 1997.....	170,183	251,490	274,024	271,206	252,256	251,639	280,768	247,949	279,053	0
3. 1998.....	XXX	141,509	246,679	242,224	229,199	228,907	230,980	250,132	255,946	0
4. 1999.....	XXX	XXX	131,435	200,088	201,136	199,838	208,827	211,494	224,193	0
5. 2000.....	XXX	XXX	XXX	104,973	184,611	187,166	194,946	195,482	203,222	0
6. 2001.....	XXX	XXX	XXX	XXX	108,432	208,679	211,458	211,793	201,687	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	144,934	251,817	256,509	247,204	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	158,888	252,841	251,585	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	127,385	183,290	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	76,479	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

### SECTION 5

Years in Which Policies Were Issued	Net Reserve for Premium Adjustments and Accrued Retrospective Premiums 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.....	463,484	653,559	404,802	367,352	139,337	190,006	99,640	13,783	27,165	0
2. 1997.....	319	21,142	51,905	46,375	19,130	10,173	16,294	(25,677)	5,427	0
3. 1998.....	XXX	5,623	30,896	39,121	15,377	5,336	716	1,748	(2,532)	0
4. 1999.....	XXX	XXX	9,064	9,575	10,556	2,644	2,380	389	(4,486)	0
5. 2000.....	XXX	XXX	XXX	(10,964)	(422)	2,859	11,011	1,833	11,533	0
6. 2001.....	XXX	XXX	XXX	XXX	(4,204)	3,373	31,893	31,013	22,903	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	2,363	24,275	54,710	40,015	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	(1,826)	31,637	50,064	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,779	27,579	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,175)	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS

(\$000 Omitted)

### SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/farmowners.....	.0	.0	.0.0	.0	.0	.0.0
2. Private passenger auto liability/medical.....	.0	.0	.0.0	.0	.0	.0.0
3. Commercial auto/truck liability/medical.....	.0	.0	.0.0	.0	.0	.0.0
4. Workers' compensation.....	.0	.0	.0.0	.0	.0	.0.0
5. Commercial multiple peril.....	.0	.0	.0.0	.0	.0	.0.0
6. Medical malpractice - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
7. Medical malpractice - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
8. Special liability.....	.0	.0	.0.0	.0	.0	.0.0
9. Other liability - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
10. Other liability - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
11. Special property.....	.0	.0	.0.0	.0	.0	.0.0
12. Auto physical damage.....	.0	.0	.0.0	.0	.0	.0.0
13. Fidelity/surety.....	.0	.0	.0.0	.0	.0	.0.0
14. Other.....	.0	.0	.0.0	.0	.0	.0.0
15. International.....	.0	.0	.0.0	.0	.0	.0.0
16. Reinsurance - nonproportional assumed property.....	.0	.0	.0.0	.0	.0	.0.0
17. Reinsurance - nonproportional assumed liability.....	.0	.0	.0.0	.0	.0	.0.0
18. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0.0	.0	.0	.0.0
19. Products liability - occurrence.....	.0	.0	.0.0	.0	.0	.0.0
20. Products liability - claims-made.....	.0	.0	.0.0	.0	.0	.0.0
21. Financial guaranty/mortgage guaranty.....	.0	.0	.0.0	.0	.0	.0.0
22. Totals	.0	.0	.0.0	.0	.0	.0.0

NONE

### SECTION 2

Years in Which Policies Were Issued	Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	413,786	402,282	401,500	378,303	399,689	393,856	396,456	395,226	395,777	.0
2. 1997.....	97,780	99,328	95,363	91,471	106,034	106,602	113,590	112,739	111,101	.0
3. 1998.....	XXX	139,245	132,645	115,523	127,073	125,644	134,581	134,962	135,088	.0
4. 1999.....	XXX	XXX	98,194	98,216	171,823	163,477	173,583	174,305	173,600	.0
5. 2000.....	XXX	XXX	XXX	38,838	143,085	141,597	135,958	136,477	131,367	.0
6. 2001.....	XXX	XXX	XXX	XXX	65,535	113,162	104,731	102,815	105,302	.0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	43,423	56,851	62,587	63,352	.0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	30,106	25,138	25,552	.0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

### SECTION 3

Years in Which Policies Were Issued	Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted)									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior.....	75,614	38,791	29,682	.0	11,483	5,498	7,419	4,283	2,728	.0
2. 1997.....	70,012	34,957	23,905	.37	7,820	1,499	7,001	6,623	3,440	.0
3. 1998.....	XXX	83,572	27,312	1,695	7,589	3,692	7,915	5,887	4,153	.0
4. 1999.....	XXX	XXX	66,517	7,679	48,223	16,790	16,569	10,835	7,588	.0
5. 2000.....	XXX	XXX	XXX	11,489	71,178	43,895	20,964	13,251	9,034	.0
6. 2001.....	XXX	XXX	XXX	XXX	39,358	34,198	11,525	12,317	10,779	.0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	31,222	33,298	22,873	15,802	.0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	24,922	10,658	7,496	.0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

Years in Which Policies Were Issued	Net Earned Premiums 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.....	484,133	484,906	487,454	489,320	490,022	491,820	492,440	493,249	493,155	0
2. 1997.....	118,233	122,662	124,672	123,582	127,230	128,461	128,525	129,021	129,021	0
3. 1998.....	XXX	115,315	124,473	128,124	128,621	130,473	130,549	130,085	130,013	0
4. 1999.....	XXX	XXX	163,783	163,858	166,617	171,440	173,109	173,375	173,134	0
5. 2000.....	XXX	XXX	XXX	135,165	141,786	139,893	140,668	141,483	142,352	0
6. 2001.....	XXX	XXX	XXX	XXX	129,034	134,819	137,844	142,894	148,894	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	71,044	78,249	82,169	79,275	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	32,575	45,352	45,671	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SECTION 5**

Years in Which Policies Were Issued	Net Reserve For Premium Adjustments And Accrued Retrospective Premiums 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.....	3,832	1,669	0	0	0	0	0	0	0	0
2. 1997.....	9,376	6,135	338	338	0	0	0	0	0	0
3. 1998.....	XXX	(7,188)	844	577	0	0	0	0	0	0
4. 1999.....	XXX	XXX	5,646	1,021	175	88	52	0	0	0
5. 2000.....	XXX	XXX	XXX	5,431	557	1,235	206	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	6,548	1,131	526	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	3,583	917	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	2,097	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SECTION 6**

Years in Which Policies Were Issued	Incurred Adjustable Commissions 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.....	149,439	151,674	153,925	153,304	153,325	152,345	152,656	152,907	152,878	0
2. 1997.....	15,075	34,176	36,126	38,448	39,001	39,508	39,843	39,997	39,996	0
3. 1998.....	XXX	30,065	37,856	40,097	40,887	41,131	40,470	40,326	40,304	0
4. 1999.....	XXX	XXX	41,306	50,024	52,502	53,860	53,664	53,746	53,671	0
5. 2000.....	XXX	XXX	XXX	30,764	44,035	42,505	43,607	43,860	44,129	0
6. 2001.....	XXX	XXX	XXX	XXX	31,089	39,733	42,731	44,297	46,157	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	21,470	24,257	25,472	24,575	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	10,098	14,059	14,158	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SECTION 7**

Years in Which Policies Were Issued	Reserves For Commission Adjustments 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.....	1,145	501	0	0	0	0	0	0	0	0
2. 1997.....	2,811	1,841	84	0	0	0	0	0	0	0
3. 1998.....	XXX	(2,156)	211	144	0	0	0	0	0	0
4. 1999.....	XXX	XXX	1,411	255	44	22	13	0	0	0
5. 2000.....	XXX	XXX	XXX	1,358	139	309	52	0	0	0
6. 2001.....	XXX	XXX	XXX	XXX	1,637	283	131	0	0	0
7. 2002.....	XXX	XXX	XXX	XXX	XXX	892	229	0	0	0
8. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	524	0	0	0
9. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## 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		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)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	YES	100,664,185	98,786,045	29,750	83,854,868	63,890,544	321,474,220	42,864	3,414,092
2. Alaska.....AK	YES	16,587,205	14,089,877	16,767	4,698,408	(32,862,612)	26,595,174	6,444	695,612
3. Arizona.....AZ	YES	132,152,472	117,400,356	1,288,431	83,968,214	76,378,496	239,258,418	74,326	4,724,204
4. Arkansas.....AR	YES	101,386,002	98,424,137	146,545	42,425,014	42,524,845	154,702,206	55,667	2,030,493
5. California.....CA	YES	924,224,346	837,072,352	(1,679,982)	517,198,576	428,691,648	2,571,821,389	465,513	22,702,633
6. Colorado.....CO	YES	149,438,796	139,022,992	147,636	58,579,593	101,742,241	227,756,564	62,348	3,724,963
7. Connecticut.....CT	YES	169,610,851	161,159,042	445,024	92,339,115	75,049,907	413,986,260	74,908	3,567,508
8. Delaware.....DE	YES	27,899,191	28,062,322	37,690	32,160,800	24,737,932	79,589,880	24,357	748,005
9. District of Columbia.....DC	YES	40,023,311	29,239,034	74,227	9,842,774	9,801,482	58,808,876	16,060	811,248
10. Florida.....FL	YES	765,479,968	716,305,685	6,274,608	576,315,773	456,167,308	1,488,329,418	369,466	10,396,517
11. Georgia.....GA	YES	236,671,323	225,744,029	75,247	118,658,340	117,218,350	610,106,278	151,406	5,278,220
12. Hawaii.....HI	YES	29,407,890	24,671,817	27,320	10,416,242	7,537,629	33,622,097	4,780	789,874
13. Idaho.....ID	YES	43,623,525	42,788,599	263,948	10,924,438	12,812,566	127,772,499	10,222	1,307,179
14. Illinois.....IL	YES	403,198,272	366,183,627	175,536	274,559,160	190,736,016	1,450,088,887	181,187	7,743,353
15. Indiana.....IN	YES	134,083,306	118,518,769	(694,611)	65,898,655	252,124,937	414,873,532	54,441	3,012,002
16. Iowa.....IA	YES	49,685,422	46,596,868	77,558	26,131,254	34,338,948	96,156,539	25,570	1,811,133
17. Kansas.....KS	YES	61,131,843	56,583,519	1,383	33,354,874	57,423,791	127,543,052	32,525	2,028,404
18. Kentucky.....KY	YES	96,056,983	92,997,409	90,339	52,073,273	36,742,078	296,449,445	71,167	3,188,393
19. Louisiana.....LA	YES	193,827,155	187,626,812	87,226	417,399,457	60,900	671,688,559	109,146	3,635,262
20. Maine.....ME	YES	25,578,870	21,584,522	3,581	15,089,198	10,930,231	44,290,861	5,964	1,177,663
21. Maryland.....MD	YES	217,079,818	190,544,568	231,264	103,733,535	106,862,235	401,723,085	96,794	4,087,692
22. Massachusetts.....MA	YES	229,275,162	217,058,244	182,056	130,989,077	102,964,901	522,826,363	101,922	7,280,537
23. Michigan.....MI	YES	210,097,529	184,602,974	77,418	153,903,923	42,998,354	647,620,489	118,038	5,808,207
24. Minnesota.....MN	YES	136,916,329	115,115,274	2,744	83,972,331	62,680,825	360,933,470	85,810	2,712,691
25. Mississippi.....MS	YES	75,774,231	72,675,395	17,127	42,625,569	19,607,387	143,689,212	42,899	2,168,917
26. Missouri.....MO	YES	298,121,230	288,771,279	99,056	263,303,873	276,068,209	398,771,246	67,170	3,857,034
27. Montana.....MT	YES	18,796,454	18,595,881	8,340	15,228,205	10,357,651	47,093,626	4,547	867,375
28. Nebraska.....NE	YES	37,518,515	32,288,452	21,662	19,622,214	24,375,429	81,086,907	19,151	1,216,980
29. Nevada.....NV	YES	97,335,817	90,813,528	962,887	34,028,527	53,789,947	137,343,995	62,704	1,534,114
30. New Hampshire.....NH	YES	31,992,779	29,889,076	28,258	17,913,625	16,856,737	50,989,058	14,701	1,496,121
31. New Jersey.....NJ	YES	385,828,733	355,359,168	31,866	284,852,298	226,000,790	1,120,636,210	287,895	10,583,130
32. New Mexico.....NM	YES	56,866,213	54,459,624	57,465	28,523,699	32,305,766	95,841,451	36,361	1,769,842
33. New York.....NY	YES	697,408,188	658,756,966	(364)	528,716,007	257,449,124	2,681,356,410	387,344	14,599,699
34. North Carolina.....NC	YES	148,890,112	140,359,544	261,109	83,595,182	96,669,690	329,089,642	61,385	5,307,080
35. North Dakota.....ND	YES	10,434,776	11,386,767	(163,595)	4,246,910	1,389,852	21,448,908	2,157	355,393
36. Ohio.....OH	YES	211,715,569	195,273,171	(147,617)	84,047,813	70,579,531	495,417,044	139,606	8,112,524
37. Oklahoma.....OK	YES	95,125,463	91,138,015	122,344	13,272,104	48,146,997	142,756,067	67,716	2,736,623
38. Oregon.....OR	YES	121,047,347	104,344,493	1,050,766	47,674,202	55,743,385	226,870,689	40,413	2,338,097
39. Pennsylvania.....PA	YES	325,722,181	289,760,272	89,454	217,883,161	136,932,482	1,183,604,704	173,136	10,704,259
40. Rhode Island.....RI	YES	24,121,364	23,454,223	12,705	18,915,090	44,424,394	92,035,725	13,879	1,073,154
41. South Carolina.....SC	YES	88,124,678	81,480,609	31,980	41,663,552	42,236,818	146,593,668	35,062	2,640,717
42. South Dakota.....SD	YES	16,014,853	15,021,783	4,900	4,945,466	8,110,310	34,122,993	7,158	614,825
43. Tennessee.....TN	YES	185,285,248	167,918,460	124,257	107,503,160	96,197,854	449,421,036	91,436	5,048,379
44. Texas.....TX	YES	558,590,086	519,153,899	5,192,683	281,563,344	177,080,186	1,277,577,320	291,324	11,490,015
45. Utah.....UT	YES	44,537,967	41,831,135	320,235	23,892,962	29,547,774	75,010,852	24,244	1,602,938
46. Vermont.....VT	YES	21,107,961	20,720,534	4,869	8,975,064	9,273,699	32,588,064	5,216	596,839
47. Virginia.....VA	YES	189,076,045	163,974,741	194,887	103,594,538	79,209,910	328,354,757	77,250	5,265,264
48. Washington.....WA	YES	168,416,489	148,779,259	(150,912)	71,822,877	64,036,397	309,493,802	76,262	6,135,774
49. West Virginia.....WV	YES	21,178,382	22,306,251	(144,637)	14,745,478	14,592,564	100,443,130	4,707	1,414,286
50. Wisconsin.....WI	YES	159,790,420	168,467,969	1,831,926	86,436,756	40,031,660	333,743,455	90,179	2,299,913
51. Wyoming.....WY	YES	9,300,760	9,840,499	(160,797)	2,080,636	4,146,793	17,092,879	3,977	402,621
52. American Samoa.....AS	YES	0	0	0	0	0	0	0	0
53. Guam.....GU	YES	49,465	9,631	0	0	0	0	0	0
54. Puerto Rico.....PR	YES	51,186,313	49,730,057	0	18,678,144	19,902,285	46,405,071	5,211	79,493
55. US Virgin Islands.....VI	YES	1,315,822	1,165,713	0	749,760	125,434	932,599	0	23,430
56. Northern Mariana Islands.....MP	YES	0	0	0	0	0	0	0	0
57. Canada.....CN	YES	215,286,588	211,982,775	0	60,259,349	168,497,134	251,301,025	96	0
58. Aggregate Other Alien.....OT	XXX	105,214,450	91,316,220	0	34,489,012	48,960,702	90,304,011	548	0
59. Totals.....(a)	56	8,965,274,253	8,301,204,259	17,082,559	5,564,335,473	4,454,200,443	22,129,433,117	4,374,659	209,010,721

#### DETAILS OF WRITE-INS

5801. Combined write-ins for Sch T.....XXX	105,214,450	91,316,220	0	34,489,012	48,960,702	90,304,011	548	0
5802. ....								
5803. ....								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....XXX	105,214,450	91,316,220	0	34,489,012	48,960,702	90,304,011	548	0

Explanation of Basis of Allocation of Premiums by States, etc.  
 Premiums are allocated to those states where the insured risks reside.

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

## Overflow Page for Write-Ins

**NONE**

### SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3 *	4 F o r e i g n	5 Bond Char			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due and Accrued	20 Gross Amount Received During Year	21 Acquired	22 Maturity
0399999	U.S Governments.....					4,662,570,144	XXX	4,798,700,530	4,932,808,964	4,754,334,376	(3,035,664)	10,511,465	47,437,983	0	XXX	XXX	XXX	27,885,880	11,464,385	XXX	XXX
1099999	All Other Governments.....					377,252,533	XXX	334,184,812	379,632,991	337,556,720	0	830,442	879,283	3,818,563	XXX	XXX	XXX	1,113,218	10,711,890	XXX	XXX
1799999	States, Territories and Possessions (Direct and Guaranteed).....					203,262,557	XXX	244,993,254	430,800,000	217,413,389	0	4,206,222	0	0	XXX	XXX	XXX	1,405,529	6,403,949	XXX	XXX
2499999	Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed).....					3,389,413	XXX	3,222,551	3,185,000	3,185,000	0	0	0	0	XXX	XXX	XXX	8,847	199,063	XXX	XXX
3199999	Special Revenue and Special Assessment Obligations...and Their Political Subdivisions.....					6,839,185,990	XXX	7,059,538,925	8,256,550,261	6,926,272,300	0	40,556,580	11,761,231	0	XXX	XXX	XXX	42,751,517	226,918,187	XXX	XXX
3899999	Public Utilities (Unaffiliated).....					547,928,404	XXX	626,624,346	714,954,163	549,733,607	(258,240)	724,604	6,110,107	0	XXX	XXX	XXX	11,276,963	40,877,777	XXX	XXX
4599999	Industrial and Miscellaneous (Unaffiliated).....					15,166,274,218	XXX	15,341,682,585	15,385,969,037	15,169,673,253	5,854,775	5,616,028	56,631,636	236,793	XXX	XXX	XXX	130,936,259	574,829,732	XXX	XXX
5399999	Parent, Subsidiaries and Affiliates.....					11,228,761	XXX	12,521,800	11,425,000	11,264,860	0	6,833	0	0	XXX	XXX	XXX	352,102	772,930	XXX	XXX
6099999	Total Bonds.....					27,811,092,020	XXX	28,421,468,802	30,115,325,415	27,969,433,504	2,560,871	62,452,175	122,820,240	4,055,356	XXX	XXX	XXX	215,730,315	872,177,912	XXX	XXX

## SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value					20 NAIC Desig- nation	21 Date Acquired
		3 Code	4 n					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared but Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization)/ Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)	19 Total Foreign Exchange Change in B./A.C.V.		
6399999	Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						1,640,473,596	XXX	1,684,223,278	1,650,954,500	14,040,972	37,245,251	0	(3,099,205)	0	1,177,392	(4,276,597)	0	XXX	XXX
6599999	Total Preferred Stocks						1,640,473,596	XXX	1,684,223,278	1,650,954,500	14,040,972	37,245,251	0	(3,099,205)	0	1,177,392	(4,276,597)	0	XXX	XXX

## SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/ Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 F o r e i g n			7 Rate Per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared but Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
6799999	Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				272,280	XXX	272,280	160,000	0	400	0	24,160	0	24,160	0	XXX	XXX
6899999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)				395,399,007	XXX	395,399,007	187,324,357	0	5,249,203	0	88,063,109	3,125,448	84,937,661	5,512,561	XXX	XXX
6999999	Common Stocks - Parent, Subsidiaries and Affiliates				1,373,665,172	XXX	1,373,665,172	951,221,867	0	3,000,000	0	215,748,092	0	215,748,092	0	XXX	XXX
7299999	Total Common Stock				1,769,336,459	XXX	1,769,336,459	1,138,706,224	0	8,249,603	0	303,835,361	3,125,448	300,709,913	5,512,561	XXX	XXX
7399999	Total Preferred and Common Stock				3,409,810,055	XXX	3,453,559,737	2,789,660,724	14,040,972	45,494,853	0	300,736,156	4,302,840	296,433,316	5,512,561	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....49, the total \$ value (included in Column 8) of all such issues \$.....137,477,977.



# COMBINED INSURANCE EXPENSE EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2006

OF THE

Continental Casualty Company

ADDRESS .....Chicago IL 60604

NAIC Group Code.....0218      NAIC Company Code.....00218

Contact Person.....Shelley Engel      Title.....Accounting Manager      Telephone.....312-822-2807

**IF MODIFICATIONS AND/OR CHANGES AFFECTING THIS EXHIBIT ARE MADE TO THE ANNUAL STATEMENT SUBSEQUENT TO THE FILING OF THIS EXHIBIT, AN AMENDED ANNUAL STATEMENT AND INSURANCE EXPENSE EXHIBIT MUST BE FILED IN WRITING WITH THE APPROPRIATE INSURANCE DEPARTMENT.**

(To Be Filed Not Later Than May 1)

- (1) Refer to the Annual Statement Instructions for Uniform Classification of Expenses for definition of Expense Groups and instructions for allocation of expenses to lines of business.
- (2) Compute all ratios to nearest fourth place and express as percentages, e.g. 48.3.
- (3) There should be submitted in Interrogatory 4 a detailed statement or footnote with respect to any item or items requiring special comment or explanation.
- (4) Parts I, II and III only: Report all amounts to the nearest thousand or through truncation of digits below a thousand. (Example: \$602,503 may be reported as \$603 by rounding or as \$602 by truncation.)
- (5) Interrogatories only: Report all amounts in whole dollars. Do NOT omit thousands.
- (6) Each individual insurer whether or not a member of a group must submit this exhibit.

# Continental Casualty Company INTERROGATORIES

1. Change in reserve for deferred maternity and other similar benefits to be reflected in:

- 1.1 Premiums Earned..... [ ]
- 1.2 Losses Incurred..... [ ]
- 1.3 Not Applicable..... [X]

2. Indicate amounts received from securities subject to proration for federal tax purposes. Report amounts in whole dollars only:

- 2.1 Amount included on Exhibit of Net Investment Income, Line 1.1, Column 2..... \$.....201,667,503
- 2.2 Amount included on Exhibit of Net Investment Income, Line 2.1, Column 2..... \$.....44,730,180
- 2.3 Amount included on Exhibit of Net Investment Income, Line 2.11, Column 2..... \$.....0
- 2.4 Amount included on Exhibit of Net Investment Income, Line 2.2, Column 2..... \$.....6,485,975
- 2.5 Amount included on Exhibit of Net Investment Income, Line 2.21, Column 2..... \$.....3,000,000

3. Indicate amounts shown in the Annual Statement for the following items. Report amounts in whole dollars only:

- 3.1 Net Investment Income, Page 4, Line 9, Column 1..... \$.....1,787,507,627
- 3.2 Net Realized Capital Gain or (Loss), Page 4, Line 10, Column 1..... \$.....(50,467,189)

4. The information provided in the Insurance Expense Exhibit will be used by many persons to estimate the allocation of expenses and profit to the various lines of business.

- 4.1 Are there any items requiring special comment or explanation?..... Yes [ ] No [X]
- 4.2 Are items allocated to lines of business in Parts II and III using methods not defined in the instructions?..... Yes [ ] No [X]  
An extended statement may be attached.

4.3 If yes, explain:

**PART I - ALLOCATION TO EXPENSE GROUPS**

(000 omitted)

Operating Expense Classifications	1 Loss Adjustment Expense	Other Underwriting Expenses			5 Investment Expenses	6 Total Expenses
		2 Acquisition, Field Supervision and Collection Expenses	3 General Expenses	4 Taxes, Licenses and Fees		
1. Claim adjustment services:						
1.1 Direct.....	1,010,871	0	0	0	0	1,010,871
1.2 Reinsurance assumed.....	15,335	0	0	0	0	15,335
1.3 Reinsurance ceded.....	129,030	0	0	0	0	129,030
1.4 Net claim adjustment services (Lines 1.1 + 1.2 - 1.3).....	897,175	0	0	0	0	897,175
2. Commission and brokerage:						
2.1 Direct excluding contingent.....	0	1,226,100	0	0	0	1,226,100
2.2 Reinsurance assumed excluding contingent.....	0	21,422	0	0	0	21,422
2.3 Reinsurance ceded excluding contingent.....	0	456,150	0	0	0	456,150
2.4 Contingent - direct.....	0	87,269	0	0	0	87,269
2.5 Contingent - reinsurance assumed.....	0	(4,218)	0	0	0	(4,218)
2.6 Contingent - reinsurance ceded.....	0	40	0	0	0	40
2.7 Policy and membership fees.....	0	0	0	0	0	0
2.8 Net commission and brokerage (Lines 2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	874,383	0	0	0	874,383
3. Allowances to managers and agents.....	94	146	585	0	0	826
4. Advertising.....	1,015	313	4,485	0	0	5,813
5. Boards, bureaus and associations.....	0	10,279	13,603	0	0	23,881
6. Surveys and underwriting reports.....	12,401	8,360	2,750	0	6	23,517
7. Audit of assureds' records.....	0	0	1,132	0	0	1,132
8. Salary related items:						
8.1 Salaries.....	292,972	211,588	442,552	0	3,451	950,563
8.2 Payroll taxes.....	13,369	12,145	6,388	0	214	32,116
9. Employee relations and welfare.....	2,864	1,105	6,294	0	3	10,266
10. Insurance.....	(189)	0	(440)	0	3	(626)
11. Directors' fees.....	0	0	0	0	0	0
12. Travel and travel items.....	9,306	10,275	16,941	0	3	36,526
13. Rent and rent items.....	14,705	383	27,276	0	9	42,372
14. Equipment.....	22,089	2,502	40,468	0	697	65,756
15. Cost or depreciation of EDP equipment and software.....	0	0	0	0	0	0
16. Printing and stationery.....	3,798	1,297	4,835	0	2	9,932
17. Postage, telephone and telegraph, exchange and express.....	5,399	1,263	10,613	0	4	17,278
18. Legal and auditing.....	29,671	35	14,845	0	26	44,577
19. Totals (Lines 3 to 18).....	407,496	259,689	592,327	0	4,418	1,263,929
20. Taxes, licenses and fees:						
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	0	0	0	222,033	0	222,033
20.2 Insurance department licenses and fees.....	0	0	0	13,289	0	13,289
20.3 Gross guaranty association assessments.....	0	0	0	5,024	0	5,024
20.4 All other (excluding federal and foreign income and real estate).....	0	0	0	5,799	0	5,799
20.5 Total taxes, licenses and fees (Lines 20.1+20.2+20.3+20.4).....	0	0	0	246,144	0	246,144
21. Real estate expenses.....	0	0	0	0	2,328	2,328
22. Real estate taxes.....	0	0	0	0	683	683
23. Reimbursements by uninsured plans.....	XXX	XXX	XXX	XXX	XXX	XXX
24. Aggregate write-ins for miscellaneous operating expenses.....	(3,488)	(253)	(12,534)	0	24,009	7,735
25. Total expenses incurred.....	1,301,184	1,133,818	579,793	246,144	31,438	3,292,378

**DETAILS OF WRITE-INS**

2401. Combined write-ins for IEE-Part I Line 24.....	(3,488)	(253)	(12,534)	0	24,009	7,735
2402. ....						
2403. ....						
2498. Summary of remaining write-ins for Line 24 from overflow page.....						
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	(3,488)	(253)	(12,534)	0	24,009	7,735

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**

(000 omitted)

	Premiums Written (Page 8, Part 1B, Col. 6)		Premiums Earned (Page 6, Part 1, Col. 4)		Dividends to Policyholders (Page 4, Line 17)		Incurred Loss (Page 9, Part 2, Col. 7)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Page 10, Part 2A, Col. 8)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves (Page 7, Part 1A, Col. 5)		Agents' Balances	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Fire.....	5,781	XXX	6,363	100.0	0	0.0	9,428	148.2	841	13.2	377	5.9	34,540	542.8	202	3.2	964	15.1	(1,358)	(21.3)	680	10.7
2.1 Allied lines.....	346,780	XXX	294,648	100.0	0	0.0	69,872	23.7	(2,279)	(0.8)	7,625	2.6	335,822	114.0	8,310	2.8	1,576	0.5	147,973	50.2	62,782	21.3
2.2 Multiple peril crop.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2.3 Federal Flood.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3. Farmowners multiple peril.....	0	XXX	0	100.0	0	0.0	(4)	0.0	0	0.0	19	0.0	908	0.0	482	0.0	53	0.0	0	0.0	0	0.0
4. Homeowners multiple peril.....	(0)	XXX	(0)	100.0	0	0.0	502	(577,194.8)	543	(624,137.9)	459	(527,586.2)	13,307	(15,295,780.0)	36	(41,379.3)	263	(302,298.9)	0	0.0	1,051	(1,208,046.0)
5.1 Commercial multiple peril (non-liability portion).....	548,386	XXX	556,030	100.0	0	0.0	295,991	53.2	(12,554)	(2.3)	40,726	7.3	303,865	54.6	63,735	11.5	9,615	1.7	308,828	55.5	28,903	5.2
5.2 Commercial multiple peril (liability portion).....	571,850	XXX	552,619	100.0	245	0.0	302,665	54.8	122,715	22.2	67,137	12.1	1,500,817	271.6	607,922	110.0	65,864	11.9	240,126	43.5	18,627	3.4
6. Mortgage guaranty.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	15	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
8. Ocean marine.....	262,125	XXX	261,674	100.0	0	0.0	156,234	59.7	11,764	4.5	9,793	3.7	316,311	120.9	15,313	5.9	12,303	4.7	97,721	37.3	60,417	23.1
9. Inland marine.....	96,424	XXX	89,328	100.0	0	0.0	46,438	52.0	1,180	1.3	4,278	4.8	40,923	45.8	2,504	2.8	2,257	2.5	46,811	52.4	197,504	221.1
10. Financial guaranty.....	0	XXX	0	100.0	0	0.0	6,198	0.0	56	0.0	(8)	0.0	11,431	0.0	1,748	0.0	1,020	0.0	42	0.0	21	0.0
11. Medical malpractice.....	448,974	XXX	425,124	100.0	0	0.0	151,865	35.7	62,740	14.8	18,817	4.4	896,967	211.0	140,516	33.1	21,573	5.1	218,798	51.5	48,590	11.4
12. Earthquake.....	33	XXX	35	100.0	0	0.0	3	9.1	9	26.1	1	2.9	254	734.7	19	55.0	1	2.9	(1,323)	(3,831.6)	3	8.7
13. Group A&H (see interrogatory 1).....	118,424	XXX	(34,921)	100.0	0	0.0	39,842	(114.1)	0	0.0	8,274	(23.7)	217,749	(623.6)	0	0.0	16,425	(47.0)	996,934	(2,854.8)	43,023	(123.2)
14. Credit A&H.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
15. Other A&H (see interrogatory 1).....	507,512	XXX	8,737	100.0	0	0.0	302,613	3,463.5	0	0.0	1,766	20.2	737,368	8,439.5	0	0.0	14,367	164.4	3,761,354	43,050.4	85,747	981.4
16. Workers' compensation.....	989,331	XXX	944,149	100.0	12,453	1.3	683,975	72.4	119,960	12.7	79,065	8.4	4,220,989	447.1	371,725	39.4	182,502	19.3	(23,865)	(2.5)	68,348	7.2
17. Other liability.....	1,933,493	XXX	1,912,318	100.0	(502)	(0.0)	817,209	42.7	403,112	21.1	218,838	11.4	5,987,134	313.1	791,899	41.4	161,694	8.5	855,977	44.8	325,489	17.0
18. Products liability.....	143,649	XXX	137,220	100.0	47	0.0	79,509	57.9	37,235	27.1	14,377	10.5	307,750	224.3	74,330	54.2	13,745	10.0	64,054	46.7	3,456	2.5
19.1, 19.2 Private passenger auto liability.....	(418)	XXX	(442)	100.0	0	0.0	17,370	(3,931.6)	(288)	65.2	2,947	(666.9)	125,460	(28,396.7)	1,562	(353.5)	1,774	(401.5)	(71)	16.1	(12)	2.7
19.3, 19.4 Commercial auto liability.....	608,047	XXX	629,028	100.0	508	0.1	392,067	62.3	13,011	2.1	39,155	6.2	1,185,906	188.5	119,951	19.1	39,251	6.2	226,532	36.0	50,771	8.1
21.1 Private passenger auto physical damage.....	(10)	XXX	(7)	100.0	0	0.0	(373)	5,328.6	(335)	4,785.7	10	(142.9)	829	(11,842.9)	54	(771.4)	11	(157.1)	(3)	42.9	(11)	157.1
21.2 Commercial auto physical damage.....	109,990	XXX	114,460	100.0	4	0.0	62,555	54.7	3,034	2.7	6,464	5.6	22,241	19.4	5,588	4.9	629	0.5	42,938	37.5	7,030	6.1
22. Aircraft (all perils).....	512	XXX	512	100.0	0	0.0	(440)	(85.9)	2,505	489.3	618	120.7	58,325	11,392.1	2,736	534.4	2,967	579.5	0	0.0	(8)	(1.6)
23. Fidelity.....	21,020	XXX	18,525	100.0	0	0.0	12,209	65.9	309	1.7	4,296	23.2	84,594	456.6	15,076	81.4	1,544	8.3	17,197	92.8	7,192	38.8
24. Surety.....	1,523	XXX	3,914	100.0	0	0.0	5,432	138.8	(1,567)	(40.0)	1,389	35.5	97,625	2,494.0	125	3.2	1	0.0	1,688	43.1	18,024	460.5
26. Burglary and theft.....	1,221	XXX	641	100.0	0	0.0	210	32.7	76	11.9	(4)	(0.6)	300	46.8	91	14.2	4	0.6	741	115.5	183	28.5
27. Boiler and machinery.....	82,076	XXX	82,188	100.0	0	0.0	34,428	41.9	2,284	2.8	2,269	2.8	48,247	58.7	1,765	2.1	880	1.1	36,538	44.5	15,721	19.1
28. Credit.....	8	XXX	9	100.0	0	0.0	(1,437)	(16,208.4)	4	45.1	255	2,871.3	3,502	39,509.8	35	394.9	334	3,768.3	(22)	(250.5)	2,143	24,177.8
29. International.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
30, 31, 32. Reinsurance - nonproportional assumed.....	(55)	XXX	(55)	100.0	0	0.0	94,146	(169,662.3)	1,640	(2,955.5)	4,817	(8,680.8)	910,459	(1,640,761.9)	0	0.0	4,573	(8,241.1)	0	0.0	0	0.0
33. Aggregate write-ins for other lines of business.....	14,919	XXX	79,864	100.0	0	0.0	47,759	59.8	943	1.2	480	0.6	22,297	27.9	704	0.9	987	1.2	127,913	160.2	4,826	6.0
34. TOTAL (Lines 1 through 33).....	6,811,594	XXX	6,081,961	100.0	12,755	0.2	3,626,266	59.6	766,938	12.6	534,246	8.8	17,485,921	287.5	2,226,428	36.6	557,177	9.2	7,165,524	117.8	1,050,499	17.3
<b>DETAILS OF WRITE-INS</b>																						
3301. Combined write-ins for IEE-Part II Line 33.....	14,919	XXX	79,864	100.0	0	0.0	47,759	59.8	943	1.2	480	0.6	22,297	27.9	704	0.9	987	1.2	127,913	160.2	4,826	6.0
3302. ....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3303. ....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	14,919	XXX	79,864	100.0	0	0.0	47,759	59.8	943	1.2	480	0.6	22,297	27.9	704	0.9	987	1.2	127,913	160.2	4,826	6.0

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**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE (continued)**

(000 omitted)

	Premiums, Losses, Expenses, Reserves and Profits, and Percentages to Premiums Earned for Business Net of Reinsurance		Commissions and Brokerage Expenses Incurred (IEE Pt. 1, Line 2.8, Col. 2)		Taxes, Licenses and Fees Incurred (IEE Pt. 1, Line 20.5, Col. 4)		Other Acquisitions, Field Supervision and Collection Expenses Incurred (IEE Pt. 1, Line 25 minus 2.8, Col. 2)		General Expenses Incurred (IEE Pt. 1, Line 25, Col. 3)		Other Income Less Other Expenses (Pg. 4, Line 15 minus Line 5)		Pre-Tax Profit or Loss Excluding All Investment Gain		Investment Gain On Funds Attributable to Insurance Transactions		Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus		Investment Gain Attributable to Capital and Surplus		Total Profit or Loss	
	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Fire.....	683	10.7	(295)	(4.6)	415	6.5	(2,070)	(32.5)	(368)	(5.8)	(3,385)	(53.2)	(131)	(2.1)	(3,516)	(55.3)	146	2.3	(3,371)	(53.0)		
2.1 Allied lines.....	34,141	11.6	8,586	2.9	12,968	4.4	10,723	3.6	361	0.1	153,373	52.1	21,325	7.2	174,698	59.3	9,676	3.3	184,375	62.6		
2.2 Multiple peril crop.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	2	0.0	2	0.0	1	0.0	2	0.0		
2.3 Federal Flood.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
3. Farmowners multiple peril.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	(15)	0.0	111	0.0	96	0.0	31	0.0	127	0.0		
4. Homeowners multiple peril.....	652	(748,862.1)	3,493	(4,014,942.5)	8,377	(9,629,298.9)	12,941	(14,875,275.9)	(863)	991,954.0	(27,831)	31,989,352.3	3,888	(4,469,437.8)	(23,942)	27,519,914.5	1,412	(1,622,979.6)	(22,530)	25,896,934.8		
5.1 Commercial multiple peril (non-liability portion).....	111,784	20.1	15,401	2.8	37,668	6.8	34,133	6.1	104	0.0	32,986	5.9	28,916	5.2	61,901	11.1	19,332	3.5	81,233	14.6		
5.2 Commercial multiple peril (liability portion).....	95,195	17.2	14,709	2.7	32,591	5.9	41,050	7.4	(172)	(0.0)	(123,858)	(22.4)	114,686	20.8	(9,172)	(1.7)	35,934	6.5	26,761	4.8		
6. Mortgage guaranty.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	(15)	0.0	(0)	0.0	(15)	0.0	(0)	0.0	(15)	0.0		
8. Ocean marine.....	61,008	23.3	2,302	0.9	7,759	3.0	7,592	2.9	(23,225)	(8.9)	(18,003)	(6.9)	30,384	11.6	12,381	4.7	15,475	5.9	27,856	10.6		
9. Inland marine.....	(17,439)	(19.5)	31,460	35.2	1,609	1.8	5,310	5.9	(1,570)	(1.8)	14,921	16.7	9,289	10.4	24,210	27.1	2,935	3.3	27,145	30.4		
10. Financial guaranty.....	(4)	0.0	4	0.0	12	0.0	4,046	0.0	(13)	0.0	(10,317)	0.0	753	0.0	(9,565)	0.0	178	0.0	(9,387)	0.0		
11. Medical malpractice.....	68,104	16.0	8,943	2.1	1,257	0.3	23,826	5.6	(874)	(0.2)	88,697	20.9	57,145	13.4	145,842	34.3	20,205	4.8	166,046	39.1		
12. Earthquake.....	(22)	(63.7)	5	14.5	(3)	(7.2)	48	139.0	0	0.0	(7)	(20.6)	(26)	(74.5)	(33)	(95.1)	(23)	(66.7)	(56)	(161.8)		
13. Group A&H (see interrogatory 1).....	3,675	(10.5)	2,944	(8.4)	(12)	0.0	13,646	(39.1)	329	(0.9)	(102,961)	294.8	49,205	(140.9)	(53,756)	153.9	16,824	(48.2)	(36,931)	105.8		
14. Credit A&H.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	(0)	0.0	27	0.0	27	0.0	10	0.0	36	0.0		
15. Other A&H (see interrogatory 1).....	53,365	610.8	9,526	109.0	104	1.2	120,500	1,379.2	657	7.5	(478,480)	(5,476.4)	155,176	1,776.1	(323,304)	(3,700.4)	85,016	973.1	(238,287)	(2,727.3)		
16. Workers' compensation.....	87,446	9.3	98,386	10.4	60,362	6.4	104,087	11.0	(12,442)	(1.3)	(314,026)	(33.3)	243,396	25.8	(70,629)	(7.5)	68,460	7.3	(2,169)	(0.2)		
17. Other liability.....	243,802	12.7	34,072	1.8	30,063	1.6	95,125	5.0	(27,661)	(1.4)	42,938	2.2	404,474	21.2	447,413	23.4	133,214	7.0	580,627	30.4		
18. Products liability.....	14,250	10.4	1,743	1.3	2,734	2.0	6,563	4.8	(1,026)	(0.7)	(20,263)	(14.8)	22,648	16.5	2,386	1.7	7,549	5.5	9,934	7.2		
19.1 19.2 Private passenger auto liability.....	(4,163)	942.1	(1,053)	238.4	(44)	10.0	4,222	(955.7)	8	(1.8)	(19,425)	4,396.7	18,132	(4,104.1)	(1,293)	292.6	5,887	(1,332.5)	4,595	(1,040.0)		
19.3, 19.4 Commercial auto liability.....	83,916	13.3	13,776	2.2	38,432	6.1	34,739	5.5	313	0.0	13,739	2.2	71,685	11.4	85,424	13.6	26,594	4.2	112,017	17.8		
21.1 Private passenger auto physical damage.....	(2,835)	40,500.0	1,036	(14,796.4)	(66)	942.7	3,506	(50,085.4)	7	(100.0)	(943)	13,467.7	1,000	(14,287.3)	57	(819.6)	476	(6,798.4)	533	(7,618.0)		
21.2 Commercial auto physical damage.....	16,636	14.5	2,756	2.4	6,561	5.7	11,165	9.8	(24)	(0.0)	5,262	4.6	2,379	2.1	7,640	6.7	2,606	2.3	10,247	9.0		
22. Aircraft (all perils).....	(27)	(5.3)	(650)	(127.0)	(343)	(67.0)	(664)	(129.7)	4	0.8	(483)	(94.4)	6,911	1,349.9	6,428	1,255.5	2,072	404.8	8,501	1,660.3		
23. Fidelity.....	488	2.6	(6,851)	(37.0)	1,333	7.2	8,571	46.3	(1,522)	(8.2)	(3,352)	(18.1)	5,977	32.3	2,626	14.2	1,845	10.0	4,470	24.1		
24. Surety.....	(8,085)	(206.5)	2,479	63.3	150	3.8	2,443	62.4	(3,132)	(80.0)	(1,458)	(37.2)	6,860	175.2	5,402	138.0	1,090	27.8	6,491	165.8		
26. Burglary and theft.....	178	27.8	38	5.9	52	8.0	308	48.1	1	0.2	(215)	(33.6)	43	6.7	(173)	(26.9)	45	7.1	(127)	(19.9)		
27. Boiler and machinery.....	10,996	13.4	2,540	3.1	15,516	18.9	4,683	5.7	119	0.1	9,591	11.7	2,605	3.2	12,196	14.8	2,392	2.9	14,588	17.7		
28. Credit.....	(328)	(3,700.6)	207	2,335.4	1	11.3	5	56.4	(35)	(394.9)	1,267	14,294.5	316	3,565.9	1,583	17,860.4	119	1,347.1	1,702	19,207.5		
29. International.....	0	0.0	0	0.0	0	0.0	2	0.0	0	0.0	(2)	0.0	0	0.0	(2)	0.0	0	0.0	(2)	0.0		
30, 31, 32. Reinsurance - nonproportional assumed.....	2,471	(4,453.1)	0	0.0	1,925	(3,469.1)	32,270	(58,155.5)	0	0.0	(137,325)	247,476.3	37,284	(67,190.2)	(100,041)	180,286.1	8,363	(15,071.0)	(91,678)	165,215.0		
33. Aggregate write-ins for other lines of business.....	18,501	23.2	585	0.7	9	0.0	1,019	1.3	(2,901)	(3.6)	7,667	9.6	5,042	6.3	12,709	15.9	16,344	20.5	29,053	36.4		
34. TOTAL (Lines 1 through 33).....	874,385	14.4	246,143	4.0	259,435	4.3	579,793	9.5	(73,924)	(1.2)	(891,924)	(14.7)	1,299,503	21.4	407,579	6.7	484,207	8.0	891,786	14.7		

**DETAILS OF WRITE-INS**

3301. Combined write-ins for IEE-Part II Line 33.....	18,501	23.2	585	0.7	9	0.0	1,019	1.3	(2,901)	(3.6)	7,667	9.6	5,042	6.3	12,709	15.9	16,344	20.5	29,053	36.4		
3302. ....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
3303. ....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	18,501	23.2	585	0.7	9	0.0	1,019	1.3	(2,901)	(3.6)	7,667	9.6	5,042	6.3	12,709	15.9	16,344	20.5	29,053	36.4		

Note: The allocation of investment income from capital and surplus by line of business may not accurately reflect the profitability of a particular line for use in the rate making process.

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN**

(000 omitted)

	Premiums, Losses, Expenses, Reserves and Profits, and Percentages to Premiums Earned for Direct Business Written		Premiums Written (Page 8, Part 1B Col. 1)		Premiums Earned (Sch. T, Line 59 Col. 3)		Dividends to Policyholders		Incurred Loss (Sch. T, Line 59 Col. 6)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Sch. T, Line 59 Col. 7)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves		Agents' Balances	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Fire.....	5,556	XXX	6,157	100.0	0	0.0	174,779	2,838.8	279	4.5	174	2.8	182,326	2,961.4	216	3.5	953	15.5	2,575	41.8	953	15.5		
2.1 Allied lines.....	365,258	XXX	308,937	100.0	0	0.0	59,865	19.4	887	0.3	7,577	2.5	482,254	156.1	8,386	2.7	1,576	0.5	158,789	51.4	39,118	12.7		
2.2 Multiple peril crop.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
2.3 Federal Flood.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
3. Farmowners multiple peril.....	0	XXX	0	100.0	0	0.0	(33)	0.0	0	0.0	20	0.0	793	0.0	482	0.0	53	0.0	0	0.0	0	0.0		
4. Homeowners multiple peril.....	4,048	XXX	4,058	100.0	0	0.0	(1,468)	(36.2)	(21,099)	(520.0)	(393)	(9.7)	73,370	1,808.2	5,586	137.7	8,152	200.9	0	0.0	1,182	29.1		
5.1 Commercial multiple peril (non-liability portion).....	672,228	XXX	677,912	100.0	0	0.0	323,992	47.8	26,367	3.9	30,077	4.4	332,086	49.0	62,627	9.2	9,258	1.4	310,513	45.8	75,215	11.1		
5.2 Commercial multiple peril (liability portion).....	572,965	XXX	553,905	100.0	245	0.0	351,129	63.4	124,650	22.5	51,289	9.3	1,554,039	280.6	609,100	110.0	65,863	11.9	241,524	43.6	67,705	12.2		
6. Mortgage guaranty.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
8. Ocean marine.....	281,855	XXX	278,996	100.0	0	0.0	280,664	100.6	14,364	5.1	10,618	3.8	479,062	171.7	16,083	5.8	12,303	4.4	105,369	37.8	50,487	18.1		
9. Inland marine.....	1,073,886	XXX	1,066,626	100.0	0	0.0	572,182	53.6	1,255	0.1	4,276	0.4	193,946	18.2	2,882	0.3	2,257	0.2	48,078	4.5	117,404	11.0		
10. Financial guaranty.....	90	XXX	352	100.0	0	0.0	1,775	503.8	0	0.0	8	2.3	11,431	3,245.6	1,748	496.3	1,020	289.6	391	110.9	21	6.0		
11. Medical malpractice.....	578,206	XXX	549,847	100.0	0	0.0	238,493	43.4	87,972	16.0	14,339	2.6	1,304,774	237.3	161,625	29.4	21,574	3.9	246,939	44.9	65,912	12.0		
12. Earthquake.....	31	XXX	33	100.0	0	0.0	7	20.0	9	26.5	(46)	(139.0)	209	633.0	28	85.8	1	3.0	12	37.0	4	12.1		
13. Group A&H (see interrogatory 1).....	231,507	XXX	72,364	100.0	0	0.0	21,920	30.3	0	0.0	6,291	8.7	872,026	1,205.1	0	0.0	36,320	50.2	984,415	1,360.4	24,671	34.1		
14. Credit A&H.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
15. Other A&H (see interrogatory 1).....	461,428	XXX	18,103	100.0	0	0.0	286,711	1,583.7	0	0.0	1,749	9.7	700,437	3,869.1	0	0.0	13,980	77.2	3,450,756	19,061.4	49,173	271.6		
16. Workers' compensation.....	1,067,789	XXX	1,019,410	100.0	12,453	1.2	739,851	72.6	122,361	12.0	60,729	6.0	4,704,454	461.5	386,866	38.0	175,182	17.2	(14,202)	(1.4)	129,614	12.7		
17. Other liability.....	2,451,852	XXX	2,451,994	100.0	(502)	(0.0)	796,115	32.5	438,975	17.9	202,456	8.3	8,241,564	336.1	850,433	34.7	161,305	6.6	956,822	39.0	292,186	11.9		
18. Products liability.....	166,175	XXX	160,138	100.0	47	0.0	129,521	80.9	46,081	28.8	10,248	6.4	513,113	320.4	98,918	61.8	13,746	8.6	72,745	45.4	19,018	11.9		
19.1, 19.2 Private passenger auto liability.....	(33)	XXX	63	100.0	0	0.0	14,212	22,397.9	(676)	(1,065.3)	30,194	47,585.6	344,699	543,243.7	48,433	76,330.3	63,785	100,524.8	(26)	(41.1)	(12)	(18.9)		
19.3, 19.4 Commercial auto liability.....	654,459	XXX	676,320	100.0	508	0.1	411,768	60.9	17,994	2.7	29,791	4.4	1,285,609	190.1	124,400	18.4	38,198	5.6	247,746	36.6	78,672	11.6		
21.1 Private passenger auto physical damage.....	(61)	XXX	(55)	100.0	0	0.0	1,116	(2,032.1)	(4)	7.2	(5,403)	(9,835.3)	30,094	(54,781.4)	3,662	(6,665.8)	11	(20.0)	0	(0.3)	(13)	24.6		
21.2 Commercial auto physical damage.....	109,136	XXX	114,615	100.0	4	0.0	59,739	52.1	3,153	2.8	4,583	4.0	23,251	20.3	5,680	5.0	616	0.5	43,078	37.6	13,376	11.7		
22. Aircraft (all perils).....	(34)	XXX	(34)	100.0	0	0.0	(57,045)	169,944.0	10,467	(31,183.1)	636	(1,894.7)	244,762	(729,175.6)	7,268	(21,651.1)	2,964	(8,830.1)	0	0.0	(8)	23.8		
23. Fidelity.....	36,743	XXX	36,547	100.0	0	0.0	12,544	34.3	1,001	2.7	4,341	11.9	123,478	337.9	18,798	51.4	1,543	4.2	20,105	55.0	5,288	14.5		
24. Surety.....	113,725	XXX	110,063	100.0	4,328	3.9	(46,772)	(42.5)	9,547	8.7	1,155	1.0	324,440	294.8	13,118	11.9	0	0.0	62,461	56.8	14,771	13.4		
26. Burglary and theft.....	1,315	XXX	677	100.0	0	0.0	237	35.0	66	9.8	(5)	(0.7)	311	45.9	91	13.5	3	0.4	804	118.8	145	21.4		
27. Boiler and machinery.....	85,106	XXX	85,298	100.0	0	0.0	32,596	38.2	2,142	2.5	2,345	2.7	48,703	57.1	1,772	2.1	880	1.0	38,097	44.7	9,075	10.6		
28. Credit.....	11,434	XXX	15,524	100.0	0	0.0	(6,419)	(41.3)	(324)	(2.1)	262	1.7	34,782	224.1	35	0.2	334	2.2	4,093	26.4	1,263	8.1		
29. International.....	0	XXX	0	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
33. Aggregate write-ins for other lines of business.....	20,609	XXX	93,353	100.0	0	0.0	56,724	60.8	1,048	1.1	484	0.5	23,416	25.1	746	0.8	985	1.1	153,607	164.5	4,732	5.1		
34. TOTAL (Lines 1 through 33).....	8,965,275	XXX	8,301,204	100.0	17,083	0.2	4,454,200	53.7	886,516	10.7	467,796	5.6	22,129,433	266.6	2,428,982	29.3	632,862	7.6	7,134,691	85.9	1,059,952	12.8		
<b>DETAILS OF WRITE-INS</b>																								
3301. Combined write-ins for IEE-Part III Line 33.....	20,609	XXX	93,353	0.0	0	0.0	56,724	0.0	1,048	0.0	484	0.0	23,416	0.0	746	0.0	985	0.0	153,607	0.0	4,732	0.0		
3302. ....																								
3303. ....																								
3398. Summary of remaining write-ins for Line 33 from overflow page.....																								
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	20,609	XXX	93,353	0.0	0	0.0	56,724	0.0	1,048	0.0	484	0.0	23,416	0.0	746	0.0	985	0.0	153,607	0.0	4,732	0.0		

IEE6

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN (continued)**

(000 omitted)

	Commissions and Brokerage Expenses Incurred		Taxes, Licenses and Fees Incurred		Other Acquisition, Field Supervision and Collection Expenses Incurred		General Expenses Incurred		Other Income Less Other Expenses		Pre-Tax Profit or Loss Excluding All Investment	
	23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %
1. Fire.....	863	14.0	(307)	(5.0)	417	6.8	(2,109)	(34.3)	(368)	(6.0)	(168,306)	(2,733.7)
2.1 Allied lines.....	37,593	12.2	8,585	2.8	12,967	4.2	10,853	3.5	361	0.1	170,971	55.3
2.2 Multiple peril crop.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	(0)	0.0
2.3 Federal Flood.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3. Farmowners multiple peril.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	13	0.0
4. Homeowners multiple peril.....	260	6.4	3,202	78.9	8,259	203.5	12,248	301.9	(863)	(21.3)	2,185	53.9
5.1 Commercial multiple peril (non-liability portion).....	112,299	16.6	15,402	2.3	37,428	5.5	34,218	5.0	103	0.0	98,232	14.5
5.2 Commercial multiple peril (liability portion).....	95,366	17.2	14,710	2.7	32,589	5.9	41,137	7.4	(172)	(0.0)	(157,380)	(28.4)
6. Mortgage guaranty.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
8. Ocean marine.....	63,089	22.6	2,300	0.8	7,759	2.8	7,550	2.7	(23,225)	(8.3)	(130,572)	(46.8)
9. Inland marine.....	207,598	19.5	31,442	2.9	1,610	0.2	5,353	0.5	(1,570)	(0.1)	241,340	22.6
10. Financial guaranty.....	0	0.0	4	1.1	12	3.4	95	27.0	(13)	(3.7)	(1,554)	(441.3)
11. Medical malpractice.....	83,470	15.2	8,943	1.6	1,257	0.2	27,935	5.1	(874)	(0.2)	86,564	15.7
12. Earthquake.....	5	16.5	5	13.7	(3)	(9.1)	47	142.0	0	0.0	10	29.4
13. Group A&H (see interrogatory 1).....	65,902	91.1	2,944	4.1	(12)	(0.0)	14,091	19.5	329	0.5	(38,443)	(53.1)
14. Credit A&H.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
15. Other A&H (see interrogatory 1).....	49,400	272.9	9,526	52.6	104	0.6	119,546	660.4	657	3.6	(448,276)	(2,476.2)
16. Workers' compensation.....	87,218	8.6	98,385	9.7	60,189	5.9	111,013	10.9	(12,441)	(1.2)	(285,231)	(28.0)
17. Other liability.....	328,435	13.4	34,077	1.4	29,554	1.2	95,831	3.9	(27,660)	(1.1)	499,392	20.4
18. Products liability.....	18,279	11.4	1,744	1.1	2,734	1.7	6,563	4.1	(1,026)	(0.6)	(56,104)	(35.0)
19.1, 19.2 Private passenger auto liability.....	(32)	(50.9)	(1,227)	(1,933.1)	(56)	(88.3)	4,184	6,594.0	8	12.6	(46,528)	(73,327.2)
19.3, 19.4 Commercial auto liability.....	91,747	13.6	13,774	2.0	36,611	5.4	35,592	5.3	313	0.0	38,848	5.7
21.1 Private passenger auto physical damage.....	(2)	3.0	910	(1,655.7)	(66)	121.0	3,478	(6,332.0)	7	(12.7)	(77)	140.5
21.2 Commercial auto physical damage.....	16,608	14.5	2,756	2.4	6,340	5.5	10,782	9.4	(24)	(0.0)	10,626	9.3
22. Aircraft (all perils).....	(4)	10.9	(650)	1,937.2	(343)	1,021.8	(673)	2,004.9	4	(11.9)	47,582	(141,752.9)
23. Fidelity.....	4,378	12.0	(6,851)	(18.7)	969	2.7	8,730	23.9	(1,522)	(4.2)	9,913	27.1
24. Surety.....	20,680	18.8	2,479	2.3	150	0.1	2,476	2.2	(3,132)	(2.8)	112,889	102.6
26. Burglary and theft.....	201	29.8	39	5.7	41	6.1	203	30.0	1	0.1	(104)	(15.4)
27. Boiler and machinery.....	11,149	13.1	2,539	3.0	15,515	18.2	4,744	5.6	119	0.1	14,387	16.9
28. Credit.....	108	0.7	207	1.3	1	0.0	5	0.0	(35)	(0.2)	21,648	139.4
29. International.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
33. Aggregate write-ins for other lines of business.....	18,758	20.1	558	0.6	9	0.0	1,005	1.1	(2,901)	(3.1)	11,865	12.7
34. TOTAL (Lines 1 through 33).....	1,313,370	15.8	245,496	3.0	254,033	3.1	554,898	6.7	(73,924)	(0.9)	33,889	0.4

**DETAILS OF WRITE-INS**

3301. Combined write-ins for IEE-Part III Line 33.....	18,758	0.0	558	0.0	9	0.0	1,005	0.0	(2,901)	0.0	11,865	0.0
3302. ....												
3303. ....												
3398. Summary of remaining write-ins for Line 33 from overflow page.....												
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	18,758	0.0	558	0.0	9	0.0	1,005	0.0	(2,901)	0.0	11,865	0.0

IEE7

**Ins. Expense Ex.-Overflow for Write-Ins (Portrait)**  
**NONE**

**Ins. Expense Ex.-Overflow for Write-Ins (Landscape)**  
**NONE**